

119TH CONGRESS
1ST SESSION

S. _____

To preserve and protect multifamily housing properties assisted by the
Secretary of Housing and Urban Development.

IN THE SENATE OF THE UNITED STATES

Ms. BLUNT ROCHESTER introduced the following bill; which was read twice
and referred to the Committee on _____

A BILL

To preserve and protect multifamily housing properties as-
sisted by the Secretary of Housing and Urban Develop-
ment.

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 “Affordable Housing
5 Preservation and Protection Act of 2026”.

6 **SEC. 2. REVITALIZATION AND PRESERVATION OF DIS-**
7 **TRESSED MULTIFAMILY PROPERTIES.**

8 (a) DEFINITIONS.—In this section:

9 (1) HUD-APPROVED PURCHASER.—The term
10 “HUD-approved purchaser” means a purchaser that

1 is approved by the Department of Housing and
2 Urban Development.

3 (2) MULTIFAMILY HOUSING PROJECT.—The
4 term “multifamily housing project” means a project
5 consisting of five or more dwelling units assisted or
6 approved to receive assistance or a transfer of assist-
7 ance, insured, or with a loan held by the Secretary
8 or a State or State agency in part or in whole pursu-
9 ant to—

10 (A) section 8 of the United States Housing
11 Act of 1937 (42 U.S.C. 1437f);

12 (B) section 202 of the Housing Act of
13 1959 (12 U.S.C. 1701q);

14 (C) section 202 of the Housing Act of
15 1959, as such section was in effect on the day
16 before the date of enactment of the Cranston-
17 Gonzalez National Affordable Housing Act
18 (Public Law 101–625; 104 Stat. 4079);

19 (D) section 811 of the Cranston-Gonzalez
20 National Affordable Housing Act (42 U.S.C.
21 8013);

22 (E) section 236 of the National Housing
23 Act (12 U.S.C. 1715z–1); or

24 (F) a First Component or Second Compo-
25 nent contract converted to project-based rental

1 assistance or project-based voucher assistance
2 in accordance with the matter under the head-
3 ing “RENTAL ASSISTANCE DEMONSTRATION”
4 under the heading “MANAGEMENT AND ADMIN-
5 ISTRATION” under the heading “DEPART-
6 MENT OF HOUSING AND URBAN DE-
7 VELOPMENT” in title II of division C of the
8 Consolidated and Further Continuing Appro-
9 priations Act, 2012 (42 U.S.C. 1437f note;
10 Public Law 112–55).

11 (3) NECESSARY PHYSICAL IMPROVEMENTS.—
12 The term “necessary physical improvements” means
13 new construction or capital improvements to an ex-
14 isting multifamily housing project that the Secretary
15 determines are necessary to address the deficiencies,
16 including accessibility deficiencies, or that rise to
17 such a level that delaying physical improvements to
18 the project would be detrimental to the longevity of
19 the project as suitable housing for occupancy.

20 (4) SECRETARY.—The term “Secretary” means
21 the Secretary of Housing and Urban Development.

22 (b) AUTHORITY.—To such extent or in such amounts
23 as provided in appropriations Acts, the Secretary may
24 offer capital assistance under this section to owners, spon-
25 sors, or HUD-approved purchasers of eligible multifamily

1 housing projects for the purpose of ensuring the long-term
2 preservation of decent, safe, and sanitary affordable hous-
3 ing.

4 (c) ELIGIBLE COSTS.—The Secretary may use funds
5 under this section for—

6 (1) the cost of providing direct loans, which
7 may be forgivable, and the costs of modifying such
8 loans, to owners, sponsors, or HUD-approved pur-
9 chasers of distressed multifamily housing projects
10 for the purpose of making necessary physical im-
11 provements, including to subsidize gross obligations
12 for the principal amount of such loans, subject to
13 the terms and conditions in subsection (d), to fund
14 projects that improve physical conditions; and

15 (2) administering the implementation of this
16 section, including—

17 (A) the cost of contracts or cooperative
18 agreements to support implementation;

19 (B) costs related to outreach and consulta-
20 tion with residents of distressed multifamily
21 housing projects and other community stake-
22 holders; and

23 (C) the cost of carrying out subsection (e).

24 (d) LOAN TERMS AND CONDITIONS.—

1 (1) ELIGIBILITY.—Owners, sponsors, or HUD-
2 approved purchasers of multifamily housing projects
3 who meet each of the following requirements shall be
4 eligible for loan assistance under this section:

5 (A) The multifamily housing project, in-
6 cluding any project from which assistance has
7 been approved to be transferred has defi-
8 ciencies, including safety or accessibility defi-
9 ciencies, that cause the project to be at risk of
10 physical obsolescence or economic non-viability.

11 (B) The actual rents received by the
12 owner, sponsor, or HUD-approved purchaser of
13 the distressed property would not adequately
14 sustain the debt needed to make necessary
15 physical improvements.

16 (C) The owner, sponsor, or HUD-approved
17 purchaser agrees to extend or establish an af-
18 fordable housing use agreement for 30 years
19 and agrees to accept a renewal of a rental as-
20 sistance contract in any year in which a renewal
21 is offered by the Secretary that for which the
22 terms are consistent with section 515 of the
23 Multifamily Assisted Housing Reform and Af-
24 fordability Act of 1997 (42 U.S.C. 1437f note).

1 (2) USE OF LOAN FUNDS.—Each recipient of
2 loan assistance under this section may only use such
3 loan assistance for eligible uses, as determined by
4 the Secretary, to result in necessary physical im-
5 provements.

6 (3) LOAN AVAILABILITY.—The Secretary shall
7 only provide loan assistance to an owner, sponsor, or
8 HUD-approved purchaser of a multifamily housing
9 project when such assistance, considered with other
10 financial resources available to the owner, sponsor,
11 or HUD-approved purchaser, is needed to make the
12 necessary physical improvements.

13 (4) INTEREST RATES AND LENGTH.—Loans
14 provided under this section shall bear interest at 1
15 percent, and at origination shall have a repayment
16 period coterminous with the affordability period de-
17 scribed in paragraph (1)(D), with the frequency and
18 amount of repayments to be determined by require-
19 ments established by the Secretary.

20 (5) LOAN MODIFICATIONS OR FORGIVENESS.—
21 With respect to loans provided under this section,
22 the Secretary may take any of the following actions
23 if the Secretary determines that doing so will pre-
24 serve affordability of the project:

1 (A) Waive any due on sale or due on refi-
2 nancing restriction.

3 (B) Consent to the terms of new debt to
4 which the loans may be subordinate, even if
5 such new debt would impact the repayment of
6 the loan.

7 (C) Extend the term of the loan.

8 (D) Forgive the loan in whole or in part.

9 (6) MATCHING CONTRIBUTION.—

10 (A) IN GENERAL.—Except as provided in
11 subparagraph (B), each recipient of loan assist-
12 ance under this section shall secure at least 20
13 percent of the total cost needed to make the
14 necessary physical improvements from non-Fed-
15 eral sources.

16 (B) EXCEPTION.—If the Secretary deter-
17 mine that an applicant is unable to secure the
18 required matching contribution despite having
19 made commercially reasonable efforts to secure
20 such matching resources, the Secretary may
21 provide for—

22 (i) a reduced contribution below 20
23 percent; or

24 (ii) an exemption to the matching con-
25 tribution requirement.

1 (e) MULTIFAMILY HOUSING PROJECTS INSURED BY
2 THE SECRETARY.—In the case of any property with re-
3 spect to which assistance is provided under this section
4 that has a mortgage held or insured by the Secretary, the
5 Secretary may use funds available under this section as
6 necessary to pay for the costs of modifying such loan,
7 which shall include costs paid to issuers approved by the
8 Government National Mortgage Association related to
9 modifying the loan.

10 (f) IMPLEMENTATION.—

11 (1) IN GENERAL.—The Secretary shall take
12 steps to ensure the effective implementation of this
13 section, including ensuring—

14 (A) timely execution of rehabilitation ac-
15 tivities funded by assistance under this section;

16 (B) ongoing owner compliance with con-
17 tract or program requirements; and

18 (C) outreach to and consultation with resi-
19 dents of distressed properties.

20 (2) REQUIREMENTS.—The Secretary shall have
21 the authority to establish by notice any requirements
22 that the Secretary determines are necessary for
23 timely and effective implementation of the program
24 and expenditure of funds appropriated, which re-
25 quirements shall take effect upon issuance.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated to the Secretary to carry
3 out this section such sums as may be necessary.