

118TH CONGRESS
2D SESSION

H. R. 8904

To protect and empower residents of certain federally assisted rental housing,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 28, 2024

Ms. PRESSLEY (for herself, Ms. WATERS, Ms. TLAIB, Ms. OMAR, Ms. WILLIAMS of Georgia, Mr. NADLER, Mr. MCGOVERN, Ms. VELÁZQUEZ, Mr. MFUME, Mr. GARCÍA of Illinois, Mr. DAVIS of Illinois, and Mr. FROST) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To protect and empower residents of certain federally
assisted rental housing, and for other purposes.

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 “Tenant Empowerment
5 Act of 2024”.

6 **SEC. 2. MAINTENANCE OF HOUSING.**

7 (a) PROJECT-BASED ASSISTANCE.—Section 8(d) of
8 the United States Housing Act of 1937 (42 U.S.C.

1 1437f(d)) is amended by adding at the end the following
2 new paragraphs:

3 “(7) ENFORCEMENT OF HOUSING STANDARDS RE-
4 LATED TO PHYSICAL CONDITION OF PROPERTY.—If the
5 Secretary determines, upon any inspection or management
6 review for any multifamily housing project covered by a
7 housing assistance payments contract under this section,
8 that there are serious violations of housing standards ap-
9 plicable to such project that are not corrected after reason-
10 able notice, or any other substantial or repeated violations
11 of other program requirements, including residents’ right
12 to organize, the Secretary shall take one or more of the
13 following actions in addition to other remedies allowed
14 under the contract:

15 “(A) Withhold all or part of the housing assist-
16 ance payments due under the contract.

17 “(B) Withhold any rent increases otherwise
18 due.

19 “(C) Assume possession and management of
20 the project and take any actions necessary to correct
21 the violations, including using such withheld pay-
22 ments to effectuate repairs or to reimburse others
23 who make repairs.

1 “(D) Use such withheld payments to pay for
2 utilities and other services that are the responsibility
3 of the owner under the lease or applicable law.

4 “(8) ESCROW OF TENANT RENTS.—

5 “(A) WITHHOLDING OF RENT.—If the Sec-
6 retary determines, pursuant to paragraph (7), that
7 there are serious violations of housing standards ap-
8 plicable to any multifamily housing project covered
9 by a housing assistance payments contract under
10 this section, including a failed physical inspection
11 score, an unsatisfactory management and occupancy
12 review score, or a notice of violation of right to orga-
13 nize regulations under subpart B of part 245 of title
14 24, Code of Federal Regulations, any tenants in as-
15 sisted units in the project may withhold the tenant
16 contribution toward rent and pay such amount,
17 when due, into an escrow fund in accordance with
18 procedures established by the Secretary. If a tenant
19 withholds the tenant contribution toward rent in ac-
20 cordance with this paragraph, the Secretary shall
21 withhold all or part of the housing assistance pay-
22 ments due under the contract for the unit until the
23 violations are remedied. If an owner has completed
24 a purchase of multifamily housing found in violation
25 under this paragraph and commenced a repair pro-

1 gram to remediate these violations, tenants exer-
2 cising this right may negotiate a staged release of
3 funds held in escrow upon reaching measurable
4 benchmarks as established by the Secretary, includ-
5 ing consultation with the tenants of the property
6 and any legitimate tenants' association, as defined in
7 subpart B of part 245 of title 24, Code of Federal
8 Regulations.

9 “(B) REPAIR AND DEDUCT.—Any tenant of a
10 multifamily housing project covered by a housing as-
11 sistance payments contract under this section may
12 make payments from the tenant's contribution to-
13 ward rent, not to exceed the monthly gross rent for
14 the unit, to effectuate the cost of repairs or mitiga-
15 tion to bring their unit into compliance with housing
16 quality standards, and to deduct the documented
17 cost from their rent, in accordance with procedures
18 established by the Secretary.

19 “(C) PROHIBITION.—An owner of a project
20 shall not evict tenants for nonpayment of rent for
21 exercising rights under this paragraph.

22 “(D) RULE OF CONSTRUCTION.—Nothing in
23 this paragraph shall be construed to limit or pre-
24 empt any stronger protections which may exist
25 under State or local law.

1 “(9) PROTECTION OF TENANTS.—An owner of a
2 multifamily housing project covered by a housing assist-
3 ance payments contract under this subsection may not ter-
4 minate the tenancy of any tenant because of the with-
5 holding or abatement of assistance pursuant to this sub-
6 section. During the period that assistance is abated pursu-
7 ant to this subsection, the tenant may terminate the ten-
8 ancy by notifying the owner.

9 “(10) INSPECTIONS UPON REQUEST OR PETITION.—
10 In addition to periodic inspections by the Secretary, the
11 Secretary shall conduct an inspection or management re-
12 view of any multifamily housing project covered by a hous-
13 ing assistance payments contract under this section when
14 requested by the local government in which the project is
15 located or by a petition signed by not less than 25 percent
16 of the tenants of the occupied units in the project.”.

17 (b) PHA PROJECT-BASED ASSISTANCE.—Paragraph
18 (13) of section 8(o) of the United States Housing Act of
19 1937 (42 U.S.C. 1437f(o)(13)) is amended by adding at
20 the end the following new subparagraph:

21 “(P) MAINTENANCE OF HOUSING.—Para-
22 graphs (7) through (10) of subsection (d) of
23 this section shall apply with respect to a multi-
24 family housing project covered by a housing as-
25 sistance payments contract under this para-

1 graph, except that in applying such para-
2 graphs—

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

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

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

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

19 (b) JUDICIAL RELIEF.—If the appropriate Secretary,
20 or the designee of the appropriate Secretary, fails to issue
21 a determination regarding an enforcement request made
22 pursuant to subsection (a), or if the determination fails
23 to provide the enforcement action requested within 90
24 days after receipt of the petition, the resident, or resident
25 or tenant association, may seek appropriate judicial relief

1 in connection with the alleged violation and enforcement
2 of the covered agreement in any forum of competent juris-
3 diction. In the case of any alleged violation that threatens
4 the health or safety of tenants, the time period for making
5 such a determination shall not exceed 15 days.

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

8 (1) APPROPRIATE SECRETARY.—The term “ap-
9 propriate Secretary” means, with respect to a cov-
10 ered agreement, the Secretary identified in para-
11 graph (2).

12 (2) COVERED AGREEMENT.—The term “covered
13 agreement” means any—

14 (A) a contract between the Secretary of
15 Housing and Urban Development, a contract
16 administrator, or any public housing agency
17 and an owner for project-based housing assist-
18 ance payments under section 8 of the United
19 States Housing Act of 1937 (42 U.S.C. 1437f);

20 (B) agreement under the Multifamily As-
21 sisted Housing Reform and Affordability Act of
22 1997 (42 U.S.C. 1437f note) for—

23 (i) Mark-to-Market Restructuring
24 Commitments, section 8 rental assistance
25 for a project involving any action under

1 section 517(b) or section 519 of such Act;

2 or

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

5 (C) contract for mortgage insurance exe-
6 cuted by the Secretary of Housing and Urban
7 Development and any owner or purchaser of a
8 multifamily housing project;

9 (D) agreement with the Secretary of Agri-
10 culture in connection with a loan for rural rent-
11 al housing under section 515 of the Housing
12 Act of 1949 (42 U.S. C. 1485); or

13 (E) other Regulatory Agreements, Compli-
14 ance Agreements, Use Agreements, or similar
15 contracts between the appropriate Secretary
16 and the owner that establish housing quality re-
17 quirements or affordability restrictions.

18 (d) REGULATIONS.—Within 180 days after the date
19 of the enactment of this Act, the each appropriate Sec-
20 retary shall issue regulations providing procedures for—

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

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

1 (3) providing notice to residents and resident
2 associations.

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

7 **SEC. 4. RESIDENT ACCESS TO BUILDING INFORMATION.**

8 (a) ACCESS TO INFORMATION.—Upon a written re-
9 quest by a legitimate residents association established with
10 respect to a multifamily housing property to which section
11 202 of the Housing and Community Development Amend-
12 ments of 1978 (12 U.S.C. 1715z-1b) applies, by or
13 through its duly appointed designee or representative, the
14 Secretary of Housing and Urban Development shall make
15 available to such association, designee, or representative,
16 for the property represented by the association—

17 (1) information identifying the legal entities
18 that own or manage the subject property, including
19 identification of general partners and other prin-
20 cipals;

21 (2) an annual operating statement of profit and
22 loss of the ownership and management entities iden-
23 tified in paragraph (1), and their other current or
24 former properties assisted by the Department, in-
25 cluding the history and current status of mortgage

1 assignments, defaults, foreclosures, or departmental
2 sanctions;

3 (3) any subsidy contracts and regulatory agree-
4 ments, use agreements, or other contracts referred
5 to in section 3(c)(2) of this Act between the owner-
6 ship entities and the Department of Housing and
7 Urban Development, including correspondence be-
8 tween such ownership entities and the Department
9 for the subject property;

10 (4) any management reviews, physical inspec-
11 tion reports, and capital needs assessments of the
12 subject property or entities identified in paragraph
13 (1) that are conducted by the Department or a con-
14 tractor of the Department; and

15 (5) an annual statement, prepared by the De-
16 partment or a contract administrator for the subject
17 property, of the balances of, and expenditures from,
18 any replacement reserves and other escrow funds for
19 the property.

20 (b) PROTECTION OF PERSONAL INFORMATION.—

21 Subsection (a) shall not be construed to require disclosure
22 of Social Security numbers, personal tax returns, or any
23 other personal financial information of or concerning indi-
24 viduals who have an interest in the ownership or manage-
25 ment entities referred to in subsection (a), including sala-

1 ries or wages of employees of such entities. In complying
2 with the requirements of subsection (a), the Secretary
3 shall not disclose, and shall redact, any information that
4 identifies, or may be used to identify, a resident of the
5 multifamily housing property.

6 **SEC. 5. FUNDING FOR TENANT AND OTHER PARTICIPATION**
7 **AND CAPACITY BUILDING.**

8 Subparagraph (A) of section 514(f)(3) of the Multi-
9 family Assisted Housing Reform and Affordability Act of
10 1997 (42 U.S.C. 1437f note) is amended—

11 (1) by striking “not more than” and inserting
12 “not less than”;

13 (2) in the first parenthetical clause, by inserting
14 before the closing parenthesis the following: “, and
15 predevelopment assistance to enable such transfers”;

16 (3) by striking “of low-income housing for
17 which project-based rental assistance is provided at
18 below market rent levels and may not be renewed
19 (including transfer of developments to tenant
20 groups, nonprofit organizations, and public entities),
21 for tenant services” and inserting the following:
22 “and improvement of low-income housing for which
23 project-based rental assistance, public housing sub-
24 sidies, low-income housing tax credits, Federal or
25 State subsidized loans, enhanced vouchers under sec-

1 tion 8(t), or project-based vouchers under section
2 8(o) are provided or proposed”; and

3 (4) by inserting after the period at the end the
4 following: “For outreach and training of tenants and
5 technical assistance, the Secretary shall implement a
6 grant program utilizing performance-based outcome
7 measures for eligible costs incurred. Recipients pro-
8 viding capacity building or technical assistance serv-
9 ices to tenant groups shall be qualified nonprofit
10 State-wide, countywide, area-wide, or city-wide orga-
11 nizations with demonstrated experience including at
12 least a two-year recent track record of organizing
13 and providing assistance to tenants, and independ-
14 ence from the owner, a prospective purchaser, or
15 their managing agents. The Secretary may provide
16 assistance and training to grantees in administrative
17 and fiscal management to ensure compliance with
18 applicable Federal requirements. The Secretary shall
19 expedite the provision of funding for the fiscal year
20 in which the date of the enactment of this Act oc-
21 curs and by entering into an interagency agreement
22 for not less than \$1,000,000 with the Corporation
23 for National and Community Service to conduct a
24 tenant outreach and training program to eligible
25 housing under this subsection. The Secretary shall

1 also make available flexible grants to qualified non-
2 profit organizations that do not own eligible multi-
3 family properties, for tenant outreach in underserved
4 areas, and to experienced national or regional non-
5 profit organizations to provide specialized training or
6 support to grantees assisted under this section. Not-
7 withstanding any other provision of law, funds au-
8 thorized under this paragraph for any fiscal year
9 shall be available for obligation in subsequent fiscal
10 years. The Secretary shall require each recipient of
11 amounts made available pursuant to this subpara-
12 graph to submit to the Secretary reports, on a quar-
13 terly basis, detailing the use of such funds and in-
14 cluding such information as the Secretary shall re-
15 quire.”.

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

18 In implementing any inspection requirements for en-
19 suring decent, safe, and sanitary conditions and any Man-
20 agement and Occupancy Reviews in multifamily housing
21 receiving project-based assistance under a program admin-
22 istered by the Secretary of Housing and Urban Develop-
23 ment, the Secretary shall—

24 (1) encourage tenant participation—

1 (A) by requiring that the owner shall post
2 notice of any Department of Housing and
3 Urban Development (in this section referred to
4 as “HUD”) inspection, including information
5 about the inspection process, contact informa-
6 tion, and appeals to HUD, both before and
7 after the inspection, in common areas of the
8 property;

9 (B) by requiring that, after any inspection,
10 the owner shall post the property score in com-
11 mon areas of the property and ensure that the
12 full HUD inspection report (but not including
13 any personally identifiable information for own-
14 ers or residents) and related correspondence is
15 made available for inspection by tenants and
16 their representatives at the property where they
17 reside;

18 (C) by allowing any legitimate tenant orga-
19 nization, prior to an inspection, to submit a re-
20 port regarding the property to the inspector
21 and to HUD;

22 (D) by notifying and allowing any legiti-
23 mate tenant organization, upon request, to meet
24 with and to designate a representative to ac-
25 company the inspector during the on-site in-

1 specification of common areas, including grounds,
2 hallways, lobbies, community, mail and laundry
3 rooms, and other common spaces accessible to
4 residents;

5 (E) by including in any HUD physical in-
6 spection up to five additional units suggested by
7 tenants or any legitimate tenant organization;

8 (F) by providing notice, comment, and ap-
9 peal rights for tenants and any legitimate ten-
10 ant organization parallel to the notice, com-
11 ment, and appeal rights provided to owners;
12 and

13 (G) by conducting a full or partial Man-
14 agement and Occupancy Review upon the writ-
15 ten request by at least 25 percent of residents
16 or by any legitimate tenant association at the
17 property, for the issues identified by residents;

18 (2) require inspectors to notate in their report
19 potential environmental hazards and unseen health
20 and safety conditions described by residents, man-
21 agement staff, or local agencies, or as observed by
22 the inspector;

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

1 (4) require the Secretary to develop a remedial
2 plan if environmental hazards or health and safety
3 conditions are documented and to monitor the imple-
4 mentation of the remedial plan;

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

10 (6) review work order records in the manage-
11 ment office of the property to assess for response
12 time and tenant satisfaction; and

13 (7) require the Secretary to inspect for compli-
14 ance with any findings of exigent health and safety
15 violations resulting from HUD inspections.

16 **SEC. 7. DUTY TO MAINTAIN HOUSING ASSISTANCE PAY-**
17 **MENTS DURING FORECLOSURE.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
19 sion of law, in managing and disposing of any multifamily
20 property that is owned or has a mortgage held by the Sec-
21 retary of Housing and Urban Development, and during
22 the process of foreclosure on any property with a contract
23 for rental assistance payments under section 8 of the
24 United States Housing Act of 1937 or any other program
25 administered by the Secretary, the Secretary shall main-

1 tain any rental assistance payments under section 8 of the
2 United States Housing Act of 1937, and any other pro-
3 grams, that are attached to any dwelling units in the prop-
4 erty.

5 (b) OTHER RENTAL ASSISTANCE.— To the extent
6 the Secretary determines, in consultation with the tenants
7 and the local government, that such a multifamily prop-
8 erty owned or having a mortgage held by the Secretary
9 is not feasible for continued rental assistance payments
10 under such section 8 or other programs, based on consid-
11 eration of (1) the costs of rehabilitating and operating the
12 property and all available Federal, State, and local re-
13 sources, including rent adjustments under section 524 of
14 the Multifamily Assisted Housing Reform and Afford-
15 ability Act of 1997 (42 U.S.C. 1437f note), and (2) envi-
16 ronmental conditions that cannot be remedied in a cost-
17 effective fashion, the Secretary may, in consultation with
18 the tenants of that property, contract for project-based
19 rental assistance payments with an owner or owners of
20 other existing housing properties, or provide other rental
21 assistance.

22 (c) PROJECT-BASED CONTRACTS.— The Secretary
23 shall take appropriate steps to ensure that project-based
24 contracts remain in effect prior to foreclosure, subject to
25 the exercise of contractual abatement remedies to assist

1 relocation of tenants for imminent major threats to health
2 and safety after written notice to and informed consent
3 of the affected tenants and use of other available remedies,
4 such as partial abatements or receivership.

5 (d) RENT LEVELS.—After disposition of any multi-
6 family property described under this section, the contract
7 and allowable rent levels on such properties shall be sub-
8 ject to the requirements under section 524 of the Multi-
9 family Assisted Housing Reform and Affordability Act of
10 1997.

11 **SEC. 8. CLARIFICATION OF TENANT PARTICIPATION IN**
12 **MULTIFAMILY PROJECTS.**

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

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