H. R. _______

To [to be provided].

IN THE HOUSE OF REPRESENTATIVES

M. ______ introduced the following bill; which was referred to the Committee on ____________________

A BILL

To [to be provided].

Be it enacted by the Senate and House of Representa-
tives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the “Tenant Empowerment Act of 2020”.

SEC. 2. MAINTENANCE OF HOUSING.

(a) PROJECT-BASED ASSISTANCE.—Section 8(d) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)) is amended by adding at the end the following new paragraphs:
“(7) Enforcement of housing standards related to physical condition of property.—

If the Secretary determines, upon any inspection or management review for any multifamily housing project covered by a housing assistance payments contract under this section, that there are serious violations of housing standards applicable to such project that are not corrected after reasonable notice, or any other substantial or repeated violations of other program requirements, including residents’ right to organize, the Secretary may take one or more of the following actions in addition to other remedies allowed under the contract:

“(A) Withhold all or part of the housing assistance payments due under the contract.

“(B) Withhold any rent increases otherwise due.

“(C) Assume possession and management of the project and take any actions necessary to correct the violations, including using such withheld payments to effectuate repairs or to reimburse others who make repairs.

“(D) Use such withheld payments to pay for utilities and other services that are the re-
sponsibility of the owner under the lease or applicable law.

“(8) ESCROW OF TENANT RENTS.—

“(A) WITHHOLDING OF RENT.—If the Secretary determines, pursuant to paragraph (7), that there are serious violations of housing standards applicable to any multifamily housing project covered by a housing assistance payments contract under this section, including a failed physical inspection score, an unsatisfactory management and occupancy review score, or a notice of violation of right to organize regulations under subpart B of part 245 of title 24, Code of Federal Regulations, any tenants in assisted units in the project may withhold the tenant contribution toward rent and pay such amount, when due, into an escrow fund in accordance with procedures established by the Secretary. If a tenant withholds the tenant contribution toward rent in accordance with this paragraph, the Secretary shall withhold all or part of the housing assistance payments due under the contract for the unit until the violations are remedied. An owner of a project shall not evict tenants for nonpayment of rent for ex-
ercising rights under this paragraph. If an owner has completed a purchase of multifamily housing found in violation under this paragraph and commenced a repair program to remediate these violations, tenants exercising this right may negotiate a staged release of funds held in escrow upon reaching measurable benchmarks as established by the Secretary, including consultation with the tenants of the property and any legitimate tenants’ association, as defined in subpart B of part 245 of title 24, Code of Federal Regulations.

“(B) REPAIR AND DEDUCT.—Any tenant of a multifamily housing project covered by a housing assistance payments contract under this section may make payments from the tenant’s contribution toward rent, not to exceed the monthly gross rent for the unit, to effectuate the cost of repairs or mitigation to bring their unit into compliance with housing quality standards, and to deduct the documented cost from their rent, in accordance with procedures established by the Secretary.

“(C) PROHIBITION.—An owner of a project shall not evict tenants for nonpayment
of rent for exercising rights under this para-

graph.

“(D) Rule of Construction.—Nothing
in this paragraph shall be construed to limit or
pre-empt any stronger protections which may
exist under state or local law. An owner of a
project shall not evict tenants for nonpayment
of rent for exercising rights under this para-

graph.

“(9) Protection of Tenants.—An owner of
a multifamily housing project covered by a housing
assistance payments contract under this subsection
may not terminate the tenancy of any tenant be-
cause of the withholding or abatement of assistance
pursuant to this subsection. During the period that
assistance is abated pursuant to this subsection, the
tenant may terminate the tenancy by notifying the
owner.

“(10) Inspections upon Request or Peti-
tion.—In addition to periodic inspections by the
Secretary, the Secretary shall conduct an inspection
or management review of any multifamily housing
project covered by a housing assistance payments
contract under this section when requested by the
local government in which the project is located or
by a petition signed by not less than 25 percent of
the tenants of the occupied units in the project.”.

(b) PHA PROJECT-BASED ASSISTANCE.—Paragraph
(13) of section 8(o) of the United States Housing Act of
1937 (42 U.S.C. 1437f(o)(13)) is amended by adding at
the end the following new subparagraph:

“(N) MAINTENANCE OF HOUSING.—Para-
graphs (7) through (10) of subsection (d) of
this section shall apply with respect to a multi-
family housing project covered by a housing as-
sistance payments contract under this para-
graph, except that in applying such para-
graphs—

“(i) the term ‘public housing agency’
shall be substituted for the term ‘Sec-
retary’; and

“(ii) the term ‘contract under this
paragraph’ shall be substituted for the
term ‘contract under this section’.”.

SEC. 3. RESIDENT ENFORCEMENT OF PROJECT OWNER
AGREEMENTS WITH HUD AND USDA.

(a) IN GENERAL.—In each covered agreement, as
such term is defined in subsection (c), any resident, or
resident association, of an affected project shall be per-
mitted to petition the appropriate Secretary requesting en-
enforcement of alleged serious violations of housing standards that are not corrected after reasonable notice, or any other substantial or repeated violations of other program requirements, including the right of residents to organize.

(b) JUDICIAL RELIEF.—If the appropriate Secretary, or the designee of the appropriate Secretary, fails to issue a determination regarding an enforcement request made pursuant to subsection (a), or if the determination fails to provide the enforcement action requested within 90 days after receipt of the petition, the resident, or resident or tenant association, may seek appropriate judicial relief in connection with the alleged violation and enforcement of the covered agreement in any forum of competent jurisdiction. In the case of any alleged violation that threatens the health or safety of tenants, the time period for making such a determination shall not exceed 15 days.

(c) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPROPRIATE SECRETARY.—The term “appropriate Secretary” means, with respect to a covered agreement, the Secretary identified in paragraph (2).

(2) COVERED AGREEMENT.—The term “covered agreement” means any—
(A) a contract between the Secretary of Housing and Urban Development, a contract administrator, or any public housing agency and an owner for project-based housing assistance payments under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f);

(B) agreement under the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) for—

(i) Mark-to-Market Restructuring Commitments, section 8 rental assistance for a project involving any action under section 517(b) or section 519 of such Act; or

(ii) Rehabilitation Escrow Deposit Agreements for Mark-to-Market;

(C) contract for mortgage insurance executed by the Secretary of Housing and Urban Development and any owner or purchaser of a multifamily housing project;

(D) agreement with the Secretary of Agriculture in connection with a loan for rural rental housing under section 515 of the Housing Act of 1949 (42 U.S.C. 1485); or
(E) other Regulatory Agreements, Compliance Agreements, Use Agreements, or similar contracts between the appropriate Secretary and the owner that establish housing quality requirements or affordability restrictions.

(d) REGULATIONS.—Within 180 days after the date of the enactment of this Act, the each appropriate Secretary shall issue regulations providing procedures for—

(1) receiving tenant petitions to enforce the terms of a covered agreement;

(2) evaluating alleged violations of a covered agreement; and

(3) providing notice to residents and resident associations.

(e) PROTECTION OF OTHER TENANT RIGHTS.—This section shall not be construed to limit or replace the rights of residents to raise grievances, appeal decisions, or make other claims provided under any other provision of law.

SEC. 4. RESIDENT ACCESS TO BUILDING INFORMATION.

(a) ACCESS TO INFORMATION.—Upon a written request by a legitimate residents association established with respect to a multifamily housing property to which section 202 of the Housing and Community Development Amendments of 1978 (12 U.S.C. § 1715z-1b) applies, by or through its duly appointed designee or representative, the
Secretary of Housing and Urban Development shall make available to such association, designee, or representative, for the property represented by the association—

(1) information identifying the legal entities that own or manage the subject property, including identification of general partners and other principals;

(2) an annual operating statement of profit and loss of the ownership and management entities identified in paragraph (1), and their other current or former properties assisted by the Department, including the history and current status of mortgage assignments, defaults, foreclosures, or departmental sanctions;

(3) any subsidy contracts and regulatory agreements, use agreements, or other contracts referred to in section 3(c)(2) of this Act between the ownership entities and the Department of Housing and Urban Development, including correspondence between such ownership entities and the Department for the subject property;

(4) any management reviews, physical inspection reports, and capital needs assessments of the subject property or entities identified in paragraph
(1) that are conducted by the Department or a contractor of the Department; and

(5) an annual statement, prepared by the Department or a contract administrator for the subject property, of the balances of, and expenditures from, any replacement reserves and other escrow funds for the property.

(b) PROTECTION OF PERSONAL INFORMATION.—

Subsection (a) shall not be construed to require disclosure of Social Security numbers, personal tax returns, or any other personal financial information of or concerning individuals who have an interest in the ownership or management entities referred to in subsection (a), including salaries or wages of employees of such entities. In complying with the requirements of subsection (a), the Secretary shall not disclose, and shall redact, any information that identifies, or may be used to identify, a resident of the multifamily housing property.

SEC. 5. FUNDING FOR TENANT AND OTHER PARTICIPATION AND CAPACITY BUILDING.

Paragraph (3) of section 514(f) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) in subparagraph (A)—

(A) in the first sentence—
(i) by striking “not more than” and inserting “not less than”;

(ii) by striking “of low-income housing for which project-based rental assistance is provided at below market rent levels and may not be renewed, (including transfer of developments to tenant groups, nonprofit organizations, and public entities), for tenant services” and inserting the following: “and improvement of low-income housing for which project-based rental assistance, public housing subsidies, low-income housing tax credits, Federal or State subsidized loans, enhanced vouchers under section 8(t), or project-based vouchers under section 8(o) are provided or proposed”; and

(iii) in the second parenthetical clause, by inserting before the closing parenthesis the following: “, and predevelopment assistance to enable such transfers”; and

(B) by inserting after the period at the end the following: “For outreach and training of tenants and technical assistance, the Secretary shall implement a grant program utilizing per-
formance-based outcome measures for eligible costs incurred. Recipients providing capacity building or technical assistance services to tenant groups shall be qualified nonprofit State-wide, countywide, area-wide, or city-wide organizations with demonstrated experience including at least a two-year recent track record of organizing and providing assistance to tenants, and independence from the owner, a prospective purchaser, or their managing agents. The Secretary may provide assistance and training to grantees in administrative and fiscal management to ensure compliance with applicable Federal requirements. The Secretary shall expedite the provision of funding for the fiscal year in which the date of the enactment of this Act occurs and by entering into an interagency agreement for not less than $1,000,000 with the Corporation for National and Community Service to conduct a tenant outreach and training program to eligible housing under this subsection. The Secretary shall also make available flexible grants to qualified nonprofit organizations that do not own eligible multifamily properties, for tenant outreach in underserved areas,
and to experienced national or regional non-profit organizations to provide specialized training or support to grantees assisted under this section. Notwithstanding any other provision of law, funds authorized under this paragraph for any fiscal year shall be available for obligation in subsequent fiscal years. The Secretary shall require each recipient of amounts made available pursuant to this subparagraph to submit to the Secretary reports, on a quarterly basis, detailing the use of such funds and including such information as the Secretary shall require.”

SEC. 6. TENANT PARTICIPATION IN PHYSICAL INSPECTION AND MANAGEMENT REVIEW PROCESSES.

In implementing any inspection requirements for ensuring decent, safe, and sanitary conditions and any Management and Occupancy Reviews in multifamily housing receiving project-based assistance under a program administered by the Secretary of Housing and Urban Development, the Secretary shall—

(1) encourage tenant participation—

(A) by requiring that the owner shall post notice of any Department of Housing and Urban Development (in this section referred to
as “HUD”) inspection, including information about the inspection process, contact information, and appeals to HUD, both before and after the inspection, in common areas of the property;

(B) by requiring that, after any inspection, the owner shall post the property score in common areas of the property and ensure that the full HUD inspection report (but not including any personally identifiable information for owners or residents) and related correspondence is made available for inspection by tenants and their representatives at the property where they reside;

(C) by allowing any legitimate tenant organization, prior to an inspection, to submit a report regarding the property to the inspector and to HUD;

(D) by notifying and allowing any legitimate tenant organization, upon request, to meet with and to designate a representative to accompany the inspector during the on-site inspection of common areas, including grounds, hallways, lobbies, community, mail and laundry
rooms, and other common spaces accessible to residents;

(E) by including in any HUD physical inspection up to five additional units suggested by tenants or any legitimate tenant organization;

(F) by providing notice, comment, and appeal rights for tenants and any legitimate tenant organization parallel to the notice, comment, and appeal rights provided to owners; and

(G) by conducting a full or partial Management and Occupancy Review upon the written request by at least 25 percent of residents or by any legitimate tenant association at the property, for the issues identified by residents;

(2) require inspectors to notate in their report potential environmental hazards and unseen health and safety conditions described by residents, management staff, or local agencies, or as observed by the inspector;

(3) require HUD to provide for independent testing of potential environmental hazards identified by HUD inspectors;

(4) require the Secretary to develop a remedial plan if environmental hazards or health and safety
conditions are documented and to monitor the implementation of the remedial plan;

(5) require HUD contract inspectors to review records and consult with local code enforcement agencies regarding physical conditions of a property prior to inspections, if the locality’s databases are accessible;

(6) review work order records in the management office of the property to assess for response time and tenant satisfaction; and

(7) require the Secretary to inspect for compliance with any findings of exigent health and safety violations resulting from HUD inspections.

**SEC. 7. DUTY TO MAINTAIN HOUSING ASSISTANCE PAYMENTS DURING FORECLOSURE.**

(a) **IN GENERAL.**—Notwithstanding any other provision of law, in managing and disposing of any multifamily property that is owned or has a mortgage held by the Secretary of Housing and Urban Development, and during the process of foreclosure on any property with a contract for rental assistance payments under section 8 of the United States Housing Act of 1937 or any other program administered by the Secretary, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937, and any other pro-
grams, that are attached to any dwelling units in the property.

(b) Other Rental Assistance.— To the extent the Secretary determines, in consultation with the tenants and the local government, that such a multifamily property owned or having a mortgage held by the Secretary is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of (1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), and (2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance.

(c) Project-Based Contracts.— The Secretary shall take appropriate steps to ensure that project-based contracts remain in effect prior to foreclosure, subject to the exercise of contractual abatement remedies to assist relocation of tenants for imminent major threats to health and safety after written notice to and informed consent
of the affected tenants and use of other available remedies, such as partial abatements or receivership.

(d) RENT LEVELS.—After disposition of any multifamily property described under this section, the contract and allowable rent levels on such properties shall be subject to the requirements under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997.

SEC. 8. CLARIFICATION OF TENANT PARTICIPATION IN MULTIFAMILY PROJECTS.

The last sentence of section 202(a) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1b(a)) is amended by inserting after “(42 U.S.C. 1437f),” the following: “including a project assisted under section 8(o)(13) (42 U.S.C. 1437f(o)(13)),”.