

115TH CONGRESS
2D SESSION

H. R. 5352

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 20, 2018

Ms. KUSTER of New Hampshire (for herself, Mr. NOLAN, and Ms. SHEA-PORTER) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, 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 “Rural Housing Preser-
5 vation Act of 2018”.

1 **SEC. 2. AVAILABILITY OF RURAL HOUSING VOUCHERS FOR**
2 **TENANTS IN PROJECTS WITH MATURING**
3 **LOANS.**

4 (a) IN GENERAL.—Section 542 of the Housing Act
5 of 1949 (42 U.S.C. 1490r) is amended by adding at the
6 end the following new subsections:

7 “(c) RURAL VOUCHERS FOR TENANTS OF PROJECTS
8 WITH PREPAID OR MATURING LOANS.—

9 “(1) AUTHORITY.—Subject to the availability of
10 amounts provided in appropriation Acts and to para-
11 graph (3), the Secretary shall provide rural housing
12 vouchers under this section, in the amount provided
13 under this section, to any low-income household (in-
14 cluding those not receiving rental assistance) resid-
15 ing in a property financed with a loan made or in-
16 sured under section 514 or 515 (42 U.S.C. 1484,
17 1485) which has been prepaid, has been foreclosed,
18 or has matured, after September 30, 2005, or resid-
19 ing in a property assisted under section 514 or 516
20 (42 U.S.C. 1484, 1486) that is owned by a nonprofit
21 organization or public agency.

22 “(2) ADMINISTRATION AND SUBSIDIES.—The
23 Secretary shall, to the maximum extent practicable,
24 administer and operate such vouchers with current
25 regulations and administrative guidance applicable
26 to enhanced vouchers under section 8(t) of the

1 United States Housing Act of 1937 (42 U.S.C.
2 1437f(t)) and administered by the Secretary of
3 Housing and Urban Development. The amount of
4 rental assistance provided on behalf of holders of
5 such vouchers shall be the same as that provided on
6 behalf of holders of enhanced vouchers under such
7 section 8(t).

8 “(3) TERMINATION OF ASSISTANCE.—The Sec-
9 retary shall terminate the provision of voucher as-
10 sistance pursuant to this subsection, with respect to
11 a property, if—

12 “(A) at any time, a new loan is made or
13 insured under section 515 or 514 for the prop-
14 erty; and

15 “(B) as a result of such loan, rental assist-
16 ance is provided on behalf of the voucher holder
17 in an amount comparable to the rental assist-
18 ance provided on behalf of the voucher holder
19 under the voucher program.

20 “(d) LIMITATION RELATING TO PROJECTS WITH
21 PREPAID LOANS.—The Secretary shall not issue vouchers
22 under this section to residents who remain in properties
23 that were financed with a loan made or insured under sec-
24 tion 514 or 515 that has been prepaid and that are subject
25 to any restrictive use agreements entered into pursuant

1 to section 502(c)(5)(G). The Secretary shall review and
2 approve all proposed rent increases for residents of such
3 properties that are protected by such use agreements and
4 issue, to such residents, limited voucher assistance that
5 covers the cost of all approved future rent increases that
6 are not related to the cost of prepaying the loan or refi-
7 nancing the property.”.

8 (b) REQUIREMENT FOR SECTION 515 PROJECTS TO
9 ACCEPT VOUCHERS.—Section 515 of the Housing Act of
10 1949 (42 U.S.C. 1485) is amended by adding at the end
11 the following new subsection:

12 “(bb) REQUIREMENT TO ACCEPT RURAL HOUSING
13 VOUCHERS.—No owner of a property previously financed
14 with a loan made or insured under this section, whether
15 such loan is outstanding or fully paid, may refuse to lease
16 an available dwelling unit in the property to a household
17 on behalf of whom voucher assistance is provided under
18 section 542 (42 U.S.C. 1490r), and to enter into a voucher
19 contract respecting such unit, a proximate cause of which
20 is the status of such current or prospective tenant as a
21 holder of such voucher.”.

1 **SEC. 3. DECOUPLING RENTAL ASSISTANCE FROM MATUR-**
2 **ING RURAL HOUSING LOANS.**

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

6 “(F) RENTAL ASSISTANCE FOR PROJECTS
7 WITH MATURED LOANS.—

8 “(i) AUTHORITY.—To continue to
9 make decent, safe and sanitary housing
10 available to low-income occupants of
11 projects originally financed with a loan
12 made or insured under section 514 or 515
13 that has matured on or after the date of
14 the enactment of this subparagraph or
15 with a grant under section 516, and at
16 rental rates commensurate to income as
17 specified in subparagraph (A) of this para-
18 graph, the Secretary may, subject to the
19 availability of amounts provided in appro-
20 priation Acts, contract to make, make, and
21 renew annual assistance payments pursu-
22 ant to this subparagraph to the owners of
23 such projects.

24 “(ii) OFFER.—The Secretary shall en-
25 sure that an offer to provide a contract for
26 assistance payments pursuant to this sub-

1 paragraph shall be extended to all owners
2 of projects described in clause (i) not later
3 than 24 months before the maturation of
4 the loan (except in the case of loans ma-
5 turing after the date that is 24 months be-
6 fore the date of the enactment of this sub-
7 paragraph).

8 “(iii) TERMS.—Each contract for as-
9 sistance payments pursuant to this sub-
10 paragraph shall—

11 “(I) have a term of 20 years and
12 be subject to availability of amounts
13 provided in annual appropriations
14 Acts;

15 “(II) cover all new and existing
16 households residing in the project, re-
17 gardless of whether or not they were
18 previously assisted under the rental
19 assistance program authorized under
20 subparagraph (A);

21 “(III) be recorded at such local
22 real property recording office as is
23 prescribed by the State in which the
24 project is located;

1 “(IV) bind the owner of the
2 project and the owner’s successors to
3 continue to operate the project in ac-
4 cordance with such agreements;

5 “(V) require the owner (and such
6 successors) to agree to continue to op-
7 erate the projects as if it were subject
8 to an existing loan under section 514
9 or 515 or grant under section 516, as
10 applicable;

11 “(VI) extend to residents of the
12 project all the rights that at the time
13 such contract is entered into are ex-
14 tended to residents of projects subject
15 to an existing loan under section 514
16 or 515 or a grant under section 516,
17 as applicable;

18 “(VII) require the owner (and
19 such successors) to maintain the as-
20 sisted housing as decent, safe, and
21 sanitary housing; and

22 “(VIII) provide that the Sec-
23 retary may renew the contract for ad-
24 ditional 5-year terms if the assisted
25 housing is maintained in such decent,

1 safe, and sanitary condition, as deter-
2 mined by the Secretary.

3 “(iv) ACTUAL MARKET RENTALS.—

4 “(I) IN GENERAL.—A contract
5 for assistance provided pursuant to
6 this subparagraph for a project shall
7 provide assistance to the owner based
8 on an initial reasonable operating
9 budget the rents for which do not ex-
10 ceed such actual market rental rates
11 for the area in which the project is lo-
12 cated, as are established by the Sec-
13 retary.

14 “(II) ADJUSTMENT; RENEWAL.—
15 The Secretary shall adjust the actual
16 market rental rates used for purposes
17 of this clause annually.

18 “(v) RENEWAL; ADJUSTMENT.—In
19 providing assistance pursuant to this sub-
20 paragraph, the Secretary shall require the
21 owner of the project to renew the assist-
22 ance provided to each household not less
23 frequently than annually, in accordance
24 with the provisions of subparagraph (A),
25 and shall adjust the amount of assistance

1 provided to a household at any other time
2 upon a decrease in the household's month-
3 ly income of \$100 or more.

4 “(vi) ADMINISTRATION.—Rental as-
5 sistance contracts authorized by this sub-
6 paragraph shall, except as otherwise pro-
7 vided in this subparagraph, be adminis-
8 tered by the Secretary in the same manner
9 as rental assistance contracts for projects
10 having existing loans made or insured
11 under section 515 or existing loans and
12 grants made under sections 514 and
13 516.”.

14 **SEC. 4. UNIFORM STANDARDS FOR TRANSFERS OF SEC-**
15 **TION 515 PROPERTIES USING LOW-INCOME**
16 **TAX CREDITS.**

17 Section 515 of the Housing Act of 1949 (42 U.S.C.
18 1485), as amended by the preceding provisions of this Act,
19 is further amended by adding at the end the following new
20 subsection:

21 “(cc) REQUIREMENTS FOR TRANSFERS OF PROP-
22 erties involving low-income housing tax cred-
23 its.—The Secretary shall establish, without exception,
24 uniform requirements, terms, and conditions for any sale
25 or transfer of a property financed with a loan under this

1 section to any entity, including a nonprofit organization,
2 that is seeking to acquire such property with amounts au-
3 thorized under this section and any low-income housing
4 tax credit under section 42 of the Internal Revenue Code
5 of 1986.”.

6 **SEC. 5. RURAL MULTIFAMILY HOUSING REVITALIZATION**
7 **PROGRAM.**

8 Section 515 of the Housing Act of 1949 (42 U.S.C.
9 1485), as amended by the preceding provisions of this Act,
10 is further amended by adding at the end the following new
11 subsection:

12 “(dd) MULTIFAMILY HOUSING REVITALIZATION
13 PROGRAM.—

14 “(1) IN GENERAL.—The Secretary may estab-
15 lish a Multifamily Housing Revitalization Program
16 for the preservation and revitalization of multifamily
17 housing projects funded with loans made available
18 pursuant to this section and sections 514 and 516
19 to ensure that such projects have sufficient resources
20 to provide safe and affordable housing for low-in-
21 come residents and farm laborers.

22 “(2) OPTIONS.—In carrying out paragraph (1),
23 the Secretary may—

24 “(A) with respect to such loans—

25 “(i) reduce or eliminate interest;

1 “(ii) defer loan payments; and

2 “(iii) subordinate, reduce, or reamortize loan debt; and

3 “(B) provide other financial assistance, including—

4 “(i) advances; and

5 “(ii) payments and incentives (including the ability of owners to obtain reasonable returns on investment).

6 “(3) REQUIREMENTS.—In exchange for assistance provided pursuant to this subsection, the Secretary shall enter into a restrictive use agreement with the property owner to ensure that the property remains subject to low-income use restrictions for an additional period of time consistent with the terms of the restructuring.

7 “(4) USE OF FUNDS FOR RURAL HOUSING VOUCHERS.—

8 “(A) AUTHORITY.—If the Secretary determines that additional voucher funds under section 542 (42 U.S.C. 1490r) are needed, funds for the revitalization program under this subsection may be used for such vouchers for any low-income household (including those not receiving rental assistance) residing in a property

1 financed with a loan under this section that has
2 been prepaid after September 30, 2005.

3 “(B) AMOUNT.—Notwithstanding section
4 542, the amount of a voucher provided pursu-
5 ant to this paragraph shall be the difference be-
6 tween comparable market rent for the unit and
7 the tenant-paid rent for such unit.

8 “(C) AVAILABILITY.—Funds made avail-
9 able for vouchers pursuant to this paragraph
10 shall be subject to the availability of annual ap-
11 propriations.

12 “(D) ADMINISTRATION.—The Secretary
13 shall, to the maximum extent practicable, ad-
14 minister vouchers provided pursuant to this
15 paragraph with current regulations and admin-
16 istrative guidance applicable to housing vouch-
17 ers under section 8 of the United States Hous-
18 ing Act of 1937 (42 U.S.C. 1437f) adminis-
19 tered by the Secretary of Housing and Urban
20 Development.

21 “(5) USE OF VOUCHER FUNDS FOR REVITAL-
22 IZATION PROGRAM.—If the Secretary determines
23 that additional funds for the revitalization program
24 under this section are needed, funds for the rural
25 housing voucher program under section 542 may be

1 used for the revitalization program under this sec-
2 tion.”.

3 **SEC. 6. REGULATIONS.**

4 The Secretary of Agriculture shall issue regulations
5 necessary to carry out the amendments made by this Act
6 not later than the expiration of the 120-day period begin-
7 ning on the date of the enactment of this Act.

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