

110TH CONGRESS
1ST SESSION

H. R. 655

To provide for more accurate valuation of multifamily housing properties, and loans for such properties, that are sold at a discount by the Department of Housing and Urban Development to facilitate acquisition of such properties that maintains the properties as affordable housing.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 24, 2007

Ms. VELÁZQUEZ introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To provide for more accurate valuation of multifamily housing properties, and loans for such properties, that are sold at a discount by the Department of Housing and Urban Development to facilitate acquisition of such properties that maintains the properties as affordable 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 “Pathway to Preserva-
5 tion Act of 2007”.

1 **SEC. 2. CONGRESSIONAL FINDINGS.**

2 The Congress finds that—

3 (1) there is a great need to provide commu-
4 nities with tools to preserve affordable housing;

5 (2) a significant amount of the affordable hous-
6 ing inventory in the United States has already been
7 lost and a large portion is at risk of being removed;

8 (3) approximately 200,000 subsidized rental
9 units are lost annually;

10 (4) in the case of disposition of properties
11 owned or held by the Department of Housing and
12 Urban Development, the statutory right of first re-
13 fusal afforded to units of local government has been
14 effective in preserving such buildings for use as af-
15 fordable housing;

16 (5) failing to take into account the physical
17 condition of a property when determining the sale
18 price in a HUD property sale inhibits local preserva-
19 tion efforts; and

20 (6) the Department of Housing and Urban De-
21 velopment should use standard industry appraisal
22 practices when determining the sale price of prop-
23 erties.

1 **SEC. 3. VALUATION OF PHYSICALLY DISTRESSED PROP-**
2 **ERTIES SOLD BY HUD IN DISCOUNT SALES.**

3 Section 2001 of the Deficit Reduction Act of 2005
4 (Public Law 109–171; 120 Stat. 7; 12 U.S.C. 1701z–11
5 note) is amended—

6 (1) in paragraph (4), by striking “without tak-
7 ing into account any affordability requirements” and
8 inserting the following: “as determined using indus-
9 try standard appraisal practices, including consider-
10 ation of the cost of repairs needed for the property
11 subject to the loan to comply with minimum safety
12 and building standards and the cost of maintaining
13 the affordability restrictions applicable under the
14 original loan or grant for the property”; and

15 (2) in paragraph (7), by striking “without tak-
16 ing into account any affordability requirements” and
17 inserting the following: “as determined using indus-
18 try standard appraisal practices, including consider-
19 ation of the cost of repairs needed for the property
20 to comply with minimum safety and building stand-
21 ards and the cost of maintaining the affordability re-
22 strictions applicable under the original loan or grant
23 for the property”.

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