

105TH CONGRESS
1ST SESSION

H. R. 2406

To provide for the temporary extension of certain programs relating to public housing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 4, 1997

Mr. LAZIO of New York (for himself and Mr. LEACH) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To provide for the temporary extension of certain programs relating to public 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,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Temporary Extension
5 of Public Housing Reform Provisions Act of 1997”.

1 **TITLE I—PUBLIC HOUSING AND**
2 **SECTION 8 RENTAL ASSISTANCE**

3 **SEC. 101. PUBLIC HOUSING CEILING RENTS AND INCOME**
4 **ADJUSTMENTS AND PREFERENCES FOR AS-**
5 **SISTED HOUSING.**

6 Section 402(f) of The Balanced Budget Downpay-
7 ment Act, I (42 U.S.C. 1437aa note) is amended by in-
8 serting before the period at the end the following: “and
9 the portion of fiscal year 1998 that precedes April 1,
10 1998”.

11 **SEC. 102. PUBLIC HOUSING DEMOLITION AND DISPOSI-**
12 **TION.**

13 Section 1002(d) of the Emergency Supplemental Ap-
14 propriations for Additional Disaster Assistance, for Anti-
15 terrorism Initiatives, for Assistance in the Recovery from
16 the Tragedy that Occurred at Oklahoma City, and Rescis-
17 sions Act, 1995 (42 U.S.C. 1437c note) is amended by
18 striking “September 30, 1997” and inserting “March 31,
19 1998”.

20 **SEC. 103. PUBLIC HOUSING FUNDING FLEXIBILITY AND**
21 **MIXED-FINANCE DEVELOPMENTS.**

22 Section 201(a)(2) of the Departments of Veterans
23 Affairs and Housing and Urban Development, and Inde-
24 pendent Agencies Appropriations Act, 1996 (as contained
25 in section 101(e) of the Omnibus Consolidated Rescissions

1 and Appropriations Act of 1996 (Public Law 104–134))
 2 (42 U.S.C. 1437l note) is amended by striking “fiscal year
 3 1997” and inserting “the portion of fiscal year 1998 that
 4 precedes April 1, 1998”.

5 **SEC. 104. MINIMUM RENTS.**

6 Section 402(a) of The Balanced Budget Downpayment
 7 Act, I (Public Law 104–99; 110 Stat. 40) is amended in
 8 the matter preceding paragraph (1) by inserting after “fis-
 9 cal year 1997” the following: “and for the portion of fiscal
 10 year 1998 that precedes April 1, 1998”.

11 **SEC. 105. PROVISIONS RELATING TO SECTION 8 RENTAL AS-**
 12 **SISTANCE PROGRAM.**

13 (a) TAKE-ONE-TAKE-ALL, NOTICE REQUIREMENTS,
 14 AND ENDLESS LEASE PROVISIONS.—Section 203(d) of
 15 the Departments of Veterans Affairs and Housing and
 16 Urban Development, and Independent Agencies Appro-
 17 priations Act, 1996 (as contained in section 101(e) of the
 18 Omnibus Consolidated Rescissions and Appropriations Act
 19 of 1996 (Public Law 104–134)) (42 U.S.C. 1437f note)
 20 is amended by striking “for fiscal years 1996 and 1997
 21 only” and inserting “only for fiscal year 1996, fiscal year
 22 1997, and the portion of fiscal year 1998 that precedes
 23 April 1, 1998”.

24 (b) FAIR MARKET RENTALS.—The first sentence of
 25 section 403(a) of The Balanced Budget Downpayment

1 Act, I (Public Law 104–99; 110 Stat. 43) is amended by
 2 inserting after “fiscal year 1997” the following: “and the
 3 portion of fiscal year 1998 that precedes April 1, 1998,”.

4 **TITLE II—FEDERALLY ASSISTED**
 5 **MULTIFAMILY RENTAL HOUSING**

6 **SEC. 201. SECTION 8 PROJECT-BASED ASSISTANCE CON-**
 7 **TRACT RENEWAL AUTHORITY.**

8 Section 211 of the Departments of Veterans Affairs
 9 and Housing and Urban Development, and Independent
 10 Agencies Appropriations Act, 1997 (42 U.S.C. 1437f
 11 note) is amended—

12 (1) in subsection (a)(1), by inserting “or 1998”
 13 before the semicolon at the end; and

14 (2) in subsection (b)(4)(A), by inserting after
 15 “fiscal year 1997” each place it appears the follow-
 16 ing: “or 1998”.

17 **SEC. 202. MORTGAGE RESTRUCTURING DEMONSTRATION**
 18 **FOR FHA-INSURED MULTIFAMILY HOUSING.**

19 Section 212 of the Departments of Veterans Affairs
 20 and Housing and Urban Development, and Independent
 21 Agencies Appropriations Act, 1997 (42 U.S.C. 1437f
 22 note) is amended—

23 (1) in subsection (a)(1)(B), by striking “fiscal
 24 year 1997” and inserting “fiscal year 1998”;

1 (2) in subsection (a)(3)(B), by inserting “or
2 1998” before the semicolon at the end;

3 (3) in subsection (h)(1)(B), by striking “fiscal
4 year 1997” and inserting “fiscal years 1997 and
5 1998”; and

6 (4) in subsection (h)(1)(F)(ii), by striking “fis-
7 cal year 1997” and inserting: “fiscal years 1997 and
8 1998”.

9 **SEC. 203. MULTIFAMILY HOUSING FINANCE PILOT PRO-**
10 **GRAMS.**

11 Section 542 of the Housing and Community Develop-
12 ment Act of 1992 (12 U.S.C. 1707 note) is amended—

13 (1) in subsection (b)(5), by inserting before the
14 period at the end of the first sentence the following:
15 “, and not more than an additional 15,000 units
16 during fiscal year 1998”; and

17 (2) in the first sentence of subsection (c)(4)—

18 (A) by striking “and” and inserting a
19 comma; and

20 (B) by inserting before the period at the
21 end the following: “, and not more than an ad-
22 ditional 15,000 units during fiscal year 1998”.

23 **SEC. 204. PROPERTY DISPOSITION.**

24 (a) **ENHANCED AUTHORITY FOR HUD DISPOSITION**
25 **OF MULTIFAMILY HOUSING.**—Section 204 of the Depart-

1 ments of Veterans Affairs and Housing and Urban Devel-
 2 opment, and Independent Agencies Appropriations Act,
 3 1997 (12 U.S.C. 1715z–11a) is amended by inserting
 4 after “owned by the Secretary” the following: “, including
 5 the provision of grants and loans from the General Insur-
 6 ance Fund for the necessary costs of rehabilitation or
 7 demolition,”.

8 (b) DISPOSITION FOR AFFORDABLE HOUSING PUR-
 9 POSES.—The provisions of section 714 of the bill, H.R.
 10 2 (105th Congress), as passed by the House of Represent-
 11 atives on May 14, 1997, are hereby enacted into law.

12 **SEC. 205. MULTIFAMILY MORTGAGE AUCTIONS.**

13 Section 221(g)(4)(C) of the National Housing Act
 14 (12 U.S.C. 1715l(g)(4)(C)) is amended—

15 (1) in the first sentence of clause (viii), by
 16 striking “September 30, 1996” and inserting “De-
 17 cember 31, 2005”; and

18 (2) by adding at the end the following new
 19 clauses:

20 “(ix) Subject to the limitation in clause (x), the
 21 costs of any multifamily auctions under this sub-
 22 paragraph occurring during any fiscal year shall be
 23 paid from amounts in the General Insurance Fund
 24 established under section 519.

1 “(x) This authority of the Secretary to conduct
 2 multifamily auctions under this subparagraph shall
 3 be effective for any fiscal year only to the extent or
 4 in such amounts that amounts in the General Insur-
 5 ance Fund are or have been approved in appropria-
 6 tion Acts for costs of such auctions occurring during
 7 such fiscal year.”.

8 **SEC. 206. INTEREST REDUCTION PAYMENTS IN CONNEC-**
 9 **TION WITH SALES OF SECTION 236 MORT-**
 10 **GAGES HELD BY HUD.**

11 Section 236 of the National Housing Act (12 U.S.C.
 12 1715z-1) is amended—

13 (1) in the first sentence of subsection (b), by in-
 14 serting before the colon at the end of the first pro-
 15 viso the following: “and when the mortgage is as-
 16 signed or otherwise transferred to a subsequent
 17 holder or purchaser (including any successors and
 18 assignees)”;

19 (2) in subsection (c)—

20 (A) by inserting “(1)” after the subsection
 21 designation; and

22 (B) by adding at the end the following new
 23 paragraphs:

24 “(2) The Secretary may continue to make interest re-
 25 duction payments to the holder or purchaser (including

1 any successors and assignees) of a mortgage formerly held
 2 by the Secretary upon such terms and conditions as the
 3 Secretary may determine. In exercising the authority
 4 under the preceding sentence, upon cancellation of any
 5 contract for such interest reduction payments as a result
 6 of foreclosure or transfer of a deed in lieu of foreclosure,
 7 any amounts of budget authority which would have been
 8 available for such contract, absent cancellation, shall re-
 9 main available for the project for the balance of the term
 10 of the original mortgage upon such terms and conditions
 11 as the Secretary may determine.

12 “(3) Notwithstanding subsection (i)(2) or any other
 13 provision of law, in connection with the sale of mortgages
 14 held by the Secretary, the Secretary may establish appro-
 15 priate terms and conditions, based on section 42 of the
 16 Internal Revenue Code of 1986 or another appropriate
 17 standard, for determining eligibility for occupancy in the
 18 project and rental charges.”.

19 **SEC. 207. ASSIGNMENT OF REGULATORY AGREEMENTS IN**
 20 **CONNECTION WITH SALES OF MORTGAGES**
 21 **HELD BY HUD.**

22 Section 203(k) of the Housing and Community De-
 23 velopment Amendments of 1978 (12 U.S.C. 1701z–11(k))
 24 is amended by adding at the end the following new para-
 25 graph:

1 “(7) ASSIGNMENT OF REGULATORY AGREE-
2 MENT IN CONNECTION WITH SALE OF MORT-
3 GAGES.—Notwithstanding any other provision of
4 law, and upon such terms and conditions as the Sec-
5 retary may prescribe, the Secretary may, in connec-
6 tion with the sale of mortgages held by the Sec-
7 retary, provide for the assumption of all rights and
8 responsibilities under the regulatory agreement exe-
9 cuted by or for the benefit of the Secretary. Such as-
10 sumption shall further provide for the regulatory
11 agreement to be so assumed by any successor or as-
12 signee of the initial assuming entity. Such regulatory
13 agreement shall continue to be binding upon the
14 mortgagor and its successors and assignees.”.

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