

AMENDMENT TO H.R. 3965
OFFERED BY MR. FRANK OF MASSACHUSETTS

After section 8 of the bill, insert the following new section:

1 **SEC. 9. MARK-TO-MARKET FOR MODERATE REHABILITA-**
2 **TION PROJECTS.**

3 (a) **RENEWAL OF EXPIRING PROJECT-BASED SEC-**
4 **TION 8 MODERATE REHABILITATION CONTRACTS.**—Sec-
5 tion 524 of the Multifamily Assisted Housing Reform and
6 Affordability Act of 1997 (42 U.S.C. 1437f note) is
7 amended—

8 (1) in subsection (a)(4)(A)(iv)—

9 (A) in subclause (I), by inserting “or”
10 after the semicolon;

11 (B) by striking subclause (II); and

12 (C) by redesignating subclause (III) as
13 subclause (II); and

14 (2) in subsection (b), by striking paragraph (3).

15 (b) **RENT ADJUSTMENTS FOR COVERED**
16 **PROJECTS.**—

17 (1) **RENT DETERMINATION AT INITIAL RE-**
18 **NEWAL AFTER ENACTMENT.**—Upon the first request
19 by an owner of a covered housing project for renewal

1 of project-based assistance pursuant to section 524
2 of the Multifamily Assisted Housing Reform and Af-
3 fordability Act of 1997 made after the date of the
4 enactment of this Act—

5 (A) the rent levels at which assistance will
6 be provided pursuant to such renewal shall be
7 determined as if such renewal were the initial
8 renewal of a contract for assistance under sec-
9 tion 524, as amended by subsection (a) of this
10 section; and

11 (B) solely for purposes of determining the
12 rent levels at which assistance will be provided
13 pursuant to such first renewal after the date of
14 the enactment of this Act, in the case of a
15 project for which contract rents were reduced
16 upon a prior renewal of an expiring contract
17 pursuant to subsection (b)(3) of section 524, as
18 in effect on the day before the date of the en-
19 actment of this Act, the contract rent levels in
20 effect immediately prior to such first renewal
21 after the date of the enactment of this Act shall
22 be the considered to be the deemed rent levels
23 described in paragraph (3)(C).

24 (2) RENT ADJUSTMENTS AFTER INITIAL RE-
25 NEWAL AFTER ENACTMENT.—After the first renewal

1 of a contract for assistance of a covered housing
2 project after the date of the enactment of this Act
3 in accordance with paragraph (1) of this subsection,
4 the Secretary of Housing and Urban Development
5 shall adjust rents in accordance with subsection (c)
6 of section 524.

7 (3) DEFINITIONS.—For purposes of this sub-
8 section, the following definitions shall apply:

9 (A) The term “section 524” means section
10 524 of the Multifamily Assisted Housing Re-
11 form and Affordability Act of 1997 (42 U.S.C.
12 1437f note).

13 (B) The term “covered housing project”
14 means a project that receives project-based as-
15 sistance under section 8 of the United States
16 Housing Act of 1937 (42 U.S.C. 1437f) which
17 was renewed prior to the date of the enactment
18 of this Act pursuant to subsection (b)(3) of sec-
19 tion 524, as in effect on the day before the date
20 of the enactment of this Act.

21 (C) The term “deemed rent levels” means
22 the contract rent levels in effect immediately
23 prior to the first renewal of assistance pursuant
24 to subsection (b)(3) of section 524, as in effect
25 on the day before the date of the enactment of

1 this Act, upon which contract rent levels were
2 reduced, as adjusted by the applicable operating
3 cost adjustment factor established by the Sec-
4 retary at the date of such renewal and at the
5 date of any subsequent renewal pursuant to
6 such subsection (b)(3).

7 (D) The term “Secretary” means the Sec-
8 retary of Housing and Urban Development or
9 any public housing agency approved by the Sec-
10 retary to serve as the contracting party in lieu
11 of the Secretary.