

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4735

To amend section 14 of the United States Housing Act of 1937 to authorize public housing agencies to use comprehensive modernization grant amounts to leverage amounts to replace and modernize public housing.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1994

Mr. RUSH introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To amend section 14 of the United States Housing Act of 1937 to authorize public housing agencies to use comprehensive modernization grant amounts to leverage amounts to replace and modernize public housing.

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 “Public Housing Fund-  
5 ing Flexibility Act of 1994”.

1 **SEC. 2. AUTHORITY FOR PUBLIC HOUSING AGENCIES TO**  
2 **LEVERAGE AMOUNTS FOR REPLACEMENT**  
3 **AND MODERNIZATION.**

4 Section 14 of the United States Housing Act of 1937  
5 (42 U.S.C. 1437l) is amended by adding at the end the  
6 following new subsection:

7 “(q) AUTHORITY FOR PUBLIC HOUSING AGENCIES  
8 TO LEVERAGE AMOUNTS FOR REPLACEMENT AND MOD-  
9 ERNIZATION.—

10 “(1) GENERAL AUTHORIZATION.—The Sec-  
11 retary may, upon such terms and conditions as the  
12 Secretary may prescribe, authorize a public housing  
13 agency (or a partnership including a public housing  
14 agency) to use grants provided under subsection (b)  
15 to leverage amounts which shall be used for financ-  
16 ing housing to replace existing public housing dwell-  
17 ing units or for modernization of public housing, but  
18 only if the agency submits to the Secretary a plan  
19 for such leveraging that is approved by the Sec-  
20 retary.

21 “(2) REQUIREMENTS.—The Secretary may ap-  
22 prove a plan for leveraging under paragraph (1) only  
23 if the Secretary determines that—

24 “(A) the public housing agency has the  
25 ability to use the leveraged amounts effectively,  
26 directly or through contract management;

1           “(B) of any land owned by the public  
2 housing agency upon the approval of the plan  
3 that is subject to the plan, and any land to be  
4 acquired by the agency under the plan, a por-  
5 tion equivalent in area to the portion used  
6 under the plan for providing housing to replace  
7 public housing dwelling units in accordance  
8 with section 18 is subject to binding covenants  
9 or commitments sufficient to ensure that the  
10 land will be used permanently for housing re-  
11 served for occupancy by low- and very low-in-  
12 come families;

13           “(C) any modernization to be carried out  
14 under the plan complies with the modernization  
15 plan submitted under this section by the public  
16 housing agency and any replacement of public  
17 housing dwelling units to be carried out under  
18 the plan complies with the requirements of sec-  
19 tion 18;

20           “(D) the plan provides permanent financ-  
21 ing commitments from a sufficient number of  
22 additional sources, which may include banks  
23 and other conventional lenders, State housing  
24 finance agencies, secondary market entities, and  
25 other financial institutions;

1           “(E) the public housing agency submitting  
2           the plan has an acceptable rate of obligation of  
3           assistance provided under this section; and

4           “(F) the plan complies with any other cri-  
5           teria that the Secretary may establish.

6           “(3) OBLIGATION LIMITS.—

7           “(A) PER PHA.—The aggregate outstand-  
8           ing principal amount leveraged under this sub-  
9           section by a public housing agency may not at  
10          any time exceed 5 times the amount of the most  
11          recent grant for a fiscal year provided under  
12          this section for comprehensive modernization.

13          “(B) FOR ALL PHA’S.—The aggregate out-  
14          standing principal amount leveraged under this  
15          subsection by all public housing agencies may  
16          not, in any single fiscal year, exceed  
17          \$2,000,000,000.

18          “(4) USE OF COMPREHENSIVE MODERNIZATION  
19          GRANTS AND OPERATING REVENUES.—Notwith-  
20          standing any other provision of this title, a public  
21          housing agency for which a plan is approved under  
22          this subsection may use amounts provided under this  
23          section to the agency for comprehensive moderniza-  
24          tion and amounts provided under section 9 to the  
25          agency for operating subsidies (including program

1 income derived therefrom) for the payment of prin-  
2 cipal, interest, and fees due on any loans obtained  
3 pursuant to the plan.

4 “(5) REPORTS.—The Secretary shall submit a  
5 report to the Congress annually regarding the activi-  
6 ties under plans for leveraging approved under this  
7 subsection and the status of loans, financing, and in-  
8 vestments obtained under such plans.”.

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