

118TH CONGRESS  
1ST SESSION

# S. 1490

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

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IN THE SENATE OF THE UNITED STATES

MAY 9, 2023

Mrs. SHAHEEN (for herself, Ms. SMITH, and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## 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-

1           thorized to enter into a renewal of such agree-  
 2           ments for a period of 20 years or the term of  
 3           the loan, whichever is shorter, subject to  
 4           amounts made available in appropriations  
 5           Acts;”;

6           (C) in subparagraph (C), as so redesign-  
 7           ated, by striking “subparagraph (A)” and in-  
 8           serting “subparagraphs (A) and (B)”; and

9           (D) in subparagraph (D), as so redesign-  
 10          nated, by striking “subparagraphs (A) and  
 11          (B)” and inserting “subparagraphs (A), (B),  
 12          and (C)”; and

13          (2) in paragraph (2)—

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

16           (B) by inserting “(other than the authority  
 17           described in paragraph (1)(B))” after “this sec-  
 18           tion”.

19 **SEC. 6. FUNDING FOR MULTIFAMILY TECHNICAL IMPROVE-**  
 20 **MENTS.**

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

1 ess 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.

○