

[DISCUSSION DRAFT]

116TH CONGRESS
1ST SESSION

H. R. _____

To develop and implement a plan for preserving the affordability of rural rental housing assisted by the Rural Housing Service of the Department of Agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. CLAY introduced the following bill; which was referred to the Committee on _____

A BILL

To develop and implement a plan for preserving the affordability of rural rental housing assisted by the Rural Housing Service of the Department of Agriculture, 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 for Rural
5 Housing Preservation Act of 2019”.

1 **SEC. 2. PLAN FOR PRESERVING AFFORDABILITY OF RENT-**
2 **AL PROJECTS.**

3 (a) PLAN.—The Secretary of Agriculture (in this sec-
4 tion referred to as the “Secretary”) shall submit a written
5 plan to the Congress, not later than the expiration of the
6 6-month period beginning on the date of the enactment
7 of this Act, for preserving the affordability for low-income
8 families of rental projects for which loans were made or
9 insured under section 514 or 515 of the Housing Act of
10 1949 and avoiding the displacement of tenant households,
11 which shall—

12 (1) set forth specific performance goals and
13 measures;

14 (2) set forth the specific actions and mecha-
15 nisms by which such goals will be achieved;

16 (3) set forth specific measurements by which
17 progress towards achievement of each goal can be
18 measured;

19 (4) provide for detailed reporting on outcomes;
20 and

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

23 (b) ADVISORY COMMITTEE.—

24 (1) ESTABLISHMENT.—The Secretary shall es-
25 tablish an advisory committee to assist the Secretary

1 in implementing the plan required under subsection
2 (a).

3 (2) MEMBER.—The advisory shall consist of 13
4 members, appointed by the Secretary, as follows:

5 (A) A State Director of Rural Develop-
6 ment for the Department of Agriculture.

7 (B) 2 representatives of for-profit devel-
8 opers or owners of multifamily rural rental
9 housing.

10 (C) 2 representatives of non-profit devel-
11 opers or owners of multifamily rural rental
12 housing.

13 (D) 2 representatives of State housing fi-
14 nance agencies.

15 (E) 2 representatives of tenants of multi-
16 family rural rental housing.

17 (F) 1 representative of a community devel-
18 opment financial institution that is involved in
19 preserving the affordability of housing assisted
20 under sections 514, 515, and 516 of the Hous-
21 ing Act of 1949.

22 (G) 1 representative of a nonprofit organi-
23 zation that operates nationally and has actively
24 participated in the preservation of housing as-
25 sisted by the Rural Housing Service by con-

1 ducting research regarding, and providing fi-
2 nancing and technical assistance for, preserving
3 the affordability of such housing.

4 (H) 1 representative of low-income housing
5 tax credit investors.

6 (I) 1 representative of regulated financial
7 institutions that finance affordable multifamily
8 rural rental housing developments.

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

11 (4) FUNCTIONS.—In assisting the Secretary in
12 implementing the plan required under subsection
13 (a), the advisory committee shall carry out the fol-
14 lowing functions:

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

22 (B) Reviewing current policies and proce-
23 dures of the Rural Housing Service regarding
24 preservation of affordable rental housing fi-
25 nanced under sections 514, 515, and 538 of the

1 Housing Act of 1949, the Multifamily Preserva-
2 tion and Restoration Demonstration program
3 (MPR), and the rental assistance program and
4 making recommendations regarding improve-
5 ments and modifications to such policies and
6 procedures.

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

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

12 (c) ANNUAL UPDATES.—

13 (1) REQUIREMENT.—Not later than 30 of each
14 year during the period that the Secretary is imple-
15 menting the plan required by subsection (a), the
16 Secretary, after consultation with the advisory com-
17 mittee established pursuant to subsection (b), shall
18 submit to the Congress annual updates describing
19 the actions carried out under the plan and progress
20 made toward achievement of the plan.

21 (2) CONTENTS.—Each annual update shall set
22 forth—

23 (A) using specific numbers for each pro-
24 gram, whether the goals identified in the plan

1 established pursuant to subsection (a) were
2 achieved; and

3 (B) if the goals were not met, an expla-
4 nation of the goals were not met and the means
5 by which such original goals and objectives can
6 be met or modified, including recommendations
7 for legislative actions.

8 **SEC. 3. ANNUAL REPORT ON PRESERVATION OF SECTION**
9 **514 AND 515 PROPERTIES.**

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

13 **“SEC. 545. ANNUAL REPORT ON PRESERVATION OF SEC-**
14 **TION 514 AND 515 PROPERTIES.**

15 “The Secretary shall submit an annual report to the
16 Congress, not later than November 30 of each year, that
17 identifies—

18 “(1) the total number of loans made or insured
19 under section 514 or 515 that were prepaid during
20 the preceding fiscal year (not including loans for on-
21 farm properties), the type of housing development
22 for which the loan was made, and the number of
23 dwelling units in such development, disaggregated by
24 the State in which such development is located, and,

1 with respect to the housing financed with such loans
2 that were prepaid—

3 “(A) the number of housing developments
4 and dwelling units that were subject to use re-
5 strictions under such prepayment;

6 “(B) the number of housing developments
7 and dwelling units that were not subject to use
8 restrictions under such prepayment;

9 “(C) the number of housing developments
10 and dwelling units for which such prepayment
11 was made following an acceleration of the loan
12 or a foreclosure action by the Rural Housing
13 Service;

14 “(D) the number of housing developments
15 and dwelling units for which prepayment with-
16 out use restrictions was allowed after the owner
17 was asked to offer the housing for sale to a
18 nonprofit or public agency and sale was not
19 consummated; and

20 “(E) the number of housing developments
21 and dwelling units for which prepayment was
22 made under circumstances other than those de-
23 scribed in subparagraphs (A) through (D);

24 “(2) the total number of loans made or insured
25 under section 514 or 515 for which the owner ap-

1 plied for prepayment during the preceding fiscal
2 year, and, with respect to the housing financed with
3 such loans—

4 “(A) the number of housing developments
5 and dwelling units that the owner was required
6 under such prepayment to offer for sale and,
7 before consuming the sale, withdrew the sales
8 offer and did not prepay; and

9 “(B) the number of housing developments
10 and dwelling units for which the owner accepted
11 an incentive to remain in the program under
12 section 514 or 515, descriptions of the specific
13 incentives offered and accepted, including de-
14 tails on the total cost of such incentives, and
15 descriptions of the types and costs of incentives
16 that have were offered and accepted but not yet
17 funded at the beginning and end of such fiscal
18 year;

19 “(3) the total number of loans made or insured
20 under section 514 or 515 that matured during the
21 preceding fiscal year (not including loans for on-
22 farm properties), the type of housing development
23 for which the loan was made, and the number of
24 dwelling units in such development, disaggregated by
25 the State in which such development is located;

1 “(4) the total number of loans made or insured
2 under section 514 or 515 that were foreclosed upon
3 during the preceding fiscal year (not including loans
4 for on-farm properties), the type of housing develop-
5 ment for which the loan was made, and the number
6 of dwelling units in such development, disaggregated
7 by the State in which such development is located;

8 “(5) of such loans that matured, were prepaid,
9 or were foreclosed upon during such preceding fiscal
10 year, the number of housing developments and
11 dwelling units financed with such loans that were
12 transferred to a nonprofit organization or public
13 agency and, for such housing transferred—

14 “(A) identification of the name and ad-
15 dress of the development;

16 “(B) a description of whether the develop-
17 ment received a loan under section 515 or 538
18 in addition to the loan that was assumed as
19 part of the transfer; and

20 “(C) descriptions of whether the Rural
21 Housing Service deferred any portion of the
22 exiting loan as part of the purchase of the de-
23 velopment, whether the deferral was part of the
24 Multifamily Housing Preservation and Revital-
25 ization Program of such Service, whether the

1 development received funding assistance under
2 such program after the transfer, whether the
3 developer applied for and received funding after
4 the transfer under the low-income housing tax
5 credit program under section 42 of the Internal
6 Revenue Code of 1986, whether new rental as-
7 sistance was assigned to the development after
8 the transfer, and whether other funding was
9 made available for the development after the
10 transfer;

11 “(6) of housing financed with the loans made or
12 insured under section 514 or 515, the total number
13 of housing developments and dwelling units that
14 were sold or transferred during the preceding fiscal
15 year other than pursuant to prepayment, matura-
16 tion, or foreclosure of the loan, identification of the
17 purchaser or transferee, and identification of the du-
18 ration that the purchaser or transferee was obligated
19 to operate the housing as affordable pursuant to the
20 sale or transfer;

21 “(7) all properties for which a loan was made
22 or insured under section 514 or 515 that are ex-
23 pected to mature during the 12-month period begin-
24 ning upon the submission of such report and the ex-
25 pected date of maturation for each such property;

1 “(8) the expected date of expiration of each
2 contract for rental assistance made available pursu-
3 ant to section 521;

4 “(9) the amount of rental assistance made
5 available pursuant to such section 521 for dwelling
6 units in each property identified pursuant to para-
7 graph (7);

8 “(10) how amounts made available for loans
9 made or insured under section 514 and 515, for
10 rental assistance under section 521, and for the mul-
11 tifamily housing preservation and revitalization dem-
12 onstration program of the Secretary were used dur-
13 ing the preceding fiscal year, which shall include—

14 “(A) identification of the amount of rental
15 assistance funding used for renewal of rental
16 assistance contracts;

17 “(B) identification of the amount of rental
18 assistance that was unused, and of such unused
19 amount the amount that was reallocated and
20 the amount that remained unused; and

21 “(C) a description of any actions being
22 taken to ensure that any amounts of unused
23 rental assistance are reallocated for eligible
24 families;

1 “(11) with respect to the Multifamily Housing
2 Preservation and Revitalization Program of the
3 Rural Housing Service—

4 “(A) the number of housing developments
5 and dwelling units financed with a loan made or
6 insured under section 514 or 515 that were as-
7 sisted by such program during the preceding
8 fiscal year;

9 “(B) the number of such developments and
10 units for which the owner applied for loan de-
11 ferral under such program during the preceding
12 fiscal year and the number for which deferral
13 was approved; and

14 “(C) the amount of grant assistance made
15 available during the preceding fiscal year under
16 such program; and

17 “(12) with respect to the program for rural
18 housing vouchers under section 542—

19 “(A) the number of households that were
20 eligible for vouchers in the preceding fiscal
21 year, of such households the number that re-
22 ceived vouchers, and, of households receiving
23 vouchers, the number that chose to remain in
24 the property they resided in immediately before
25 receiving such assistance, with each such num-

1 ber disaggregated by whether such property of
2 residence was financed with a loan made or in-
3 sured under section 514 or 515 that was pre-
4 paid without use restrictions, that was prepaid
5 following an acceleration of the loan, or that
6 was foreclosed on;

7 “(B) during such preceding fiscal year, the
8 total amount available for rental assistance
9 under such vouchers that was unused and car-
10 ried over from the year preceding such fiscal
11 year; and

12 “(C) of the vouchers in use during such
13 preceding fiscal year the number of vouchers
14 that were renewed and not renewed.”.