

105TH CONGRESS
2D SESSION

H. R. 3635

To provide for the conversion of housing projects for elderly persons financed by direct loans to financing under project rental assistance contracts.

IN THE HOUSE OF REPRESENTATIVES

APRIL 1, 1998

Mr. LAZIO of New York (for himself, Mr. LEACH, Mr. KENNEDY of Massachusetts, Mr. HAYWORTH, Mr. BEREUTER, Mr. SESSIONS, Mr. TRAFICANT, Mr. ENSIGN, Mr. EHRLICH, Mr. NEY, Mr. FOX of Pennsylvania, Mrs. KELLY, Mr. PORTMAN, Mr. JACKSON, Mr. JONES, Mr. COOK, Mr. ENGLISH of Pennsylvania, and Mr. METCALF) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To provide for the conversion of housing projects for elderly persons financed by direct loans to financing under project rental assistance contracts.

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 “Senior Citizens” Hous-
5 ing Financial Restructuring Act of 1998”.

1 **SEC. 2. CONVERSION.**

2 Subject to the provisions of this Act and the agree-
3 ment of the owner of a project assisted under section 202
4 of the Housing Act of 1959 (as in effect before the enact-
5 ment of the Cranston-Gonzalez National Affordable Hous-
6 ing Act) and section 8 of the United States Housing Act
7 of 1937, the Secretary may convert the financing of any
8 such housing project to financing under section 202 of the
9 Housing Act of 1959, as amended by section 801 of the
10 Cranston-Gonzalez National Affordable Housing Act (12
11 U.S.C. 1701q).

12 **SEC. 3. DEBT FORGIVENESS.**

13 (a) IN GENERAL.—Subject to subsection (b), in con-
14 verting the financing of any housing project pursuant to
15 this Act, the Secretary may cancel any indebtedness to
16 the Secretary relating to any remaining principal and in-
17 terest under any loan for the project made under section
18 202 of the Housing Act of 1959 (as in effect before the
19 enactment of the Cranston-Gonzalez National Affordable
20 Housing Act).

21 (b) BUDGET ACT COMPLIANCE.—The authority of
22 the Secretary to cancel indebtedness under subsection (a)
23 shall be effective only to the extent or in such amounts
24 as are or have been provided in advance in appropriation
25 Acts.

1 **SEC. 4. CANCELLATION OF SECTION 8 CONTRACTS AND**
2 **USE OF PROJECT FUNDS.**

3 (a) IN GENERAL.—In converting the financing of any
4 housing project pursuant to this Act, the Secretary may
5 cancel any contract for rental assistance for the project
6 under section 8 of the United States Housing Act of 1937.

7 (b) USE OF UNEXPENDED AMOUNTS.—Amounts pre-
8 viously obligated for such contract that remain unex-
9 pended shall be used, to the extent the Secretary considers
10 appropriate, in accordance with subsection (d) to improve
11 the market viability, affordability, or service to low-income
12 elderly residents of the project. Any such unexpended
13 amounts in excess of the amount used in accordance with
14 subsection (d) shall be recaptured by the Secretary.

15 (c) USE OF PROJECT FUNDS.—In converting the fi-
16 nancing of any housing project pursuant to this Act, the
17 Secretary may authorize the owner of the project to use
18 any residual receipts held for the project that exceed \$500
19 per unit (or such other amount as the Secretary may pre-
20 scribe based on the needs of the project) in accordance
21 with subsection (d) to improve the market viability, afford-
22 ability, or service to low-income elderly residents of the
23 project.

24 (d) ELIGIBLE ACTIVITIES.—Amounts are used in ac-
25 cordance with this subsection only if they are used—

1 (1) to provide rental assistance for the project,
2 under a contract for project rental assistance under
3 section 202(c)(2) of the Housing Act of 1959, which
4 has a duration that is not less than the remainder
5 of the section 8 contract canceled; or

6 (2) to retrofit or renovate the project or provide
7 a service coordinator for residents of the project, to
8 the same extent that such activities are authorized
9 to be provided under section 802 of the Cranston-
10 Gonzalez National Affordable Housing Act to hous-
11 ing assisted under such section.

12 **SEC. 5. THIRD PARTY PROCESSING.**

13 The Secretary may enter into contracts with public
14 or private entities as the Secretary considers appropriate
15 to facilitate efficient processing of elderly housing project
16 conversions under this Act.

17 **SEC. 6. WAIVER AUTHORITY.**

18 The Secretary may waive the applicability of any pro-
19 vision of law or regulation necessary to carry out this Act.

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