

108TH CONGRESS
1ST SESSION

H. R. 1102

To establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the development, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families.

IN THE HOUSE OF REPRESENTATIVES

MARCH 5, 2003

Mr. SANDERS (for himself, Mr. SIMMONS, Ms. LEE, Mr. SHAYS, Ms. WATERS, Mr. GREENWOOD, Mr. HOYER, Mr. MCHUGH, Mr. ISRAEL, Mr. QUINN, Mr. SMITH of Washington, Mr. CLAY, Mr. WEINER, Mr. GRIJALVA, Mr. DAVIS of Alabama, Mr. LYNCH, Mrs. JONES of Ohio, Mr. OBERSTAR, Ms. WOOLSEY, Mr. CROWLEY, Mr. INSLEE, Ms. BALDWIN, Mrs. CHRISTENSEN, Mr. MORAN of Virginia, Mr. WYNN, Mrs. MALONEY, Mr. OWENS, Mr. KLECZKA, Mr. BISHOP of New York, Mr. HOLT, Mr. DAVIS of Illinois, Mr. GEORGE MILLER of California, Ms. SCHAKOWSKY, Mr. EVANS, Mr. ACEVEDO-VILÁ, Ms. KAPTUR, Mr. FORD, Ms. DELAURO, Mr. HINCHEY, Mr. HONDA, Mr. GUTIERREZ, Ms. CARSON of Indiana, Mr. HOLDEN, Mr. CASE, Mr. DOYLE, Mr. WEXLER, Mr. GORDON, Mr. PAYNE, Mr. ABERCROMBIE, Mr. MCGOVERN, Mr. TIERNEY, Mr. MATSUI, Mr. CONYERS, Mr. KILDEE, Mr. McNULTY, Mr. FARR, Ms. CORRINE BROWN of Florida, Mr. LANGEVIN, Mr. HALL, Mr. OLVER, Ms. KILPATRICK, Mr. NADLER, Mr. ENGEL, Mr. CAPUANO, Ms. VELÁZQUEZ, Mr. BLUMENAUER, Mr. SERRANO, Mr. TOWNS, Mr. STRICKLAND, Ms. LOFGREN, Mr. PALLONE, Mr. MOORE, Mr. RANGEL, Mr. DELAHUNT, Mr. CUMMINGS, Mr. COOPER, Mr. HINOJOSA, Mr. KIND, Ms. MILLENDER-McDONALD, Mr. BOUCHER, Mrs. DAVIS of California, Mr. McDERMOTT, Mr. MENENDEZ, Mr. DOGGETT, Ms. JACKSON-LEE of Texas, Mr. RUSH, Ms. WATSON, Mr. LARSEN of Washington, Ms. SLAUGHTER, Mr. DEFazio, Mr. SNYDER, Mr. JEFFERSON, Mr. LEWIS of Georgia, Mr. FATTAH, Mr. FROST, Mr. BROWN of Ohio, Mrs. MCCARTHY of New York, Mr. SPRATT, Mr. BACA, Mr. BECERRA, Mr. MEEKS of New York, Ms. MCCARTHY of Missouri, Mr. REYES, Mr. ALLEN, Mr. SCHIFF, Mr. RODRIGUEZ, Mr. EMANUEL, Ms. HARMAN, Mr. LARSON of Connecticut, Ms. LINDA T. SÁNCHEZ of California, Mr. DINGELL, Ms. NORTON, Mr. LANTOS, Mr. MICHAUD, Ms. ESHOO, Mrs. LOWEY, Ms. SOLIS, Ms. DEGETTE, Mr. KUCINICH, Mr. PASCRELL, Mr. UDALL of New Mexico, Ms. MCCOLLUM, Mr. BRADY of Pennsylvania, Mr. BELL, Mr. ANDREWS, Mr. KENNEDY of Rhode Island, Mr. HOEFFEL, Mr.

BALLANCE, Mr. PRICE of North Carolina, Mr. LAMPSON, Mr. WAXMAN, Mr. FILNER, Mrs. CAPPS, Mr. ORTIZ, Mr. STARK, Mr. COSTELLO, Mr. WATT, Mr. THOMPSON of California, Mr. MEEK of Florida, Ms. BORDALLO, Ms. EDDIE BERNICE JOHNSON of Texas, Mr. THOMPSON of Mississippi, Mr. JACKSON of Illinois, Mr. CLYBURN, Mr. GREEN of Texas, Mr. MEEHAN, Mr. RYAN of Ohio, Mr. VAN HOLLEN, Ms. ROYBAL-ALLARD, Mr. FALEOMAVAEGA, Mr. HILL, Mr. MCINTYRE, Mr. DAVIS of Tennessee, Mr. RAHALL, Mr. ROSS, Mr. MILLER of North Carolina, Mr. BOSWELL, Mr. UDALL of Colorado, Mr. DICKS, Mr. BISHOP of Georgia, Mr. ROTHMAN, and Mr. BERMAN) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To establish the National Affordable Housing Trust Fund in the Treasury of the United States to provide for the development, rehabilitation, and preservation of decent, safe, and affordable housing for low-income families.

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 “National Affordable
 5 Housing Trust Fund Act of 2003”.

6 **SEC. 2. NATIONAL AFFORDABLE HOUSING TRUST FUND.**

7 (a) IN GENERAL.—Title II of the Cranston-Gonzalez
 8 National Affordable Housing Act (42 U.S.C. 12721 et
 9 seq.) is amended by adding at the end the following new
 10 subtitle:

1 **“Subtitle G—National Affordable**
2 **Housing Trust Fund**

3 **“SEC. 291. PURPOSES.**

4 “The purposes of this subtitle are—

5 “(1) to fill the growing gap in the national abil-
6 ity to build affordable housing by using profits gen-
7 erated by Federal housing programs to fund addi-
8 tional housing activities, without supplanting exist-
9 ing housing appropriations;

10 “(2) to enable rental housing to be built, for
11 families with the greatest economic need, in mixed-
12 income settings and in areas with the greatest eco-
13 nomic opportunities;

14 “(3) to promote homeownership for low-income
15 families; and

16 “(4) to produce, rehabilitate, and preserve at
17 least 1,500,000 affordable dwelling units over the
18 next decade.

19 **“SEC. 292. TRUST FUND.**

20 “(a) ESTABLISHMENT.—There is established in the
21 Treasury of the United States a trust fund to be known
22 as the National Affordable Housing Trust Fund, which
23 shall be available as provided in this subtitle for assisting
24 the development, rehabilitation, and preservation of af-
25 fordable housing.

1 “(b) DEPOSITS TO TRUST FUND.—For fiscal year
2 2004 and each fiscal year thereafter, there shall be appro-
3 priated to the Trust Fund an amount equal to the sum
4 of—

5 “(1) the amount by which the balance in the
6 Mutual Mortgage Insurance Fund established under
7 section 202(a) of the National Housing Act (12
8 U.S.C. 1708(a)), at the conclusion of the preceding
9 fiscal year, exceeds the amount necessary for such
10 Fund to maintain the capital ratio required under
11 section 205(f) of such Act (12 U.S.C. 1711(f)); and

12 “(2) the amount by which any amounts col-
13 lected or received by the Government National Mort-
14 gage Association during the preceding fiscal year ex-
15 ceeds the amount necessary to pay the administra-
16 tive costs and expenses necessary to ensure the safe-
17 ty and soundness of the Government National Mort-
18 gage Association, as determined by the Secretary.

19 “(c) EXPENDITURES FROM TRUST FUND.—For fis-
20 cal year 2004 and each fiscal year thereafter, amounts ap-
21 propriated to the Trust Fund for each such fiscal year
22 shall be available to the Secretary of Housing and Urban
23 Development for providing assistance under this subtitle.

1 **“SEC. 293. ALLOCATIONS FOR STATES AND PARTICIPATING**
2 **LOCAL JURISDICTIONS.**

3 “(a) IN GENERAL.—The Secretary shall use the total
4 amount made available under section 292(c) to the Sec-
5 retary from the Trust Fund for such fiscal year to provide
6 assistance under this subtitle for the States and partici-
7 pating local jurisdictions. Of such total amount, the Sec-
8 retary shall allocate 40 percent for States for use under
9 section 294 and 60 percent for participating local jurisdic-
10 tions for use under section 294.

11 “(b) CONSORTIA AS PARTICIPATING JURISDIC-
12 TIONS.—A consortium of geographically contiguous units
13 of general local government shall be deemed to be a par-
14 ticipating local jurisdiction for the purposes of this section
15 if the Secretary determines that the consortium has suffi-
16 cient authority and administrative capability to carry out
17 the purposes of this subtitle on behalf of its member juris-
18 dictions.

19 **“SEC. 294. ASSISTANCE FROM TRUST FUND.**

20 “(a) AFFORDABLE HOUSING NEEDS FORMULA.—
21 The Secretary shall establish a formula to allocate assist-
22 ance under this subtitle among eligible recipients based
23 on the relative need of the eligible recipient, among other
24 eligible recipients that are States or participating local ju-
25 risdictions, as appropriate, to increase the supply of decent
26 quality affordable housing. The formula shall be based

1 upon a comparison of the following factors for each eligible
2 recipient:

3 “(1) The percentage of families in the jurisdic-
4 tion of the eligible recipient that live in substandard
5 housing.

6 “(2) The percentage of families in the jurisdic-
7 tion of the eligible recipient that pay more than 50
8 percent of their annual income for housing costs.

9 “(3) The percentage of persons in the jurisdic-
10 tion of the eligible recipient having an income at or
11 below the poverty line.

12 “(4) The cost of developing or carrying out re-
13 habilitation of housing in the jurisdiction of the eli-
14 gible recipient.

15 “(5) The percentage of the population of the eli-
16 gible recipient that resides in counties having ex-
17 tremely low vacancy rates.

18 “(6) The percentage of housing stock in the ju-
19 risdiction of the eligible recipient that is extremely
20 old housing.

21 “(7) Any other factors that the Secretary deter-
22 mines to be appropriate.

23 “(b) FORMULA AMOUNT.—

24 “(1) IN GENERAL.—For fiscal year 2004 and
25 each fiscal year thereafter, the Secretary shall deter-

1 mine the formula amount under this subsection for
2 each eligible recipient.

3 “(2) STATES.—The formula amount for each
4 State shall be the amount determined for such State
5 by applying the formula under subsection (a) to the
6 total amount allocated under section 293(a) for all
7 States for the fiscal year.

8 “(3) PARTICIPATING LOCAL JURISDICTIONS.—
9 The formula amount for each participating local ju-
10 risdiction shall be the amount determined for such
11 participating local jurisdiction by applying the for-
12 mula under subsection (a) to the total amount allo-
13 cated under section 293(a) for all participating local
14 jurisdictions for the fiscal year.

15 “(c) ALLOCATION AMOUNT.—The allocation under
16 this subsection for a State or local participating jurisdic-
17 tion for a fiscal year shall be determined as follows:

18 “(1) STATES.—In the case of a State:

19 “(A) MINIMUM AMOUNT.—If the formula
20 amount determined under subsection (b) for the
21 State for the fiscal year is less than 1 percent
22 of the total amount made available under sec-
23 tion 292(c) for such fiscal year, the allocation
24 for the State shall be 1 percent of such amount.

1 “(B) FORMULA AMOUNT.—If the formula
2 amount determined under subsection (b) for the
3 State for the fiscal year is 1 percent or more
4 of the total amount made available under sec-
5 tion 292(c) for such fiscal year, the allocation
6 for the State shall be the formula amount for
7 the State, except that the Secretary shall re-
8 duce such formula amounts for all States whose
9 allocations are determined under this paragraph
10 on a pro rata basis by the amount necessary to
11 account for any increases from the formula
12 amount for allocations made under paragraph
13 (1) of this subsection so that the total of the al-
14 locations for all States is equal to the amount
15 of the allocation under section 293(a) for
16 States.

17 “(2) PARTICIPATING LOCAL JURISDICTIONS.—
18 The allocation for each eligible participating local ju-
19 risdiction shall be the formula amount for the eligi-
20 ble jurisdiction determined under subsection (b).

21 “(d) GRANT AWARDS.—For fiscal year 2004 and
22 each fiscal year thereafter, using the amounts made avail-
23 able to the Secretary from the Trust Fund for such fiscal
24 year under section 292(c), the Secretary shall make a

1 grant to each eligible recipient in the lesser of the fol-
2 lowing amounts:

3 “(1) FULL ALLOCATION.—The amount of the
4 allocation under subsection (c) for the eligible recipi-
5 ent.

6 “(2) 4 TIMES MATCHING CONTRIBUTION.—Ex-
7 cept as provided in subsection (e)(4), the amount
8 that is equal to 4 times the amount of funds pro-
9 vided by the eligible recipient from non-Federal
10 sources for use only as provided in subsection (e)(2).

11 “(e) MATCHING CONTRIBUTION.—

12 “(1) ELIGIBLE AMOUNTS.—For purposes of
13 subsection (d)(2), only the following amounts shall
14 be considered amounts from non-Federal sources:

15 “(A) LOW-INCOME HOUSING TAX CRED-
16 ITS.—50 percent of funds allocable to tax cred-
17 its allocated under section 42 of the Internal
18 Revenue Code of 1986.

19 “(B) MORTGAGE BOND REVENUE.—50
20 percent of revenue from mortgage revenue
21 bonds issued under section 143 of such Code.

22 “(C) TAX EXEMPT BONDS PROCEEDS.—50
23 percent of proceeds from the sale of tax exempt
24 bonds.

1 “(D) CDBG PROGRAM AMOUNTS.—50 per-
2 cent of grant amounts received under the com-
3 munity development block grant program under
4 title I of the Housing and Community Develop-
5 ment Act of 1974 (42 U.S.C. 5301 et seq.).

6 “(E) HOME PROGRAM AMOUNTS.—50
7 percent of funds received under the HOME in-
8 vestment partnerships program under subtitles
9 A through F of this title.

10 “(F) PROJECT-BASED VOUCHER ASSIST-
11 ANCE.—50 percent of funds used each year
12 pursuant to paragraph (13) of section 8(o) of
13 the United States Housing Act of 1937 (42
14 U.S.C. 1437f(o)(13)) for the duration of the
15 applicable housing assistance payments con-
16 tract.

17 “(G) TEMPORARY ASSISTANCE FOR NEEDY
18 FAMILIES.—Federal, State, and local funds pro-
19 vided under part A of title IV of the Social Se-
20 curity Act (42 U.S.C. 601 et seq.).

21 “(H) RURAL HOUSING ASSISTANCE.—50
22 percent of amounts received under title V of the
23 Housing Act of 1949 (42 U.S.C. 1471 et seq.).

24 “(I) GENERAL STATE REVENUE.—Any
25 other State or unit of general local government

1 revenue that is not derived from Federal
2 sources, including any State tax revenue.

3 “(2) USE OF MATCHING AMOUNTS.—Use of
4 amounts as provided in this paragraph shall be used
5 only for—

6 “(A) eligible activities relating to afford-
7 able housing; or

8 “(B) eligible activities relating to a project
9 not less than 50 percent of the dwelling units
10 of which qualify as affordable housing.

11 “(3) CERTIFICATION.—The Secretary shall re-
12 quire eligible recipients to certify to the Secretary
13 the amount of funds from non-Federal sources pro-
14 vided for purposes of subsection (d)(2).

15 “(4) REDUCTION OF CONTRIBUTION REQUIRE-
16 MENT.—

17 “(A) 50 PERCENT REDUCTION FOR RECIPI-
18 ENTS IN FISCAL DISTRESS.—If an eligible re-
19 cipient certifies to the Secretary that it is in fis-
20 cal distress, the eligible recipient shall be treat-
21 ed, for purposes of subsection (d)(2), as having
22 provided from non-Federal sources for use only
23 as provided in subsection (e)(2) an amount
24 equal to twice the amount of such funds that

1 the recipient certifies to the Secretary pursuant
2 to paragraph (3) of this subsection.

3 “(B) INAPPLICABILITY OF MATCHING RE-
4 QUIREMENT FOR RECIPIENTS IN SEVERE FIS-
5 CAL DISTRESS.—If an eligible recipient certifies
6 to the Secretary that it is in severe fiscal dis-
7 tress, subsection (d)(2) shall not apply to such
8 eligible recipient.

9 “(g) GRANTS FOR INELIGIBLE RECIPIENTS AND RE-
10 CIPIENTS WITH INSUFFICIENT MATCHING CONTRIBU-
11 TIONS.—

12 “(1) AVAILABLE AMOUNTS.—For a fiscal year,
13 the following amounts shall be available for grants
14 under this subsection:

15 “(A) ALLOCATION FOR INELIGIBLE RE-
16 CIPIENT.—With respect to each ineligible recipi-
17 ent, the amount of the allocation for the State
18 or participating local jurisdiction for such fiscal
19 year determined under subsection (c).

20 “(B) UNMATCHED PORTION OF ALLOCA-
21 TION.—With respect to any eligible recipient for
22 which the amount of the grant assistance for
23 such fiscal year is determined under subsection
24 (d)(2), the amount by which the allocation de-
25 termined under subsection (c) for the eligible

1 recipient for the fiscal year exceeds the grant
2 assistance for the eligible recipient for the fiscal
3 year.

4 “(2) NOTICE.—For each fiscal year, not later
5 than 60 days after the date that the Secretary deter-
6 mines that the amounts described in paragraph (1)
7 shall be available for grants under this subsection,
8 the Secretary shall cause to be published in the Fed-
9 eral Register a notice that such amounts shall be so
10 available.

11 “(3) APPLICATIONS.—The Secretary shall pro-
12 vide for nonprofit and public entities (and consortia
13 thereof, which may include units of local government
14 working together on a regional basis) to submit ap-
15 plications, during the 9-month period beginning
16 upon publication of a notice of funding availability
17 under paragraph (2), for a grant of all or a portion
18 of the amounts referred to in paragraph (1). Such
19 an application shall include—

20 “(A) a certification that the applicant will
21 provide supplemental amounts in accordance
22 with paragraph (5)(B)(i); and

23 “(B) an allocation plan described in para-
24 graph (5)(B)(ii).

1 “(4) SELECTION CRITERIA.—The Secretary
2 shall, by regulation, establish criteria for selecting
3 applicants that meet the requirements of paragraph
4 (3) for funding under this subsection. Such criteria
5 shall give priority to applications that provide that
6 grant amounts under this subsection will be used for
7 eligible activities relating to affordable housing that
8 is located in the State for which such grant funds
9 were originally allocated under subsection (c).

10 “(5) AWARD AND USE OF GRANT ASSIST-
11 ANCE.—

12 “(A) AWARD OF GRANTS.—Subject only to
13 the absence of applications meeting the require-
14 ments of paragraph (3), upon the expiration of
15 the period referred to in such paragraph, the
16 Secretary shall select an applicant or applicants
17 under this subsection to receive the amounts
18 available under paragraph (1) and shall make a
19 grant or grants to such applicant or applicants.
20 The selection shall be based upon the criteria
21 established under paragraph (4).

22 “(B) GRANT REQUIREMENTS.—Grant as-
23 sistance under this subsection shall be subject
24 to the following requirements:

1 “(i) MATCHING AMOUNTS.—The
2 grantee shall supplement any grant
3 amounts received under this subsection
4 with an amount equal to 25 percent of
5 such grant amounts.

6 “(ii) USE.—Grant amounts received
7 under this subsection shall be used in ac-
8 cordance with an allocation plan that
9 meets the requirements of section 295(e)
10 and provides that any assistance provided
11 to the applicant under this subsection, and
12 any supplemental amounts provided by the
13 applicant pursuant to clause (i), shall be
14 used only to carry out eligible activities.

15 **“SEC. 295. USE OF ASSISTANCE BY RECIPIENTS.**

16 “(a) DISTRIBUTION TO ELIGIBLE ENTITIES.—Each
17 eligible recipient that receives a grant under this subtitle
18 shall distribute the grant amounts (excluding any amounts
19 used under subsection (b)) to eligible entities for use by
20 such entities only for eligible activities in the jurisdiction
21 of the eligible recipient, as follows:

22 “(1) USE FOR RENTAL HOUSING FOR EX-
23 TREMELY LOW-INCOME FAMILIES.—Not less than 45
24 percent of such amounts shall be distributed for use
25 only for eligible activities relating to affordable hous-

1 ing in the jurisdiction of the eligible recipient that
2 is available for rental by families (as such term is
3 defined in section 3(b) of the United States Housing
4 Act of 1937 (42 U.S.C. 1437a(b))) whose incomes
5 do not exceed 30 percent of the greater of—

6 “(A) the median family income for the
7 area in which the housing is located, as deter-
8 mined by the Secretary with adjustments for
9 smaller and larger families; and

10 “(B) the median family income for the
11 State in which the housing is located, as deter-
12 mined by the Secretary with adjustments for
13 smaller and larger families.

14 Such rental housing shall include limited equity co-
15 operative housing, as such term is defined in section
16 143(k) of the Internal Revenue Code of 1986 (26
17 U.S.C 143(k)).

18 “(2) USE FOR RENTAL HOUSING FOR MINIMUM
19 WAGE-INCOME FAMILIES.—Not less than 30 percent
20 of such amounts shall be distributed for use only for
21 eligible activities relating to affordable housing in
22 the jurisdiction of the eligible recipient that is avail-
23 able for rental by families (as such term is defined
24 in section 3(b) of the United States Housing Act of
25 1937 (42 U.S.C. 1437a(b))) whose incomes do not

1 exceed the amount earned by one individual who is
2 employed on a full-time basis in a position that pays
3 the greater of—

4 “(A) the Federal minimum wage under
5 section 6(a)(1) of the Fair Labor Standards
6 Act of 1938 (29 U.S.C. 206(a)(1)); and

7 “(B) the minimum wage under the laws of
8 the State in which the housing is located.

9 Such rental housing shall include limited equity co-
10 operative housing, as such term is defined in section
11 143(k) of the Internal Revenue Code of 1986 (26
12 U.S.C 143(k)).

13 “(3) USE FOR RENTAL HOUSING OR HOME-
14 OWNERSHIP ASSISTANCE FOR LOW-INCOME FAMI-
15 LIES.—Not more than 25 percent of such amounts
16 shall be distributed for use only for eligible activities
17 relating to affordable housing in the jurisdiction of
18 the eligible recipient that is available for rental by
19 families (as such term is defined in section 3(b) of
20 the United States Housing Act of 1937 (42 U.S.C.
21 1437a(b))) whose incomes do not exceed 80 percent
22 of the greater of—

23 “(A) the median family income for the
24 area in which the housing is located, as deter-

1 mined by the Secretary with adjustments for
2 smaller and larger families, and

3 “(B) the median family income for the
4 State in which the housing is located, as deter-
5 mined by the Secretary with adjustments for
6 smaller and larger families,

7 or for homeownership assistance for such families in
8 the jurisdiction of the eligible recipient. Such rental
9 housing and homes for homeownership shall include
10 housing of a cooperative housing corporation, as
11 such term is defined in section 216(b) of the Inter-
12 nal Revenue Code of 1986 (26 U.S.C 216(b)).

13 “(b) OPERATING ASSISTANCE FOR NONPROFIT
14 HOUSING DEVELOPMENT ORGANIZATIONS.—An eligible
15 entity that receives a grant under this subtitle may use
16 not more than 5 percent of such grant amounts to provide
17 assistance to nonprofit organizations involved in the devel-
18 opment, rehabilitation, or preservation of affordable rental
19 housing for payment of operating costs of such organiza-
20 tions. Such nonprofit organizations shall include commu-
21 nity housing development organizations (as such term is
22 defined in section 104 of the Cranston-Gonzalez National
23 Affordable Housing Act (42 U.S.C. 12704)), community
24 development financial institutions (as such term is defined
25 in section 103 of the Community Development Banking

1 and Financial Institutions Act of 1994 (12 U.S.C. 4702)),
2 community development corporations (as such term is de-
3 fined in section 31131 of the National Community Eco-
4 nomic Partnership Act of 1994 (42 U.S.C. 13851)), and
5 community-based development organizations.

6 “(c) COST LIMITS.—The Secretary shall establish
7 limitations on the amount of grant amounts that may be
8 used, on a per unit basis, for eligible activities. Such limi-
9 tations shall be the same as the per unit cost limits estab-
10 lished pursuant to section 212(e) of the Cranston-Gon-
11 zalez National Affordable Housing Act (42 U.S.C.
12 12742(e)), as adjusted annually, and established by num-
13 ber of bedrooms, market area, and eligible activity.

14 “(d) ELIGIBLE RECIPIENTS.—With respect to a fis-
15 cal year, a State or participating local jurisdiction shall
16 be an eligible recipient for purposes of this subtitle for
17 such fiscal year only if the State or participating local ju-
18 risdiction has established an allocation plan that has been
19 submitted to the Secretary and reviewed and approved by
20 the Secretary as in accordance with subsection (e). The
21 Secretary may disapprove an allocation plan only if the
22 plan fails to comply with requirements set forth in this
23 section.

24 “(e) ALLOCATION PLAN.—

1 “(1) IN GENERAL.—An allocation plan in ac-
2 cordance with this subsection is a plan, established
3 by a State or participating local jurisdiction, as ap-
4 propriate, for a fiscal year, for the distribution of
5 grant amounts provided to the State or participating
6 local jurisdiction under this subtitle for such fiscal
7 year that is based on priority housing needs, as de-
8 termined by the State or participating local jurisdic-
9 tion.

10 “(2) ESTABLISHMENT.—In establishing an allo-
11 cation plan, the State or participating local jurisdic-
12 tion shall notify the public of the establishment of
13 the plan, provide an opportunity for public com-
14 ments regarding the plan, consider any public com-
15 ments received, and make the completed plan avail-
16 able to the public.

17 “(3) CONTENTS.—An allocation plan of a State
18 or participating local jurisdiction shall include the
19 following information:

20 “(A) APPLICATION REQUIREMENTS FOR
21 ELIGIBLE ENTITIES AND SUBRECIPIENTS.—The
22 allocation plan shall set forth the requirements
23 for eligible entities and eligible subrecipients to
24 apply to receive assistance from grant amounts

1 under this subtitle, including a requirement
2 that each such application include—

3 “(i) a description of the eligible activi-
4 ties to be conducted using such assistance;
5 and

6 “(ii) a certification by the applicant
7 that any housing units assisted with such
8 assistance will comply with the require-
9 ments under—

10 “(I) section 296(1)(A) (relating
11 to rents charged);

12 “(II) section 296(1)(B) (relating
13 to tenant rent contribution);

14 “(III) section 296(1)(C) (relating
15 to availability of units for voucher
16 holders);

17 “(IV) section 296(1)(D) (relating
18 to use as affordable housing for 50
19 years);

20 “(V) section 296(1)(E) (relating
21 to mixed income); and

22 “(VI) section 808(d) of the Fair
23 Housing Act (relating to the obliga-
24 tion to affirmatively further fair hous-
25 ing).

1 “(B) SELECTION AND PREFERENCE CRI-
2 TERIA FOR ELIGIBLE ENTITIES AND SUBRECIPI-
3 ENTS.—The allocation plan shall set forth the
4 factors for consideration in selecting among ap-
5 plicants that meet the application requirements
6 set forth pursuant to subparagraph (A), which
7 shall give preference to applicants based on—

8 “(i) the amount of assistance lever-
9 aged by the applicant from private and
10 other non-Federal sources for carrying out
11 the eligible activities to be funded with as-
12 sistance from grant amounts under this
13 subtitle, including assistance made avail-
14 able under section 8 of the United States
15 Housing Act of 1937 (42 U.S.C. 1437f)
16 that is devoted to the project that contains
17 the affordable housing to be assisted with
18 such assistance;

19 “(ii) the extent of local assistance that
20 will be provided in carrying out the eligible
21 activities, including—

22 “(I) financial assistance;

23 “(II) the extent to which the ap-
24 plicant has worked to address issues
25 of siting and exclusionary zoning or

1 other policies that are barriers to af-
2 fordable housing with the unit of gen-
3 eral local government in which the
4 housing to be assisted with such as-
5 sistance will be located; and

6 “(III) the extent to which the ap-
7 plicant has worked with the unit of
8 general local government to reduce
9 the barriers to affordable housing;

10 “(iii) the degree to which the project
11 in which the affordable housing will be lo-
12 cated will have residents of various in-
13 comes;

14 “(iv) the extent of employment and
15 other economic opportunities for low-in-
16 come families in the area in which the
17 housing will be located;

18 “(v) the extent to which the applicant
19 demonstrates the ability to maintain dwell-
20 ing units as affordable housing through the
21 use of assistance made available under this
22 subtitle, assistance leveraged from non-
23 Federal sources, assistance made available
24 under section 8 of the United States Hous-
25 ing Act of 1937 (42 U.S.C. 1437f), State

1 or local assistance, programs to increase
2 tenant income, cross-subsidization, and any
3 other resources;

4 “(vi) the extent to which the applicant
5 demonstrates that the county in which the
6 housing is to be located is experiencing an
7 extremely low vacancy rate;

8 “(vii) the extent to which the percent-
9 age of the housing located in such county
10 that is extremely old housing exceeds 35
11 percent;

12 “(viii) the extent to which the housing
13 assisted with the grant amounts will be ac-
14 cessible to persons with disabilities;

15 “(ix) the extent to which the applicant
16 demonstrates that the affordable housing
17 assisted with the grant amounts will be lo-
18 cated in proximity to public transportation,
19 job opportunities, child care, and commu-
20 nity revitalization projects; and

21 “(x) the extent to which the applicant
22 has provided that assistance from grant
23 amounts made available under this subtitle
24 will be used for eligible activities relating
25 to housing located in census tracts in

1 which the number of families having in-
2 comes less than the poverty line is less
3 than 20 percent.

4 “(4) CONSOLIDATED PLAN.—The Secretary
5 shall provide that a State or local participating juris-
6 diction may comply with the requirements under this
7 subsection for submission of an allocation plan
8 through the inclusion of any appropriate information
9 in a single consolidated submission used for pur-
10 poses of applying for other community planning and
11 development and housing assistance programs ad-
12 ministered by the Secretary.

13 “(f) FORMS OF ASSISTANCE.—

14 “(1) IN GENERAL.—Assistance may be distrib-
15 uted pursuant to this section in the form of capital
16 grants, noninterest bearing or low-interest loans or
17 advances, deferred payment loans, guarantees, and
18 any other forms of assistance approved by the Sec-
19 retary.

20 “(2) REPAYMENTS.—If an eligible recipient
21 awards assistance under this section in the form of
22 a loan or other mechanism by which funds are later
23 repaid to the eligible recipient, any repayments re-
24 ceived by the eligible recipient shall be distributed by
25 the eligible recipient in accordance with the alloca-

1 tion plan under subsection (e) for the eligible recipi-
2 ent for the fiscal year in which such repayments are
3 made.

4 “(g) COORDINATION WITH OTHER ASSISTANCE.—In
5 distributing assistance pursuant to this section, each eligi-
6 ble recipient shall, to the maximum extent practicable, co-
7 ordinate such distribution with the provision of other Fed-
8 eral, State, and local housing assistance, including—

9 “(1) in the case of any State, housing credit
10 dollar amounts allocated by the State under section
11 42(h) of the Internal Revenue Code of 1986;

12 “(2) assistance made available under the
13 HOME Investment Partnerships Act (42 U.S.C.
14 12721 et seq.) or the community development block
15 grant program under title I of the Housing and
16 Community Development Act of 1974 (42 U.S.C.
17 5301 et seq.);

18 “(3) private activity bonds;

19 “(4) assistance made available under section 9
20 of the United States Housing Act of 1937 (42
21 U.S.C. 1437g);

22 “(5) assistance made available under section
23 8(o) of the United States Housing Act of 1937 (42
24 U.S.C. 1437f(o));

1 “(6) assistance made available under title V of
2 the Housing Act of 1949 (42 U.S.C. 1471 et seq.);
3 and

4 “(7) any other housing assistance programs.

5 “(h) EFFECT OF ASSISTANCE UNDER PROGRAM.—
6 Notwithstanding any other provision of law, the provision
7 of assistance under this subtitle for a project shall not re-
8 duce the amount of assistance for which such project is
9 otherwise eligible under section 42(h) of the Internal Rev-
10 enue Code of 1986 (26 U.S.C. 42(h)) or subtitles A
11 through F of this title, if the project does not exceed the
12 cost limits established pursuant to subsection (c) of this
13 section.

14 “(i) ADMINISTRATION OF PROGRAM BY SUB-
15 RECIPIENT.—At the discretion of the eligible recipient, an
16 eligible recipient may select an eligible subrecipient to
17 carry out all or a portion of the recipient’s responsibilities
18 under this subtitle, in accordance with this section.

19 “(j) LABOR STANDARDS.—Each eligible recipient re-
20 ceiving grant amounts under this subtitle shall ensure that
21 contracts for eligible activities assisted with such amounts
22 comply with the same requirements under section 286 of
23 the Cranston-Gonzalez National Affordable Housing Act
24 (42 U.S.C. 12836) that are applicable to contracts for

1 construction of affordable housing assisted under such
2 Act.

3 “(k) FAILURE TO COMPLY.—If the Secretary finds
4 after reasonable notice and opportunity for hearing that
5 a State or participating local jurisdiction has failed to
6 comply substantially with any provision of this subtitle
7 and until the Secretary is satisfied that there is no longer
8 any such failure to comply, the Secretary shall have the
9 authority to discontinue assistance under this subtitle to
10 the State or participating local jurisdiction.

11 **“SEC. 296. DEFINITIONS.**

12 “For purposes of this subtitle, the following defini-
13 tions shall apply:

14 “(1) AFFORDABLE HOUSING.—The term ‘af-
15 fordable housing’ means a rental dwelling unit that
16 is subject to legally binding commitments that en-
17 sure that the dwelling unit meets all of the following
18 requirements:

19 “(A) RENTS.—The dwelling unit bears a
20 rent not greater than the lesser of—

21 “(i) the existing fair market rental es-
22 tablished by the Secretary under section
23 8(c) of the United States Housing Act of
24 1937 (42 U.S.C. 1437f(c)) for a dwelling
25 unit of the same size in the same market

1 area, or the applicable payment standard
2 for assistance under section 8(o) of such
3 Act, if higher; and

4 “(ii) a rent that does not exceed 30
5 percent of the adjusted income of a family
6 whose income equals 65 percent of the me-
7 dian income for the area, as determined by
8 the Secretary, with adjustment for number
9 of bedrooms in the unit, except that the
10 Secretary may establish income ceilings
11 higher or lower than 65 percent of the me-
12 dian for the area on the basis of the find-
13 ings of the Secretary that such variations
14 are necessary because of prevailing levels
15 of construction costs or fair market rents,
16 or unusually high or low family incomes.

17 “(B) TENANT RENT CONTRIBUTION.—The
18 contribution toward rent by the family residing
19 in the dwelling unit will not exceed 30 percent
20 of the adjusted income of such family.

21 “(C) AVAILABILITY OF UNITS FOR VOUCH-
22 ER HOLDERS.—The dwelling unit—

23 “(i) is located in a project within
24 which a percentage of units are made
25 available only for occupancy by families as-

1 sisted under the voucher program under
2 section 8(o) of the United States Housing
3 Act of 1937 (42 U.S.C. 1437f(o)) (includ-
4 ing project-based assistance under section
5 8(o)(13)) on the same basis as other fami-
6 lies eligible for occupancy of the project
7 (except that only the voucher holder’s ex-
8 pected share of rent shall be considered),
9 which percentage shall not be less than the
10 percentage of the total cost of developing,
11 rehabilitating, or preserving the project
12 that is funded with assistance under this
13 subtitle; and

14 “(ii) is one of the units that is subject
15 to such occupancy requirements.

16 “(D) NON-DISCRIMINATION AGAINST
17 VOUCHER HOLDERS.—The dwelling unit is lo-
18 cated in a project in which all dwelling units
19 are subject to enforceable restrictions that pro-
20 vide that a unit may not be refused for leasing
21 to a holder of a voucher of eligibility under sec-
22 tion 8 of the United States Housing Act of
23 1937 (42 U.S.C. 1437f) because of the status
24 of the prospective tenant as a holder of such
25 voucher.

1 “(E) MIXED INCOME.—

2 “(i) IN GENERAL.—The dwelling unit
3 is located in a project in which not more
4 than 50 percent of the rental units in the
5 project that receive assistance under this
6 subtitle and are not previously occupied
7 may be rented initially to families with in-
8 comes described in section 295(a)(1), as
9 determined at a reasonable time before oc-
10 cupancy.

11 “(ii) EXCEPTIONS.—Clause (i) shall
12 not apply in the case of a project having
13 not more than 25 dwelling units that is—

14 “(I) located in a census tract in
15 which the number of families having
16 incomes less than the poverty line is
17 less than 20 percent;

18 “(II) located in a rural area, as
19 such term is defined in section 520 of
20 the Housing Act of 1949 (42 U.S.C.
21 1490); or

22 “(III) specifically made available
23 only for households comprised of el-
24 derly families or disabled families.

1 “(F) DURATION OF USE.—The dwelling
2 unit will continue to be subject to the require-
3 ments under this paragraph for not less than
4 50 years.

5 “(2) ELIGIBLE ACTIVITIES.—The term ‘eligible
6 activities’ means activities relating to providing af-
7 fordable housing, including—

8 “(A) the construction of new housing;

9 “(B) the acquisition of real property;

10 “(C) site preparation and improvement, in-
11 cluding demolition;

12 “(D) rehabilitation of existing housing;

13 “(E) the provision of project-based rental
14 assistance for not more than 12 months for a
15 dwelling unit assisted with grant amounts
16 under this subtitle; and

17 “(F) providing incentives to maintain ex-
18 isting housing as affordable housing and to es-
19 tablish or extend any low-income affordability
20 restrictions for such housing, including covering
21 capital expenditures and operating costs.

22 “(3) ELIGIBLE ENTITY.—The term ‘eligible en-
23 tity’ includes any public or private nonprofit or for-
24 profit entity, unit of general local government, re-
25 gional planning entity, and any other entity engaged

1 in the development, rehabilitation, or preservation of
2 affordable housing, as determined by the Secretary.

3 “(4) ELIGIBLE PARTICIPATING LOCAL JURIS-
4 DICTION.—The term ‘eligible participating local ju-
5 risdiction’ means a participating local jurisdiction
6 that complies with the requirements under section
7 295(d).

8 “(5) ELIGIBLE RECIPIENT.—The term ‘eligible
9 recipient’ means an eligible State or eligible partici-
10 pating local jurisdiction.

11 “(6) ELIGIBLE STATE.—The term ‘eligible
12 State’ means a State that complies with the require-
13 ments under section 295(d).

14 “(7) ELIGIBLE SUBRECIPIENT.—The term ‘eli-
15 gible subrecipient’ means a public agency or a non-
16 profit organization, including a community develop-
17 ment corporation, a community development finan-
18 cial institution, a State or local housing trust fund,
19 and any other intermediary selected by a State or
20 participating local jurisdiction to administer all or a
21 portion of the State’s or participating local jurisdic-
22 tion’s responsibilities under this subtitle. The term
23 does not include any public agency or nonprofit or-
24 ganization that receives money from the Trust Fund
25 solely as a developer or owner of housing.

1 “(8) EXTREMELY LOW VACANCY RATE.—The
2 term ‘extremely low vacancy rate’ means a housing
3 or rental vacancy rate of 2 percent or less.

4 “(9) EXTREMELY OLD HOUSING.—The term
5 ‘extremely old housing’ means housing that is 45
6 years old or older.

7 “(10) FISCAL DISTRESS; SEVERE FISCAL DIS-
8 TRESS.—The terms ‘fiscal distress’ and ‘severe fiscal
9 distress’ have the meanings given such terms in sec-
10 tion 220(d).

11 “(11) FULL-TIME BASIS.—The term ‘full-time
12 basis’ means, with respect to employment, on a 40-
13 hour per week, 52-week per year basis.

14 “(12) INELIGIBLE RECIPIENT.—The term ‘ineli-
15 gible recipient’ means, with respect to a fiscal year,
16 a State or participating local jurisdiction that has
17 not submitted to the Secretary an allocation plan
18 meeting the requirements of section 295(e).

19 “(13) PARTICIPATING LOCAL JURISDICTION.—
20 The term ‘participating local jurisdiction’ means,
21 with respect to a fiscal year, any unit of general
22 local government (as such term is defined in section
23 104 of the Cranston-Gonzalez National Affordable
24 Housing Act (42 U.S.C. 12704) that qualifies as a

1 participating jurisdiction under the HOME Invest-
2 ment Partnerships Act for such fiscal year.

3 “(14) POVERTY LINE.—The term ‘poverty line’
4 has the meaning given such term in section 673(2)
5 of the Omnibus Budget Reconciliation Act of 1981,
6 including any revision required by such section.

7 “(15) SECRETARY.—The term ‘Secretary’
8 means the Secretary of Housing and Urban Develop-
9 ment.

10 “(16) STATE.—The term ‘State’ has the mean-
11 ing given such term in section 3(b) of the United
12 States Housing Act of 1937 (42 U.S.C. 1437a(b)).

13 “(17) TRUST FUND.—The term ‘Trust Fund’
14 means the National Affordable Housing Trust Fund
15 established under section 292.

16 **“SEC. 297. AUTHORIZATION OF APPROPRIATIONS FOR SEC-**
17 **TION 8 PROJECT-BASED ASSISTANCE.**

18 “There are authorized to be appropriated, for project-
19 based rental assistance under section 8(o)(13) of the
20 United States Housing Act of 1937 (42 U.S.C.
21 1437f(o)(13)) provided in connection with dwelling units
22 assisted under this subtitle, such sums as may be nec-
23 essary for each fiscal year to provide such rental assist-
24 ance on behalf of each family who occupied a dwelling unit
25 assisted under this subtitle for which the rent that other-

1 wise may be charged exceeds 30 percent of the family's
2 adjusted income, as such term is defined in section 3 of
3 the United States Housing Act of 1937 (42 U.S.C.
4 1437a).

5 **“SEC. 298. INAPPLICABILITY OF HOME PROVISIONS.**

6 “Except as specifically provided in this subtitle, no
7 requirement under, or provision of, title I or subtitles A
8 through F of this title shall apply to assistance provided
9 under this subtitle.

10 **“SEC. 299. REGULATIONS.**

11 “Not later than 6 months after the date of enactment
12 of the National Affordable Housing Trust Fund Act of
13 2003, the Secretary of Housing and Urban Development
14 shall promulgate regulations to carry out this subtitle.”.

15 (b) CONFORMING AMENDMENT.—Section 201 of the
16 Cranston-Gonzalez National Affordable Housing Act (42
17 U.S.C. 12701 note) is amended by striking “This title”
18 and inserting “Subtitles A through F of this title”.

○