

106TH CONGRESS
1ST SESSION

S. 1333

To expand homeownership in the United States.

IN THE SENATE OF THE UNITED STATES

JULY 1, 1999

Mr. WYDEN (for himself and Mr. BENNETT) introduced the following bill;
which was read twice and referred to the Committee on Banking, Housing,
and Urban Affairs

A BILL

To expand homeownership in the United States.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Promoting Housing Affordability for Working Families
6 Act of 1999”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title and table of contents.

Sec. 2. Findings and purposes.

TITLE I—REMOVING BARRIERS TO HOUSING AFFORDABILITY

Sec. 101. Housing impact analysis.

Sec. 102. Grants for regulatory barrier removal strategies.

Sec. 103. Eligibility for community development block grants.

Sec. 104. Regulatory barriers clearinghouse.

TITLE II—REMOVING BARRIERS TO USE OF FHA SINGLE FAMILY HOUSING MORTGAGE INSURANCE PROGRAM

Sec. 201. Definition of area.

Sec. 202. Extension of loan term for manufactured home lots.

TITLE III—HOME INVESTMENT PARTNERSHIPS PROGRAM

Sec. 301. Homeownership for municipal employees.

TITLE IV—COMMUNITY DEVELOPMENT BLOCK GRANTS

Sec. 401. Homeownership for municipal employees.

1 **SEC. 2. FINDINGS AND PURPOSES.**

2 (a) FINDINGS.—The Congress finds that—

3 (1) the priorities of our Nation should include
4 expanding homeownership opportunities by providing
5 access to affordable housing that is safe, clean, and
6 healthy;

7 (2) homeownership has become a challenge for
8 Americans of moderate and low income levels;

9 (3) decent housing has become unaffordable for
10 many working families, and according to the Depart-
11 ment of Housing and Urban Development, the me-
12 dian family income nationwide is \$43,500 and the
13 median price of a single family home is \$124,000,
14 leading to an “affordability gap” that makes it vir-
15 tually impossible for many people, especially young
16 families, to obtain all the benefits of home owner-
17 ship;

1 (4) housing comprises 12 percent of the econ-
2 omy of the United States;

3 (5) housing construction and remodeling employ
4 approximately 2,000,000 people each year;

5 (6) new housing construction accounts for a
6 third of the growth of the Nation's economy during
7 recovery periods;

8 (7) homeowners have more than
9 \$4,500,000,000,000 in equity in their homes, and
10 this equity is the single largest source of savings and
11 wealth for most families;

12 (8) the lack of a broad, effective, local dialog
13 among interested parties about the possible tradeoffs
14 between housing costs and other valued priorities
15 and policies can be a significant factor in raising
16 housing costs;

17 (9) in fact, an increase of \$1,000 in the pur-
18 chase price of a median-priced home can force more
19 than 21,000 potential buyers out of the market; and

20 (10) removing barriers to affordable housing is
21 an important public policy goal.

22 (b) PURPOSES.—The purposes of this Act are—

23 (1) to encourage and facilitate homeownership
24 by families in the United States who are not other-
25 wise able to afford homeownership; and

1 (2) to expand homeownership through policies
2 that—

3 (A) promote the ability of the private sec-
4 tor to produce affordable housing without exces-
5 sive government regulation;

6 (B) encourage tax incentives, such as the
7 mortgage interest deduction, at all levels of gov-
8 ernment; and

9 (C) facilitate the availability of flexible
10 capital for homeownership opportunities.

11 **TITLE I—REMOVING BARRIERS** 12 **TO HOUSING AFFORDABILITY**

13 **SEC. 101. HOUSING IMPACT ANALYSIS.**

14 (a) APPLICABILITY.—

15 (1) IN GENERAL.—The requirements of this
16 section shall apply with respect to—

17 (A) any proposed rule, unless the agency
18 promulgating the rule—

19 (i) has certified that the proposed rule
20 will not, if given force or effect as a final
21 rule, have a significant deleterious impact
22 on housing affordability; and

23 (ii) has caused such certification to be
24 published in the Federal Register at the
25 time of publication of general notice of

1 proposed rulemaking for the rule, together
2 with a statement providing the factual
3 basis for the certification; and

4 (B) any final rule, unless the agency pro-
5 mulgating the rule—

6 (i) has certified that the rule will not,
7 if given force or effect, have a significant
8 deleterious impact on housing affordability;
9 and

10 (ii) has caused such certification to be
11 published in the Federal Register at the
12 time of publication of the final rule, to-
13 gether with a statement providing the fac-
14 tual basis for the certification.

15 (2) NOTICE TO SECRETARY.—Any agency mak-
16 ing a certification under this subsection shall provide
17 a copy of such certification and the statement pro-
18 viding the factual basis for the certification to the
19 Secretary of Housing and Urban Development.

20 (b) STATEMENT OF PROPOSED RULEMAKING.—
21 Whenever an agency publishes general notice of proposed
22 rulemaking for any proposed rule, unless the agency has
23 made a certification under subsection (a), the agency
24 shall—

25 (1) in the notice of proposed rulemaking—

1 (A) state with particularity the text of the
 2 proposed rule; and

3 (B) request any interested persons to sub-
 4 mit to the agency any written analyses, data,
 5 views, and arguments, and any specific alter-
 6 natives to the proposed rule that—

7 (i) accomplish the stated objectives of
 8 the applicable statutes, in a manner com-
 9 parable to the proposed rule;

10 (ii) result in costs to the Federal Gov-
 11 ernment equal to or less than the costs re-
 12 sulting from the proposed rule; and

13 (iii) result in housing affordability
 14 greater than the housing affordability re-
 15 sulting from the proposed rule;

16 (2) provide an opportunity for interested per-
 17 sons to take the actions specified under paragraph
 18 (1)(B) before promulgation of the final rule; and

19 (3) prepare and make available for public com-
 20 ment an initial housing impact analysis in accord-
 21 ance with the requirements of subsection (c).

22 (c) INITIAL HOUSING IMPACT ANALYSIS.—

23 (1) REQUIREMENTS.—Each initial housing im-
 24 pact analysis shall describe the impact of the pro-
 25 posed rule on housing affordability. The initial hous-

1 ing impact analysis, or a summary, shall be pub-
2 lished in the Federal Register at the same time as,
3 and together with, the publication of general notice
4 of proposed rulemaking for the rule. The agency
5 shall transmit a copy of the initial housing impact
6 analysis to the Secretary of Housing and Urban De-
7 velopment.

8 (2) MONTHLY HUD LISTING.—On a monthly
9 basis, the Secretary of Housing and Urban Develop-
10 ment shall cause to be published in the Federal Reg-
11 ister, and shall make available through a World
12 Wide Web site of the Department, a listing of all
13 proposed rules for which an initial housing impact
14 analysis was prepared during the preceding month.

15 (3) CONTENTS.—Each initial housing impact
16 analysis required under this subsection shall
17 contain—

18 (A) a description of the reasons why action
19 by the agency is being considered;

20 (B) a succinct statement of the objectives
21 of, and legal basis for, the proposed rule;

22 (C) a description of and, where feasible, an
23 estimate of the extent to which the proposed
24 rule would increase the cost or reduce the sup-

ply of housing or land for residential development; and

(D) an identification, to the extent practicable, of all relevant Federal rules which may duplicate, overlap, or conflict with the proposed rule.

(d) PROPOSAL OF LESS DELETERIOUS ALTERNATIVE
RULE.—

(1) ANALYSIS.—The agency publishing a general notice of proposed rulemaking, as described in this section, shall review any specific analyses and alternatives to the proposed rule which have been submitted to the agency pursuant to subsection (b)(2) to determine whether any alternative to the proposed rule—

(A) accomplishes the stated objectives of the applicable statutes, in a manner comparable to the proposed rule;

(B) results in costs to the Federal Government equal to or less than the costs resulting from the proposed rule; and

(C) results in housing affordability greater than the housing affordability resulting from the proposed rule.

1 (2) NEW NOTICE OF PROPOSED RULE-
 2 MAKING.—If the agency determines that an alter-
 3 native to the proposed rule meets the requirements
 4 under paragraph (1), unless the agency provides an
 5 explanation on the record for the proposed rule as
 6 to why the alternative should not be implemented,
 7 the agency shall incorporate the alternative into the
 8 final rule or, at the agency’s discretion, issue a new
 9 proposed rule that incorporates the alternative.

10 (e) FINAL HOUSING IMPACT ANALYSIS.—

11 (1) REQUIREMENT.—Whenever an agency pro-
 12 mulgates a final rule after publication of a general
 13 notice of proposed rulemaking, unless the agency has
 14 made the certification under subsection (a), the
 15 agency shall prepare a final housing impact analysis.

16 (2) CONTENTS.—Each final housing impact
 17 analysis shall contain—

18 (A) a succinct statement of the need for,
 19 and objectives of, the rule;

20 (B) a summary of the significant issues
 21 raised during the public comment period in re-
 22 sponse to the initial housing impact analysis, a
 23 summary of the assessment of the agency of
 24 such issues, and a statement of any changes

1 made in the proposed rule as a result of such
2 comments; and

3 (C) a description of and an estimate of the
4 extent to which the rule will impact housing af-
5 fordability or an explanation of why no such es-
6 timate is available.

7 (3) AVAILABILITY.—The agency shall make
8 copies of the final housing impact analysis available
9 to members of the public and shall publish in the
10 Federal Register such analysis or a summary there-
11 of.

12 (f) AVOIDANCE OF DUPLICATIVE OR UNNECESSARY
13 ANALYSES.—

14 (1) DUPLICATION.—Any Federal agency may
15 perform the analyses required by subsections (c) and
16 (e) in conjunction with or as a part of any other
17 agenda or analysis required by any other law, execu-
18 tive order, directive, or rule, if such other analysis
19 satisfies the provisions of those subsections.

20 (2) JOINDER.—In order to avoid duplicative ac-
21 tion, an agency may consider a series of closely re-
22 lated rules as one rule for the purposes of sub-
23 sections (c) and (e).

24 (g) PREPARATION OF ANALYSES.—In complying with
25 the provisions of subsections (c) and (e), an agency may

1 provide either a quantifiable or numerical description of
 2 the effects of a proposed rule or alternatives to the pro-
 3 posed rule, or more general descriptive statements if quan-
 4 tification is not practicable or reliable.

5 (h) EFFECT ON OTHER LAW.—The requirements of
 6 subsections (c) and (e) do not alter in any manner stand-
 7 ards otherwise applicable by law to agency action.

8 (i) PROCEDURE FOR WAIVER OR DELAY OF COMPLE-
 9 TION.—

10 (1) INITIAL HOUSING IMPACT ANALYSIS.—An
 11 agency head may waive or delay the completion of
 12 some or all of the requirements of subsection (c) by
 13 publishing in the Federal Register, not later than
 14 the date of publication of the final rule, a written
 15 finding, with reasons therefor, that the final rule is
 16 being promulgated in response to an emergency that
 17 makes compliance or timely compliance with the pro-
 18 visions of subsection (a) impracticable.

19 (2) FINAL HOUSING IMPACT ANALYSIS.—An
 20 agency head may not waive the requirements of sub-
 21 section (e). An agency head may delay the comple-
 22 tion of the requirements of subsection (e) for a pe-
 23 riod of not more than 180 days beyond the date of
 24 publication in the Federal Register of a final rule by
 25 publishing in the Federal Register, not later than

1 such date of publication, a written finding, with rea-
2 sons therefor, that the final rule is being promul-
3 gated in response to an emergency that makes time-
4 ly compliance with the provisions of subsection (e)
5 impracticable. If the agency has not prepared a final
6 housing impact analysis pursuant to subsection (e)
7 within 180 days from the date of publication of the
8 final rule, such rule shall lapse and have no force or
9 effect. Such rule shall not be repromulgated until a
10 final housing impact analysis has been completed by
11 the agency.

12 (j) DEFINITIONS.—For purposes of this section, the
13 following definitions shall apply:

14 (1) HOUSING AFFORDABILITY.—The term
15 “housing affordability” means the quantity of hous-
16 ing that is affordable to families having incomes that
17 do not exceed 150 percent of the median income of
18 families in the area in which the housing is located,
19 with adjustments for smaller and larger families.
20 For purposes of this paragraph, area, median family
21 income for an area, and adjustments for family size
22 shall be determined in the same manner as such fac-
23 tors are determined for purposes of section 3(b)(2)
24 of the United States Housing Act of 1937.

1 (2) AGENCY.—The term “agency” means each
2 authority of the Government of the United States,
3 whether or not it is within or subject to review by
4 another agency, but does not include—

5 (A) the Congress;

6 (B) the courts of the United States;

7 (C) the governments of the territories or
8 possessions of the United States;

9 (D) the government of the District of Co-
10 lumbia;

11 (E) agencies composed of representatives
12 of the parties or of representatives of organiza-
13 tions of the parties to the disputes determined
14 by them;

15 (F) courts-martial and military commis-
16 sions;

17 (G) military authority exercised in the field
18 in time of war or in occupied territory; or

19 (H) functions conferred by—

20 (i) sections 603, 604, 608, and 609 of
21 the National Housing Act;

22 (ii) the Contract Settlement Act of
23 1944; or

24 (iii) subchapter II of chapter 471 of
25 title 49, United States Code.

1 (3) FAMILIES.—The term “families” has the
2 meaning given such term in section 3 of the United
3 States Housing Act of 1937.

4 (4) RULE.—The term “rule”—

5 (A) means any rule for which the agency
6 publishes a general notice of proposed rule-
7 making pursuant to section 553(b) of title 5,
8 United States Code, or any other law, including
9 any rule of general applicability governing
10 grants by an agency to State and local govern-
11 ments for which the agency provides an oppor-
12 tunity for notice and public comment; and

13 (B) does not include a rule of particular
14 applicability relating to rates, wages, corporate
15 or financial structures or reorganizations there-
16 of, prices, facilities, appliances, services, or al-
17 lowances therefor or to valuations, costs or ac-
18 counting, or practices relating to such rates,
19 wages, structures, prices, appliances, services,
20 or allowances.

21 (5) SIGNIFICANT.—The term “significant”
22 means increasing consumers’ cost of housing by
23 more than \$100,000,000 per year.

24 (k) DEVELOPMENT.—Not later than 1 year after the
25 date of enactment of this Act, the Secretary of Housing

1 and Urban Development shall develop model initial and
2 final housing impact analyses under this section, and shall
3 cause such model analyses to be published in the Federal
4 Register. The model analyses shall define the primary ele-
5 ments of a housing impact analysis to instruct other agen-
6 cies on how to carry out and develop the analyses required
7 under subsections (c) and (e).

8 (l) JUDICIAL REVIEW.—

9 (1) DETERMINATION BY AGENCY.—Except as
10 provided in paragraph (2), any determination by an
11 agency concerning the applicability of any of the
12 provisions of this title to any action of the agency
13 shall not be subject to judicial review.

14 (2) OTHER ACTIONS BY AGENCY.—Any housing
15 impact analysis prepared under subsection (c) or (e)
16 and the compliance or noncompliance of the agency
17 with the provisions of this title shall not be subject
18 to judicial review. When an action for judicial review
19 of a rule is instituted, any housing impact analysis
20 for such rule shall constitute part of the whole
21 record of agency action in connection with the re-
22 view.

23 (3) EXCEPTION.—Nothing in this subsection
24 bars judicial review of any other impact statement or
25 similar analysis required by any other law if judicial

1 review of such statement or analysis is otherwise
 2 provided by law.

3 **SEC. 102. GRANTS FOR REGULATORY BARRIER REMOVAL**
 4 **STRATEGIES.**

5 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
 6 1204(a) of the Housing and Community Development Act
 7 of 1992 (42 U.S.C. 12705c(a)) is amended to read as fol-
 8 lows:

9 “(a) FUNDING.—There is authorized to be appro-
 10 priated for grants under subsections (b) and (c)
 11 \$15,000,000 for fiscal year 2000 and each fiscal year
 12 thereafter through fiscal year 2004.”.

13 (b) CONSOLIDATION OF STATE AND LOCAL
 14 GRANTS.—Section 1204(b) of the Housing and Commu-
 15 nity Development Act of 1992 (42 U.S.C. 12705c(b)) is
 16 amended—

17 (1) in the subsection heading, by striking
 18 “STATE GRANTS” and inserting “GRANT AUTHOR-
 19 ITY”;

20 (2) in the matter preceding paragraph (1), by
 21 inserting after “States” the following: “and units of
 22 general local government (including consortia of
 23 such governments)”;

1 (3) in paragraph (3), by striking “a State pro-
 2 gram to reduce State and local” and inserting
 3 “State, local, or regional programs to reduce”;

4 (4) in paragraph (4), by inserting “or local”
 5 after “State”; and

6 (5) in paragraph (5), by striking “State”.

7 (c) BARRIERS TO HOMEOWNERSHIP AND HOUSING
 8 AFFORDABILITY COUNCILS; REPEAL OF LOCAL GRANTS
 9 PROVISION.—Section 1204(c) of the Housing and Com-
 10 munity Development Act of 1992 (42 U.S.C. 12705c(c))
 11 is amended to read as follows:

12 “(c) BARRIERS TO HOMEOWNERSHIP AND HOUSING
 13 AFFORDABILITY COUNCILS.—

14 “(1) IN GENERAL.—Notwithstanding any other
 15 provision of this section, a State or unit of local gov-
 16 ernment may use amounts received from a grant
 17 awarded under this section to establish a Barriers to
 18 Homeownership and Housing Affordability Council
 19 (referred to in this section as a ‘Council’) in accord-
 20 ance with this subsection.

21 “(2) MEMBERSHIP.—A Council shall be com-
 22 prised of 10 members, of whom—

23 “(A) 1 member shall be an individual who
 24 is actively engaged in the residential single fam-
 25 ily homebuilding industry;

1 “(B) 1 member shall be an individual who
 2 is actively engaged in the residential multi-
 3 family homebuilding industry;

4 “(C) 1 member shall be an individual who
 5 is actively engaged in the lending industry;

6 “(D) 1 member shall be an individual who
 7 is a representative of those areas of labor en-
 8 gaged in homebuilding;

9 “(E) 2 members shall be individuals with
 10 experience in housing issues who are designated
 11 as advocates for underserved populations;

12 “(F) 1 member shall be an individual who
 13 is a real estate professional; and

14 “(G) 3 members shall be appointed, as de-
 15 termined by the local government.

16 “(3) FUNCTIONS OF COUNCIL.—A Council shall
 17 analyze the local housing situation and make rec-
 18 ommendations to the local government on incentives
 19 for the production of affordable housing.”.

20 (d) APPLICATION AND SELECTION.—The last sen-
 21 tence of section 1204(e) of the Housing and Community
 22 Development Act of 1992 (42 U.S.C. 12705c(e)) is
 23 amended—

1 (1) by striking “and for the selection of units
2 of general local government to receive grants under
3 subsection (f)(2)”; and

4 (2) by inserting before the period at the end the
5 following: “, and such criteria shall require that
6 grant amounts be used in a manner consistent with
7 the strategy contained in the comprehensive housing
8 affordability strategy for the jurisdiction pursuant to
9 section 105(b)(4) of the Cranston-Gonzalez National
10 Affordable Housing Act”.

11 (e) SELECTION OF GRANTEES.—Section 1204(f) of
12 the Housing and Community Development Act of 1992
13 (42 U.S.C. 12705c(f)) is amended to read as follows:

14 “(f) SELECTION OF GRANTEES.—To the extent that
15 amounts are made available to carry out this section, the
16 Secretary shall provide grants on a competitive basis to
17 eligible grantees based on the proposed uses of such
18 amounts, as provided in applications under subsection
19 (e).”.

20 (f) TECHNICAL AMENDMENTS.—Section 107(a)(1) of
21 the Housing and Community Development Act of 1974
22 (42 U.S.C. 5307(a)(1)) is amended—

23 (1) in subparagraph (G), by adding “and” at
24 the end;

25 (2) by striking subparagraph (H); and

1 (3) by redesignating subparagraph (I) as sub-
2 paragraph (H).

3 **SEC. 103. ELIGIBILITY FOR COMMUNITY DEVELOPMENT**
4 **BLOCK GRANTS.**

5 (a) IN GENERAL.—Section 104(c)(1) of the Housing
6 and Community Development Act of 1974 (42 U.S.C.
7 5304(c)(1)) is amended by inserting before the comma the
8 following: “, which shall include making a good faith effort
9 to carry out the strategy established under section
10 105(b)(4) of that Act by the unit of general local govern-
11 ment to remove barriers to affordable housing”.

12 (b) RULE OF CONSTRUCTION.—The amendment
13 made by subsection (a) may not be construed to create
14 any new private right of action.

15 **SEC. 104. REGULATORY BARRIERS CLEARINGHOUSE.**

16 Section 1205 of the Housing and Community Devel-
17 opment Act of 1992 (42 U.S.C. 12705d) is amended—

18 (1) in subsection (a)—

19 (A) in the matter preceding paragraph (1),
20 by striking “receive, collect, process, and assem-
21 ble” and inserting “serve as a national reposi-
22 tory to receive, collect, process, assemble, and
23 disseminate”;

24 (B) in paragraph (1)—

1 (i) by striking “, including” and in-
 2 serting “(including”; and

3 (ii) by inserting before the semicolon
 4 at the end the following: “), and the preva-
 5 lence and effects on affordable housing of
 6 such laws, regulations, and policies”;

7 (C) in paragraph (2), by inserting before
 8 the semicolon the following: “, including par-
 9 ticularly innovative or successful activities,
 10 strategies, and plans”; and

11 (D) in paragraph (3), by inserting before
 12 the period at the end the following: “, including
 13 particularly innovative or successful strategies,
 14 activities, and plans”;

15 (2) in subsection (b)—

16 (A) in paragraph (1), by striking “and” at
 17 the end;

18 (B) in paragraph (2), by striking the pe-
 19 riod at the end and inserting “; and”; and

20 (C) by adding at the end the following:

21 “(3) through a World Wide Web site of the De-
 22 partment or by electronic mail, provide to each hous-
 23 ing agency of a unit of general local government
 24 that serves an area having a population greater than
 25 100,000, an index of all State and local strategies

1 and plans submitted under subsection (a) to the
2 clearinghouse, which—

3 “(A) shall describe the types of barriers to
4 affordable housing that the strategy or plan
5 was designed to ameliorate or remove; and

6 “(B) shall, not later than 30 days after
7 submission to the clearinghouse of any new
8 strategy or plan, be updated to include the new
9 strategy or plan submitted.”; and

10 (3) by adding at the end the following:

11 “(c) ORGANIZATION.—The clearinghouse under this
12 section shall be established within the Office of Policy De-
13 velopment of the Department of Housing and Urban De-
14 velopment and shall be under the direction of the Assist-
15 ant Secretary for Policy Development and Research.

16 “(d) TIMING.—The clearinghouse under this section
17 (as amended by section 104 of the Promoting Housing Af-
18 fordability for Working Families Act of 1999) shall be es-
19 tablished and commence carrying out the functions of the
20 clearinghouse under this section not later than 1 year
21 after the date of enactment of that Act. The Secretary
22 of Housing and Urban Development may comply with the
23 requirements under this section by reestablishing the
24 clearinghouse that was originally established to comply
25 with this section and updating and improving such clear-

1 inghouse to the extent necessary to comply with the re-
 2 quirements of this section as in effect pursuant to the en-
 3 actment of that Act.”.

4 **TITLE II—REMOVING BARRIERS**
 5 **TO USE OF FHA SINGLE FAM-**
 6 **ILY HOUSING MORTGAGE IN-**
 7 **SURANCE PROGRAM**

8 **SEC. 201. DEFINITION OF AREA.**

9 (a) DISCRETION TO ENLARGE AREAS AND MEDIAN
 10 PRICE IN MSA’S.—Section 203(b)(2) of the National
 11 Housing Act (12 U.S.C. 1709(b)(2)) is amended, in the
 12 first sentence after subparagraph (B), by inserting before
 13 the period the following: “; except that the Secretary may
 14 provide that any county or statistical area, together with
 15 any counties contiguous or proximate to such county or
 16 statistical area, be treated as a single area for purposes
 17 of the preceding sentence; and except that the median 1-
 18 family housing price for any metropolitan statistical area
 19 shall be equal to the median 1-family housing price of the
 20 county within the area that has the highest such median
 21 price”.

22 (b) MEDIAN PRICE IN EXPANDED MSA’S.—The first
 23 sentence after subparagraph (B) of section 203(b)(2) of
 24 the National Housing Act (12 U.S.C. 1709(b)(2)), as
 25 amended by subsection (a) of this section, is further

1 amended by inserting before the period at the end the fol-
 2 lowing: “; and except that for fiscal year 2000, the median
 3 1-family housing price for any area (for purposes of the
 4 preceding sentence) that consists of a metropolitan statis-
 5 tical area together with the counties contiguous or proxi-
 6 mate to such metropolitan statistical area shall be equal
 7 to the median 1-family housing price of the county within
 8 such area (for purposes of the preceding sentence) that
 9 has the highest such median price”.

10 **SEC. 202. EXTENSION OF LOAN TERM FOR MANUFACTURED**
 11 **HOME LOTS.**

12 Section 2(b)(3)(E) of the National Housing Act (12
 13 U.S.C. 1703(b)(3)(E)) is amended by striking “fifteen”
 14 and inserting “twenty”.

15 **TITLE III—HOME INVESTMENT**
 16 **PARTNERSHIPS PROGRAM**

17 **SEC. 301. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

18 (a) ELIGIBLE ACTIVITIES.—Section 215(b)(2) of the
 19 Cranston-Gonzalez National Affordable Housing Act (42
 20 U.S.C. 12745(b)(2)) is amended to read as follows:

21 “(2) is the principal residence of an owner
 22 who—

23 “(A) is a member of a family that qualifies
 24 as a low-income family—

1 “(i) in the case of a contract to pur-
2 chase existing housing, at the time of pur-
3 chase;

4 “(ii) in the case of a lease-purchase
5 agreement for existing housing or for hous-
6 ing to be constructed, at the time the
7 agreement is signed; or

8 “(iii) in the case of a contract to pur-
9 chase housing to be constructed, at the
10 time the contract is signed; or

11 “(B)(i) is a uniformed employee (which
12 shall include policemen, firemen, and sanitation
13 and other maintenance workers) or a teacher
14 who is an employee of the participating jurisdic-
15 tion (or an agency or school district serving
16 such jurisdiction) that is investing funds made
17 available under this subtitle to support home-
18 ownership of the residence; and

19 “(ii) is a member of a family whose in-
20 come, at the time referred to in clause (i), (ii),
21 or (iii) of subparagraph (A), as appropriate,
22 and as determined by the Secretary with ad-
23 justments for smaller and larger families, does
24 not exceed 115 percent of the median income of
25 the area;”.

1 (b) INCOME TARGETING.—Section 214(2) of the
 2 Cranston-Gonzalez National Affordable Housing Act (42
 3 U.S.C. 12744(2)) is amended by inserting before the semi-
 4 colon the following: “or families described in section
 5 215(b)(2)(B)”.

6 (c) ELIGIBLE INVESTMENTS.—Section 212(b) of the
 7 Cranston-Gonzalez National Affordable Housing Act (42
 8 U.S.C. 12742(b)) is amended by adding at the end the
 9 following: “Notwithstanding the preceding sentence, in the
 10 case of homeownership assistance for residences of owners
 11 described in section 215(b)(2)(B), funds made available
 12 under this subtitle may only be invested (A) to provide
 13 amounts for downpayments on mortgages, (B) to pay rea-
 14 sonable closing costs normally associated with the pur-
 15 chase of a residence, (C) to obtain pre- or post-purchase
 16 counseling relating to the financial and other obligations
 17 of homeownership, or (D) to subsidize mortgage interest
 18 rates.”.

19 **TITLE IV—COMMUNITY** 20 **DEVELOPMENT BLOCK GRANTS**

21 **SEC. 401. HOMEOWNERSHIP FOR MUNICIPAL EMPLOYEES.**

22 (a) ELIGIBLE ACTIVITIES.—Section 105(a) of the
 23 Housing and Community Development Act of 1974 (42
 24 U.S.C. 5305(a)), is amended—

1 (1) in paragraph (22)(C), by striking “and” at
2 the end;

3 (2) in paragraph (23), by striking the period at
4 the end and inserting a semicolon;

5 (3) in paragraph (24), by striking “and” at the
6 end;

7 (4) in paragraph (25), by striking the period at
8 the end and inserting “; and”; and

9 (5) by adding at the end the following:

10 “(26) provision of direct assistance to facilitate
11 and expand homeownership among uniformed em-
12 ployees (including policemen, firemen, and sanitation
13 and other maintenance workers) of, and teachers
14 who are employees of, the metropolitan city or urban
15 county (or an agency or school district serving such
16 city or county) receiving grant amounts under this
17 title pursuant to section 106(b), or the unit of gen-
18 eral local government (or an agency or school dis-
19 trict serving such unit) receiving such grant
20 amounts pursuant to section 106(d), except that,
21 notwithstanding section 102(a)(20)(B) or any other
22 provision of this title, such assistance may be pro-
23 vided on behalf of such employees whose family in-
24 comes do not exceed 115 percent of the median in-
25 come of the area involved, as determined by the Sec-

1 retary with adjustments for smaller and larger fami-
 2 lies, and except that such assistance shall be used
 3 only for acquiring principal residences for such em-
 4 ployees by—

5 “(A) providing amounts for downpayments
 6 on mortgages;

7 “(B) paying reasonable closing costs nor-
 8 mally associated with the purchase of a resi-
 9 dence;

10 “(C) obtaining pre- or post-purchase coun-
 11 seling relating to the financial and other obliga-
 12 tions of homeownership; or

13 “(D) subsidizing mortgage interest rates.”.

14 (b) PRIMARY OBJECTIVES.—Section 105(c) of the
 15 Housing and Community Development Act of 1974 (42
 16 U.S.C. 5305(c)) is amended by adding at the end the fol-
 17 lowing:

18 “(5) HOMEOWNERSHIP ASSISTANCE FOR MU-
 19 NICIPAL EMPLOYEES.—Notwithstanding any other
 20 provision of this title, any assisted activity described
 21 in subsection (a)(26) shall be considered, for pur-
 22 poses of this title, to benefit persons of low and
 23 moderate income and shall be directed toward the
 24 objective under section 101(c)(3).”.

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