II

117TH CONGRESS
2D SESSION

S. 4789

To establish a competitive grant program at the Department of Housing and Urban Development to support the construction, preservation, or rehabilitation of affordable workforce housing in areas with shortages of affordable housing units for sale, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6, 2022

Ms. HASSAN 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 establish a competitive grant program at the Department of Housing and Urban Development to support the construction, preservation, or rehabilitation of affordable workforce housing in areas with shortages of affordable housing units for sale, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Expand Housing Opportunities Act".

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

TITLE I—WORKFORCE HOUSING DEVELOPMENT ACT

SEC. 101. SHORT TITLE.

This title may be cited as the ‘‘Workforce Housing Development Act’’.

SEC. 102. COMPETITIVE GRANT PROGRAM TO SUPPORT WORKFORCE HOUSING UNITS.

(a) DEFINITIONS.—In this section:

(1) AFFORDABLE.—The term ‘‘affordable’’, with respect to a workforce housing unit, means that the total housing costs for the unit do not exceed 30 percent of the income of the buyer of the workforce housing unit.

(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘‘appropriate congressional committees’’ means—

(A) the Committee on Banking, Housing, and Urban Affairs of the Senate; and

(B) the Committee on Financial Services of the House of Representatives.

(3) DWELLING.—The term ''dwelling'' means any building, structure, or portion thereof that is occupied as, or designed or intended for occupancy as, a residence by 1 or more individuals.

(4) ELIGIBLE ENTITY.—The term ''eligible entity'' means—

(A) a State or unit of local government;

(B) a nonprofit housing developer;

(C) an agency or instrumentality of a State;

(D) a public housing agency;

(E) a community development financial institution, as defined in section 103 of the Community Development Banking and Financial Institutions Act of 1994 (12 U.S.C. 4702);

(F) a resident-owned community; and

(G) any other entity that supports housing development, as determined by the Secretary.

(5) FIRST-TIME HOMEBUYER.—The term ''first-time homebuyer'' has the meaning given the term in

section 104 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704).

(6) NONPROFIT HOUSING DEVELOPER.—The term ''nonprofit housing developer'' means a nonprofit organization having as one of its principal purposes the creation, development, or preservation of housing, including a subsidiary of a public housing agency.

(7) PROGRAM.—The term ''Program'' means the grant program established under this section.

(8) PUBLIC HOUSING AGENCY; STATE.—The terms ''public housing agency'' and ''State'' have the meanings given those terms in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(10) TOTAL HOUSING COSTS.—The term ''total housing costs'' means mortgage principal and interest, taxes, and insurance.

(11) WORKFORCE HOUSING UNIT.—The term ''workforce housing unit'' means a 1- to 4-unit dwelling—

(A) that is the primary residence of the buyer;

(B) in which none of the units are rented; and

(C) that is affordable to buyers with incomes of not more than 100 percent of the area median income.

(b) ESTABLISHMENT.—The Secretary shall establish a competitive grant program to award grants to eligible entities to increase the supply of affordable workforce housing units.

(c) USE OF FUNDS.—A recipient of a grant under the Program shall use grant funds for the construction, preservation, or rehabilitation of workforce housing units, which shall remain affordable for a period of not less than 5 years from the sale of the workforce housing unit.

(d) APPLICATION AND SELECTION PROCESS.—

(1) APPLICATION.—An eligible entity desiring a grant under the Program shall submit to the Secretary an application at such time, in such manner, and containing—

(A) a description of the construction, preservation, or rehabilitation projects to be supported by the grant; and

(B) any additional information as the Secretary may require.

(2) SELECTION OF GRANTEES.—

(A) IN GENERAL.—The Secretary shall establish criteria to award grants under the Program on a competitive basis, which may include consideration of whether—

(i) the median price of workforce housing units in the area to be served by the grant is increasing;

(ii) the supply of available workforce housing units in the area to be served by the grant is decreasing; and

(iii) whether employers in the area to be served by the grant are struggling to recruit employees due to the lack of affordable housing options.

(B) PRIORITY.—The Secretary shall prioritize awarding grants to eligible entities that demonstrate a lack of affordable workforce housing units in the area to be served by the grant.

(e) REPORT TO CONGRESS.—Not later than 1 year after the date of enactment of this Act, and each year thereafter, the Secretary shall submit to the appropriate congressional committees a report on the implementation of the Program, which shall include—

(1) a list of grant recipients and the amount awarded to each grant recipient;

(2) a description of the projects assisted using grant funds, including the number of affordable workforce housing units created, preserved, and rehabilitated under the Program;

(3) a description of the households that purchased homes assisted under the Program, including the number of first-time homebuyers; and

(4) any other metrics that the Secretary determines necessary.

(f) WORKFORCE HOUSING DEVELOPMENT FUND.—

(1) IN GENERAL.—There is established in the Treasury a fund to be known as the ''Workforce Housing Development Fund'' to carry out the Program.

(2) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated and deposited into the fund established under paragraph (1) such sums as may be necessary for fiscal year 2023 and each fiscal year thereafter.

TITLE II—STATE AFFORDABLE HOUSING TRUST FUND MATCH ACT

SEC. 201. SHORT TITLE.

This title may be cited as the ''State Affordable Housing Trust Fund Match Act''.

SEC. 202. STATE AFFORDABLE HOUSING TRUST FUND MATCH.

Section 217 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747) is amended by adding at the end the following:

''(e) STATE AFFORDABLE HOUSING TRUST FUND MATCH.—

''(1) DEFINITIONS.—In this subsection:

''(A) AFFORDABLE HOUSING NEEDS.—The term 'affordable housing needs' means housing, housing construction, or housing improvements designated for low-income individuals, including individuals experiencing substance use disorders, veterans, individuals in rural communities, individuals experiencing homelessness, or individuals experiencing disabilities.

''(B) BONUS AMOUNT.—The term 'bonus amount' means an increased amount allocated to a State under paragraph (2)(A).

"(C) COVERED HOUSING ASSISTANCE.—The term 'covered housing assistance'—

"(i) means housing-related assistance that—

"(I) is provided by the Federal Government or a State or local government, or an agency or instrumentality thereof; and

"(II) imposes affordable housing quality or safety measures that are acceptable to the Secretary; and

"(ii) includes—

"(I) assistance provided under—

"(aa) the HOME Investment Partnerships Program under this title;

"(bb) the Federal Housing Administration's Risk-Sharing Programs under section 542 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–22);

"(cc) the Community Development Block Grant Program under title I of the Housing and

Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

"(dd) the Housing Trust Fund under section 1338 of the Federal Housing Enterprises Financial Safety and Soundness Act of 1992 (12 U.S.C. 4568);

"(II) tax credits provided under section 42 of the Internal Revenue Code of 1986; and

"(III) funding derived from proceeds of bonds that are—

"(aa) exempt from tax under section 103 of the Internal Revenue Code of 1986; and

"(bb) part of an issue 95 percent or more of the proceeds of which are used to provide qualified residential rental projects (as defined in section 142(d) of such Code).

"(D) COVID–19 EMERGENCY PERIOD.—The term 'COVID–19 emergency period' means the period beginning in fiscal year 2020 and ending in the fiscal year that begins after the last day of the public health emergency declared by the Secretary of Health and Human Services under section 319 of the Public Health Service Act (42 U.S.C. 247d) with respect to COVID–19.

"(E) ELIGIBLE STATE.—

"(i) IN GENERAL.—The term 'eligible State', with respect to eligibility to receive a bonus amount for a fiscal year, means a State that made a qualifying expenditure during any of the 3 preceding fiscal years, subject to clause (ii).

"(ii) COVID–19 EMERGENCY.—If the 3-fiscal year period referred to in clause (i) would include a fiscal year occurring during the COVID–19 emergency period, a State may elect to have the Secretary apply that clause by substituting 'the 3 most recent fiscal years that did not coincide with the COVID–19 emergency period' for 'the 3 preceding fiscal years'.

"(F) HOUSING FOR INDIVIDUALS EXPERIENCING SUBSTANCE USE DISORDERS.—The term ‘housing for individuals experiencing substance use disorders’ means—

“(i) housing that—

“(I) is designed to meet the needs of an individual experiencing a substance use disorder or a family that includes such an individual; and

“(II) makes available supportive services that address the physical health, mental health, behavioral health, substance use treatment, or other needs of an individual described in subclause (I), which may include such services to the family of the individual; and

“(ii) recovery housing, as defined in section 550 of the Public Health Service Act (42 U.S.C. 290ee–5).

“(G) QUALIFYING EXPENDITURE.—The term ‘qualifying expenditure’ means an expenditure—

“(i) that was obligated, through a State affordable housing trust fund, for a project that also received covered housing assistance;

"(ii)(I) not less than 20 percent of the beneficiaries of which are households with an income that is not more than 30 percent of the area median income; or

"(II) not less than 40 percent of the beneficiaries of which are households with an income that is not more than 60 percent of the area median income;

"(iii) that has a period of affordability of not less than 15 years; and

"(iv) that has not been counted for purposes of the non-Federal matching requirement under section 220.

"(H) QUALIFYING EXPENDITURE FOR EXTREMELY LOW-INCOME HOUSEHOLDS.—The term 'qualifying expenditure for extremely low-income households' means a qualifying expenditure that satisfies the criterion under subclause (I) of subparagraph (G)(ii).

"(I) QUALIFYING EXPENDITURE FOR LOW-INCOME HOUSEHOLDS.—The term 'qualifying expenditure for low-income households' means a qualifying expenditure that satisfies the criterion under subclause (II) of subparagraph (G)(ii).

"(J) STATE AFFORDABLE HOUSING TRUST FUND.—The term 'State affordable housing trust fund' means a fund operated by a State, or an agency or instrumentality thereof—

"(i) that—

"(I) provides financial assistance for a variety of affordable housing needs; and

"(II) receives public funding; and

"(ii) without regard to whether the State (or agency or instrumentality) designates the fund as a 'trust fund' or otherwise.

"(2) BONUS AMOUNTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), for fiscal year 2023 and each fiscal year thereafter, with respect to an eligible State that submits a complete application to the Secretary under paragraph (4), the Secretary shall increase the amount that would otherwise be allocated to the State under this section by an amount equal to the sum of the amounts calculated by the Secretary for the State under subparagraphs (A) and (B) of paragraph (3).

"(B) DEMAND EXCEEDING AVAILABLE FUNDS.—If the total amount of bonus amounts that would otherwise be allocated under subparagraph (A) for a fiscal year exceeds the amounts made available to carry out this subsection for that fiscal year, the Secretary shall reduce the bonus amount allocated to each State under subparagraph (A) on a pro rata basis.

"(3) BONUS AMOUNT FORMULAS.—

"(A) STANDARD AMOUNT.—The amount calculated under this subparagraph for a State for a fiscal year shall be 50 percent of the average amount that the State obligated for qualifying expenditures for low-income households during each of the preceding 3 fiscal years, subject to subparagraph (D).

"(B) ENHANCED AMOUNT.—The amount calculated under this subparagraph for a State for a fiscal year shall be not more than 75 percent of the average amount that the State obligated, during each of the preceding 3 fiscal years, subject to subparagraph (D), for—

"(i) qualifying expenditures for low-income households for projects that substantially complied with the definition of the term 'housing for individuals experiencing substance use disorders' under paragraph (1); or

"(ii) qualifying expenditures for extremely low-income households.

"(C) NO DOUBLE-COUNTING OF QUALIFYING EXPENDITURES.—A qualifying expenditure by a State or State-designated entity counted under subparagraph (B) may not be counted under subparagraph (A).

"(D) COVID–19 EMERGENCY.—If the 3-fiscal year period referred to in subparagraphs (A) and (B) would include a fiscal year occurring during the COVID–19 emergency period, a State may elect to have the Secretary make the calculation under those subparagraphs using the 3 most recent fiscal years that did not coincide with the COVID–19 emergency period.

"(4) APPLICATION.—

"(A) IN GENERAL.—An eligible State that wishes to receive a bonus amount shall submit to the Secretary an application, as part of the annual action plan required under section 91.320 of title 24, Code of Federal Regulations (or any successor regulation), in accordance with subparagraph (B).

"(B) CONTENTS.—An application submitted under subparagraph (A) shall include, for purposes of determining the amount of the bonus amount—

"(i) a list of each qualifying expenditure that the State wishes to be counted for purposes of calculating the amount of the bonus amount, including the fiscal year in which the qualifying expenditure was made;

"(ii) a description of each project that the State has funded using a qualifying expenditure described in clause (i);

"(iii) whether the State wishes each qualifying expenditure described in clause (i) to be counted in calculating—

"(I) the standard amount under paragraph (3)(A); or

"(II) the enhanced amount under paragraph (3)(B);

"(iv) the amount of each qualifying expenditure described in clause (i);

"(v) an explanation of how each qualifying expenditure described in clause (i)—

"(I) satisfies the definition of the term 'qualifying expenditure' under paragraph (1), including the requirement under clause (i) of that definition; and

"(II) if applicable—

"(aa) funded a project that substantially complies with the definition of the term 'housing for individuals experiencing substance use disorders' under paragraph (1); or

"(bb) was a qualifying expenditure for extremely low-income households; and

"(vi) a timeline for completion of each project described in clause (ii).

"(C) TRACKING OF FUNDS.—The Secretary shall, for each State that wishes to receive a bonus amount—

"(i) require the State to develop and maintain a system to—

"(I) track obligated funds from a State affordable housing trust fund; and

"(II) ensure that each obligation described in subclause (I) that the State claims as a qualifying expenditure under subparagraph (B)(i) constitutes a qualifying expenditure; and

"(ii) establish minimum requirements for agreements, between the State and each entity that receives assistance from the State in the form of a qualifying expenditure, which shall include—

"(I) appropriate periodic financial and project reporting, record retention, and audit requirements for the duration of the assistance to ensure compliance with the definition of the term 'qualifying expenditure' under paragraph (1); and

"(II) any other requirements that the Secretary determines are necessary to ensure appropriate administration of amounts from State affordable housing trust funds for purposes of this subsection.

"(5) OVERSIGHT.—

"(A) REPORT TO CONGRESS.—Not later than September 30, 2026, and every 4 years thereafter, the Secretary shall submit a report to Congress regarding the implementation of this subsection during the preceding 4-year period.

"(B) CONTENTS.—In each report submitted under subparagraph (A), the Secretary shall—

"(i) identify each State that received a bonus amount, and the amount of the bonus amount;

"(ii) describe whether States have increased investment in and obligation of funds from State affordable housing trust funds as a result of the increased funding provided under this subsection;

"(iii) describe how many more units were created by the bonus amount in each State that received a bonus amount;

"(iv) describe the populations targeted by projects that were funded with qualifying expenditures or funded by bonus amounts, such as individuals experiencing substance use disorders, veterans, individuals in rural communities, individuals experiencing homelessness, or individuals experiencing disabilities;

"(v) describe the average length of affordability periods for—

"(I) projects funded with qualifying expenditures; and

"(II) projects funded by bonus amounts;

"(vi) for each State that received a bonus amount, describe whether the State used the bonus amount for—

"(I) rehabilitation of owner-occupied housing;

"(II) assistance to home buyers; or

"(III) rental housing activities; and

"(vii) assess any other metric that the Secretary determines necessary.

"(6) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary for fiscal year 2023 and each fiscal year thereafter such amounts as may be necessary to carry out this subsection.

"(7) RELATION TO MINIMUM STATE ALLOCATION.—Nothing in this subsection shall be construed to authorize the Secretary to consider the amount of a bonus amount allocated to a State in determining under subsection (b)(2) whether the formula established under subsection (b) would allocate less than $3,000,000 to the State.".

TITLE III—PREVENT EVICTIONS ACT

SEC. 301. SHORT TITLE.

This title may be cited as the "Prevent Evictions Act".

SEC. 302. DEFINITIONS.

In this title:

(1) COVERED GRANT.—The term "covered grant" means an implementation grant or program expansion grant.

(2) ELIGIBLE ENTITY.—The term "eligible entity" means a State or a court thereof, a political subdivision of a State or a court thereof, a Tribal government, or any other appropriate public or nonprofit entity as determined by the Secretary, that is

formulating or carrying out a program that primarily involves meditation between landlords and tenants.

(3) IMPLEMENTATION GRANT.—The term ‘‘implementation grant’’ means a grant awarded under section 303(b).

(4) PROGRAM EXPANSION GRANT.—The term ‘‘program expansion grant’’ means a grant awarded under section 303(c).

(5) SECRETARY.—The term ‘‘Secretary’’ means the Secretary of Housing and Urban Development.

SEC. 303. LANDLORD-TENANT MEDIATION COMPETITIVE GRANT PROGRAM.

(a) IN GENERAL.—The Secretary shall award competitive grants under subsections (b) and (c) to eligible entities to assist those entities in establishing and administering, or continuing, landlord-tenant mediation programs.

(b) IMPLEMENTATION GRANTS.—

(1) IN GENERAL.—The Secretary shall award competitive grants to eligible entities to assist the entities in establishing and administering landlord-tenant mediation programs.

(2) TERM.—The term of an implementation grant shall be 2 years.

(3) AMOUNT.—The amount of an implementation grant shall be not more than $1,500,000.

(4) USE OF FUNDS.—An eligible entity may use an implementation grant to establish—

(A) a statewide mediation program; or

(B) a mediation program in a political subdivision of a State or in the jurisdiction of an Indian Tribe that demonstrates a high need for such a program due to—

(i) the rate of evictions in the political subdivision or Tribal jurisdiction; or

(ii) other characteristics of the political subdivision or Indian Tribe that contribute to the rate of evictions in the political subdivision or Tribal jurisdiction.

(5) FEDERAL SHARE.—The Federal share of the cost of a mediation program established using an implementation grant may not exceed 50 percent.

(c) PROGRAM EXPANSION GRANTS.—

(1) IN GENERAL.—The Secretary shall award competitive grants to eligible entities to assist the entities in continuing activities related to landlord-tenant mediation.

(2) TERM.—The term of a program expansion grant shall be 3 years.

(3) AMOUNT.—The amount of a program expansion grant shall be not more than $1,000,000.

(4) MAINTENANCE OF EFFORT.—

(A) IN GENERAL.—Subject to subparagraph (B), amounts made available to an eligible entity under a program expansion grant shall be used to supplement, and not supplant, contributions made by the eligible entity for existing landlord-tenant mediation activities.

(B) REDUCTION OF EXISTING FUNDING.—To the extent that amounts from a program expansion grant are used to replace funding for existing landlord-tenant mediation activities that is reduced for reasons beyond the control of the eligible entity, such use shall not be considered supplanting of amounts contributed by the eligible entity for purposes of subparagraph (A).

(d) GENERAL RULES FOR COVERED GRANTS.—

(1) USE OF FUNDS.—An eligible entity may use a covered grant to pay for operating costs, staff salaries, mediator compensation, information technology, interpreters, outreach services, and recruitment.

(2) GOOD FAITH PARTICIPATION.—An eligible entity that receives a covered grant shall encourage each party participating in the landlord-tenant mediation program funded by the grant to make a good faith effort to discuss potential resolutions.

(3) GEOGRAPHIC AND POPULATION DIVERSITY.—The Secretary shall ensure, to the maximum extent practicable, that recipients of covered grants represent—

(A) diverse geographical areas of the United States; and

(B) States, political subdivisions of States, and Indian Tribes of varying population sizes.

(4) FREE TO TENANTS.—A tenant may not be charged for participating in landlord-tenant mediation funded by a covered grant.

(e) OVERSIGHT REQUIREMENTS.—For each year of a covered grant received by an eligible entity, the eligible entity shall submit to the Secretary a report that—

(1) describes how the eligible entity used the grant funds during that year; and

(2) includes any performance data, relating to programs funded by the covered grant, that the eligible entity submitted to a State or political subdivision thereof, if applicable.

(f) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as may be necessary for fiscal year 2023 and each fiscal year thereafter.

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