

114TH CONGRESS
2D SESSION

H. R. 4908

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 12, 2016

Ms. KUSTER (for herself and Mr. NOLAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To provide rental assistance to low-income tenants of certain multifamily rural housing projects, 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 “Rural Housing Preser-
5 vation Act of 2016”.

1 **SEC. 2. AVAILABILITY OF RURAL HOUSING VOUCHERS FOR**
2 **TENANTS IN PROJECTS WITH MATURING**
3 **LOANS.**

4 (a) IN GENERAL.—Section 542 of the Housing Act
5 of 1949 (42 U.S.C. 1490r) is amended by adding at the
6 end the following new subsection:

7 “(c) RURAL VOUCHERS FOR TENANTS OF PROJECTS
8 WITH PREPAID OR MATURING LOANS.—

9 “(1) AUTHORITY.—Subject to the availability of
10 amounts provided in appropriation Acts and to para-
11 graph (3), the Secretary shall provide rural housing
12 vouchers under this section, in the amount provided
13 under this section, to any low-income household (in-
14 cluding those not receiving rental assistance) resid-
15 ing in a property financed with a loan made or in-
16 sured under section 515 (42 U.S.C. 1485) which has
17 been prepaid, or which has matured, after Sep-
18 tember 30, 2005.

19 “(2) ADMINISTRATION AND SUBSIDIES.—The
20 Secretary shall, to the maximum extent practicable,
21 administer and operate such vouchers with current
22 regulations and administrative guidance applicable
23 to enhanced vouchers under section 8(t) of the
24 United States Housing Act of 1937 (42 U.S.C.
25 1437f(t)) and administered by the Secretary of
26 Housing and Urban Development. The amount of

1 rental assistance provided on behalf of holders of
2 such vouchers shall be the same as that provided on
3 behalf of holders of enhanced vouchers under such
4 section 8(t).

5 “(3) TERMINATION OF ASSISTANCE.—The Sec-
6 retary shall terminate the provision of voucher as-
7 sistance pursuant to this subsection, with respect to
8 a property, if—

9 “(A) at any time, a new loan is made or
10 insured under section 515 for the property; and

11 “(B) as a result of such loan, rental assist-
12 ance is provided on behalf of the voucher holder
13 in an amount comparable to the rental assist-
14 ance provided on behalf of the voucher holder
15 under the voucher program.”.

16 (b) REQUIREMENT FOR SECTION 515 PROJECTS TO
17 ACCEPT VOUCHERS.—Section 515 of the Housing Act of
18 1949 (42 U.S.C. 1485) is amended by adding at the end
19 the following new subsection:

20 “(bb) REQUIREMENT TO ACCEPT RURAL HOUSING
21 VOUCHERS.—No owner of a property financed with a loan
22 made or insured under this section, whether such loan is
23 outstanding or fully paid, may refuse to lease an available
24 dwelling unit in the property to a household on behalf of
25 whom voucher assistance is provided under section 542

1 (42 U.S.C. 1490r), and to enter into a voucher contract
 2 respecting such unit, a proximate cause of which is the
 3 status of such current or prospective tenant as a holder
 4 of such voucher.”.

5 **SEC. 3. DECOUPLING RENTAL ASSISTANCE FROM MATUR-**
 6 **ING RURAL HOUSING LOANS.**

7 Paragraph (2) of section 521(a) of the Housing Act
 8 of 1949 (42 U.S.C. 1490a(a)(2)) is amended by adding
 9 at the end the following new subparagraph:

10 “(F) RENTAL ASSISTANCE FOR PROJECTS
 11 WITH MATURED LOANS.—

12 “(i) AUTHORITY.—To continue to
 13 make decent, safe and sanitary housing
 14 available to low-income occupants of
 15 projects originally financed with a loan
 16 made or insured under section 515 that
 17 has matured on or after the date of the en-
 18 actment of this subparagraph, and at rent-
 19 al rates commensurate to income as speci-
 20 fied in subparagraph (A) of this para-
 21 graph, the Secretary may, subject to the
 22 availability of amounts provided in appro-
 23 priation Acts, contract to make, make, and
 24 renew annual assistance payments pursu-

ant to this subparagraph to the owners of such projects.

“(ii) OFFER.—The Secretary shall ensure that an offer to provide a contract for assistance payments pursuant to this subparagraph shall be extended to all owners of projects described in clause (i) not later than 24 months before the maturation of the loan (except in the case of loans maturing after the date that is 24 months before the date of the enactment of this subparagraph).

“(iii) TERMS.—Each contract for assistance payments pursuant to this subparagraph shall—

“(I) have a term of 20 years and be subject to availability of amounts provided in annual appropriations Acts;

“(II) cover all new and existing households residing in the project, regardless of whether or not they were previously assisted under the rental assistance program authorized under subparagraph (A);

1 “(III) be recorded at such local
2 real property recording office as is
3 prescribed by the State in which the
4 project is located;

5 “(IV) bind the owner of the
6 project and the owner’s successors to
7 continue to operate the project in ac-
8 cordance with such agreements;

9 “(V) require the owner (and such
10 successors) to agree to continue to op-
11 erate the projects as if it were subject
12 to an existing loan under section 515;

13 “(VI) extend to residents of the
14 project all the rights that at the time
15 such contract is entered into are ex-
16 tended to residents of projects subject
17 to an existing loan under section 515;
18 and

19 “(VII) require the owner (and
20 such successors) to maintain the as-
21 sisted housing as decent, safe, and
22 sanitary housing.

23 “(iv) ACTUAL MARKET RENTALS.—

24 “(I) IN GENERAL.—A contract
25 for assistance provided pursuant to

1 this subparagraph for a project shall
2 provide assistance to the owner based
3 on an initial reasonable operating
4 budget the rents for which do not ex-
5 ceed such actual market rental rates
6 for the area in which the project is lo-
7 cated, as are established by the Sec-
8 retary.

9 “(II) ADJUSTMENT; RENEWAL.—

10 The Secretary shall adjust the actual
11 market rental rates used for purposes
12 of this clause annually.

13 “(v) RENEWAL; ADJUSTMENT.—In

14 providing assistance pursuant to this sub-
15 paragraph, the Secretary shall require the
16 owner of the project to renew the assist-
17 ance provided to each household not less
18 frequently than annually, in accordance
19 with the provisions of subparagraph (A),
20 and shall adjust the amount of assistance
21 provided to a household at any other time
22 upon a decrease in the household’s month-
23 ly income of \$100 or more.

24 “(vi) ADMINISTRATION.—Rental as-

25 sistance contracts authorized by this sub-

paragraph shall, except as otherwise provided in this subparagraph, be administered by the Secretary in the same manner as rental assistance contracts for projects having existing loans made or insured under section 515 or existing loans and grants made under sections 514 and 516.”.

SEC. 4. UNIFORM STANDARDS FOR TRANSFERS OF SECTION 515 PROPERTIES USING LOW-INCOME TAX CREDITS.

Section 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amended by adding at the end the following new subsection:

“(bb) REQUIREMENTS FOR TRANSFERS OF PROPERTIES INVOLVING LOW-INCOME HOUSING TAX CREDITS.—The Secretary shall establish, without exception, uniform requirements, terms, and conditions for any sale or transfer of a property financed with a loan under this section to any entity, including a nonprofit organization, that is seeking to acquire such property with amounts authorized under this section and any low-income housing tax credit under section 42 of the Internal Revenue Code of 1986.”.

1 **SEC. 5. RURAL MULTIFAMILY HOUSING REVITALIZATION**
2 **PROGRAM.**

3 Section 515 of the Housing Act of 1949 (42 U.S.C.
4 1485) is amended by adding at the end the following new
5 subsection:

6 “(bb) MULTIFAMILY HOUSING REVITALIZATION
7 PROGRAM.—

8 “(1) IN GENERAL.—The Secretary may estab-
9 lish a Multifamily Housing Revitalization Program
10 for the preservation and revitalization of multifamily
11 housing projects funded with loans made available
12 pursuant to this section and sections 514 and 516
13 to ensure that such projects have sufficient resources
14 to provide safe and affordable housing for low-in-
15 come residents and farm laborers.

16 “(2) OPTIONS.—In carrying out paragraph (1),
17 the Secretary may—

18 “(A) with respect to such loans—

19 “(i) reduce or eliminate interest;

20 “(ii) defer loan payments; and

21 “(iii) subordinate, reduce, or reamor-
22 tize loan debt; and

23 “(B) provide other financial assistance, in-
24 cluding—

25 “(i) advances; and

1 “(ii) payments and incentives (includ-
2 ing the ability of owners to obtain reason-
3 able returns on investment).

4 “(3) REQUIREMENTS.—In exchange for assist-
5 ance provided pursuant to this subsection, the Sec-
6 retary shall enter into with the property owner a re-
7 strictive use agreement to ensure that the property
8 remains subject to low-income use restrictions for an
9 additional period of time consistent with the terms
10 of the restructuring.

11 “(4) USE OF FUNDS FOR RURAL HOUSING
12 VOUCHERS.—

13 “(A) AUTHORITY.—If the Secretary deter-
14 mines that additional funds for vouchers under
15 the rural housing voucher program under sec-
16 tion 542 (42 U.S.C. 1490r) are needed, funds
17 for the revitalization program under this sub-
18 section may be used for such vouchers for any
19 low-income household (including those not re-
20 ceiving rental assistance) residing in a property
21 financed with a loan under this section that has
22 been prepaid after September 30, 2005.

23 “(B) AMOUNT.—Notwithstanding section
24 542, the amount of a voucher provided pursu-
25 ant to this paragraph shall be the difference be-

1 tween comparable market rent for the unit and
2 the tenant-paid rent for such unit.

3 “(C) AVAILABILITY.—Funds made avail-
4 able for vouchers pursuant to this paragraph
5 shall be subject to the availability of annual ap-
6 propriations.

7 “(D) ADMINISTRATION.—The Secretary
8 shall, to the maximum extent practicable, ad-
9 minister vouchers provided pursuant to this
10 paragraph with current regulations and admin-
11 istrative guidance applicable to housing vouch-
12 ers under section 8 of the United States Hous-
13 ing Act of 1937 (42 U.S.C. 1437f) adminis-
14 tered by the Secretary of Housing and Urban
15 Development.”.

16 **SEC. 6. REGULATIONS.**

17 The Secretary of Agriculture shall issue regulations
18 necessary to carry out the amendments made by this Act
19 not later than the expiration of the 120-day period begin-
20 ning on the date of the enactment of this Act.

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