

117TH CONGRESS
2D SESSION

S. 4872

To establish a permanent rural housing preservation and revitalization program, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 15, 2022

Mrs. SHAHEEN (for herself and Ms. SMITH) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To establish a permanent rural housing preservation and revitalization program, 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 “Strategy and Invest-
5 ment in Rural Housing Preservation Act of 2022”.

6 **SEC. 2. PERMANENT ESTABLISHMENT OF HOUSING PRES-**
7 **ERVATION AND REVITALIZATION PROGRAM.**

8 Title V of the Housing Act of 1949 (42 U.S.C. 1471
9 et seq.) is amended by adding at the end the following
10 new section:

1 **“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION**
 2 **PROGRAM.**

3 “(a) ESTABLISHMENT.—The Secretary shall carry
 4 out a program under this section for the preservation and
 5 revitalization of multifamily rental housing projects fi-
 6 nanced under section 515 or both sections 514 and 516.

7 “(b) NOTICE OF MATURING LOANS.—

8 “(1) TO OWNERS.—On an annual basis, the
 9 Secretary shall provide written notice to each owner
 10 of a property financed under section 515 or both
 11 sections 514 and 516 that will mature within the 4-
 12 year period beginning upon the provision of the no-
 13 tice, setting forth the options and financial incen-
 14 tives that are available to facilitate the extension of
 15 the loan term or the option to decouple a rental as-
 16 sistance contract pursuant to subsection (f).

17 “(2) TO TENANTS.—

18 “(A) IN GENERAL.—For each property fi-
 19 nanced under section 515 or both sections 514
 20 and 516, not later than the date that is 2 years
 21 before the date that the loan will mature, the
 22 Secretary shall provide written notice to each
 23 household residing in the property that informs
 24 them of the date of the loan maturity, the pos-
 25 sible actions that may happen with respect to
 26 the property upon that maturity, and how to

1 protect their right to reside in federally assisted
2 housing after that maturity.

3 “(B) LANGUAGE.—Notice under this para-
4 graph shall be provided in plain English and
5 shall be translated to other languages in the
6 case of any property located in an area in which
7 a significant number of residents speak such
8 other languages.

9 “(c) LOAN RESTRUCTURING.—Under the program
10 under this section, in any circumstance in which the Sec-
11 retary proposes a restructuring to an owner or an owner
12 proposes a restructuring to the Secretary, the Secretary
13 may restructure such existing housing loans, as the Sec-
14 retary considers appropriate, for the purpose of ensuring
15 that those projects have sufficient resources to preserve
16 the projects to provide safe and affordable housing for low-
17 income residents and farm laborers, by—

18 “(1) reducing or eliminating interest;

19 “(2) deferring loan payments;

20 “(3) subordinating, reducing, or reamortizing
21 loan debt; and

22 “(4) providing other financial assistance, in-
23 cluding advances, payments, and incentives (includ-
24 ing the ability of owners to obtain reasonable re-
25 turns on investment) required by the Secretary.

1 “(d) RENEWAL OF RENTAL ASSISTANCE.—

2 “(1) IN GENERAL.—When the Secretary pro-
3 poses to restructure a loan or agrees to the proposal
4 of an owner to restructure a loan pursuant to sub-
5 section (c), the Secretary shall offer to renew the
6 rental assistance contract under section 521(a)(2)
7 for a 20-year term that is subject to annual appro-
8 priations, provided that the owner agrees to bring
9 the property up to such standards that will ensure
10 maintenance of the property as decent, safe, and
11 sanitary housing for the full term of the rental as-
12 sistance contract.

13 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
14 respect to a project described in paragraph (1), if
15 rental assistance is not available for all households
16 in the project for which the loan is being restruc-
17 tured pursuant to subsection (c), the Secretary may
18 extend such additional rental assistance to unas-
19 sisted households at that project as is necessary to
20 make the project safe and affordable to low-income
21 households.

22 “(e) RESTRICTIVE USE AGREEMENTS.—

23 “(1) REQUIREMENT.—As part of the preserva-
24 tion and revitalization agreement for a project, the
25 Secretary shall obtain a restrictive use agreement

1 that obligates the owner to operate the project in ac-
2 cordance with this title.

3 “(2) TERM.—

4 “(A) NO EXTENSION OF RENTAL ASSIST-
5 ANCE CONTRACT.—Except when the Secretary
6 enters into a 20-year extension of the rental as-
7 sistance contract for a project, the term of the
8 restrictive use agreement for the project shall
9 be consistent with the term of the restructured
10 loan for the project.

11 “(B) EXTENSION OF RENTAL ASSISTANCE
12 CONTRACT.—If the Secretary enters into a 20-
13 year extension of the rental assistance contract
14 for a project, the term of the restrictive use
15 agreement for the project shall be for 20 years.

16 “(C) TERMINATION.—The Secretary may
17 terminate the 20-year use restrictive use agree-
18 ment for a project before the end of the term
19 of the agreement if the 20-year rental assist-
20 ance contract for the project with the owner is
21 terminated at any time for reasons outside the
22 control of the owner.

23 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

24 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
25 TRACT.—If the Secretary determines that a matur-

1 ing loan for a project cannot reasonably be restruc-
2 tured in accordance with subsection (c) because it is
3 not financially feasible or the owner does not agree
4 with the proposed restructuring, and the project was
5 operating with rental assistance under section 521,
6 the Secretary may renew the rental assistance con-
7 tract, notwithstanding any provision of section 521,
8 for a term, subject to annual appropriations, of not
9 less than 10 years but not more than 20 years.

10 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
11 respect to a project described in paragraph (1), if
12 rental assistance is not available for all households
13 in the project for which the loan is being restruc-
14 tured pursuant to subsection (c), the Secretary may
15 extend such additional rental assistance to unas-
16 sisted households at that project as is necessary to
17 make the project safe and affordable to low-income
18 households.

19 “(3) RENTS.—Any agreement to extend the
20 term of the rental assistance contract under section
21 521 for a project shall obligate the owner to con-
22 tinue to maintain the project as decent, safe and
23 sanitary housing and to operate the development in
24 accordance with this title, except that rents shall be
25 based on the lesser of—

1 “(A) the budget-based needs of the project;

2 or

3 “(B) the operating cost adjustment factor
4 as a payment standard as provided under sec-
5 tion 524 of the Multifamily Assisted Housing
6 Reform and Affordability Act of 1997 (42
7 U.S.C. 1437 note).

8 “(4) CONDITIONS FOR APPROVAL.—

9 “(A) PLAN.—Before the approval of a
10 rental assistance contract authorized under this
11 section, the Secretary shall require the owner to
12 submit to the Secretary a plan that identifies fi-
13 nancing sources and a timetable for renovations
14 and improvements determined to be necessary
15 by the Secretary to maintain and preserve the
16 project.

17 “(B) AUTOMATIC APPROVAL.—If a plan
18 submitted under subparagraph (A) is not acted
19 upon by the Secretary within 30 days of the
20 submission, the rental assistance contract is
21 automatically approved for not more than a 1-
22 year period.

23 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
24 ASSISTANCE.—Under the program under this section, the
25 Secretary may provide grants to qualified nonprofit orga-

1 nizations and public housing agencies to provide technical
 2 assistance, including financial and legal services, to bor-
 3 rowers under loans under this title for multifamily housing
 4 to facilitate the acquisition of such multifamily housing
 5 properties in areas where the Secretary determines there
 6 is a risk of loss of affordable housing.

7 “(h) TRANSFER OF RENTAL ASSISTANCE.—After the
 8 loan or loans for a rental project originally financed under
 9 section 515 or both sections 514 and 516 have matured
 10 or have been prepaid and the owner has chosen not to
 11 restructure the loan pursuant to subsection (c)—

12 “(1) a tenant residing in the project shall have
 13 18 months before loan maturation or prepayment to
 14 transfer the rental assistance assigned to the unit of
 15 the tenant to another rental project originally fi-
 16 nanced under section 515 or both sections 514 and
 17 516, and such tenants will have priority for admis-
 18 sion over other applicants; and

19 “(2) the owner of the initial project may rent
 20 the previous unit of the tenant to a new tenant with-
 21 out income restrictions.

22 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
 23 made available for the program under this section for any
 24 fiscal year, the Secretary may use not more than

1 \$1,000,000 for administrative expenses for carrying out
2 such program.

3 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
4 is authorized to be appropriated for the program under
5 this section \$200,000,000 for each of fiscal years 2023
6 through 2027.

7 “(k) RULEMAKING.—

8 “(1) IN GENERAL.—Not later than 180 days
9 after the date of enactment of the Strategy and In-
10 vestment in Rural Housing Preservation Act of
11 2022, the Secretary shall—

12 “(A) publish an advance notice of proposed
13 rulemaking; and

14 “(B) consult with appropriate stake-
15 holders.

16 “(2) INTERIM FINAL RULE.—Not later than 1
17 year after the date of enactment of the Strategy and
18 Investment in Rural Housing Preservation Act of
19 2022, the Secretary shall publish an interim final
20 rule to carry out this section.”.

21 **SEC. 3. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.**

22 Section 542 of the Housing Act of 1949 (42 U.S.C.
23 1490r) is amended by adding at the end the following:

24 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
25 514, 515, AND 516 PROJECTS.—

1 “(1) IN GENERAL.—The Secretary may provide
 2 rural housing vouchers under this section for any
 3 low-income household (including those not receiving
 4 rental assistance) residing—

5 “(A) for a term longer than the remaining
 6 term of their lease in effect just prior to pre-
 7 payment, in a property financed with a loan
 8 made or insured under section 514 or 515 that
 9 has—

10 “(i) been prepaid without restrictions
 11 imposed by the Secretary pursuant to sec-
 12 tion 502(c)(5)(G)(ii)(I);

13 “(ii) been foreclosed; or

14 “(iii) matured after September 30,
 15 2005; or

16 “(B) in a property assisted under section
 17 514 or 516.

18 “(2) PRIORITY.—The Secretary shall prioritize
 19 the provision of rental housing vouchers under this
 20 section for projects owned by nonprofit organizations
 21 and their affiliates or public agencies.”.

22 **SEC. 4. AMOUNT OF VOUCHER ASSISTANCE.**

23 Notwithstanding any other provision of law, in the
 24 case of any rural housing voucher provided pursuant to
 25 section 542 of the Housing Act of 1949 (42 U.S.C.

1 1490r), the amount of the monthly assistance payment for
 2 the household on whose behalf the assistance is provided
 3 shall be determined as provided in subsection (a) of such
 4 section 542.

5 **SEC. 5. RENTAL ASSISTANCE CONTRACT AUTHORITY.**

6 Section 521(d) of the Housing Act of 1949 (42
 7 U.S.C. 1490a(d)) is amended—

8 (1) in paragraph (1)—

9 (A) by redesignating subparagraphs (B)
 10 and (C) as subparagraphs (C) and (D), respec-
 11 tively;

12 (B) by inserting after subparagraph (A)
 13 the following:

14 “(B) upon request of an owner of a project fi-
 15 nanced under section 514 or 515, the Secretary is
 16 authorized to enter into renewal of such agreements
 17 for a period of 20 years or the term of the loan,
 18 whichever is shorter, subject to amounts made avail-
 19 able in appropriations Acts;” and

20 (C) in subparagraph (C), as so redesign-
 21 ated, by striking “subparagraph (A)” and in-
 22 serting “subparagraphs (A) and (B)” and

23 (D) in subparagraph (D), as so redesign-
 24 ated, by striking “subparagraphs (A) and

1 (B)” and inserting “subparagraphs (A), (B),
2 and (C)”;

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

4 “(3) In the case of any rental assistance contract au-
5 thority that becomes available because of the termination
6 of assistance on behalf of an assisted family—

7 “(A) at the option of the owner of the rental
8 project, the Secretary shall provide the owner a pe-
9 riod of 6 months before unused assistance is made
10 available pursuant to subparagraph (B) during
11 which the owner may use such assistance authority
12 to provide assistance of behalf of an eligible unas-
13 sisted family that—

14 “(i) is residing in the same rental project
15 that the assisted family resided before the ter-
16 mination; or

17 “(ii) newly occupies a dwelling unit in the
18 rental project during that 6-month period; and

19 “(B) except for assistance used as provided in
20 subparagraph (A), the Secretary shall use such re-
21 maining authority to provide assistance on behalf of
22 eligible families residing in other rental projects
23 originally financed under section 515 or both sec-
24 tions 514 and 516.”.

1 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**
2 **MENTS.**

3 (a) AUTHORIZATION OF APPROPRIATIONS.—There is
4 authorized to be appropriated to the Secretary of Agri-
5 culture \$50,000,000 for fiscal year 2023 for improving the
6 technology of the Department of Agriculture used to proc-
7 ess loans for multifamily housing and otherwise managing
8 that housing.

9 (b) TIMELINE.—The improvements required under
10 subsection (a) shall be made within the 5-year period be-
11 ginning upon the appropriation of amounts under sub-
12 section (a), and those amounts shall remain available until
13 the expiration of that 5-year period.

14 **SEC. 7. PLAN FOR PRESERVING AFFORDABILITY OF RENT-**
15 **AL PROJECTS.**

16 (a) PLAN.—Not later than 6 months after the date
17 of enactment of this Act, the Secretary of Agriculture (in
18 this section referred to as the “Secretary”) shall submit
19 to Congress a written for preserving the affordability for
20 low-income families of rental projects for which loans were
21 made under section 514 or 515 of the Housing Act of
22 1949 (42 U.S.C. 1484, 1485) and avoiding the displace-
23 ment of tenant households, which shall—

24 (1) set forth specific performance goals and
25 measures;

1 (2) set forth the specific actions and mecha-
2 nisms by which those goals will be achieved;

3 (3) set forth specific measurements by which
4 progress towards achievement of each goal can be
5 measured;

6 (4) provide for detailed reporting on outcomes;
7 and

8 (5) include any legislative recommendations to
9 assist in achievement of the goals under the plan.

10 (b) ADVISORY COMMITTEE.—

11 (1) ESTABLISHMENT; PURPOSE.—The Sec-
12 retary shall establish an advisory committee (in this
13 section referred to as the “advisory committee”) to
14 assist the Secretary in—

15 (A) preserving properties assisted under
16 section 514 or 515 of the Housing Act of 1949
17 (42 U.S.C. 1484, 1485) through the multi-
18 family housing preservation and revitalization
19 program under section 545 of such Act, as
20 added by section 2 of this Act; and

21 (B) implementing the plan required under
22 subsection (a).

23 (2) MEMBER.—The advisory committee shall
24 consist of 16 members, appointed by the Secretary,
25 as follows:

1 (A) A State Director of Rural Develop-
2 ment for the Department of Agriculture.

3 (B) The Administrator for Rural Housing
4 Service of the Department of Agriculture.

5 (C) Two representatives of for-profit devel-
6 opers or owners of multifamily rural rental
7 housing.

8 (D) Two representatives of nonprofit devel-
9 opers or owners of multifamily rural rental
10 housing.

11 (E) Two representatives of State housing
12 finance agencies.

13 (F) Two representatives of tenants of mul-
14 tifamily rural rental housing.

15 (G) One representative of a community de-
16 velopment financial institution that is involved
17 in preserving the affordability of housing as-
18 sisted under sections 514, 515, and 516 of the
19 Housing Act of 1949 (42 U.S.C. 1484, 1485,
20 1486).

21 (H) One representative of a nonprofit or-
22 ganization that operates nationally and has ac-
23 tively participated in the preservation of hous-
24 ing assisted by the Rural Housing Service by
25 conducting research regarding, and providing fi-

1 nancing and technical assistance for, preserving
2 the affordability of that housing.

3 (I) One representative of low-income hous-
4 ing tax credit investors.

5 (J) One representative of regulated finan-
6 cial institutions that finance affordable multi-
7 family rural rental housing developments.

8 (K) Two representatives from nonprofit or-
9 ganizations representing farmworkers, including
10 1 organization representing farmworker women.

11 (3) MEETINGS.—The advisory committee shall
12 meet not less often than once each calendar quarter.

13 (4) FUNCTIONS.—In providing assistance to the
14 Secretary to carry out the purpose of the advisory
15 committee, the advisory committee shall carry out
16 the following functions:

17 (A) Assisting the Rural Housing Service of
18 the Department of Agriculture to improve esti-
19 mates of the size, scope, and condition of rental
20 housing portfolio of the Rural Housing Service,
21 including the time frames for maturity of mort-
22 gages and costs for preserving the portfolio as
23 affordable housing.

24 (B) Reviewing policies and procedures of
25 the Rural Housing Service regarding preserva-

tion of affordable rental housing financed under sections 514, 515, 516, and 538 of the Housing Act of 1949 (42 U.S.C. 1484, 1485, 1486, 1490p-2), the Multifamily Preservation and Revitalization Demonstration program, and the rental assistance program and making recommendations regarding improvements and modifications to those policies and procedures.

(C) Providing ongoing review of Rural Housing Service program results.

(D) Providing reports to Congress and the public on meetings, recommendations, and other findings of the advisory committee.

(5) TRAVEL COSTS.—Any amounts made available for administrative costs of the Department of Agriculture may be used for costs of travel by members of the advisory committee to meetings of the advisory committee.

○