

103^D CONGRESS
1ST SESSION

H. R. 2668

To establish a demonstration program to provide affordable rental housing for low-income families, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 20, 1993

Mr. GONZALEZ (for himself and Mrs. ROUKEMA) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To establish a demonstration program to provide affordable rental housing for low-income families, 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 “Community Investment
5 Demonstration Act of 1993”.

6 **SEC. 2. SECTION 8 COMMUNITY INVESTMENT DEMONSTRATION**
7 **PROGRAM.**

8 (a) **AUTHORITY.**—Using amounts available pursuant
9 to section 5(c)(7)(B)(ii) of the United States Housing Act
10 of 1937, the Secretary of Housing and Urban Develop-

1 ment (in this section referred to as the “Secretary”) shall
2 carry out a demonstration program to provide project-
3 based rental assistance under section 8 of such Act on be-
4 half of low-income families residing in housing that is con-
5 structed, rehabilitated, or acquired pursuant to a loan or
6 other financing from an eligible pension fund. Notwith-
7 standing section 514(d) of the Employee Retirement In-
8 come Security Act of 1974 (29 U.S.C. 1144(d)), nothing
9 in this section shall be construed to authorize any action
10 or failure to act that would otherwise constitute a violation
11 of such Act with respect to an eligible pension fund.

12 (b) CONTRACT TERMS.—Assistance provided under
13 the demonstration under this section with respect to eligi-
14 ble housing—

15 (1) shall be project-based assistance that is at-
16 tached to the eligible housing; and

17 (2) shall be provided pursuant to a contract en-
18 tered into by the Secretary and the owner of the eli-
19 gible housing that—

20 (A) provides such assistance for a term of
21 not less than 60 months and not more than 180
22 months; and

23 (B) provides that the contract rents for
24 dwelling units in the eligible housing shall be
25 determined by the Secretary taking into consid-

1 eration any costs for construction, rehabilita-
2 tion, or acquisition of the housing, except that
3 such contract rent may not exceed the contract
4 rent permitted pursuant to section 8 of the
5 United States Housing Act of 1937.

6 (c) ELIGIBLE HOUSING.—The Secretary may enter
7 into a commitment to provide assistance pursuant to this
8 section with respect to a housing project only if—

9 (1) the housing is—

10 (A) a multifamily housing project owned
11 by the Secretary or subject to a mortgage held
12 by the Secretary that is delinquent, under a
13 workout agreement, or being foreclosed upon by
14 the Secretary;

15 (B) designated by the Secretary under sec-
16 tion 24(b) of the United States Housing Act of
17 1937 as a severely distressed public housing
18 project;

19 (C) a multifamily housing project eligible
20 for assistance for troubled projects under sec-
21 tion 201 of the Housing and Community Devel-
22 opment Amendments of 1978;

23 (D) a multifamily housing project located
24 in a empowerment zone or enterprise commu-
25 nity designated pursuant to Federal law; or

1 (E) any other multifamily housing project,
2 including a project to be occupied by homeless
3 persons (as such term is defined in section 103
4 of the Stewart B. McKinney Homeless Assist-
5 ance Act) or homeless families;

6 (2) the Secretary determines that the owner of
7 the housing has obtained commitments, satisfactory
8 in the determination of the Secretary, for financing
9 for the construction, acquisition, or rehabilitation of
10 the housing from an eligible pension fund;

11 (3) the mortgage for the housing meets stand-
12 ards regarding securitization and such additional
13 standards regarding financing as the Secretary may
14 establish;

15 (4) in the case of any housing that is to be con-
16 structed, the Secretary determines that the owner of
17 the housing has provided reasonable assurances to
18 the Secretary that the owner will own or have con-
19 trol of a site for the housing (which may be a suit-
20 able site different from the site specified in the ap-
21 plication under subsection (d)) not later than 12
22 months after notification of the award of assistance
23 under this section;

1 (5) the housing and any work done with respect
2 to the housing will comply with any applicable envi-
3 ronmental laws or regulations;

4 (6) the construction, rehabilitation, or acquisi-
5 tion of the housing is not inconsistent with the ap-
6 proved comprehensive housing affordability strategy
7 under title I of the Cranston-Gonzalez National Af-
8 fordable Housing Act for the jurisdiction in which
9 the housing is located; and

10 (7) the housing complies with any other re-
11 quirements established by the Secretary to carry out
12 the demonstration under this section.

13 (d) APPLICATIONS.—The Secretary shall provide for
14 the owners of eligible housing, together with the eligible
15 pension funds providing financing for the housing, to
16 jointly submit applications for assistance under this sec-
17 tion. An application shall include a description of the hous-
18 ing to be constructed, rehabilitated, or acquired, the loca-
19 tion of the housing (or the site for the construction of the
20 housing), the terms of the financing by the eligible pension
21 fund, a request for a specific amount of assistance under
22 this section for a specific term, and such other information
23 as the Secretary may require.

24 (e) SELECTION AND DETERMINATION OF ASSIST-
25 ANCE.—The Secretary shall select eligible housing for as-

1 sistance under this section from among applications sub-
2 mitted pursuant to subsection (d) and, subject to the pro-
3 visions of this section, shall determine the amount of as-
4 sistance to be provided for selected housing that is appro-
5 priate to maintain the affordability and feasibility of the
6 housing.

7 (f) RELATION TO PHA PROJECT-BASED LIMIT.—
8 Project-based assistance provided under this section shall
9 not be considered for purposes of any percentage limita-
10 tion under section 8(d)(2)(A) or (B) of the United States
11 Housing Act of 1937 regarding the amount of assistance
12 under such section that may be attached to the structure.

13 (g) USE IN PROPERTY DISPOSITION PROGRAM.—

14 (1) AUTHORITY.—Notwithstanding any provi-
15 sion of section 203 of the Housing and Community
16 Development Amendments of 1978, assistance pro-
17 vided in connection with the disposition of a multi-
18 family housing project under such section 203 may
19 have a contract term of less than 15 years if such
20 assistance is provided (A) under a contract under
21 the demonstration under this section, and (B) pur-
22 suant to a disposition plan under such section 203
23 for the project that is approved under such section
24 by the Secretary as otherwise in compliance with the
25 requirements of such section.

1 (2) ALLOCATION.—Of the amounts made avail-
2 able in each fiscal year for assistance under the
3 demonstration under this section, a significant
4 amount may be used in connection with the disposi-
5 tion under section 203 of the Housing and Commu-
6 nity Development Amendments of 1978 of eligible
7 housing.

8 (h) REPORTS.—

9 (1) GAO.—The Comptroller General of the
10 United States shall submit to the Congress reports
11 under this paragraph evaluating the effectiveness of
12 the demonstration under this section. Such reports
13 shall be submitted not later than the expiration of
14 the 2-year period beginning on the date of the enact-
15 ment of this section and not later than the expira-
16 tion of the 6-month period beginning upon the ter-
17 mination date under subsection (k).

18 (2) SECRETARY.—The Secretary shall submit
19 an annual report to the Congress for each fiscal year
20 in which the Secretary provides assistance pursuant
21 to contracts entered into under this section. The re-
22 ports shall summarize the activities carried out
23 under this section, describe the housing assisted and
24 the amounts of assistance provided, and include any
25 findings and recommendations of the Secretary as a

1 result of the demonstration under this section. Each
2 such report shall be submitted not later than the ex-
3 piration of the 3-month period beginning upon the
4 conclusion of the fiscal year for which the report is
5 made.

6 (i) DEFINITIONS.—For purposes of this section:

7 (1) The term “eligible housing” means housing
8 for which the requirements under subsection (c)
9 have been met.

10 (2) The term “eligible pension fund” means
11 any—

12 (A) trust, fund, plan, or other program es-
13 tablished or maintained by any employer or
14 other person for the purpose of providing in-
15 come or benefits to employees after the termi-
16 nation of employment or deferring income by
17 employees until after the termination of employ-
18 ment, or

19 (B) other entity that invests principally the
20 amounts of any trust, fund, plan, or other pro-
21 gram referred to in subparagraph (A),

22 that the Secretary considers appropriate for pur-
23 poses of this section.

24 (j) REGULATIONS.—The Secretary shall issue any
25 final regulations necessary to carry out this section not

1 later than the expiration of the 45-day period beginning
2 on the date of the enactment of this section.

3 (k) TERMINATION DATE.—The Secretary may not
4 enter into any new commitment to provide assistance
5 under this section after September 30, 1998.

6 (l) FUNDING.—Section 5(c)(7)(B)(ii) of the United
7 States Housing Act of 1937 (42 U.S.C.
8 1437c(c)(7)(B)(ii)) is amended by inserting after
9 “8(i)(2);” the following: “and of which not more than
10 \$100,000,000 shall be available for the community invest-
11 ment demonstration program under section 5 of the
12 Homeless and Community Development Amendments Act
13 of 1993;”.

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