

The following bills of particular interest to multifamily housing owners and managers have been introduced or are likely to be introduced in the 107th Congress. The list is not all-inclusive; it does include all legislation supported by NAHMA and other legislation of direct interest to NAHMA Members.

Authorizing Bills of Interest (Spending bills at bottom of this page)

S 2967 - Affordable Housing Expansion Act. This bill seeks to alleviate the affordable housing crisis by:

1. Creating a new \$1 billion block grant for the acquisition, production, or rehabilitation of mixed-income housing;
2. Creating a new project-based Section 8 "thrifty voucher," which would be used in conjunction with other federal subsidies to produce and preserve housing for extremely low-income families. Such voucher is limited to 75% of FMR, and could be used in no more than 25% of the units in the building);
3. Reallocating unused Section 8 vouchers; and
4. Authorizing loan guarantee program for rehabilitation and development needs of public housing developments.

Introduced by Sen. Kit Bond and Sen. Susan Collins. New legislation not yet reviewed by NAHMA committees.

HR 3995 - Housing Affordability for America Act of 2002 - This bill was introduced by Rep. Marge Roukema. HR 3995 seeks to provide new rental and home ownership opportunities for many of these families who are struggling to find safe, decent, affordable housing. NAHMA has a strong interest in several aspects of this legislation which relate to production and administration of federally assisted housing.

HR 3995 creates a federal matching grant program to supplement state and local housing trust funds for production, preservation, and rehabilitation of affordable housing in their communities. Another section of HR 3995 authorizes 5,000 project-based vouchers to house extremely low-income families in newly constructed or substantially rehabilitated units. FHA multifamily loan limits are indexed to inflation, and higher limits may be approved in high cost areas.

Contract renewal options for Section 8 moderate rehabilitation projects are expanded. HR 3995 incorporates language similar to the NAHMA endorsed bills, HR 3737 and S 1887, which make moderate rehabilitation properties eligible for the "mark-up-to-market" program and allow retroactive annual renewals of enhanced vouchers. These are positive changes.

The bill strikes an important balance between preserving owners' contractual rights and protecting the tenants from displacement by guaranteeing prepayment rights for owners of Section 515 rural housing, and authorizing enhanced vouchers for tenants in such projects when the owner prepays the mortgage.

Also included are grants for capital repairs and conversion to assisted living facilities for non-profit owned projects occupied primarily by elderly tenants and a provision allowing Section 811 supportive housing for the disabled to receive service coordinator grants.

Worrisome provisions from the LEGACY Act (HR 4033) were included.

The bill has been approved by the House Financial Services Committee, and may be considered by the full House this Fall. The good news here is that for the first time in 19 years Congress is seriously looking at housing production. This bill will likely evolve in its provisions as we go forward.

NAHMA Supports HR 3995, with the exception of the Legacy Act provisions.

S 1248 and HR 2943 National Affordable Housing Trust Fund Act. Would tap excess reserves of the Federal Housing Administration (FHA) and Government National Mortgage Association to fund grants and loans for the production of new, affordable housing developments. The House and Senate bills are very similar, and would if fully enacted provide about 1.5 Million new housing units for low income renters by 2010. The initial production target of 150,000 units a year is very aggressive, and ranks well above HUD's production in any year since 1981. The Sponsors of these bills are Senator John Kerry and Rep. Bernie Sanders. NAHMA Supports.

HR 425 – Preservation Matching Grants. This is a reintroduction of the preservation grants bill of the same number in the 106th Congress. It comes with considerable support; Reps. Nadler, Miller, Lantos, Oberstar and Bonior are among the sponsors. The bill would make grants to States and require a 50 percent match by the recipients. The bill does not contain a specific authorization level, however the implementation of such a program would be dependent on the availability of appropriations. Similar Senate bill S 1365 below.

NAHMA Supports.

S 1365 - Matching Grant Program for Affordable Housing While not identical to HR 425, this bill provides for the Secretary of HUD to make federal funds available for grants to preserve all forms of affordable housing, including USDA RHS properties. The grant would be on a 2 for 1 matching basis, so the state or locality would need to come up with at least a 50% match. No dollar amount specified. Introduced by Sen's Jeffords, Breaux, Chaffee, Dayton, Feinstein, Grassley, Murray, Sarbanes, Schumer and Wellstone.

NAHMA Supports.

S 652 – Rural Rental Housing Act. A preservation and development program targeted exclusively at rental communities, \$250 million a year for five years. Could be used by USDA as a grant/assistance/loan combination to allow qualified applicants to get funds. There would be a 30-year use restriction following funding. Bill has been sponsored by Sens. Edwards, Jeffords, Leahy and Wellstone.

NAHMA Supports.

HR 1481 – FHA Shutdown Prevention Act. The bill is intended to prevent future shutdowns of the FHA programs when credit subsidy is exhausted, by allowing FHA programs that make a profit to fund programs like the multifamily program, which historically have run at a small loss. The bill has been introduced by Reps. LaFalce and Frank.

NAHMA Supports.

HR 333 - The Bankruptcy Abuse, Prevention, and Consumer Protection Act. The final bankruptcy reform bill amends the automatic stay provisions of the bankruptcy code. It allows eviction of tenants who file for bankruptcy if: the eviction judgement was awarded before they filed; or, if the eviction was based on illegal drug use or property endangerment. HR 333 requires post-bankruptcy petition rent payments to be made on a timely basis. The substance and tone affirm the one-strike decision.
NAHMA Supports.

S 677 and HR 951 – Low Income Housing Tax Credit. Would make the low income housing credit more viable in rural areas by providing for the use of the greater of area median income or statewide median income in determining income limits and maximum rents for tax credit projects. There will be a major push to include this provision in any future tax legislation moving through Congress. The sponsors are Senator Orrin Hatch and Rep. Amo Houghton.
NAHMA Supports.

HR 3324 and S 2006 - Amend the IRS Code to include "soft costs" of development in the Eligible Basis of a Tax Credit Property. These bills would reverse nine Technical Advice Memoranda (TAM's) that the IRS has issued excluding a number of "soft" development costs from the eligible basis of Tax Credit Properties. Introduced November 16, 2001 in the House by Rep. Johnson, co - sponsored by Rep Castle; Rep. Filner; Rep Foley, Mark; Rep Matsui; Rep Miller, Gary; Rep Rangel. Introduced March 12, 2002 in the Senate by Senator's Graham, Hatch, Jeffords, Kerry and Torricelli.
NAHMA Supports.

S 2479 - Modifies the Internal Revenue Code to make provision of high speed internet infrastructure part of the Qualified Allocation Plan for Low Income Housing Tax Credits. Introduced by Sen. John Kerry.
NAHMA supports.

S 1886 - Create a Tax Credit Program for Elderly Housing. This bill would provide a \$1.25 per capita tax credit for the development of affordable assisted living facilities. There is no minimum allocation or escalator in the bill and it has no specifics yet on how exactly the system would work. This bill is in the nature of a "marker" to generate discussion on the best way to move forward encouraging assisted living. Introduced by Senator Dodd on December 20, 2001. [Congressional Record Excerpt on this bill.](#)

S 2721 - Housing Voucher Improvement Act. This bill is intended to: make the Section 8 voucher program more user-friendly for tenants and landlords; improve administration of the program; and address problems which inhibit voucher utilization. It also creates a "Thrifty Voucher" program which caps rents at 75% of FMR for new construction and/or substantial rehab of units for extremely low income families. Sen. Paul Sarbanes is the sponsor.
NAHMA supports the voucher utilization improvement provisions.

S 1887 - Expanding contract renewal options for Mod Rehab properties. This bill would modify the renewal rules for the Mod Rehab program. Two main provisions:
A. Would modify the mark to market law to provide that all Mod Rehab properties that have uninsured or state agency mortgages to be treated as "exception rent" properties for purposes of rent setting and mark to market. B. Would specifically allow Mod Rehab properties into the Mark up to Market program, and provide for 5 year contracts.
Introduced December 20, 2001 by Sen. Snowe. [Congressional Record Excerpt on this bill.](#)

NAHMA Supports.

H. R. 3424 - Prohibit National Banks and their holding Companies from Real Estate Brokerage and Management. The bill would amend the Bank Holding Company Act of 1956 and the Revised Statutes of the United States to prohibit financial holding companies and national banks from engaging, directly or indirectly, in real estate brokerage or real estate management activities. Rep Calvert introduced this bill December 6, 2001. There are 133 Co-Sponsors in the House

NAHMA Supports

HR 5040 - U.S. Toxic Mold Safety and Protection Act. HR 5040 requires a study on the health effects of mold. It sets deadlines by which HUD and EPA must issue mold regulations. It requires annual mold inspections in leased property. The bill mandates mold disclosure in sale and lease contracts. Federal agencies will be prohibited from making or insuring mortgage loans without the disclosure. It also creates a "National Toxic Mold Hazard Insurance Program." The bill was introduced by Rep. John Conyers. NAHMA is concerned that HR 5040 prematurely calls for mold regulations before we have good science to determine the effects mold has on human health.

S. 350 – Brownfields Revitalization and Environmental Restoration Act. Promotes the cleanup and reuse of brownfields and provides financial assistance for brownfields restoration. Establishes "innocent owner" provisions. Would change the standards for environmental reviews, making them more risk-based, and provide more protection for abutting parcels near contaminated sites. While primarily aimed at developer issues, this would open up many more sites for housing, particularly in the northeast and midwest industrial belts. Has passed the Senate and is pending in the House.

NAHMA Supports.

HR 914 – ADA Notification Act. Would require anyone who wants to sue a property for noncompliance with Americans with Disabilities Act to give owners of commercial facilities and places of accommodation 90 days' notice of the proposed action and an opportunity to cure the problem. Would allow owners to use their resources to fix problems, rather than on costly and frequently unnecessary litigation. Does not apply to accessibility issues under the Fair Housing Act.

NAHMA Supports.

HR 4033 - The Legacy Act. Creates a demonstration programs which set aside units in the Section 202 program and vouchers in the Section 8 program for families with a child

(or children) where the head of the household is a grandparent or other relative. The bill requires provision of supportive services to the families participating in these demonstrations. Other aspects of H.R. 4033 establish covered families' eligibility for the Section 8 family reunification program and the HOME program's ECHO (elder cottage housing opportunity) units. Likewise, it calls for outreach to these families through fair housing initiatives and proper training of HUD staff.

NAHMA is concerned about set-asides within the 202 program which will divert scarce money away from the needs of the elderly population the 202 program was specially designed to serve. It is not clear that Section 202 sponsors are absolved of the responsibility for providing social services. The language states, "the Secretary ...shall ensure that occupants of dwelling units assisted under the demonstration program are provided a range of services tailored to the needs of elderly persons, children, and intergenerational families and shall coordinate with the heads of other Federal agencies as may be appropriate to ensure the provision of such services..." In the Section 8 demonstration, the bill specifically lays the responsibility to provide services on the public housing agencies. Likewise, creating a set-aside within the Section 8 program could exacerbate the inefficiencies in the voucher program already evidenced by the utilization rates

HR 1808 & S 1203 - Veterans Housing Fairness Act. Would make VA Loans available for the purchase of Co-Op's. The bills are identical, introduced by Sen. Schumer, and Rep. Maloney. New Bill not yet considered by NAHMA Committees. HR 1585 - Environmental Justice in Federally Assisted Housing The bill would require the Secretary of HUD to do a study of all assisted housing in proximity to hazardous waste sites. It provides for a 7 member oversight panel to be appointed by the President, Congressional Leaders and the Secretary. The panel would be charged with doing the study and then studying the results to see if there are racially disproportionate health effects or issues affecting the residents of assisted housing near hazardous waste sites. Introduced by Rep. Johnson (Tx)

HR 3490 - HUD Housing Security and Flexibility Act . To make amounts provided under the Operation Safe Home and New Approach Anti-Drug programs available for use for providing law enforcement officers to patrol and provide security for housing assisted by the Department of Housing and Urban Development. Introduced December 12, 2001 by Rep Green (Tx). [Ed Comment - With both programs being killed in the 2002 budget, the bill would only affect grants still in the payout phase which will end Oct 1, 2002]

H. R. 3541 New Hope in Housing Act. To explicitly authorize religious organizations and organizations having religious purposes to participate in certain housing assistance programs of the Department of Housing and Urban Development. Would modify Sections 202, 811, and 8 of the Housing Act to allow direct ownership by Churches of housing. Would also allow direct participation in Home and CDBG. [Ed Comment - Since Churches are exempt from most IRS regulations, they are not typically filed IRS qualifying non profits. The bill seems to be a distinction without a difference in that most

large main line religious organizations have long had divisions that are qualified non profits.] Introduced by Rep. Green (Wi).

HR 1788 Cooperative Housing Act of 2001 This bill would modify the Gross Income Tests under the IRS code for Cooperatives. This is basically a technical tax bill that will be limited in its effect to New York City, and a few properties in Chicago, Washington DC, and Boston. Introduced by Rep. Rangel.

HR 217 – Civil Rights Amendments Act of 2001. Introduced by Rep. Towns, would add sexual and affectional orientation to the currently protected classes under the Civil Rights and Fair Housing Acts.

House Joint Res 30 Proposed constitutional amendment that would guarantee every American decent, safe, sanitary and affordable housing.

The following proposals are likely to be introduced in legislative form but have not yet advanced to that point:

Exit Tax Relief (Mark-to-Market or regular sales). The best known proposal, which is likely to be introduced by Sen. Kerry, would authorize the federal government to defer capital gains taxes on non-cash gain associated with the transfer of property. The bill would provide a priority for the transfer to nonprofit or tenant groups than to for-profit developers. The industry is also looking at proposals which would not establish a priority and provide complete relief, not deferral, for non-cash gain.