

106TH CONGRESS
1ST SESSION

H. R. 1624

To improve the quality of housing for elderly individuals and families, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 1999

Mr. LAFALCE (for himself, Mr. VENTO, Mr. KANJORSKI, Mr. FRANK of Massachusetts, Ms. HOOLEY of Oregon, Ms. LEE, Ms. SCHAKOWSKY, Mrs. MEEK of Florida, Mr. WAXMAN, Mr. RAHALL, Mr. FILNER, Mr. BROWN of California, Ms. WOOLSEY, Mr. OLVER, Mr. MEEHAN, and Mr. BRADY of Pennsylvania) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To improve the quality of housing for elderly individuals
and families, 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 “Elderly Housing Qual-
5 ity Improvement Act”.

1 **SEC. 2. GRANTS FOR ELDERLY HOUSING CAPITAL REPAIR**
 2 **AND CONVERSION TO ASSISTED LIVING FA-**
 3 **CILITIES.**

4 Title II of the Housing Act of 1959 is amended by
 5 inserting after section 202a (12 U.S.C. 1701q–1) the fol-
 6 lowing new section:

7 **“SEC. 202b. GRANTS FOR ELDERLY HOUSING CAPITAL RE-**
 8 **PAIR AND CONVERSION TO ASSISTED LIVING**
 9 **FACILITIES.**

10 “(a) GENERAL AUTHORITY.—The Secretary may
 11 make grants to eligible grantees described in subsection
 12 (b) for one or both of the following activities:

13 “(1) REPAIRS.—Substantial capital repairs to a
 14 project that are needed to rehabilitate, modernize, or
 15 retrofit aging structures, common areas, or indi-
 16 vidual dwelling units.

17 “(2) CONVERSION.—Activities designed to con-
 18 vert dwelling units in the project to assisted living
 19 facilities for elderly persons.

20 “(b) ELIGIBLE GRANTEES.—The Secretary may
 21 make grants to owners of housing projects that are—

22 “(1) described in subparagraphs (B), (C), (D),
 23 (E), (F), or (G) of section 683(2) of the Housing
 24 and Community Development Act of 1992 (42
 25 U.S.C. 13641(2)); and

1 “(2) designated primarily for occupancy by el-
2 derly persons.

3 “(c) APPLICATIONS.—Applications for grants under
4 this section shall be submitted to the Secretary in accord-
5 ance with such procedures as the Secretary shall establish.
6 Such applications shall contain—

7 “(1) a description of the substantial capital re-
8 pairs or the proposed conversion activities for which
9 a grant under this section is requested;

10 “(2) the amount of the grant requested to com-
11 plete the substantial capital repairs or conversion ac-
12 tivities;

13 “(3) a description of the resources that are ex-
14 pected to be made available, if any, in conjunction
15 with the grant under this section; and

16 “(4) such other information or certifications
17 that the Secretary determines to be necessary or ap-
18 propriate.

19 “(d) SELECTION CRITERIA.—The Secretary shall es-
20 tablish selection criteria for grants under this section,
21 which shall include—

22 “(1) in the case of a grant for substantial cap-
23 ital repairs, the extent to which the project to be re-
24 paired is in need of such repair, including such fac-
25 tors as the age of improvements to be repaired, and

1 the impact on the health and safety of residents of
2 failure to make such repairs;

3 “(2) in the case of a grant for conversion activi-
4 ties, the extent to which the conversion is likely to
5 provide assisted living facilities that are needed or
6 are expected to be needed by the categories of elder-
7 ly persons that the assisted living facility is intended
8 to serve, with a special emphasis on very low-income
9 elderly persons who need assistance with activities of
10 daily living;

11 “(3) the inability of the applicant to fund the
12 repairs or conversion activities from existing finan-
13 cial resources, as evidenced by the applicant’s finan-
14 cial records, including assets in the applicant’s resid-
15 ual receipts account and reserves for replacement ac-
16 count;

17 “(4) the extent to which the applicant has evi-
18 denced community support for the repairs or conver-
19 sion, by such indicators as letters of support from
20 the local community for the repairs or conversion
21 and financial contributions from public and private
22 sources;

23 “(5) in the case of a grant for conversion activi-
24 ties, the extent to which the applicant demonstrates
25 a strong commitment to promoting the autonomy

1 and independence of the elderly persons that the as-
2 sisted living facility is intended to serve;

3 “(6) in the case of a grant for conversion activi-
4 ties, the quality, completeness, and managerial capa-
5 bility of providing the services which the assisted liv-
6 ing facility intends to provide to elderly residents,
7 especially in such areas as meals, 24-hour staffing,
8 and on-site health care; and

9 “(7) such other criteria as the Secretary deter-
10 mines to be appropriate to ensure that funds made
11 available under this section are used effectively.

12 “(e) DEFINITIONS.—For the purposes of this
13 section—

14 “(1) the term ‘assisted living facility’ has the
15 meaning given that term in section 232(b) of the
16 National Housing Act (12 U.S.C. 1715w(b)); and

17 “(2) the definitions in section 202(k) shall
18 apply.

19 “(f) AUTHORIZATION OF APPROPRIATIONS.—There
20 is authorized to be appropriated for providing grants
21 under this section \$100,000,000 for fiscal year 2000 and
22 such sums as may be necessary for each of fiscal years
23 2001 and 2002.”.

1 **SEC. 3. REHABILITATION AND MAINTENANCE OF FEDER-**
2 **ALLY ASSISTED HOUSING UNITS.**

3 (a) SECTION 202 PREPAYMENT AND REFI-
4 NANCING.—

5 (1) APPROVAL OF PREPAYMENT OF DEBT.—

6 Upon request of the project sponsor, the Secretary
7 shall approve the prepayment of any indebtedness to
8 the Secretary relating to any remaining principal
9 and interest under any loan for a project made
10 under section 202 of the Housing Act of 1959 as
11 part of a refinancing plan in which—

12 (A) the project sponsor agrees to operate
13 the project until the maturity date of the origi-
14 nal loan under terms at least as advantageous
15 to existing and future tenants as the terms re-
16 quired by the original loan agreement or any
17 section 8 rental assistance payments contract
18 relating to the project; and

19 (B) results in a lower interest rate on the
20 principal of the loan for the project and in re-
21 ductions in debt service related to such loan.

22 (2) SOURCES OF REFINANCING.—The project
23 sponsor may refinance a project under this section
24 through refinancing by any third party source, in-
25 cluding financing by State and local housing finance
26 agencies, use of tax-exempt bonds, multi-family

1 mortgage insurance under the National Housing
2 Act, reinsurance, or other credit enhancements, in-
3 cluding risk sharing as provided under section 542
4 of the Housing and Community Development Act of
5 1992. For purposes of underwriting a loan insured
6 under the National Housing Act, the Secretary may
7 assume that any section 8 assistance contract relat-
8 ing to a project will be renewed for the term of such
9 loan.

10 (3) USE OF UNEXPENDED AMOUNTS.—Upon
11 execution of the refinancing, the Secretary shall
12 make available at least 50 percent of the annual sav-
13 ings resulting from reduced section 8 assistance con-
14 tracts in a manner that is advantageous to the ten-
15 ants, including—

16 (A) not more than 15 percent of the cost
17 of increasing the availability or provision of
18 supportive services;

19 (B) rehabilitation, modernization, or ret-
20 rofit of structures, common areas, or individual
21 dwelling units;

22 (C) construction of an addition or other fa-
23 cility in the project, including assisted living fa-
24 cilities (or, upon the approval of the Secretary,
25 facilities located in the community where the

1 project sponsor refinances a project under this
2 section or pools shared resources from more
3 than one such project); or

4 (D) rent reduction of unassisted tenants
5 residing in the project according to a pro rata
6 allocation of shared savings resulting from the
7 refinancing.

8 (4) USE OF CERTAIN PROJECT FUNDS.—The
9 Secretary shall allow a project sponsor that is pre-
10 paying and refinancing a project under this
11 section—

12 (A) to use any residual receipts held for
13 that project in excess of \$500 per individual
14 dwelling unit for not more than 15 percent of
15 the cost of activities designed to increase the
16 availability or provision of supportive services;
17 and

18 (B) to use any reserves for replacement in
19 excess of \$1,000 per individual dwelling unit for
20 activities described in subparagraphs (B) and
21 (C) of paragraph (3).

22 (b) REHABILITATION LOANS FROM RECAPTURED
23 IRP AMOUNTS.—Section 236(s) of the National Housing
24 Act (12 U.S.C. 1715z–1) is amended—

1 (1) by striking the subsection designation and
2 heading and inserting the following:

3 “(s) GRANTS AND LOANS FOR REHABILITATION OF
4 MULTIFAMILY PROJECTS.—”;

5 (2) in paragraph (1), by inserting “and loans”
6 after “grants”;

7 (3) in paragraph (2)—

8 (A) in the matter preceding subparagraph
9 (A), by striking “capital grant assistance under
10 this subsection” and inserting “capital assist-
11 ance under this subsection under a grant or
12 loan only”; and

13 (B) in subparagraph (D)(i), by striking
14 “capital grant assistance” and inserting “cap-
15 ital assistance under this subsection from a
16 grant or loan (as appropriate)”;

17 (4) in paragraph (3), by striking all of the mat-
18 ter that precedes subparagraph (A) and inserting
19 the following:

20 “(3) ELIGIBLE USES.—Amounts from a grant
21 or loan under this subsection may be used only for
22 projects eligible under paragraph (2) for the pur-
23 poses of—”;

24 (5) in paragraph (4)—

1 (A) by striking the paragraph heading and
2 inserting “GRANT AND LOAN AGREEMENTS”;
3 and

4 (B) by inserting “or loan” after “grant”,
5 each place it appears;

6 (6) in paragraph (5), by inserting “or loan”
7 after “grant”, each place it appears;

8 (7) in paragraph (6), by adding at the end the
9 following new subparagraph:

10 “(D) LOANS.—In making loans under this
11 subsection using the amounts that the Sec-
12 retary has recaptured from contracts for inter-
13 est reduction payments pursuant to clause (i)
14 or (ii) of paragraph (7)(A)—

15 “(i) the Secretary may use such re-
16 captured amounts for costs (as such term
17 is defined in section 502 of the Congres-
18 sional Budget Act of 1974) of such loans;

19 “(ii) the Secretary may make loans in
20 any fiscal year only to the extent or in
21 such amounts that amounts are used
22 under clause (i) to cover costs of such
23 loans.

24 “(iii) the authority of the Secretary to
25 enter into commitments to make such

1 loans shall be effective for any fiscal year
2 only to the extent that (I) there is enacted
3 in advance, in an appropriations Act, a
4 maximum limitation on the aggregate prin-
5 cipal amount of such commitments for
6 such fiscal year, and (II) the aggregate
7 principal amount of such commitments en-
8 tered into by the Secretary does not exceed
9 such maximum amount.”;

10 (8) by redesignating paragraphs (5) and (6) (as
11 amended by the preceding provisions of this sub-
12 section) as paragraphs (6) and (7); and

13 (9) by inserting after paragraph (4) the fol-
14 lowing new paragraph:

15 “(5) LOAN TERMS.—A loan under this
16 subsection—

17 “(A) shall provide amounts for the eligible
18 uses under paragraph (3) in a single loan dis-
19 bursement of loan principal;

20 “(B) shall be repaid, as to principal and
21 interest, on behalf of the borrower using
22 amounts recaptured from contracts for interest
23 reduction payments pursuant to clause (i) or
24 (ii) of paragraph (7)(A);

“(C) shall have a term to maturity of the same duration as the remaining period for which the interest reduction payments for the insured mortgage that funds repayment of the loan would have continued after extinguishment or writedown of the mortgage (in accordance with the terms of such mortgage in effect immediately before such extinguishment or writedown);

“(D) shall bear interest at a rate, as determined by the Secretary of the Treasury, that is based upon the current market yields on outstanding marketable obligations of the United States having comparable maturities; and

“(E) shall involve a principal obligation of an amount not exceeding the amount that can be repaid using amounts described in subparagraph (B) over the term determined in accordance with subparagraph (C), with interest at the rate determined under subparagraph (D).”.

(c) ELIGIBILITY OF NONINSURED PROJECTS FOR IRP CAPITAL GRANTS.—Section 236(s)(2) of the National Housing Act (12 U.S.C. 1715z–1(s)(2)(A)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

1 “(A) if the project is federally assisted
2 housing described in subparagraph (B), (C),
3 (D), (E), (F) or (G) of section 683(2) of the
4 Housing and Community Development Act of
5 1992 (42 U.S.C. 13641(2));”.

6 (d) EXCESS INCOME OF NONINSURED SECTION 236
7 PROJECTS.—Section 236 of the National Housing Act (12
8 U.S.C. 1715z–1) is amended by striking the matter that
9 follows the period at the end of paragraph (7) of sub-
10 section (f) and precedes subsection (h) and inserting the
11 following new subsection:

12 “(g) EXCESS RENTAL CHARGES.—The project owner
13 shall, as required by the Secretary, accumulate, safeguard,
14 and periodically pay the Secretary or such other entity as
15 determined by the Secretary and upon such terms and
16 conditions as the Secretary deems appropriate, all rental
17 charges collected on a unit-by-unit basis in excess of the
18 basic rental charges. Unless otherwise directed by the Sec-
19 retary, such excess charges shall be credited to a reserve
20 used by the Secretary to make additional assistance pay-
21 ments as provided in paragraph (3) of subsection (f). Not-
22 withstanding any other requirements of this subsection,
23 the project owner may retain some or all of such excess
24 charges for project use if authorized by the Secretary and

1 upon such terms and conditions as established by the Sec-
 2 retary.”.

3 **SEC. 4. SERVICE COORDINATORS AND CONGREGATE SERV-**
 4 **ICES FOR ELDERLY AND DISABLED HOUSING.**

5 (a) AUTHORIZATION OF APPROPRIATIONS FOR FED-
 6 ERALLY ASSISTED HOUSING.—There is authorized to be
 7 appropriated to the Secretary of Housing and Urban De-
 8 velopment \$50,000,000 for fiscal year 2000, and such
 9 sums as may be necessary for each of fiscal years 2001
 10 and 2002, for the following purposes:

11 (1) GRANTS FOR SERVICE COORDINATORS FOR
 12 CERTAIN FEDERALLY ASSISTED MULTIFAMILY HOUS-
 13 ING.—For grants under section 676 of the Housing
 14 and Community Development Act of 1992 (42
 15 U.S.C. 13632) for providing service coordinators.

16 (2) CONGREGATE SERVICES FOR FEDERALLY
 17 ASSISTED HOUSING.—For contracts under section
 18 802 of the Cranston-Gonzalez National Affordable
 19 Housing Act (42 U.S.C. 8011) to provide congregate
 20 services programs for eligible residents of eligible
 21 housing projects under subparagraphs (B) through
 22 (D) of subsection (k)(6) of such section.

23 (b) FUNDING FOR RENEWALS AND ADDITIONAL
 24 GRANTS FOR PUBLIC HOUSING.—

1 (1) RENEWAL OF ALL CONTRACTS NOT RE-
2 NEWED IN FISCAL YEAR 1998.—There is authorized
3 to be appropriated to the Secretary of Housing and
4 Urban Development for fiscal year 1999, in addition
5 to any amounts appropriated by the Departments of
6 Veterans Affairs and Housing and Urban Develop-
7 ment, and Independent Agencies Appropriations Act,
8 1999 (Public Law 105–276), such sums as may be
9 necessary to renew each grant for providing service
10 coordinators and congregate services for the elderly
11 and disabled in public housing that was made from
12 amounts that were appropriated for fiscal year 1995,
13 1996, or 1997 that was not renewed using amounts
14 appropriated for fiscal year 1998.

15 (2) FULL RENEWALS IN FISCAL YEAR 1999.—Of
16 the amounts appropriated for fiscal year 1999 under
17 the heading “COMMUNITY PLANNING AND DEVEL-
18 OPMENT—COMMUNITY DEVELOPMENT BLOCK
19 GRANTS” in the Departments of Veterans Affairs
20 and Housing and Urban Development, and Inde-
21 pendent Agencies Appropriations Act, 1999 (Public
22 Law 105–276; 112 Stat. 2477) and made available
23 for grants for service coordinators and congregate
24 services for the elderly and disabled in public hous-
25 ing, the Secretary shall use such sums as may be

1 necessary to renew all grants made for fiscal year
 2 1998 for such activities (including grants renewed
 3 with amounts made available pursuant to paragraph
 4 (1) of this subsection).

5 (3) AUTHORIZATION OF APPROPRIATIONS FOR
 6 FISCAL YEAR 2000.—There is authorized to be ap-
 7 propriated to the Secretary of Housing and Urban
 8 Development for fiscal year 2000 for grants for use
 9 only for activities described in paragraph (2) of sec-
 10 tion 34(b) of the United States Housing Act of 1937
 11 (42 U.S.C. 1437z–6(b)(2))—

12 (A) such sums as may be necessary for re-
 13 newal of all grants described in paragraphs (1)
 14 and (2) of this subsection; and

15 (B) \$11,000,000 for grants in addition to
 16 such renewal grants.

17 (c) INCREASED FLEXIBILITY FOR USE OF SERVICE
 18 COORDINATORS IN CERTAIN FEDERALLY ASSISTED
 19 HOUSING.—Section 676 of the Housing and Community
 20 Development Act of 1992 (42 U.S.C. 13632) is
 21 amended—

22 (1) in the section heading, by striking “**MUL-**
 23 **TIFAMILY HOUSING ASSISTED UNDER**
 24 **THE NATIONAL HOUSING ACT**” and in-

serting “**CERTAIN FEDERALLY ASSISTED
HOUSING**”;

(2) in subsection (a)—

(A) in the first sentence, by striking “(E) and (F)” and inserting “(B), (C), (D), (E), (F), and (G)”; and

(B) in the last sentence—

(i) by striking “section 661” and inserting “section 671”; and

(ii) by adding after the period at the end the following new sentence: “A service coordinator funded with a grant under this section for a project may provide services to low-income elderly or disabled families living in the vicinity of such project.”;

(3) in subsection (d)—

(A) by striking “(E) or (F)” and inserting “(B), (C), (D), (E), (F), or (G)”; and

(B) by striking “section 661” and inserting “section 671”; and

(4) by striking subsection (c) and redesignating subsection (d) (as amended by paragraph (3) of this subsection) as subsection (c).

1 (d) REQUIREMENT TO PROVIDE SERVICE COORDINA-
 2 TORS.—Section 671 of the Housing and Community De-
 3 velopment Act of 1992 (42 U.S.C. 13631) is amended—

4 (1) in the first sentence of subsection (a), by
 5 striking “to carry out this subtitle pursuant to the
 6 amendments made by this subtitle” and inserting
 7 the following: “for providing service coordinators
 8 under this section”;

9 (2) in subsection (d), by inserting “)” after
 10 “section 683(2)”; and

11 (3) by adding at the end following new sub-
 12 section:

13 “(e) SERVICES FOR LOW-INCOME ELDERLY OR DIS-
 14 ABLED FAMILIES RESIDING IN VICINITY OF CERTAIN
 15 PROJECTS.—To the extent only that this section applies
 16 to service coordinators for covered federally assisted hous-
 17 ing described in subparagraphs (B), (C), (D), (E), (F),
 18 and (G) of section 683(2), any reference in this section
 19 to elderly or disabled residents of a project shall be con-
 20 strued to include low-income elderly or disabled families
 21 living in the vicinity of such project.”.

22 **SEC. 5. USE OF SECTION 8 ASSISTANCE FOR ASSISTED LIV-**
 23 **ING FACILITIES.**

24 (a) VOUCHER ASSISTANCE.—Section 8(o) of the
 25 United States Housing Act of 1937 (42 U.S.C. 1437f(o))

1 is amended by adding at the end the following new para-
2 graph:

3 “(18) RENTAL ASSISTANCE FOR ASSISTED LIV-
4 ING FACILITIES.—

5 “(A) IN GENERAL.—A public housing
6 agency may make assistance payments on be-
7 half of a family that uses an assisted living fa-
8 cility as a principal place of residence. Such
9 payments may be made only for covering costs
10 of rental of the dwelling unit in the assisted liv-
11 ing facility and not for covering any portion of
12 the cost of residing in the assisted living facility
13 that is attributable to service relating to as-
14 sisted living.

15 “(B) RENT CALCULATION.—

16 “(i) CHARGES INCLUDED.—For as-
17 sistance pursuant to this paragraph, the
18 rent of the dwelling unit that is an assisted
19 living facility with respect to which assist-
20 ance payments are made shall include
21 maintenance and management charges re-
22 lated to the dwelling unit and tenant-paid
23 utilities. Such rent shall not include any
24 charges attributable to services relating to
25 assisted living.

1 “(ii) PAYMENT STANDARD.—The pub-
2 lic housing agency shall establish a pay-
3 ment standard for the purpose of deter-
4 mining the monthly assistance that may be
5 paid under this paragraph on behalf of any
6 family. The payment standard may not ex-
7 ceed an amount approved or established by
8 the Secretary and shall be based on upon
9 the applicable payment standard estab-
10 lished under paragraph (1) for the market
11 area in which the assisted living facility is
12 located.

13 “(iii) MONTHLY ASSISTANCE PAY-
14 MENT.—The monthly assistance payment
15 for a family assisted under this paragraph
16 shall be determined in accordance with
17 paragraph (2) (using the rent and payment
18 standard for the dwelling unit as deter-
19 mined in accordance with this subsection).

20 “(C) DEFINITION OF ASSISTED LIVING FA-
21 CILITY.—For the purposes of this paragraph,
22 the term ‘assisted living facility’ has the mean-
23 ing given that term in section 232(b) of the Na-
24 tional Housing Act (12 U.S.C. 1715w(b)).”.

1 (b) PROJECT-BASED ASSISTANCE.—Section 202b of
2 the Housing Act of 1959, as added by section 2 of this
3 Act, is amended by inserting after subsection (d) the fol-
4 lowing new subsection:

5 “(e) SECTION 8 PROJECT-BASED ASSISTANCE.—

6 “(1) ELIGIBILITY.—Notwithstanding any other
7 provision of law, a multifamily project which in-
8 cludes one or more dwelling units that have been
9 converted to assisted living facilities using grants
10 made under this section shall be eligible for project-
11 based assistance under section 8 of the United
12 States Housing Act of 1937, in the same manner in
13 which the project would be eligible for such assist-
14 ance but for the assisted living facilities in the
15 project.

16 “(2) CALCULATION OF RENT.—For assistance
17 pursuant to this subsection, the maximum monthly
18 rent of a dwelling unit that is an assisted living fa-
19 cility with respect to which assistance payments are
20 made shall not include charges attributable to serv-
21 ices relating to assisted living.”.

22 **SEC. 6. INCREMENTAL VOUCHERS FOR ASSISTED LIVING**
23 **FACILITIES.**

24 (a) PURPOSE.—The purpose of this section is to es-
25 tablish a demonstration program to test the effectiveness

1 of providing vouchers for use in connection with assisted
2 living facilities—

3 (1) to assist elderly families who need assist-
4 ance with activities of daily living;

5 (2) to provide incentives for the conversion,
6 substantial rehabilitation, or new construction of as-
7 sisted living facilities for the elderly; and

8 (3) to reduce medicaid expenditures by pro-
9 viding enhanced assisted living alternatives to nurs-
10 ing home care for low-income elderly families.

11 (b) HOUSING ASSISTANCE.—In connection with this
12 demonstration, the Secretary of Housing and Urban De-
13 velopment may, to the extent amounts are provided by ap-
14 propriations Acts, enter into contracts with 10 public
15 housing agencies or State housing finance agencies to pro-
16 vide not more than 15,000 incremental vouchers with re-
17 spect to fiscal year 1999 for assistance under section 8
18 of the United States Housing Act of 1937.

19 (c) USES.—

20 (1) LOW-INCOME ELDERLY FAMILIES.—Vouch-
21 ers provided under this section may only be used by
22 low-income elderly families who need assistance with
23 activities of daily living.

24 (2) ASSISTED LIVING FACILITIES.—

1 (A) EXISTING FACILITIES.—Vouchers pro-
2 vided under this section for use in connection
3 with an assisted living facility that is not a new
4 assisted living facility may be used only by a
5 family eligible under paragraph (1) who, at the
6 time such family is initially approved for such
7 voucher assistance, is residing in a dwelling
8 unit assisted with project-based assistance (as
9 defined in section 16(c) of the United States
10 Housing Act of 1937 or section 683 of the
11 Housing and Community Development Act of
12 1992).

13 (B) NEW FACILITIES.—

14 (i) IN GENERAL.—Vouchers provided
15 under this section for use in connection
16 with a new assisted living facility may be
17 used by any family eligible under para-
18 graph (1).

19 (ii) VERY LOW INCOME ELDERLY
20 FAMILIES.—To the maximum extent finan-
21 cially practicable, vouchers shall be made
22 available to very low-income elderly fami-
23 lies who are eligible for medicaid.

24 (iii) RESERVATION OF VOUCHERS—In
25 making assistance available under this sub-

1 paragraph, for each fiscal year for which
2 funds are available for vouchers under this
3 section, a public housing agency or State
4 housing finance agency shall reserve a spe-
5 cific number of vouchers for use in certain
6 assisted living facilities which shall in turn
7 agree to reserve an equal number of dwell-
8 ing units for use in conjunction with such
9 vouchers.

10 (d) APPLICATIONS.—

11 (1) IN GENERAL.—In order to request assist-
12 ance under this section, a public housing agency or
13 a State housing finance agency shall submit an ap-
14 plication to the Secretary in such form and in ac-
15 cordance with such procedures as the Secretary shall
16 establish.

17 (2) CONTENTS.—The Secretary shall require
18 that an application for assistance under this section
19 contain, at a minimum—

20 (A) an application for housing assistance
21 under section 8 of the United States Housing
22 Act of 1937, if necessary;

23 (B) the number of vouchers requested for
24 use under each of subparagraphs (A) and (B)
25 of subsection (c)(2);

1 (C) in an application requesting vouchers
2 for use under subsection (c)(2)(A), the number
3 of elderly families residing in dwelling units as-
4 sisted with project-based assistance and an esti-
5 mate of the number of elderly families likely to
6 become eligible in fiscal years 2000 and 2001
7 for voucher assistance under this subsection in
8 the jurisdiction which the public housing agency
9 or State housing finance agency serves; and

10 (D) in an application requesting vouchers
11 for use under subsection (c)(2)(B)—

12 (i) an analysis of the need for new as-
13 sisted living facilities for use by low-income
14 elderly families in the jurisdiction which
15 the public housing agency or State housing
16 finance agency serves;

17 (ii) information sufficient to dem-
18 onstrate that voucher assistance under
19 subsection (c)(2)(B) is necessary to make
20 new assisted living facilities for which such
21 assistance will be used financially viable
22 and affordable for low-income elderly fami-
23 lies;

24 (iii) an explanation of the criteria that
25 the public housing agency or State housing

1 finance agency plans to use to determine
2 for which new assisted living facilities the
3 voucher assistance will be used; and

4 (iv) the extent to which the assisted
5 living facilities for which such assistance
6 will be used are likely to use medicaid
7 waivers to provide on-site health care serv-
8 ices; and

9 (E) plans, if any, to allow other qualified
10 administrative agencies to use some or all of the
11 vouchers requested.

12 (e) SELECTION CRITERIA.—The Secretary shall es-
13 tablish selection criteria for a national competition for as-
14 sistance under this section, which shall include—

15 (1) the ability of the public housing agency or
16 State housing finance agency to implement the pro-
17 gram;

18 (2) the need for assisted living facilities for el-
19 derly families eligible for assistance requested under
20 this section in the area to be served;

21 (3) the level of public or private financial assist-
22 ance, if any, toward the cost of developing or oper-
23 ating the assisted living facility;

1 (4) the extent to which the assistance requested
2 would meet the needs of the elderly families pro-
3 posed to be served by the program; and

4 (5) such other factors as the Secretary con-
5 siders to be appropriate for purposes of carrying out
6 the demonstration program established by this sec-
7 tion.

8 (f) RENT CALCULATION.—

9 (1) IN GENERAL.—Except as provided in this
10 subsection, monthly assistance payments for voucher
11 assistance under this section shall be provided in the
12 same manner as such payments are provided under
13 section 8(o)(18) of the United States Housing Act
14 of 1937 (42 U.S.C. 1437f(o)(18)).

15 (2) PAYMENT STANDARD.—The public housing
16 agency or State housing finance agency shall estab-
17 lish a payment standard for the purpose of deter-
18 mining the monthly assistance that may be paid
19 under this section on behalf of a family. The pay-
20 ment standard for a market area shall be the same
21 as any payment standard established under section
22 8(o)(18)(B)(ii) of the United States Housing Act of
23 1937 for the market area, unless the Secretary de-
24 termines that an amount greater than such standard
25 is necessary to make a new assisted living facility fi-

1 nancially viable and affordable for low-income elderly
2 families.

3 (g) DEFINITIONS.—For purposes of this section:

4 (1) The term “assisted living facility” has the
5 meaning given that term in section 232(b) of the
6 National Housing Act (12 U.S.C. 1715w(b)).

7 (2) The term “elderly family” has the meaning
8 given that term in section 3(b) of the United States
9 Housing Act of 1937.

10 (3) The term “low-income” means having an
11 income that meets the requirement for a low-income
12 family under section 3(b) of the United States
13 Housing Act of 1937.

14 (4) The term “very low-income” means having
15 an income that meets the requirement for a very
16 low-income family under section 3(b) of the United
17 States Housing Act of 1937.

18 (5) The term “new assisted living facility”
19 means an assisted living facility—

20 (A) construction of which has been com-
21 pleted for not more than 1 year prior to the
22 date of approval of an application for assistance
23 under this section; or

24 (B) which required conversion or substan-
25 tial rehabilitation activities to convert the facil-

1 ity to an assisted living facility and such activi-
2 ties have been completed not more than 1 year
3 prior to the date of approval of an application
4 for assistance under this section.

5 (6) The term “public housing agency” has the
6 meaning given that term in section 3(b) of the
7 United States Housing Act of 1937. The term in-
8 cludes an Indian Housing Authority, as defined in
9 section 3(b) of such Act.

10 (7) The term “Secretary” means the Secretary
11 of Housing and Urban Development.

12 (8) The term “State housing finance agency”
13 has the meaning given the term under section
14 802(b)(2)(A) of the Housing and Community Devel-
15 opment Act of 1974 (42 U.S.C. 1440(b)(2)(A)).

16 (h) REPORT.—Not later than 3 years after the Sec-
17 retary provides the 15,000 vouchers under this section, the
18 Secretary, in coordination with the Secretary of Health
19 and Human Services, shall submit to Congress an annual
20 report evaluating—

21 (1) the degree of success in making assisted liv-
22 ing facilities available to low-income elderly families
23 who would otherwise not be able to afford to live in
24 assisted living facilities; and

1 (2) the extent to which the provision of vouch-
 2 ers under this section reduced medicaid expenditures
 3 through a reduction in the need for nursing home
 4 care.

5 (i) AUTHORIZATION OF APPROPRIATIONS.—There
 6 are authorized to be appropriated for providing 15,000 in-
 7 cremental vouchers for housing assistance under section
 8 8 of the United States Housing Act of 1937, for fiscal
 9 years 2000 and such sums as are necessary to renew such
 10 vouchers for each fiscal year thereafter.

11 **SEC. 7. NEW CONSTRUCTION OF ELDERLY AFFORDABLE**
 12 **HOUSING UNITS.**

13 Section 202 of the Housing Act of 1959 (12 U.S.C.
 14 1701q) is amended by adding at the end the following new
 15 subsection:

16 “(m) AUTHORIZATION OF APPROPRIATIONS.—

17 “(1) IN GENERAL.—There is authorized to be
 18 appropriated for providing assistance under this sec-
 19 tion \$710,000,000 for fiscal year 2000 and such
 20 sums as may be necessary for each of fiscal years
 21 2001 and 2002.

22 “(2) ADDITIONAL FUNDS.—In addition to
 23 amounts appropriated under paragraph (1), there is
 24 authorized to be appropriated additional funds for
 25 fiscal year 2000 for use under this section under ad-

1 ditional criteria which encourage or give preference
2 to the leveraging of funds from other sources or the
3 development of additional individual dwelling units
4 affordable for moderate-income elderly families.”.

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