

106TH CONGRESS  
1ST SESSION

# S. 485

To provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development.

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## IN THE SENATE OF THE UNITED STATES

FEBRUARY 25, 1999

Mr. MCCAIN introduced the following bill; which was read twice and referred to the Committee on Banking, Housing and Urban Affairs

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## A BILL

To provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development.

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 “Urban Homestead Act  
5   of 1999”.

### 6   **SEC. 2. DEFINITIONS.**

7       In this Act:

8           (1)   COMMUNITY   DEVELOPMENT   CORPORA-  
9       TION.—The term “community development corpora-  
10      tion” means a nonprofit organization whose primary

1        purpose is to promote community development by  
 2        providing housing opportunities to low-income fami-  
 3        lies.

4            (2) LOW-INCOME FAMILIES.—The term “low-in-  
 5        come families” has the same meaning as in section  
 6        3(b) of the United States Housing Act of 1937 (42  
 7        U.S.C. 1437a(b)).

8            (3) MULTIFAMILY HOUSING PROJECT.—The  
 9        term “multifamily housing project” has the same  
 10       meaning as in section 203 of the Housing and Com-  
 11       munity Development Amendments of 1978 (12  
 12       U.S.C. 1701z–11).

13           (4) SECRETARY.—The term “Secretary” means  
 14       the Secretary of Housing and Urban Development.

15           (5) SEVERE PHYSICAL PROBLEMS.—A dwelling  
 16       unit shall be considered to have “severe physical  
 17       problems” if such unit—

18                (A) lacks hot or cold piped water, a flush  
 19                toilet, or both a bathtub and a shower in the  
 20                unit, for the exclusive use of that unit;

21                (B) on not less than 3 separate occasions,  
 22                during the preceding winter months was uncom-  
 23                fortably cold for a period of more than 6 con-  
 24                secutive hours due to a malfunction of the heat-  
 25                ing system for the unit;

1 (C) has no functioning electrical service,  
 2 exposed wiring, any room in which there is not  
 3 a functioning electrical outlet, or has experi-  
 4 enced not less than 3 blown fuses or tripped  
 5 circuit breakers during the preceding 90-day  
 6 period;

7 (D) is accessible through a public hallway  
 8 in which there are no working light fixtures,  
 9 loose or missing steps or railings, and no eleva-  
 10 tor; or

11 (E) has severe maintenance problems, in-  
 12 cluding water leaks involving the roof, windows,  
 13 doors, basement, or pipes or plumbing fixtures,  
 14 holes or open cracks in walls or ceilings, severe  
 15 paint peeling or broken plaster, and signs of ro-  
 16 dent infestation.

17 (6) SINGLE FAMILY RESIDENCE.—The term  
 18 “single family residence” means a 1- to 4-family  
 19 dwelling that is held by the Secretary.

20 (7) SUBSTANDARD MULTIFAMILY HOUSING  
 21 PROJECT.—A multifamily housing project is “sub-  
 22 standard” if not less than 25 percent of the dwelling  
 23 units of the project have severe physical problems.

24 (8) UNIT OF GENERAL LOCAL GOVERNMENT.—  
 25 The term “unit of general local government” has the

1 same meaning as in section 102(a) of the Housing  
 2 and Community Development Act of 1974 (42  
 3 U.S.C. 5302).

4 (9) UNOCCUPIED MULTIFAMILY HOUSING  
 5 PROJECT.—The term “unoccupied multifamily hous-  
 6 ing project” means a multifamily housing project  
 7 that the Secretary certifies in writing is not inhab-  
 8 ited.

9 **SEC. 3. DISPOSITION OF UNOCCUPIED AND SUBSTANDARD**  
 10 **PUBLIC HOUSING.**

11 (a) PUBLICATION IN FEDERAL REGISTER.—

12 (1) IN GENERAL.—Subject to paragraph (2),  
 13 beginning 6 months after the date of enactment of  
 14 this Act, and every 6 months thereafter, the Sec-  
 15 retary shall publish in the Federal Register a list of  
 16 each unoccupied multifamily housing project, sub-  
 17 standard multifamily housing project, and other resi-  
 18 dential property that is owned by the Secretary.

19 (2) EXCEPTION FOR CERTAIN PROJECTS AND  
 20 PROPERTIES.—

21 (A) PROJECTS.—A project described in  
 22 paragraph (1) shall not be included in a list  
 23 published under paragraph (1) if less than 6  
 24 months have elapsed since the later of—

1 (i) the date on which the project was  
2 acquired by the Secretary; or

3 (ii) the date on which the project was  
4 determined to be unoccupied or sub-  
5 standard.

6 (B) PROPERTIES.—A property described in  
7 paragraph (1) shall not be included in a list  
8 published under paragraph (1) if less than 6  
9 months have elapsed since the date on which  
10 the property was acquired by the Secretary.

11 (b) TRANSFER OF OWNERSHIP TO COMMUNITY DE-  
12 VELOPMENT CORPORATIONS.—Notwithstanding section  
13 203 of the Housing and Community Development Amend-  
14 ments of 1978 (12 U.S.C. 1701z–11) or any other provi-  
15 sion of Federal law pertaining to the disposition of prop-  
16 erty, upon the written request of a community develop-  
17 ment corporation, the Secretary shall transfer to the com-  
18 munity development corporation ownership of any unoccu-  
19 pied multifamily housing project, substandard multifamily  
20 housing project, or other residential property owned by the  
21 Secretary, if the project or property is—

22 (1) located in the same unit of general local  
23 government as the community development corpora-  
24 tion; and

1           (2) included in the most recent list published by  
2           the Secretary under subsection (a).

3           (c) SATISFACTION OF INDEBTEDNESS.—Prior to any  
4           transfer of ownership under subsection (b), the Secretary  
5           shall satisfy any indebtedness incurred in connection with  
6           the project or residence at issue, either by—

7           (1) cancellation of the indebtedness; or

8           (2) reimbursing the community development  
9           corporation to which the project or residence is  
10          transferred for the amount of the indebtedness.

11 **SEC. 4. EXEMPTION FROM PROPERTY DISPOSITION RE-**  
12 **QUIREMENTS.**

13          No provision of the Multifamily Housing Property  
14          Disposition Reform Act of 1994, or any amendment made  
15          by that Act, shall apply to the disposition of property  
16          under this Act.

17 **SEC. 5. TENANT LEASES.**

18          This Act shall not affect the terms or the enforce-  
19          ability of any contract or lease entered into before the date  
20          of enactment of this Act.

21 **SEC. 6. PROCEDURES.**

22          Not later than 6 months after the date of enactment  
23          of this Act, the Secretary shall establish, by rule, regula-

1 tion, or order, such procedures as may be necessary to  
2 carry out this Act.

