

118TH CONGRESS
2D SESSION

H. R. 10421

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

IN THE HOUSE OF REPRESENTATIVES

DECEMBER 16, 2024

Mr. CLEAVER introduced the following bill; which was referred to the Committee on Financial Services

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 2023”.

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 or maintain the property at such
10 standards that will ensure maintenance of the prop-
11 erty as decent, safe, and sanitary housing for the
12 full term of the rental assistance contract.

13 “(2) ADDITIONAL RENTAL ASSISTANCE.—

14 “(A) IN GENERAL.—With respect to a
15 project described in paragraph (1), if rental as-
16 sistance is not available for all households in
17 the project for which the loan is being restruc-
18 tured pursuant to subsection (c), the Secretary
19 may extend such additional rental assistance to
20 unassisted households at that project as is nec-
21 essary to make the project safe and affordable
22 to low-income households.

23 “(B) UNAVAILABLE PROPERTY.—In the
24 event that a property is not available to provide
25 additional rental assistance to households under

1 subparagraph (A), the Secretary may offer a
2 rural housing voucher to those households.

3 “(e) RESTRICTIVE USE AGREEMENTS.—

4 “(1) REQUIREMENT.—As part of the preserva-
5 tion and revitalization agreement for a project, the
6 Secretary shall obtain a restrictive use agreement
7 that obligates the owner to operate the project in ac-
8 cordance with this title.

9 “(2) TERM.—

10 “(A) NO EXTENSION OF RENTAL ASSIST-
11 ANCE CONTRACT.—Except when the Secretary
12 enters into a 20-year extension of the rental as-
13 sistance contract for a project, the term of the
14 restrictive use agreement for the project shall
15 be consistent with the term of the restructured
16 loan for the project.

17 “(B) EXTENSION OF RENTAL ASSISTANCE
18 CONTRACT.—If the Secretary enters into a 20-
19 year extension of the rental assistance contract
20 for a project, the term of the restrictive use
21 agreement for the project shall be for 20 years.

22 “(C) TERMINATION.—The Secretary may
23 terminate the 20-year use restrictive use agree-
24 ment for a project before the end of the term
25 of the agreement if the 20-year rental assist-

1 ance contract for the project with the owner is
2 terminated at any time for reasons outside the
3 control of the owner.

4 “(f) DECOUPLING OF RENTAL ASSISTANCE.—

5 “(1) RENEWAL OF RENTAL ASSISTANCE CON-
6 TRACT.—If the Secretary determines that a matur-
7 ing loan for a project cannot reasonably be restruc-
8 tured in accordance with subsection (c) because it is
9 not financially feasible or the owner does not agree
10 with the proposed restructuring, and the project was
11 operating with rental assistance under section 521,
12 the Secretary may renew the rental assistance con-
13 tract, notwithstanding any provision of section 521,
14 for a term, subject to annual appropriations, of 20
15 years, provided that the owner enters into a restric-
16 tive use agreement.

17 “(2) ADDITIONAL RENTAL ASSISTANCE.—With
18 respect to a project described in paragraph (1), if
19 rental assistance is not available for all households
20 in the project, the Secretary may extend such addi-
21 tional rental assistance to unassisted households at
22 that project as is necessary to make the project safe
23 and affordable to low-income households.

24 “(3) RENTS.—Any agreement to extend the
25 term of the rental assistance contract under section

1 521 for a project shall obligate the owner to con-
2 tinue to maintain the project as decent, safe and
3 sanitary housing and to operate the development in
4 accordance with this title, except that rents shall be
5 based on the lesser of—

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

7 or

8 “(B) the operating cost adjustment factor
9 as a payment standard as provided under sec-
10 tion 524 of the Multifamily Assisted Housing
11 Reform and Affordability Act of 1997 (42
12 U.S.C. 1437 note).

13 “(4) CONDITIONS FOR APPROVAL.—

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

22 “(B) AUTOMATIC APPROVAL.—If a plan
23 submitted under subparagraph (A) is not acted
24 upon by the Secretary within 30 days of the
25 submission, the rental assistance contract is

1 automatically approved for not more than a 1-
2 year period.

3 “(g) MULTIFAMILY HOUSING TRANSFER TECHNICAL
4 ASSISTANCE.—Under the program under this section, the
5 Secretary may provide grants to qualified nonprofit orga-
6 nizations and public housing agencies to provide technical
7 assistance, including financial and legal services, to bor-
8 rowers under loans under this title for multifamily housing
9 to facilitate the acquisition of such multifamily housing
10 properties in areas where the Secretary determines there
11 is a risk of loss of affordable housing.

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

17 “(1) a tenant residing in the project shall have
18 18 months before loan maturation or prepayment to
19 transfer the rental assistance assigned to the unit of
20 the tenant to another rental project originally fi-
21 nanced under section 515 or both sections 514 and
22 516, and such tenants will have priority for admis-
23 sion over other applicants; and

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

4 “(i) ADMINISTRATIVE EXPENSES.—Of any amounts
5 made available for the program under this section for any
6 fiscal year, the Secretary may use not more than
7 \$1,000,000 for administrative expenses for carrying out
8 such program.

9 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
10 is authorized to be appropriated for the program under
11 this section \$200,000,000 for each of fiscal years 2024
12 through 2028.

13 “(k) RULEMAKING.—

14 “(1) IN GENERAL.—Not later than 180 days
15 after the date of enactment of the Strategy and In-
16 vestment in Rural Housing Preservation Act of
17 2023, the Secretary shall—

18 “(A) publish an advance notice of proposed
19 rulemaking; and

20 “(B) consult with appropriate stake-
21 holders.

22 “(2) INTERIM FINAL RULE.—Not later than 1
23 year after the date of enactment of the Strategy and
24 Investment in Rural Housing Preservation Act of

1 2023, the Secretary shall publish an interim final
2 rule to carry out this section.”.

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

4 Section 542 of the Housing Act of 1949 (42 U.S.C.
5 1490r) is amended by adding at the end the following:

6 “(c) ELIGIBILITY OF HOUSEHOLDS IN SECTIONS
7 514, 515, AND 516 PROJECTS.—

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

12 “(A) for a term longer than the remaining
13 term of their lease in effect just prior to pre-
14 payment, in a property financed with a loan
15 made or insured under section 514 or 515 that
16 has—

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

20 “(ii) been foreclosed; or

21 “(iii) matured after September 30,
22 2005 and the property is not receiving
23 rental assistance under section 545(f); or

24 “(B) in a property assisted under section
25 514 or 516.

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

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

6 Notwithstanding any other provision of law, in the
7 case of any rural housing voucher provided pursuant to
8 section 542 of the Housing Act of 1949 (42 U.S.C.
9 1490r), the amount of the monthly assistance payment for
10 the household on whose behalf the assistance is provided
11 shall be determined as provided in subsection (a) of such
12 section 542.

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

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

16 (1) in paragraph (1)—

17 (A) by redesignating subparagraphs (B)
18 and (C) as subparagraphs (C) and (D), respec-
19 tively;

20 (B) by inserting after subparagraph (A)
21 the following:

22 “(B) upon request of an owner of a project
23 financed under section 514 or 515 or an owner
24 who has entered into a restrictive use agree-
25 ment under section 545(e), the Secretary is au-

thorized to enter into a renewal of such agreements for a period of 20 years or the term of the loan, whichever is shorter, subject to amounts made available in appropriations Acts;”;

(C) in subparagraph (C), as so redesignated, by striking “subparagraph (A)” and inserting “subparagraphs (A) and (B)”; and

(D) in subparagraph (D), as so redesignated, by striking “subparagraphs (A) and (B)” and inserting “subparagraphs (A), (B), and (C)”; and

(2) in paragraph (2)—

(A) by striking “shall” and inserting “may”; and

(B) by inserting “(other than the authority described in paragraph (1)(B))” after “this section”.

SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVEMENTS.

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary of Agriculture \$50,000,000 for fiscal year 2024 for improving the technology of the Department of Agriculture used to proc-

1 less loans for multifamily housing and otherwise managing
2 that housing.

3 (b) **TIMELINE.**—The improvements required under
4 subsection (a) shall be made within the 5-year period be-
5 ginning upon the appropriation of amounts under sub-
6 section (a), and those amounts shall remain available until
7 the expiration of that 5-year period.

8 **SEC. 7. PLAN FOR PRESERVING AFFORDABILITY OF RENT-**
9 **AL PROJECTS.**

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

18 (1) set forth specific performance goals and
19 measures;

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

22 (3) set forth specific measurements by which
23 progress towards achievement of each goal can be
24 measured;

1 (4) provide for detailed reporting on outcomes;
2 and

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

5 (b) ADVISORY COMMITTEE.—

6 (1) ESTABLISHMENT; PURPOSE.—The Sec-
7 retary shall establish an advisory committee (in this
8 section referred to as the “advisory committee”) to
9 assist the Secretary in—

10 (A) preserving properties assisted under
11 section 514 or 515 of the Housing Act of 1949
12 (42 U.S.C. 1484, 1485) through the multi-
13 family housing preservation and revitalization
14 program under section 545 of such Act, as
15 added by section 2 of this Act; and

16 (B) implementing the plan required under
17 subsection (a).

18 (2) MEMBER.—The advisory committee shall
19 consist of 16 members, appointed by the Secretary,
20 as follows:

21 (A) A State Director of Rural Develop-
22 ment for the Department of Agriculture.

23 (B) The Administrator for Rural Housing
24 Service of the Department of Agriculture.

1 (C) Two representatives of for-profit devel-
2 opers or owners of multifamily rural rental
3 housing.

4 (D) Two representatives of nonprofit devel-
5 opers or owners of multifamily rural rental
6 housing.

7 (E) Two representatives of State housing
8 finance agencies.

9 (F) Two representatives of tenants of mul-
10 tifamily rural rental housing.

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

17 (H) One representative of a nonprofit or-
18 ganization that operates nationally and has ac-
19 tively participated in the preservation of hous-
20 ing assisted by the Rural Housing Service by
21 conducting research regarding, and providing fi-
22 nancing and technical assistance for, preserving
23 the affordability of that housing.

24 (I) One representative of low-income hous-
25 ing tax credit investors.

1 (J) One representative of regulated finan-
2 cial institutions that finance affordable multi-
3 family rural rental housing developments.

4 (K) Two representatives from nonprofit or-
5 ganizations representing farmworkers, including
6 1 organization representing farmworker women.

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

9 (4) FUNCTIONS.—In providing assistance to the
10 Secretary to carry out the purpose of the advisory
11 committee, the advisory committee shall carry out
12 the following functions:

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

20 (B) Reviewing policies and procedures of
21 the Rural Housing Service regarding preserva-
22 tion of affordable rental housing financed under
23 sections 514, 515, 516, and 538 of the Housing
24 Act of 1949 (42 U.S.C. 1484, 1485, 1486,
25 1490p-2), the Multifamily Preservation and

1 Revitalization Demonstration program, and the
2 rental assistance program and making rec-
3 ommendations regarding improvements and
4 modifications to those policies and procedures.

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

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

10 (5) TRAVEL COSTS.—Any amounts made avail-
11 able for administrative costs of the Department of
12 Agriculture may be used for costs of travel by mem-
13 bers of the advisory committee to meetings of the
14 advisory committee.

○