

104TH CONGRESS  
1ST SESSION

# S. 1213

To provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 6 (legislative day, SEPTEMBER 5), 1995

Mr. COATS 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 provide for the disposition of unoccupied and substandard multifamily housing projects owned by the Secretary of Housing and Urban Development.

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 “Urban Homestead Act  
5 of 1995”.

6 **SEC. 2. DEFINITIONS.**

7 For purposes of this Act, the following definitions  
8 shall apply:

9 (1) COMMUNITY DEVELOPMENT CORPORA-  
10 TION.—The term “community development corpora-

1       tion” means a nonprofit organization whose primary  
2       purpose is to promote community development by  
3       providing housing opportunities to low-income fami-  
4       lies.

5           (2) COST RECOVERY BASIS.—The term “cost  
6       recovery basis” means, with respect to any sale of a  
7       project or residence by a unit of general local gov-  
8       ernment to a community development corporation  
9       under section 3(c)(2), that the purchase price paid  
10      by the community development corporation is less  
11      than or equal to the costs incurred by the unit of  
12      general local government in connection with such  
13      project or residence during the period beginning on  
14      the date on which the unit of general local govern-  
15      ment acquires title to the multifamily housing  
16      project or residential property under subsection (a)  
17      and ending on the date on which the sale is con-  
18      summated.

19           (3) LOW-INCOME FAMILIES.—The term “low-in-  
20      come families” has the same meaning as in section  
21      3(b) of the United States Housing Act of 1937.

22           (4) MULTIFAMILY HOUSING PROJECT.—The  
23      term “multifamily housing project” has the same  
24      meaning as in section 203 of the Housing and Com-  
25      munity Development Amendments of 1978.

1           (5) SECRETARY.—The term “Secretary” means  
2 the Secretary of Housing and Urban Development.

3           (6) SEVERE PHYSICAL PROBLEMS.—A dwelling  
4 unit shall be considered to have “severe physical  
5 problems” if such unit—

6           (A) lacks hot or cold piped water, a flush  
7 toilet, or both a bathtub and a shower in the  
8 unit, for the exclusive use of that unit;

9           (B) on not less than 3 separate occasions,  
10 during the preceding winter months was uncom-  
11 fortably cold for a period of more than 6 con-  
12 secutive hours due to a malfunction of the heat-  
13 ing system for the unit;

14           (C) has no functioning electrical service,  
15 exposed wiring, any room in which there is not  
16 a functioning electrical outlet, or has experi-  
17 enced not less than 3 blown fuses or tripped  
18 circuit breakers during the preceding 90-day  
19 period;

20           (D) is accessible through a public hallway  
21 in which there are no working light fixtures,  
22 loose or missing steps or railings, and no eleva-  
23 tor; or

24           (E) has severe maintenance problems, in-  
25 cluding water leaks involving the roof, windows,

1 doors, basement, or pipes or plumbing fixtures,  
 2 holes or open cracks in walls or ceilings, severe  
 3 paint peeling or broken plaster, and signs of ro-  
 4 dent infestation.

5 (7) SINGLE FAMILY RESIDENCE.—The term  
 6 “single family residence” means a 1- to 4-family  
 7 dwelling that is held by the Secretary.

8 (8) SUBSTANDARD MULTIFAMILY HOUSING  
 9 PROJECT.—A multifamily housing project is “sub-  
 10 standard” if not less than 25 percent of the dwelling  
 11 units of the project have severe physical problems.

12 (9) UNIT OF GENERAL LOCAL GOVERNMENT.—  
 13 The term “unit of general local government” has the  
 14 same meaning as in section 102(a) of the Housing  
 15 and Community Development Act of 1974.

16 (10) UNOCCUPIED MULTIFAMILY HOUSING  
 17 PROJECT.—The term “unoccupied multifamily hous-  
 18 ing project” means a multifamily housing project  
 19 that the unit of general local government certifies in  
 20 writing is not inhabited.

21 **SEC. 3. DISPOSITION OF UNOCCUPIED AND SUBSTANDARD**  
 22 **PUBLIC HOUSING.**

23 (a) TRANSFER OF OWNERSHIP TO UNITS OF GEN-  
 24 ERAL LOCAL GOVERNMENT.—Notwithstanding section  
 25 203 of the Housing and Community Development Amend-

1 ments of 1978 or any other provision of Federal law per-  
2 taining to the disposition of property, the Secretary shall  
3 transfer ownership of any unoccupied multifamily housing  
4 project, substandard multifamily housing project, or other  
5 residential property that is owned by the Secretary to the  
6 appropriate unit of general local government for the area  
7 in which the project or residence is located in accordance  
8 with subsection (b), if the unit of general local government  
9 enters into an agreement with the Secretary described in  
10 subsection (c).

11 (b) TIMING.—

12 (1) IN GENERAL.—Any transfer of ownership  
13 under subsection (a) shall be completed—

14 (A) with respect to any multifamily hous-  
15 ing project owned by the Secretary that is de-  
16 termined to be unoccupied or substandard be-  
17 fore the date of enactment of this Act, not later  
18 than 1 year after that date of enactment; and

19 (B) with respect to any multifamily hous-  
20 ing project or other residential property ac-  
21 quired by the Secretary on or after the date of  
22 enactment of this Act, not later than 1 year  
23 after the date on which the project is deter-  
24 mined to be unoccupied or substandard or the  
25 residence is acquired, as appropriate.

1           (2) SATISFACTION OF INDEBTEDNESS.—Prior  
 2           to any transfer of ownership under paragraph (1),  
 3           the Secretary shall satisfy any indebtedness incurred  
 4           in connection with the project or residence at issue,  
 5           either by—

6                       (A) cancellation of the indebtedness; or

7                       (B) reimbursing the unit of general local  
 8                       government to which the project or residence is  
 9                       transferred for the amount of the indebtedness.

10          (c) SALE TO COMMUNITY DEVELOPMENT CORPORA-  
 11          TIONS.—An agreement is described in this subsection if  
 12          it is an agreement that requires a unit of general local  
 13          government to dispose of the multifamily housing project  
 14          or other residential property in accordance with the follow-  
 15          ing requirements:

16               (1) NOTIFICATION TO COMMUNITY DEVELOP-  
 17          MENT CORPORATIONS.—Not later than 30 days after  
 18          the date on which the unit of general local govern-  
 19          ment acquires title to the multifamily housing  
 20          project or other residential property under sub-  
 21          section (a), the unit of general local government  
 22          shall notify community development corporations lo-  
 23          cated in the State in which the project or residence  
 24          is located—

25                       (A) of such acquisition of title; and

1 (B) that, during the 6-month period begin-  
2 ning on the date on which such notification is  
3 made, such community development corpora-  
4 tions shall have the exclusive right under this  
5 subsection to make bona fide offers to purchase  
6 the project or residence on a cost recovery  
7 basis.

8 (2) RIGHT OF FIRST REFUSAL.—During the 6-  
9 month period described in paragraph (1)(B)—

10 (A) the unit of general local government  
11 may not sell or offer to sell the multifamily  
12 housing project or other residential property  
13 other than to a party notified under paragraph  
14 (1), unless each community development cor-  
15 poration notifies the unit of general local gov-  
16 ernment that the corporation will not make an  
17 offer to purchase the project or residence; and

18 (B) the unit of general local government  
19 shall accept a bona fide offer to purchase the  
20 project or residence made during such period if  
21 the offer is acceptable to the unit of general  
22 local government, except that a unit of general  
23 local government may not sell a project or resi-  
24 dence to a community development corporation



1 tion, or order, such procedures as may be necessary to  
2 carry out this Act.

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