A BILL
To [NOTE: To be supplied.]

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

SECTION 1. SHORT TITLE.
This Act may be cited as the “Affordable Housing
Preservation Act of 2021”.

SEC. 2. AFFORDABLE HOUSING PRESERVATION PROGRAM.
Title I of the United States Housing Act of 1937 (42
U.S.C. 1437 et seq.) is amended by adding at the end
the following new section:
SEC. 39. AFFORDABLE HOUSING PRESERVATION PROGRAM; FIRST COMPONENT.

(a) CONVERSION OF ASSISTANCE.—To provide assistance to preserve and improve public housing and certain other multifamily housing through the voluntary conversion of properties with assistance under section 9 of this Act, or the moderate rehabilitation program under section 8(e)(2) of this Act, to properties with assistance under a project-based subsidy contract under section 8 of this Act, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 or assistance under section 8(o)(13) of this Act, the Secretary may carry out a program under this title (in this section referred to as the ‘Program’) to transfer amounts provided through contracts under section 8(e)(2) or for the Public Housing Capital Fund and the Public Housing Operating Fund under subsections (d) and (e), respectively, of section 9 of this Act for use for tenant-based rental assistance or project-based rental assistance under section 8 of this Act.

(b) INITIAL LONG-TERM CONTRACT.—The initial long-term contract under which assistance converted pursuant to subsection (a) is made available may allow for rental adjustments only by an operating cost factor established by the Secretary, and shall be subject to the availability of appropriations for each year of such term.
“(e) TERM OF PROGRAM.—The Secretary may receive project applications under the Program until September 30, 2025.

“(d) BUDGET COMPLIANCE.—Any increase in costs for tenant-based rental assistance or project-based rental assistance associated with such conversion under the Program in excess of amounts made available to carry out such program shall be equal to amounts transferred from the Public Housing Capital Fund and the Public Housing Operating Fund or from any other account of the Department of Housing and Urban Development from which it was transferred.

“(e) SCOPE OF PROGRAM.—Not more than 455,000 dwelling units receiving assistance under section 9 or section 8(e)(2) of United States Housing Act of 1937 may be converted under the Program.

“(f) TENANT PROTECTIONS.—

“(1) PUBLIC HOUSING TENANTS.—In the case of properties with assistance to be converted under this section from assistance under section 9:

“(A) NOTIFICATION OF CONVERSION.—Before an application for participation in the Program is submitted, the public housing agency shall—
“(i) provide written notification to legitimate resident organizations of the intent of the agency to pursue a conversion;

“(ii) written notification to residents of the projects for which conversion is proposed that informs the residents of the intent of the agency to pursue a conversion and of their rights in connection with a proposed conversion, including whether or not any relocation is anticipated.

Written notices under this subparagraph shall be provided in any and all languages spoken by 2 percent or more of residents of housing assisted by the public housing agency and shall comply with the requirements and guidelines under the Plain Writing Act of 2010 (5 U.S.C. 301 note).

“(B) MINIMUM RIGHTS.—Tenants shall, at a minimum, maintain the same rights under such conversion as those provided under sections 6 and 9 of this Act and implementing regulations, including eligibility for tenant-based rental assistance in the form of a choice mobility voucher after one year, contingent on availability and limits established by the Secretary,
with housing mobility counseling provided to maximize housing choice.

“(2) PUBLIC HOUSING AND MODERATE REHABILITATION TENANTS.—Tenants of properties with assistance converted from assistance under section 9 or section 8(e)(2) shall—

“(A) have the right to establish and operate a resident organization for the purpose of addressing issues related to their living environment, which includes the terms and conditions of their tenancy; and

“(B) be provided $25 per occupied unit annually for resident participation.

“(g) COMPETITION.—

“(1) IN GENERAL.—The Secretary shall select properties from applications for conversion as part of the Program a competitive process.

“(2) CRITERIA FOR SELECTION.—In establishing criteria for such competition, the Secretary shall seek to demonstrate the feasibility of this conversion model to recapitalize and operate public housing properties—

“(A) in different markets and geographic areas;
“(B) within portfolios managed by public housing agencies of varying sizes; and

“(C) by leveraging other sources of funding to recapitalize properties.

“(3) PRIORITY.—In such competition, priority shall be given to applications that involve substantial rehabilitation that—

“(A)(i) involves the improvement of a property to decent, safe, and sanitary condition, including removing lead and other health hazards, in accordance with the Secretary’s standards for properties with assistance under section 9 of this Act from a condition below such standards;

“(ii) may vary in degree from gutting and extensive reconstruction to the cure of substantial accumulation of deferred maintenance, except that cosmetic improvements alone, including painting, decorating, and minor repairs, shall not qualify as substantial rehabilitation under this paragraph; and

“(iii) may also include renovation, alteration, or remodeling for the conversion or adaptation of structurally sound property to the design and condition required for use under this
section or the repair or replacement of major
building systems or components in danger of
failure; or

“(B) increases accessibility for people with
mobility impairments or brings older buildings
into compliance with laws pertaining to physical
accessibility, including the Americans With Dis-
abilities Act 1990 (42 U.S.C. 12101 et seq.)
and section 504 of the Rehabilitation Act of

“(h) OPPORTUNITY TO COMMENT; AVAILABILITY OF
INFORMATION.—

“(1) Public comment.—The Secretary shall
provide an opportunity for public comment on draft
eligibility and selection criteria and procedures that
shall apply to the selection of properties that will
participate in the Program.

“(2) Resident comment.—The Secretary
shall provide an opportunity for comment from resi-
dents of properties to be proposed for participation
in the Program to the owners or public housing
agencies responsible for such properties.

“(3) Meetings.—The Secretary shall require
all public housing agencies to hold substantive meet-
ings with residents in a place accessible to residents
to solicit public comment, including holding at least
two meetings at each of the following stages of con-
version:

“(A) Prior to submitting an application.

“(B) After the Secretary issues a commit-
ment to enter into a housing assistance pay-
ment contract not later than 60 days before the
submission of a financing plan.

“(C) After the Secretary issues a conver-
sion commitment under the Program and not
later than 60 days before the closing under the
program.

“(D) Within 60 days of closing.

“(E) On a calendar quarterly basis during
rehabilitation or construction.

“(F) When residents become eligible for
choice mobility vouchers.

“(4) Availability of information.—The
Secretary shall make immediately available to resi-
dents free of charge, on its website and upon re-
quest, key documents regarding the conversion
under this section for a property, including—

“(A) the application for participation in
the Program;
“(B) the commitment to enter into a housing assistance payments contract;

“(C) the front-end civil rights review;

“(D) the relocation plan; and

“(E) the conversion commitment.

“(i) SECTION 3 APPLICABILITY.—The Secretary shall require that section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) shall apply to all properties converted from assistance under the Program.

“(j) WAIVER; ALTERNATIVE REQUIREMENTS.—

“(1) AUTHORITY.—The Secretary may waive or specify alternative requirements for (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) any provision of section 8(o)(13) or any provision that governs the use of assistance from which a property is converted under the Program or funds made available under for the Public Housing Capital Fund, the Public Housing Operating Fund, and project-based rental assistance, under this Act or any prior Act or any Act enacted during the period of conversion of assistance under program for properties with assistance converted under the program, upon a finding by the Secretary that any such waivers or alternative
requirements are necessary for the effective conversion of assistance under the program.

“(2) **Publication.**—The Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to paragraph (1) not later than 10 days before the effective date of such notice.

“(k) **Implementation.**—The Secretary may implement the Program only after the issuance of a rule to carry out this section. The Secretary shall issue a proposed rule to carry out this section not later than the expiration of the 120-day period beginning on the date of the enactment of this section and a final rule to carry out this section not later than the expiration of the 240-day period beginning on the date of the enactment of this section.

“(l) **Tenant Protections.**—

“(1) **In General.**—Notwithstanding sections 3 and 16 of this Act, the conversion of assistance under the Program shall not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the program, and such a family shall not be considered a new admission for any purpose, including compliance with income targeting requirements, nor shall any tenant family be considered to have left the
housing program solely due to the conversion, including compliance with Enterprise Income Verification: 13b.

“(2) REPORTING OF VIOLATION.—The Secretary shall establish a mechanism by which residents of properties participating in the Program may register complaints regarding violations of tenant protection provisions under the Program and to track the number, and resolution, of complaints received.

“(m) RELOCATION PLAN.—Notwithstanding all resident rights afforded by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq) and its implementing regulations, in the case of any conversion under which relocation is anticipated, whether temporary or permanent, before any conversion takes place the public housing agency, in consultation with residents, shall develop and submit to the Secretary a written relocation plan that identifies replacement dwelling units for all residents who will be relocated in connection with the conversion.

“(n) INAPPLICABILITY OF REPLACEMENT REQUIREMENTS.—In the case of a property with assistance converted under the Program from assistance under section 9 of this Act—
“(1) section 18 of this Act shall not apply to a property converting under the program for all or substantially all of its units;

“(2) the Secretary shall require ownership or control of assisted units by a public or nonprofit entity except as determined by the Secretary to be necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations or substantial default, in which case the priority for ownership or control shall be provided to a capable public or nonprofit entity, then a capable entity, as determined by the Secretary, shall require long-term renewable use and affordability restrictions for assisted units, and may allow ownership to be transferred to a for-profit entity to facilitate the use of tax credits only if the public housing agency or a nonprofit entity preserves an interest in the property in a manner approved by the Secretary, and upon expiration of the initial contract and each renewal contract, the Secretary shall offer and the owner of the property shall accept renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year of such renewal;
“(3) a public, nonprofit or other entity that retains ownership, control, or interest in the property being converted shall be subject to public transparency laws; and

“(4) the Secretary may permit transfer of assistance at or after conversion under the program to replacement units subject to the requirements in this subsection, but shall not authorize the reduction in the number of assisted units.

“(o) REQUIREMENTS.—The Secretary may establish the requirements for converted assistance under the Program through contracts, use agreements, regulations, or other means.

“(p) REMOVAL OF HAP CONTRACT.—In the case of a property with assistance converted under the Program from assistance under section 9 of this Act, the use agreement shall require—

“(1) that in the event of breach of, noncompliance with, or insufficiency of appropriations for the housing assistance payments contract, the Secretary shall take such affirmative steps as may be necessary to attempt to preserve the housing assistance payments contract, which may include establishment and implementation of a remediation plan; and
“(2) that the housing assistance payments contract may be removed due to substantial breach of, noncompliance with, or insufficiency of appropriations for the housing assistance payments contract, and, in the case of such a removal, for all units previously covered under such contract, tenants shall have incomes at or below 50 percent of the area mean income at the time of admission and rents may not exceed 30 percent of 50 percent of the area median income for an appropriate-size unit for the remainder of the term of the use agreement under the program.

“(q) MODEL LEASE.—The Secretary shall develop and require use of a model lease for use at all conversions of assistance under the Program.

“(r) FINDINGS; REPORTS.—

“(1) FINDINGS.—The Secretary shall assess and publish findings regarding—

“(A) the impact of the conversion of assistance under the Program on the preservation and improvement of public housing, including the extent of substantial rehabilitation, improvements, and repairs made;

“(B) the amount of private sector leveraging as a result of such conversion;
“(C) the effect of such conversion on tenants; and

“(D) the number of tenant complaints received pursuant to subsection (l)(2).

“(2) ANNUAL REPORTS TO CONGRESS.—The Secretary shall report to the Congress on an annual basis on the impact of the Program, including—

“(A) the number and percentage of tenants who have exercised their right to remain at the converted property;

“(B) the number and percentage of tenants who are eligible to and have exercised their choice mobility rights;

“(C) the number and percentage of units that have transferred assistance and the census tracts from which and to which the properties have transferred;

“(D) the number of conversions under investigation by the Secretary;

“(E) all post-conversion findings of non-compliance by the Secretary and amount of any formal settlements;

“(F) certifications that the requirements of section 3 of the Housing and Urban Develop-
ment Act of 1968 (12 U.S.C. 1701u) have been met in converted properties; and

“(G) public and private funds leveraged and their sources.

“(3) QUARTERLY REPORTS TO CONGRESS.—The Secretary shall report to the Congress on a calendar quarterly basis on the address and location of all residents of properties with assistance converted under the Program, redacted as necessary, including households that cannot be located or are no longer assisted by the Department of Housing and Urban Development.

“SEC. 40. AFFORDABLE HOUSING PRESERVATION PROGRAM; SECOND COMPONENT.

“(a) CONVERSION OF ASSISTANCE.—Owners of properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) of the United States Housing Act of 1937, for which an event after October 1, 2006 has caused or results in the termination of rental assistance or affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of this Act, or with a project rental assistance contract under section 202(c)(2) of the Housing Act of 1959, shall be eligible, subject to requirements established by the Sec-
retary, including the subordination, restructuring, or both, of any capital advance documentation, including any note, mortgage, use agreement, or other agreement evidencing or securing a capital advance previously provided by the Secretary under section 202(c)(1) of the Housing Act of 1959 as necessary to facilitate the conversion of assistance while maintaining the affordability period and designation of the property as serving elderly persons, and, tenant consultation procedures, for conversion of assistance available for such vouchers or assistance contracts to assistance under a long-term project-based subsidy contract under section 8 of this Act or, subject to agreement of the administering public housing agency, to assistance under section 8(o)(13) of this Act.

“(b) Section 8 Contracts.—A long-term section 8 contract provided in connection with a conversion of assistance under this section shall—

“(1) have a term of not less than 20 years;

“(2) provide for rent adjustments only by an operating cost factor established by the Secretary;


“(c) PHA Project-Based Assistance.—In the case of assistance under section 8(o)(13) of this Act pro-
vided in connection with a conversion of assistance under this section—

“(1) the limitation under subsection (B) of section 8(o)(13) (relating to percentage limitation) shall not apply; and

“(2) the Secretary of Housing and Urban Development may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) (relating to public housing agency plans and income-mixing requirements).

“(d) RENTS IN HIGH-COST AREAS.—Contracts provided under this section for properties converting assistance from section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act that are located in high-cost areas shall have initial rents set at comparable market rents for the market area.

“(e) TENANT PROTECTIONS.—Conversions of assistance under this section shall not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the demonstration and such a family shall not be considered a new admission for any purpose, including compliance with income targeting, nor shall any tenant family be considered to have
left the housing program solely due to the conversion, including compliance with enterprise income verification.

“(f) Eligibility for Tenant-Mobility Vouchers.—Tenants of such properties with assistance converted under this section shall be eligible for tenant-based rental assistance in the form of a choice mobility voucher after one year, contingent on availability and limits set by the Secretary, with housing mobility counseling provided to maximize housing choice.

“(g) Funding.—

“(1) Availability of Rental Assistance Amounts.—Amounts made available to the Secretary for rental housing assistance during the period of conversion under this section, except for conversion of section 202 project rental assistance contracts, shall be available for project-based subsidy contracts entered into pursuant to this section.

“(2) Recaptured Amounts.—Amounts, including contract authority, recaptured from contracts following a conversion under this section, except for conversion of rental assistance contracts under section 202 of the Housing Act of 1959, are hereby rescinded and an amount of additional new budget authority equivalent to the amount rescinded
is hereby appropriated?, to remain available until expended for such conversions.

“(3) TRANSFER AUTHORITY.—

“(A) RENTAL HOUSING ASSISTANCE.—

The Secretary may transfer amounts made available to the Secretary for rental housing assistance, amounts made available to the Secretary for tenant-based housing assistance for tenant protection vouchers and specifically associated with any such conversions, and amounts made available under paragraph (2) as needed for project-based rental assistance to facilitate conversion under this section, except for conversion of project rental assistance contracts under section 202 of the Housing Act of 1959, and any increase in cost for project-based rental assistance associated with such conversion shall be equal to amounts so transferred.

“(B) HOUSING FOR THE ELDERLY.—The Secretary may transfer amounts made available for housing for the elderly for use for project-based rental assistance or for tenant-based rental assistance to facilitate conversion under this section of any project rental assistance contract under section 202 of the Housing Act of
1959, and any increase in cost for project-based rental assistance or tenant-based rental assistance associated with such conversion shall be equal to amounts so transferred.

“(4) GAO STUDY.—With respect to the preceding provisions of this subsection, the Comptroller General of the United States shall conduct a study of the long-term impact of the fiscal year 2022 through 2023 conversion of tenant protection vouchers to assistance under section 8(o)(13) of this Act on the ratio of tenant-based vouchers to project-based vouchers.

“(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section, including—

“(1) for providing technical assistance to public housing agencies and property owners to establish and improve capacity for asset management for conversions under this section;

“(2) to hire and support staff of the Department of Housing and Urban Development who are trained and responsible for monitoring compliance with all resident participation provisions and relocation requirements; and
“(3) to authorize rental adjustments if above
the operating cost adjustment factor.”.

SEC. 3. REPEAL OF RENTAL ASSISTANCE DEMONSTRATION
PROGRAM.

(a) REPEAL.—Title II of the Transportation, Hous-
ing and Urban Development, and Related Agencies Approp-
riations Act, 2012 (division C of Public Law 112–55; 125
Stat. 673) is amended by striking the heading relating to
“Rental Assistance Demonstration”.

(b) SAVINGS CLAUSE.—Notwithstanding the repeal
under subsection (a), the provision repealed, as in effect
on the day before the date of the enactment of this Act,
shall apply to properties for which conversion of assistance
under such provision has been commenced before such
date of enactment and the Secretary may by notice issued
after such date of enactment provide for the implementa-
tion of such provision.