AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 1728
OFFERED BY MRS. AXNE OF IOWA

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.
This Act may be cited as the “Strategy and Investment in Rural Housing Preservation Act of 2022”.

SEC. 2. PERMANENT ESTABLISHMENT OF HOUSING PRESERVATION AND REVITALIZATION PROGRAM.
(a) In general.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended by adding at the end the following new section:

“SEC. 545. HOUSING PRESERVATION AND REVITALIZATION PROGRAM.
“(a) Establishment.—The Secretary shall carry out a program under this section for the preservation and revitalization of multifamily rental housing projects financed under section 515 or both sections 514 and 516.
“(b) Notice of Maturing Loans.—
“(1) To owners.—On an annual basis, the Secretary shall provide written notice to each owner of a property financed under section 515 or both

...
sections 514 and 516 that will mature within the 4-year period beginning upon the provision of such notice, setting forth the options and financial incentives that are available to facilitate the extension of the loan term or the option to decouple a rental assistance contract pursuant to subsection (f).

“(2) To tenants.—

“(A) In general.—For each property financed under section 515 or both sections 514 and 516, not later than the date that is 2 years before the date that such loan will mature, the Secretary shall provide written notice to each household residing in such property that informs them of the date of the loan maturity, the possible actions that may happen with respect to the property upon such maturity, and how to protect their right to reside in Federally assisted housing after such maturity.

“(B) Language.—Notice under this paragraph shall be provided in plain English and shall be translated to other languages in the case of any property located in an area in which a significant number of residents speak such other languages.
“(c) LOAN RESTRUCTURING.—Under the program under this section, when requested by the owner or the Secretary, the Secretary may restructure such existing housing loans, as the Secretary considers appropriate, for the purpose of ensuring that such projects have sufficient resources to preserve the projects to provide safe and affordable housing for low-income residents and farm laborers, by—

“(1) reducing or eliminating interest;

“(2) deferring loan payments;

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

“(4) providing other financial assistance, including advances, payments, and incentives (including the ability of owners to obtain reasonable returns on investment) required by the Secretary.

“(d) RENEWAL OF RENTAL ASSISTANCE.—

“(1) IN GENERAL.—When the Secretary offers to restructure a loan or agrees to an owner’s proposal for restructuring, pursuant to subsection (c), the Secretary shall offer to renew the rental assistance contract under section 521(a)(2) for a 20-year term that is subject to annual appropriations, provided that property is or will be maintained as de-
cent, safe, and sanitary housing for the full term of the rental assistance contract.

“(2) INSUFFICIENT AVAILABILITY.—If rental assistance is not available for all households in a project that is being restructured, the Secretary may extend additional rental assistance to unassisted households residing in the project provided it is necessary to make the project safe and affordable to low-income households. In cases in which a property is not available, the Secretary may offer a rental assistance voucher to tenants.

“(e) RESTRICTIVE USE AGREEMENTS.—

“(1) REQUIREMENT.—As part of the preservation and revitalization agreement for a project, the Secretary shall obtain a restrictive use agreement that obligates the owner to operate the project in accordance with this title.

“(2) TERM.—

“(A) NO EXTENSION OF RENTAL ASSISTANCE CONTRACT.—Except when the Secretary enters into a 20-year extension of the rental assistance contract for the project, the term of the restrictive use agreement for the project shall be consistent with the term of the restructured loan for the project.
“(B) Extension of Rental Assistance Contract.—If the Secretary enters into a 20-year extension of the rental assistance contract for a project, the term of the restrictive use agreement for the project shall be for 20 years.

“(C) Termination.—The Secretary may terminate the 20-year use restrictive use agreement for a project prior to the end of its term if the 20-year rental assistance contract for the project with the owner is terminated at any time for reasons outside the owner’s control.

“(f) Decoupling of Rental Assistance.—

“(1) Renewal of Rental Assistance Contract.—

“(A) In General.—If the Secretary determines that a maturing loan for a project cannot reasonably be restructured in accordance with subsection (c) because it is not financially feasible or the owner does not agree, and the project was operating with rental assistance under section 521, the Secretary may renew the rental assistance contract, notwithstanding any provision of section 521, for a term, subject to annual appropriations, of at least 10 years but not more than 20 years.
“(B) INSUFFICIENT AVAILABILITY.—If rental assistance is not available for all households in a project that is being restructured, the Secretary may extend additional rental assistance to unassisted households residing in the project provided it is necessary to make the project safe and affordable to low-income households.

“(2) RENTS.—Any agreement to extend the term of the rental assistance contract under section 521 for a project shall obligate the owner to continue to maintain the project as decent, safe and sanitary housing and to operate the development in accordance with this title, except that rents shall be adjusted based on the lesser of—

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

“(B) the operating cost adjustment factor as a payment standard as provided under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437 note).

“(3) CONDITIONS OF APPROVAL.—Before approval of a rental assistance contract authorized under this section, the Secretary shall require the
owner to identify financing sources and a timetable
for renovations and improvements deemed necessary
by the Secretary to maintain and preserve the prop-
erty. If such plan is not acted upon by the Secretary
within 60 days of submissions, the rental assistance
contract shall be considered to be approved for not
more than a one-year period.

“(g) Multifamily Housing Transfer Technical
Assistance.—Under the program under this section, the
Secretary may provide grants to qualified non-profit orga-
nizations and public housing agencies to provide technical
assistance, including financial and legal services, to bor-
rowers under loans under this title for multifamily housing
to facilitate the acquisition of such multifamily housing
properties in areas where the Secretary determines there
is a risk of loss of affordable housing.

“(h) Transfer of Rental Assistance.—After the
loan or loans for a rental project originally financed under
section 515 or both sections 514 and 516 have matured
or have been prepaid and the owner has chosen not to
restructure the loan pursuant to subsection (c), a tenant
residing in such project shall have 18 months prior to loan
maturation or prepayment to transfer the rental assist-
ance assigned to the tenant’s unit to another rental project
originally financed under section 515 or section 514 or
516. Such tenants will have priority for admission over other applicants. The owner of the initial project may rent the tenant’s previous unit to a new tenant without income restrictions.

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

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

(b) RULEMAKING.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall publish a Notice of Advance Rulemaking to implement section 545 of the Housing Act of 1949, as added by the amendment made by subsection (a) of this section. Not later than 12 months after the date of the enactment of this Act, the Secretary shall publish an interim final rule.

SEC. 3. ELIGIBILITY FOR RURAL HOUSING VOUCHERS.

Section 542 of the Housing Act of 1949 (42 U.S.C. 1490r) is amended by adding at the end the following new subsection:
“(c) Eligibility of Households in Sections 514, 515, and 516 Projects.—The Secretary may provide rural housing vouchers under this section for any low-income household (including those not receiving rental assistance) residing, for a term longer than the remaining term of their lease in effect just prior to prepayment, in a property financed with a loan made or insured under section 514 or 515 (42 U.S.C. 1484, 1485) which has been prepaid without restrictions imposed by the Secretary pursuant to section 502(c)(5)(G)(ii)(I) (42 U.S.C. 1472(c)(5)(G)(ii)(I)), has been foreclosed, or has matured after September 30, 2005, or residing in a property assisted under section 514 or 516. The Secretary shall provide a priority for projects owned by non-profit organizations and their affiliates or public agencies.”.

SEC. 4. AMOUNT OF VOUCHER ASSISTANCE.

Notwithstanding any other provision of law, in the case of any rural housing voucher provided pursuant to section 542 of the Housing Act of 1949 (42 U.S.C. 1490r), the amount of the monthly assistance payment for the household on whose behalf such assistance is provided shall be determined as provided in subsection (a) of such section 542.
SEC. 5. RENTAL ASSISTANCE CONTRACT AUTHORITY.

Subsection (d) of section 521 of the Housing Act of 1949 (42 U.S.C. 1490a(d)) is amended by adding at the end the following new paragraph:

“(3) In the case of any rental assistance contract authority that becomes available because of the termination of assistance on behalf of an assisted family—

“(A) at the option of the owner of the rental project, the Secretary shall provide the owner a period of 6 months before such assistance is made available pursuant to subparagraph (B) during which the owner may use such assistance authority to provide assistance of behalf of an eligible unassisted family that—

“(i) is residing in the same rental project that the assisted family resided in prior to such termination; or

“(ii) newly occupies a dwelling unit in such rental project during such period; and

“(B) except for assistance used as provided in subparagraph (A), the Secretary shall use such remaining authority to provide such assistance on behalf of eligible families residing in other rental projects originally financed under section 515 or both sections 514 and 516 of this Act.”.
SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVEMENTS.

There is authorized to be appropriated to the Secretary of Agriculture $50,000,000 for fiscal year 2023 for improving the technology of the Department of Agriculture used to process loans for multifamily housing and otherwise managing such housing. Such improvements shall be made within the 5-year period beginning upon the appropriation of such amounts and such amount shall remain available until the expiration of such 5-year period.

SEC. 7. PLAN FOR PRESERVING AFFORDABILITY OF RENTAL PROJECTS.

(a) PLAN.—The Secretary of Agriculture (in this section referred to as the “Secretary”) shall submit a written plan to the Congress, not later than the expiration of the 6-month period beginning on the date of the enactment of this Act, for preserving the affordability for low-income families of rental projects for which loans were made under section 515 or 514 and avoiding the displacement of tenant households, which shall—

(1) set forth specific performance goals and measures;

(2) set forth the specific actions and mechanisms by which such goals will be achieved;
(3) set forth specific measurements by which progress towards achievement of each goal can be measured;

(4) provide for detailed reporting on outcomes; and

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

(b) ADVISORY COMMITTEE.—

(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish an advisory committee whose purpose shall be to assist the Secretary in preserving section 515 properties and section 514 properties through the multifamily housing preservation and revitalization program under section 545 and in implementing the plan required under subsection (a).

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

(A) A State Director of Rural Development for the Department of Agriculture.

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

(C) Two representatives of for-profit developers or owners of multifamily rural rental housing.
(D) Two representatives of non-profit developers or owners of multifamily rural rental housing.

(E) Two representatives of State housing finance agencies.

(F) Two representatives of tenants of multifamily rural rental housing.

(G) One representative of a community development financial institution that is involved in preserving the affordability of housing assisted under sections 514, 515, and 516 of the Housing Act of 1949.

(H) One representative of a nonprofit organization that operates nationally and has actively participated in the preservation of housing assisted by the Rural Housing Service by conducting research regarding, and providing financing and technical assistance for, preserving the affordability of such housing.

(I) One representative of low-income housing tax credit investors.

(J) One representative of regulated financial institutions that finance affordable multifamily rural rental housing developments.
(K) Two representatives from non-profit organizations representing farmworkers, including one organization representing farmworker women.

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

(4) FUNCTIONS.—In providing assistance to the Secretary to carry out its purpose, the advisory committee shall carry out the following functions:

(A) Assisting the Rural Housing Service of the Department of Agriculture to improve estimates of the size, scope, and condition of rental housing portfolio of the Service, including the time frames for maturity of mortgages and costs for preserving the portfolio as affordable housing.

(B) Reviewing current policies and procedures of the Rural Housing Service regarding preservation of affordable rental housing financed under sections 514, 515, 516, and 538 of the Housing Act of 1949, the Multifamily Preservation and Revitalization Demonstration program (MPR), and the rental assistance program and making recommendations regarding
improvements and modifications to such policies and procedures.

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

(D) Providing reports to the 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 committee.