

RURAL HOUSING AND ECONOMIC DEVELOPMENT
IMPROVEMENT ACT OF 2007

JUNE 21, 2007.—Committed to the Committee of the Whole House on the State of
the Union and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial
Services, submitted the following

R E P O R T

[To accompany H.R. 1982]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 1982) to authorize appropriations for the rural housing and economic development program of the Department of Housing and Urban Development, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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AMENDMENT

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the “Rural Housing and Economic Development Improvement Act of 2007”.

SEC. 2. RURAL HOUSING AND ECONOMIC DEVELOPMENT ASSISTANCE.

(a) **USE.**—The Secretary of Housing and Urban Development may carry out a program, through the Office of Rural Housing and Economic Development, to provide assistance to Indian tribes, State housing finance agencies, State community or economic development agencies, local nonprofit organizations and community development corporations in rural areas to support innovative housing and economic development activities in rural areas.

(b) **REQUIREMENT OF SOCIAL SECURITY ACCOUNT NUMBER FOR ASSISTANCE.**—As a condition of initial or continuing assistance under any housing or economic development activity that is provided assistance with amounts made available under this section, the Secretary of Housing and Urban Development shall require that each member of a family so assisted (or of a family applying for such assistance) who is 18 years of age or older or is the spouse of the head of household of such family, shall have a valid social security number.

(c) **AUTHORIZATION OF APPROPRIATIONS.**—There is authorized to be appropriated to the Secretary of Housing and Urban Development for assistance under this section—

- (1) \$30,000,000 for fiscal year 2008; and
- (2) \$40,000,000 for each of fiscal years 2009, 2010, 2011, 2012, and 2013.

PURPOSE AND SUMMARY

H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007, authorizes funding for the Rural Housing and Economic Development (RHED) program administered by the Department of Housing and Urban Development (HUD).

H.R. 1982 authorizes \$30 million for the U.S. Department of Housing and Urban Development’s RHED program in FY 2008 and \$40 million for Fiscal Years 2009–2013.

BACKGROUND AND NEED FOR LEGISLATION

RHED, a competitive grant program, was first funded by Congress in 1999, but has never been formally authorized. The program has provided \$175.3 million to support innovative housing and economic development programs across the country. Because the majority of HUD’s resources are devoted to assisting urban communities, it is the only exclusively rural housing program administered by HUD. The program encourages community level approaches that combine both economic and housing development.

According to the Office of Management and Budget numbers, RHED has helped to create more than 9,100 jobs and more than 12,000 housing units. At least 60 percent of the organizations that have received RHED funds over the program’s history serve high-needs regions, such as Appalachia, the Mississippi Delta, the Border Colonias, and Native American lands.

HEARINGS

On May 8, 2007, the Subcommittee on Housing and Community Opportunity held a hearing entitled “Rural Housing Programs: Review Fiscal Year 2008 Budget and Pending Rural Housing Legislation,” which included testimony from witnesses on H.R. 1982:

Panel one

- The Honorable Pamela Patenaude, Assistant Secretary for Community Planning and Development, U.S. Department of Housing and Urban Development
- Mr. Russell T. Davis, Administrator for Rural Development Housing and Community Facilities Programs, U.S. Department of Agriculture

Panel two

- Mr. Gideon Anders, National Housing Law Project
- Dr. Tom Carew, Director of Design and Community, Frontier Housing, Inc.
- Mr. Moises Loza, Executive Director, Housing Assistance Council
- Mr. Robert Rice, Jr., Council for Affordable and Rural Housing
- The Honorable Peter Carey, Executive Director of Self Help Enterprises

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on May 23, 2007, and ordered H.R. 1982, the Rural Housing and Economic Development Act of 2007, as amended, favorably reported to the House by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken with in conjunction with the consideration of this legislation. A motion by Mr. Frank to report the bill, as amended, to the House with a favorable recommendation was agreed to by a voice vote. During the consideration of the bill in Committee, the following amendment was considered:

An amendment by Ms. Brown-Waite, No. 1, requiring the social security account number for assistance, was agreed to by a voice vote.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held hearings and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

H.R. 1982, the Rural Housing and Economic Development Improvement Act of 2007, authorizes funding for the Rural Housing and Economic Development program administered by HUD with the goal of providing a competitive funding source to provide for affordable housing and economic development in rural America.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX
EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

JUNE 1, 2007.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 1982, the Rural Housing and Economic Opportunity Act of 2007.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Chad Chirico.

Sincerely,

PETER R. ORSZAG.

Enclosure.

H.R. 1982—Rural Housing and Economic Development Improvement Act of 2007

Summary: H.R. 1982 would authorize the appropriation of \$30 million in 2008 and \$40 million for each of fiscal years 2009 through 2013 to establish a program to support housing and economic development activities in rural areas. Assuming appropriation of the authorized amounts, CBO estimates that implementing the bill would cost about \$100 million over the 2008–2012 period, with additional amounts spent in later years. Enacting H.R. 1982 would not affect direct spending or revenues.

H.R. 1982 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state, local, or tribal governments would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 1982 is shown in the following table. For this estimate, CBO assumes that the amounts authorized by the bill will be appropriated by the beginning of each fiscal year and that outlays will follow the historical rate of spending for similar programs. The costs of this legislation fall within budget function 600 (income security).

	By fiscal year, in millions of dollars—					
	2008	2009	2010	2011	2012	2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Authorization Level	30	40	40	40	40	40
Estimated Outlays	1	8	21	32	39	40

Intergovernmental and private-sector impact: H.R. 1982 contains no intergovernmental or private-sector mandates as defined in UMRA. State, local, and tribal governments that participate in economic development activities in rural areas would benefit from funds authorized in the bill. Any costs those governments incur would be incurred voluntarily.

Estimate prepared by: Federal Costs: Chad Chirico; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Page Shevlin.

Estimate approved by: Peter H. Fontaine, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 1982 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title

This section establishes the short title of the bill, the “Rural Housing and Economic Development Improvement Act of 2007.”

Section 2. Rural housing and economic development assistance

This section authorizes the Rural Housing and Economic Development program administered by Department of Housing and Urban Development and authorizes appropriations for the program in the amount of \$30,000,000 for fiscal year 2008; and \$40,000,000 for each of fiscal years 2009, 2010, 2011, 2012, and 2013.

The section also requires each member of a family assisted by the RHED program to have a valid social security number.

