

103^D CONGRESS
1ST SESSION

H. R. 2668

IN THE SENATE OF THE UNITED STATES

AUGUST 3 (legislative day, JUNE 30), 1993

Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

AN ACT

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”.

1 **SEC. 2. SECTION 8 COMMUNITY INVESTMENT DEMONSTRATION PROGRAM.**
2

3 (a) **AUTHORITY.**—Using amounts available pursuant
4 to section 5(c)(7)(B)(ii) of the United States Housing Act
5 of 1937, the Secretary of Housing and Urban Develop-
6 ment (in this section referred to as the “Secretary”) shall
7 carry out a demonstration program to provide project-
8 based rental assistance under section 8 of such Act on be-
9 half of low-income families residing in housing that is con-
10 structed, rehabilitated, or acquired pursuant to a loan or
11 other financing from an eligible pension fund. Notwith-
12 standing section 514(d) of the Employee Retirement In-
13 come Security Act of 1974 (29 U.S.C. 1144(d)), nothing
14 in this section shall be construed to authorize any action
15 or failure to act that would otherwise constitute a violation
16 of such Act with respect to an eligible pension fund.

17 (b) **CONTRACT TERMS.**—Assistance provided under
18 the demonstration under this section with respect to eligi-
19 ble housing—

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

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

1 (A) provides such assistance for a term of
2 not less than 60 months and not more than 180
3 months; and

4 (B) provides that the contract rents for
5 dwelling units in the eligible housing shall be
6 determined by the Secretary taking into consid-
7 eration any costs for construction, rehabilita-
8 tion, or acquisition of the housing, except that
9 such contract rent may not exceed the contract
10 rent permitted pursuant to section 8 of the
11 United States Housing Act of 1937.

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

15 (1) the housing is—

16 (A) a multifamily housing project owned
17 by the Secretary or subject to a mortgage held
18 by the Secretary that is delinquent, under a
19 workout agreement, or being foreclosed upon by
20 the Secretary;

21 (B) designated by the Secretary under sec-
22 tion 24(b) of the United States Housing Act of
23 1937 as a severely distressed public housing
24 project;

1 (C) a multifamily housing project eligible
2 for assistance for troubled projects under sec-
3 tion 201 of the Housing and Community Devel-
4 opment Amendments of 1978;

5 (D) a multifamily housing project located
6 in a empowerment zone or enterprise commu-
7 nity designated pursuant to Federal law; or

8 (E) any other multifamily housing project,
9 including a project to be occupied by homeless
10 persons (as such term is defined in section 103
11 of the Stewart B. McKinney Homeless Assist-
12 ance Act) or homeless families;

13 (2) the Secretary determines that the owner of
14 the housing has obtained commitments, satisfactory
15 in the determination of the Secretary, for financing
16 for the construction, acquisition, or rehabilitation of
17 the housing from an eligible pension fund;

18 (3) the mortgage for the housing meets stand-
19 ards regarding securitization and such additional
20 standards regarding financing as the Secretary may
21 establish;

22 (4) in the case of any housing that is to be con-
23 structed, the Secretary determines that the owner of
24 the housing has provided reasonable assurances to
25 the Secretary that the owner will own or have con-

1 trol of a site for the housing (which may be a suit-
2 able site different from the site specified in the ap-
3 plication under subsection (d)) not later than 12
4 months after notification of the award of assistance
5 under this section;

6 (5) the housing and any work done with respect
7 to the housing will comply with any applicable envi-
8 ronmental laws or regulations;

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

15 (7) the housing complies with any other re-
16 quirements established by the Secretary to carry out
17 the demonstration under this section.

18 (d) APPLICATIONS.—The Secretary shall provide for
19 the owners of eligible housing, together with the eligible
20 pension funds providing financing for the housing, to
21 jointly submit applications for assistance under this sec-
22 tion. An application shall include a description of the hous-
23 ing to be constructed, rehabilitated, or acquired, the loca-
24 tion of the housing (or the site for the construction of the
25 housing), the terms of the financing by the eligible pension

1 fund, a request for a specific amount of assistance under
2 this section for a specific term, and such other information
3 as the Secretary may require.

4 (e) SELECTION AND DETERMINATION OF ASSIST-
5 ANCE.—

6 (1) IN GENERAL.—The Secretary shall select el-
7 igible housing for assistance under this section from
8 among applications submitted pursuant to sub-
9 section (d) and, subject to the provisions of this sec-
10 tion, shall determine the amount of assistance to be
11 provided for selected housing that is appropriate to
12 maintain the affordability and feasibility of the
13 housing.

14 (2) LIMITATION.—Of any amounts made avail-
15 able for the demonstration under this section pursu-
16 ant to the amendment made by subsection (l) of this
17 section, during the 6-month period beginning on the
18 date that such amounts first are made available by
19 the Secretary for assistance under this section, the
20 Secretary may not provide (or make any commit-
21 ment to provide) more than 50 percent of such
22 amounts for assistance for eligible housing financed
23 by any single eligible pension fund.

24 (f) RELATION TO PHA PROJECT-BASED LIMIT.—
25 Project-based assistance provided under this section shall

1 not be considered for purposes of any percentage limita-
2 tion under section 8(d)(2)(A) or (B) of the United States
3 Housing Act of 1937 regarding the amount of assistance
4 under such section that may be attached to the structure.

5 (g) USE IN PROPERTY DISPOSITION PROGRAM.—

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

18 (2) ALLOCATION.—Of the amounts made avail-
19 able in each fiscal year for assistance under the
20 demonstration under this section, a significant
21 amount may be used in connection with the disposi-
22 tion under section 203 of the Housing and Commu-
23 nity Development Amendments of 1978 of eligible
24 housing.

25 (h) REPORTS.—

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

10 (2) SECRETARY.—The Secretary shall submit
11 an annual report to the Congress for each fiscal year
12 in which the Secretary provides assistance pursuant
13 to contracts entered into under this section. The re-
14 ports shall summarize the activities carried out
15 under this section, describe the housing assisted and
16 the amounts of assistance provided, and include any
17 findings and recommendations of the Secretary as a
18 result of the demonstration under this section. Each
19 such report shall be submitted not later than the ex-
20 piration of the 3-month period beginning upon the
21 conclusion of the fiscal year for which the report is
22 made.

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

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

4 (2) The term “eligible pension fund” means
5 any—

6 (A) trust, fund, plan, or other program es-
7 tablished or maintained by any employer or
8 other person for the purpose of providing in-
9 come or benefits to employees after the termi-
10 nation of employment or deferring income by
11 employees until after the termination of employ-
12 ment, or

13 (B) other entity that invests principally the
14 amounts of any trust, fund, plan, or other pro-
15 gram referred to in subparagraph (A),
16 that the Secretary considers appropriate for pur-
17 poses of this section.

18 (j) REGULATIONS.—The Secretary shall issue any
19 final regulations necessary to carry out this section not
20 later than the expiration of the 45-day period beginning
21 on the date of the enactment of this section.

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

1 (l) FUNDING.—Section 5(c)(7)(B)(ii) of the United
2 States Housing Act of 1937 (42 U.S.C.
3 1437c(c)(7)(B)(ii)) is amended by inserting after
4 “8(i)(2);” the following: “and of which not more than
5 \$100,000,000 shall be available for the community invest-
6 ment demonstration program under section 5 of the
7 Homeless and Community Development Amendments Act
8 of 1993;”.

Passed the House of Representatives August 2,
1993.

Attest: DONNALD K. ANDERSON,
Clerk.