

110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1851

---

## AN ACT

To reform the housing choice voucher program under section  
8 of the United States Housing Act of 1937.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Section 8 Voucher Re-  
3 form Act of 2007”.

4 **SEC. 2. INSPECTION OF DWELLING UNITS.**

5 (a) IN GENERAL.—Section 8(o)(8) of the United  
6 States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is  
7 amended—

8 (1) by striking subparagraph (A) and inserting  
9 the following new subparagraph:

10 “(A) INITIAL INSPECTION.—

11 “(i) IN GENERAL.—For each dwelling  
12 unit for which a housing assistance pay-  
13 ment contract is established under this  
14 subsection, the public housing agency (or  
15 other entity pursuant to paragraph (11))  
16 shall inspect the unit before any assistance  
17 payment is made to determine whether the  
18 dwelling unit meets the housing quality  
19 standards under subparagraph (B), except  
20 as provided in clause (ii) or (iii) of this  
21 subparagraph.

22 “(ii) CORRECTION OF NON-LIFE  
23 THREATENING CONDITIONS.—In the case  
24 of any dwelling unit that is determined,  
25 pursuant to an inspection under clause (i),  
26 not to meet the housing quality standards

1 under subparagraph (B), assistance pay-  
2 ments may be made for the unit notwith-  
3 standing subparagraph (C) if failure to  
4 meet such standards is a result only of  
5 non-life threatening conditions. A public  
6 housing agency making assistance pay-  
7 ments pursuant to this clause for a dwell-  
8 ing unit shall, 30 days after the beginning  
9 of the period for which such payments are  
10 made, suspend any assistance payments  
11 for the unit if any deficiency resulting in  
12 noncompliance with the housing quality  
13 standards has not been corrected by such  
14 time, and may not resume such payments  
15 until each such deficiency has been cor-  
16 rected.

17 “(iii) PROJECTS RECEIVING CERTAIN  
18 FEDERAL HOUSING SUBSIDIES.—In the  
19 case of any property that within the pre-  
20 vious 12 months has been determined to  
21 meet housing quality and safety standards  
22 under any Federal housing program in-  
23 spection standard, including the program  
24 under section 42 of the Internal Revenue  
25 Code of 1986 or under subtitle A of title

1 II of the Cranston Gonzalez National Af-  
2 fordable Housing Act of 1990, a public  
3 housing agency may authorize occupancy  
4 before the inspection under clause (i) has  
5 been completed, and may make assistance  
6 payments retroactive to the beginning of  
7 the lease term after the unit has been de-  
8 termined pursuant to an inspection under  
9 clause (i) to meet the housing quality  
10 standards under subparagraph (B).”;

11 (2) by striking subparagraph (D) and inserting  
12 the following new subparagraph:

13 “(D) BIENNIAL INSPECTIONS.—

14 “(i) REQUIREMENT.—Each public  
15 housing agency providing assistance under  
16 this subsection (or other entity, as pro-  
17 vided in paragraph (11)) shall, for each as-  
18 sisted dwelling unit, make inspections not  
19 less often than biennially during the term  
20 of the housing assistance payments con-  
21 tract for the unit to determine whether the  
22 unit is maintained in accordance with the  
23 requirements under subparagraph (A). The  
24 agency (or other entity) shall retain the  
25 records of the inspection for a reasonable

1 time and shall make the records available  
2 upon request to the Secretary, the Inspec-  
3 tor General for the Department of Housing  
4 and Urban Development, and any auditor  
5 conducting an audit under section 5(h).

6 “(ii) SUFFICIENT INSPECTION.—An  
7 inspection of a property shall be sufficient  
8 to comply with the inspection requirement  
9 under clause (i) if—

10 “(I) the inspection was conducted  
11 pursuant to requirements under a  
12 Federal, State, or local housing assist-  
13 ance program (including the HOME  
14 investment partnerships program  
15 under title II of the Cranston-Gon-  
16 zalez National Affordable Housing  
17 Act (42 U.S.C. 12721 et seq.)); and

18 “(II) pursuant to such inspec-  
19 tion, the property was determined to  
20 meet the standards or requirements  
21 regarding housing quality or safety  
22 applicable to units assisted under such  
23 program, and, if a non-Federal stand-  
24 ard was used, the public housing  
25 agency has certified to the Secretary

1           that such standards or requirements  
2           provide the same protection to occu-  
3           pants of dwelling units meeting such  
4           standards or requirements as, or  
5           greater protection than, the housing  
6           quality standards under subparagraph  
7           (B).”; and

8           (3) by redesignating subparagraph (E) as sub-  
9           paragraph (G);

10          (4) by inserting after subparagraph (D) the fol-  
11         lowing new subparagraphs:

12                 “(E) INTERIM INSPECTIONS.—Upon notifi-  
13                 cation to the public housing agency, by a family  
14                 on whose behalf tenant-based rental assistance  
15                 is provided under this subsection or by a gov-  
16                 ernment official, that the dwelling unit for  
17                 which such assistance is provided does not com-  
18                 ply with the housing quality standards under  
19                 subparagraph (B), the agency shall inspect the  
20                 dwelling unit—

21                         “(i) in the case of any condition that  
22                         is life-threatening, within 24 hours after  
23                         receipt of such notice; and

1           “(ii) in the case of any condition that  
2           is not life-threatening, within 15 days after  
3           receipt of such notice.

4           “(F) ENFORCEMENT OF HOUSING QUALITY  
5           STANDARDS.—

6           “(i) DETERMINATION OF NONCOMPLI-  
7           ANCE.—A dwelling unit that is covered by  
8           a housing assistance payments contract  
9           under this subsection shall be considered,  
10          for purposes of this subparagraph, to be in  
11          noncompliance with the housing quality  
12          standards under subparagraph (B) if—

13                 “(I) the public housing agency or  
14                 an inspector authorized by the State  
15                 or unit of local government deter-  
16                 mines upon inspection of the unit that  
17                 the unit fails to comply with such  
18                 standards;

19                 “(II) the agency or inspector no-  
20                 tifies the owner of the unit in writing  
21                 of such failure to comply; and

22                 “(III) the failure to comply is not  
23                 corrected—

24                         “(aa) in the case of any  
25                         such failure that is a result of

1 life-threatening conditions, within  
2 24 hours after receipt of such no-  
3 tice; and

4 “(bb) in the case of any  
5 such failure that is a result of  
6 non-life threatening conditions,  
7 within 30 days after receipt of  
8 such notice or such other reason-  
9 able period as the public housing  
10 agency may establish.

11 “(ii) WITHHOLDING OF ASSISTANCE  
12 AMOUNTS.—The public housing agency  
13 shall withhold all of the assistance  
14 amounts under this subsection with respect  
15 to a dwelling unit that is in noncompliance  
16 with housing quality standards under sub-  
17 paragraph (B). Upon completion of repairs  
18 by the public housing agency or the owner  
19 sufficient so that the dwelling unit com-  
20 plies with such housing quality standards,  
21 the agency shall recommence payments  
22 under the housing assistance payments  
23 contract to the owner of the dwelling unit.

24 “(iii) USE OF WITHHELD ASSISTANCE  
25 TO PAY FOR REPAIRS.—The public housing



1 agency may use such amounts withheld to  
2 make repairs to the dwelling unit or to  
3 contract to have repairs made, except that  
4 a contract to make repairs may not be en-  
5 tered into with the inspector for the dwell-  
6 ing unit referred to in clause (i)(I).

7 “(iv) PROTECTION OF TENANTS.—An  
8 owner of a dwelling unit may not terminate  
9 the tenancy of any tenant or refuse to  
10 renew a lease for such unit because of the  
11 withholding of assistance pursuant to this  
12 subparagraph. During the period that as-  
13 sistance is withheld pursuant to this sub-  
14 paragraph, the tenant may terminate the  
15 tenancy by notifying the owner.

16 “(v) TERMINATION OF LEASE OR AS-  
17 SISTANCE PAYMENTS CONTRACT.—If as-  
18 sistance amounts under this section for a  
19 dwelling unit are withheld pursuant to  
20 clause (ii) and the owner does not correct  
21 the noncompliance within 60 days after the  
22 effective date of the determination of non-  
23 compliance under clause (i), or such other  
24 reasonable period as the public housing  
25 agency may establish, and the agency does

1 not use its authority under clause (iii), the  
2 agency shall terminate the housing assist-  
3 ance payments contract for the dwelling  
4 unit.

5 “(vi) RELOCATION.—If the public  
6 housing agency terminates the housing as-  
7 sistance payments contract for a dwelling  
8 unit, the lease for any family residing in  
9 that unit shall terminate and the family  
10 may remain in the unit subject to a new  
11 lease as an unassisted family. The agency  
12 shall provide the family residing in such a  
13 dwelling unit a period of 90 days, begin-  
14 ning upon termination of the contract, to  
15 lease a new residence to assist with the  
16 tenant-based rental assistance made avail-  
17 able under this section for the family. If  
18 the family is unable to lease such a new  
19 residence during such period, the public  
20 housing agency shall extend the period  
21 during which the family may lease a new  
22 residence to be assisted with such assist-  
23 ance or provide such family a preference  
24 for occupancy in a dwelling unit of public  
25 housing owned or operated by the agency

1 that first becomes available for occupancy  
2 after the expiration of such period. The  
3 agency shall provide reasonable assistance  
4 to the family in finding a new residence,  
5 including use of two months of any assist-  
6 ance amounts withheld pursuant to clause  
7 (ii) for costs associated with relocation of  
8 the family to a new residence.

9 “(vii) LIMITATION OF LIABILITY OF  
10 PUBLIC HOUSING AGENCIES.—A public  
11 housing agency that uses its authority  
12 under clause (iii) shall not, if the agency  
13 accomplishes the work through a con-  
14 tractor that is licensed, bonded, and in-  
15 sured in amounts and with coverage as re-  
16 quired by the Secretary, be liable for any  
17 injury or damages that may result to per-  
18 sons or to any property owned by the ten-  
19 ant or owner.

20 “(viii) TENANT-CAUSED DAMAGES.—  
21 If a public housing agency determines that  
22 any damage to a dwelling unit that results  
23 in a failure of the dwelling unit to comply  
24 with housing quality standards under sub-  
25 paragraph (B), other than any damage re-

1           sulting from ordinary use, was caused by  
2           the tenant, any member of the tenant's  
3           household, or any guest or other person  
4           under the tenant's control, the agency  
5           may, in the discretion of the agency, waive  
6           the applicability of this subparagraph, ex-  
7           cept that this clause shall not exonerate a  
8           tenant from any liability otherwise existing  
9           under applicable law for damages to the  
10          premises caused by such tenant.

11                   “(ix) APPLICABILITY.—This subpara-  
12                   graph shall apply to any dwelling unit for  
13                   which a housing assistance payments con-  
14                   tract is entered into or renewed after the  
15                   date of the effectiveness of the regulations  
16                   implementing this subparagraph.”.

17           (b) REGULATIONS.—The Secretary of Housing and  
18           Urban Development shall issue any regulations necessary  
19           to carry out the amendment made by subsection (a)(3)  
20           not later than the expiration of the 12-month period begin-  
21           ning upon the date of the enactment of this Act. Such  
22           regulations shall take effect not later than the expiration  
23           of the 90-day period beginning upon such issuance. This  
24           subsection shall take effect upon enactment of this Act.

1 **SEC. 3. RENT REFORM AND INCOME REVIEWS.**

2 (a) RENT FOR PUBLIC HOUSING AND SECTION 8  
3 PROGRAMS.—Section 3 of the United States Housing Act  
4 of 1937 (42 U.S.C. 1437a(a)) is amended—

5 (1) in subsection (a)—

6 (A) in paragraph (1) by inserting “LOW-  
7 INCOME OCCUPANCY REQUIREMENT AND RENT-  
8 AL PAYMENTS.—” after “(1)”;

9 (B) in paragraph (1)—

10 (i) by striking “paragraph (2)” and  
11 inserting “paragraphs (2) and (3)”; and

12 (ii) by striking “paragraph (3)” and  
13 inserting “paragraph (4)”;

14 (C) in paragraph (2)(A)(i), by striking  
15 “paragraph (3)” and inserting “paragraph  
16 (4)”;

17 (D) by redesignating paragraphs (4) and  
18 (5) as paragraphs (5) and (6), respectively;

19 (E) by inserting after paragraph (2) the  
20 following new paragraph:

21 “(3) PHA AUTHORITY TO ESTABLISH ALTER-  
22 NATIVE RENTS.—

23 “(A) RENT FLEXIBILITY FOR PUBLIC  
24 HOUSING AND VOUCHER PROGRAM.—Subject to  
25 the requirements under subparagraph (B), a  
26 public housing agency may establish for public

1 housing and for families on whose behalf assist-  
2 ance is provided under the program for tenant-  
3 based voucher assistance under section 8(o)—

4 “(i) a tenant rent structure in  
5 which—

6 “(I) the public housing agency  
7 establishes, based on the rental value  
8 of the unit, as determined by the pub-  
9 lic housing agency—

10 “(aa) a ceiling rent for each  
11 dwelling unit that it owns and  
12 operates; and

13 “(bb) a ceiling on the  
14 amount of the tenant contribu-  
15 tion toward rent required of a  
16 family provided tenant-based as-  
17 sistance; and

18 “(II) such ceiling rent and tenant  
19 contribution are adjusted periodically  
20 on the basis of an inflation index or a  
21 recalculation of the rental value of the  
22 unit (which may be recalculated by  
23 unit or by building);

24 “(ii) an income-tiered tenant rent  
25 structure in which the amount of rent a

1 family shall pay is set and distributed on  
2 the basis of broad tiers of income and such  
3 tiers and rents are adjusted on the basis of  
4 an annual cost index except that families  
5 entering public housing shall not be offered  
6 a rent lower than the rent corresponding to  
7 their income tier; or

8 “(iii) a tenant rent structure in which  
9 the amount of rent a family shall pay is  
10 based on a percentage of family income,  
11 except that lower percentages may apply  
12 only with respect to earned income; such a  
13 rent structure may provide for an amount  
14 of rent based on a calculation of earned in-  
15 come that provides for disregard of a high-  
16 er percentage or higher dollar amount, or  
17 both, than provided for in paragraph  
18 (8)(B).

19 “(B) LIMITATION.—Notwithstanding the  
20 authority provided under subparagraph (A), the  
21 amount paid for rent (including the amount al-  
22 lowed for tenant-paid utilities) by any family  
23 for a dwelling unit in public housing or for  
24 rental of a dwelling unit for which tenant-based  
25 voucher assistance under section 8(o) is pro-

1           vided may not exceed the amount determined  
2           under subsection (a)(1) of this section or sec-  
3           tion 8(o), respectively. The Secretary shall issue  
4           regulations and establish procedures to ensure  
5           compliance with this subparagraph.

6           “(C) ELDERLY FAMILIES AND DISABLED  
7           FAMILIES.—Notwithstanding any other provi-  
8           sion of this Act, this paragraph shall not apply  
9           to elderly families and disabled families.”; and

10           (F) by adding at the end the following new  
11           paragraphs:

12           “(7) REVIEWS OF FAMILY INCOME.—

13           “(A) FREQUENCY.—Reviews of family in-  
14           come for purposes of this section shall be  
15           made—

16           “(i) in the case of all families, upon  
17           the initial provision of housing assistance  
18           for the family;

19           “(ii) annually thereafter, except as  
20           provided in subparagraph (B)(i);

21           “(iii) upon the request of the family,  
22           at any time the income or deductions  
23           (under subsection (b)(5)) of the family  
24           change by an amount that is estimated to  
25           result in a decrease of \$1,500 (or such



1 lower amount as the public housing agency  
2 may, at the option of the agency or owner,  
3 establish) or more in annual adjusted in-  
4 come; and

5 “(iv) at any time the income or deduc-  
6 tions (under subsection (b)(5)) of the fam-  
7 ily change by an amount that is estimated  
8 to result in an increase of \$1,500 or more  
9 in annual adjusted income, except that any  
10 increase in the earned income of a family  
11 shall not be considered for purposes of this  
12 clause (except that earned income may be  
13 considered if the increase corresponds to  
14 previous decreases under clause (iii)), ex-  
15 cept that a public housing agency or owner  
16 may elect not to conduct such review in the  
17 last three months of a certification period.

18 “(B) FIXED-INCOME FAMILIES.—

19 “(i) SELF CERTIFICATION AND 3-YEAR  
20 REVIEW.—In the case of any family de-  
21 scribed in clause (ii), after the initial re-  
22 view of the family’s income pursuant to  
23 subparagraph (A)(i), the public housing  
24 agency or owner shall not be required to  
25 conduct a review of the family’s income

1           pursuant to subparagraph (A)(ii) for any  
2           year for which such family certifies, in ac-  
3           cordance with such requirements as the  
4           Secretary shall establish, that the income  
5           of the family meets the requirements of  
6           clause (ii) of this subparagraph, except  
7           that the public housing agency or owner  
8           shall conduct a review of each such fam-  
9           ily's income not less than once every 3  
10          years.

11           “(ii) ELIGIBLE FAMILIES.—A family  
12          described in this clause is a family who has  
13          an income, as of the most recent review  
14          pursuant to subparagraph (A) or clause (i)  
15          of this subparagraph, of which 90 percent  
16          or more consists of fixed income, as such  
17          term is defined in clause (iii).

18           “(iii) FIXED INCOME.—For purposes  
19          of this subparagraph, the term ‘fixed in-  
20          come’ includes income from—

21                   “(I) the supplemental security in-  
22                   come program under title XVI of the  
23                   Social Security Act, including supple-  
24                   mentary payments pursuant to an  
25                   agreement for Federal administration

1 under section 1616(a) of the Social  
2 Security Act and payments pursuant  
3 to an agreement entered into under  
4 section 212(b) of Public Law 93–66;

5 “(II) Social Security payments;

6 “(III) Federal, State, local and  
7 private pension plans; and

8 “(IV) other periodic payments re-  
9 ceived from annuities, insurance poli-  
10 cies, retirement funds, disability or  
11 death benefits, and other similar types  
12 of periodic receipts.

13 “(C) IN GENERAL.—Reviews of family in-  
14 come for purposes of this section shall be sub-  
15 ject to the provisions of section 904 of the  
16 Stewart B. McKinney Homeless Assistance  
17 Amendments Act of 1988.

18 “(8) CALCULATION OF INCOME.—

19 “(A) USE OF PRIOR YEAR’S INCOME.—Ex-  
20 cept as otherwise provided in this paragraph, in  
21 determining the income of a family for a year,  
22 a public housing agency or owner may use the  
23 income of the family as determined by the agen-  
24 cy or owner for the preceding year, taking into  
25 consideration any redetermination of income

1 during such prior year pursuant to clause (iii)  
2 or (iv) of paragraph (7)(A).

3 “(B) EARNED INCOME.—For purposes of  
4 this section, the earned income of a family for  
5 a year shall be the amount of earned income by  
6 the family in the prior year minus an amount  
7 equal to 10 percent of the lesser of such prior  
8 year’s earned income or \$10,000, except that  
9 the income of a family for purposes of section  
10 16 (relating to eligibility for assisted housing  
11 and income mix) shall be determined without  
12 regard to any reduction under this subpara-  
13 graph.

14 “(C) INFLATIONARY ADJUSTMENT FOR  
15 FIXED INCOME FAMILIES.—If, for any year, a  
16 public housing agency or owner determines the  
17 income for any family described in paragraph  
18 (7)(B)(ii), or the amount of fixed income of any  
19 other family, based on the prior year’s income  
20 or fixed income, respectively, pursuant to sub-  
21 paragraph (A), such prior year’s income or  
22 fixed income, respectively, shall be adjusted by  
23 applying an inflationary factor as the Secretary  
24 shall, by regulation, establish.

1           “(D) OTHER INCOME.—If, for any year, a  
2 public housing agency or owner determines the  
3 income for any family based on the prior year’s  
4 income, with respect to prior year calculations  
5 of types of income not subject to subparagraph  
6 (B), a public housing agency or owner may  
7 make other adjustments as it considers appro-  
8 priate to reflect current income.

9           “(E) SAFE HARBOR.—A public housing  
10 agency or owner may, to the extent such infor-  
11 mation is available to the public housing agency  
12 or owner, determine the family’s income for  
13 purposes of this section based on timely income  
14 determinations made for purposes of other  
15 means-tested Federal public assistance pro-  
16 grams (including the program for block grants  
17 to States for temporary assistance for needy  
18 families under part A of title IV of the Social  
19 Security Act, a program for medicaid assistance  
20 under a State plan approved under title XIX of  
21 the Social Security Act, and the food stamp  
22 program as defined in section 3(h) of the Food  
23 Stamp Act of 1977). The Secretary shall, in  
24 consultation with other appropriate Federal  
25 agencies, develop procedures to enable public

1 housing agencies and owners to have access to  
2 such income determinations made by other Fed-  
3 eral programs.

4 “(F) PHA AND OWNER COMPLIANCE.—A  
5 public housing agency or owner may not be con-  
6 sidered to fail to comply with this paragraph or  
7 paragraph (7) due solely to any de minimus er-  
8 rors made by the agency or owner in calculating  
9 family incomes.”;  
10 (2) by striking subsections (d) and (e); and  
11 (3) by redesignating subsection (f) as sub-  
12 section (d).

13 (b) INCOME.—Section 3(b) of the United States  
14 Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended—

15 (1) by striking paragraph (4) and inserting the  
16 following new paragraph:

17 “(4) INCOME.—The term ‘income’ means, with  
18 respect to a family, income received from all sources  
19 by each member of the household who is 18 years  
20 of age or older or is the head of household or spouse  
21 of the head of the household, plus unearned income  
22 by or on behalf of each dependent who is less than  
23 18 years of age, as determined in accordance with  
24 criteria prescribed by the Secretary, in consultation

1 with the Secretary of Agriculture, subject to the fol-  
2 lowing requirements:

3 “(A) INCLUDED AMOUNTS.—Such term in-  
4 cludes recurring gifts and receipts, actual in-  
5 come from assets, and profit or loss from a  
6 business.

7 “(B) EXCLUDED AMOUNTS.—Such term  
8 does not include—

9 “(i) any imputed return on assets;  
10 and

11 “(ii) any amounts that would be eligi-  
12 ble for exclusion under section 1613(a)(7)  
13 of the Social Security Act (42 U.S.C.  
14 1382b(a)(7)).

15 “(C) EARNED INCOME OF STUDENTS.—  
16 Such term does not include earned income of  
17 any dependent earned during any period that  
18 such dependent is attending school on a full-  
19 time basis or any grant-in-aid or scholarship  
20 amounts related to such attendance used for  
21 the cost of tuition or books.

22 “(D) EDUCATIONAL SAVINGS ACCOUNTS.—  
23 Income shall be determined without regard to  
24 any amounts in or from, or any benefits from,  
25 any Coverdell education savings account under

1 section 530 of the Internal Revenue Code of  
2 1986 or any qualified tuition program under  
3 section 529 of such Code.

4 “(E) OTHER EXCLUSIONS.—Such term  
5 shall not include other exclusions from income  
6 as are established by the Secretary or any  
7 amount required by Federal law to be excluded  
8 from consideration as income. The Secretary  
9 may not require a public housing agency or  
10 owner to maintain records of any amounts ex-  
11 cluded from income pursuant to this subpara-  
12 graph.”; and

13 (2) by striking paragraph (5) and inserting the  
14 following new paragraph:

15 “(5) ADJUSTED INCOME.—The term ‘adjusted  
16 income’ means, with respect to a family, the amount  
17 (as determined by the public housing agency or  
18 owner) of the income of the members of the family  
19 residing in a dwelling unit or the persons on a lease,  
20 after any deductions from income as follows:

21 “(A) ELDERLY AND DISABLED FAMI-  
22 LIES.—\$725 in the case of any family that is  
23 an elderly family or a disabled family.



1           “(B) DEPENDENTS.—In the case of any  
2 family that includes a member or members  
3 who—

4           “(i) are less than 18 years of age or  
5 attending school or vocational training on  
6 a full-time basis; or

7           “(ii) is a person with disabilities who  
8 is 18 years of age or older and resides in  
9 the household,

10 \$500 for each such member.

11           “(C) HEALTH AND MEDICAL EXPENSES.—  
12 The amount, if any, by which 10 percent of an-  
13 nual family income is exceeded by the sum of—

14           “(i) in the case of any elderly or dis-  
15 abled family, any unreimbursed health and  
16 medical care expenses; and

17           “(ii) any unreimbursed reasonable at-  
18 tendant care and auxiliary apparatus ex-  
19 penses for each handicapped member of  
20 the family, to the extent necessary to en-  
21 able any member of such family to be em-  
22 ployed.

23           “(D) PERMISSIVE DEDUCTIONS.—Such ad-  
24 ditional deductions as a public housing agency  
25 may, at its discretion, establish, except that the

1 Secretary shall establish procedures to ensure  
2 that such deductions do not increase Federal  
3 expenditures.

4 The Secretary shall annually adjust the amounts of  
5 the exclusions under subparagraphs (A) and (B), as  
6 such amounts may have been previously adjusted, by  
7 applying an inflationary factor as the Secretary  
8 shall, by regulation, establish. If the dollar amount  
9 of any such exclusion determined for any year by ap-  
10 plying such inflationary factor is not a multiple of  
11 \$25, the Secretary shall round such amount to the  
12 next lowest multiple of \$25.”.

13 (c) HOUSING CHOICE VOUCHER PROGRAM.—Para-  
14 graph (5) of section 8(o) of the United States Housing  
15 Act of 1937 (42 U.S.C. 1437f(o)(5)) is amended—

16 (1) in the paragraph heading, by striking “AN-  
17 NUAL REVIEW” and inserting “REVIEWS”;

18 (2) in subparagraph (A)—

19 (A) by striking “the provisions of” and in-  
20 serting “paragraphs (7) and (8) of section 3(a)  
21 and to”; and

22 (B) by striking “and shall be conducted  
23 upon the initial provision of housing assistance  
24 for the family and thereafter not less than an-  
25 nually”; and

1           (3) in subparagraph (B), by striking the second  
2 sentence.

3           (d) ENHANCED VOUCHER PROGRAM.—Section  
4 8(t)(1)(D) of the United States Housing Act of 1937 (42  
5 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
6 each place such term appears and inserting “annual ad-  
7 justed income”.

8           (e) PROJECT-BASED HOUSING.—Paragraph (3) of  
9 section 8(c) of the United States Housing Act of 1937  
10 (42 U.S.C. 1437f(c)(3)) is amended by striking the last  
11 sentence.

12           (f) IMPACT ON PUBLIC HOUSING REVENUES.—

13           (1) INTERACTION WITH ASSET MANAGEMENT  
14 RULE.—If the Secretary of Housing and Urban De-  
15 velopment determines that the application of the  
16 amendments made by this section results in a reduc-  
17 tion in the rental income of a public housing agency  
18 that is not de minimus during the period that the  
19 operating formula income is frozen at a level that  
20 does not fully reflect the changes made by such  
21 amendments, the Secretary shall make appropriate  
22 adjustments in the formula income of the agency.

23           (2) HUD REPORTS ON PUBLIC HOUSING REV-  
24 ENUE IMPACT.—For each of fiscal years 2008 and  
25 2009, the Secretary of Housing and Urban Develop-

1 ment shall submit a report to Congress identifying  
2 and calculating the impact of changes made by the  
3 amendments made by this section on the revenues  
4 and costs of operating public housing units.

5 (g) EFFECTIVE DATE AND TRANSITION.—The  
6 amendments made by this section shall apply with respect  
7 to fiscal year 2008 and fiscal years thereafter.

8 **SEC. 4. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS**  
9 **AND INCOME.**

10 (a) ASSETS.—Section 16 of the United States Hous-  
11 ing Act of 1937 (42 U.S.C. 1437n) is amended by insert-  
12 ing after subsection (d) the following new subsection:

13 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-  
14 SETS.—

15 “(1) LIMITATION ON ASSETS.—Subject to para-  
16 graph (3) and notwithstanding any other provision  
17 of this Act, a dwelling unit assisted under this Act  
18 may not be rented and assistance under this Act  
19 may not be provided, either initially or at each recer-  
20 tification of family income, to any family—

21 “(A) whose net family assets exceed  
22 \$100,000, as such amount is adjusted annually  
23 by applying an inflationary factor as the Sec-  
24 retary considers appropriate; or

1           “(B) who has a present ownership interest  
2 in, and a legal right to reside in, real property  
3 that is suitable for occupancy as a residence,  
4 except that the prohibition under this subpara-  
5 graph shall not apply to—

6                   “(i) any property for which the family  
7 is receiving assistance under this Act;

8                   “(ii) any person that is a victim of do-  
9 mestic violence; or

10                   “(iii) any family that is making a  
11 good faith effort to sell such property.

12           “(2) NET FAMILY ASSETS.—

13                   “(A) IN GENERAL.—For purposes of this  
14 subsection, the term ‘net family assets’ means,  
15 for all members of the household, the net cash  
16 value of all assets after deducting reasonable  
17 costs that would be incurred in disposing of real  
18 property, savings, stocks, bonds, and other  
19 forms of capital investment. Such term does not  
20 include interests in Indian trust land, equity ac-  
21 counts in homeownership programs of the De-  
22 partment of Housing and Urban Development,  
23 or Family Self Sufficiency accounts.

24                   “(B) EXCLUSIONS.—Such term does not  
25 include—

1           “(i) the value of personal property, ex-  
2           cept for items of personal property of sig-  
3           nificant value, as the public housing agen-  
4           cy may determine;

5           “(ii) the value of any retirement ac-  
6           count;

7           “(iii) any amounts recovered in any  
8           civil action or settlement based on a claim  
9           of malpractice, negligence, or other breach  
10          of duty owed to a member of the family  
11          and arising out of law, that resulted in a  
12          member of the family being disabled  
13          (under the meaning given such term in  
14          section 1614 of the Social Security Act (42  
15          U.S.C. 1382c)); and

16          “(iv) the value of any Coverdell edu-  
17          cation savings account under section 530  
18          of the Internal Revenue Code of 1986 or  
19          any qualified tuition program under sec-  
20          tion 529 of such Code.

21          “(C) TRUST FUNDS.—In cases where a  
22          trust fund has been established and the trust is  
23          not revocable by, or under the control of, any  
24          member of the family or household, the value of  
25          the trust fund shall not be considered an asset

1 of a family if the fund continues to be held in  
2 trust. Any income distributed from the trust  
3 fund shall be considered income for purposes of  
4 section 3(b) and any calculations of annual  
5 family income, except in the case of medical ex-  
6 penses for a minor.

7 “(D) SELF-CERTIFICATION.—A public  
8 housing agency or owner may determine the net  
9 assets of a family, for purposes of this section,  
10 based on the amounts reported by the family at  
11 the time the agency or owner reviews the fam-  
12 ily’s income.

13 “(3) COMPLIANCE FOR PUBLIC HOUSING  
14 DWELLING UNITS.—When recertifying family income  
15 with respect to families residing in public housing  
16 dwelling units, a public housing agency may, in the  
17 discretion of the agency and only pursuant to a pol-  
18 icy that is set forth in the public housing agency  
19 plan under section 5A for the agency, choose not to  
20 enforce the limitation under paragraph (1).

21 “(4) AUTHORITY TO DELAY EVICTIONS.—In the  
22 case of a family residing in a dwelling unit assisted  
23 under this Act who does not comply with the limita-  
24 tion under paragraph (1), the public housing agency  
25 or project owner may delay eviction or termination

1 of the family based on such noncompliance for a pe-  
2 riod of not more than 6 months.”.

3 (b) INCOME.—The United States Housing Act of  
4 1937 is amended—

5 (1) in section 3(a)(1) (42 U.S.C. 1437a(a)(1)),  
6 by striking the first sentence and inserting the fol-  
7 lowing: “Dwelling units assisted under this Act may  
8 be rented, and assistance under this Act may be pro-  
9 vided, whether initially or at time of recertification,  
10 only to families who are low-income families at the  
11 time such initial or continued assistance, respec-  
12 tively, is provided, except that families residing in  
13 dwelling units as of the date of the enactment of the  
14 Section 8 Voucher Reform Act of 2007 that, under  
15 agreements in effect on such date of enactment, may  
16 have incomes up to 95 percent of local area median  
17 income shall continue to be eligible for assistance at  
18 recertification as long as they continue to comply  
19 with such income restrictions. When recertifying  
20 family income with respect to families residing in  
21 public housing dwelling units, a public housing agen-  
22 cy may, in the discretion of the agency and only pur-  
23 suant to a policy that is set forth in the public hous-  
24 ing agency plan under section 5A for the agency,  
25 choose not to enforce the prohibition under the pre-



1 ceding sentence. When recertifying family income  
2 with respect to families residing in dwelling units for  
3 which project-based assistance is provided, a project  
4 owner may, in the owner’s discretion and only pur-  
5 suant to a policy adopted by such owner, choose not  
6 to enforce such prohibition. In the case of a family  
7 residing in a dwelling unit assisted under this Act  
8 who does not comply with the prohibition under the  
9 first sentence of this paragraph, the public housing  
10 agency or project owner may delay eviction or termi-  
11 nation of the family based on such noncompliance  
12 for a period of not more than 6 months.”;

13 (2) in section 8(o)(4) (42 U.S.C. 1437f(o)(4)),  
14 by striking the matter preceding subparagraph (A)  
15 and inserting the following:

16 “(4) ELIGIBLE FAMILIES.—Assistance under  
17 this subsection may be provided, whether initially or  
18 at each recertification, only pursuant to subsection  
19 (t) to a family eligible for assistance under such sub-  
20 section or to a family who at the time of such initial  
21 or continued assistance, respectively, is a low-income  
22 family that is—”; and

23 (3) in section 8(c)(4) (42 U.S.C. 1437f(c)(4)),  
24 by striking “at the time it initially occupied such

1 dwelling unit” and inserting “according to the re-  
2 strictions under section 3(a)(1)”.

3 **SEC. 5. TARGETING ASSISTANCE TO LOW-INCOME WORK-**  
4 **ING FAMILIES.**

5 (a) **VOUCHERS.**—Section 16(b)(1) of the United  
6 States Housing Act of 1937 (42 U.S.C. 1437n(b)(1)) is  
7 amended—

8 (1) by inserting after “do not exceed” the fol-  
9 lowing: “the higher of (A) the poverty line (as such  
10 term is defined in section 673 of the Omnibus Budg-  
11 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-  
12 cluding any revision required by such section) appli-  
13 cable to a family of the size involved, or (B)”;

14 (2) by inserting before the period at the end the  
15 following: “; and except that clause (A) of this sen-  
16 tence shall not apply in the case of families residing  
17 in Puerto Rico or any other territory or possession  
18 of the United States”.

19 (b) **PUBLIC HOUSING.**—Section 16(a)(2)(A) of the  
20 United States Housing Act of 1937 (42 U.S.C.  
21 1437n(a)(2)(A)) is amended—

22 (1) by inserting after “do not exceed” the fol-  
23 lowing: “the higher of (i) the poverty line (as such  
24 term is defined in section 673 of the Omnibus Budg-  
25 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-

1 including any revision required by such section) appli-  
2 cable to a family of the size involved, or (ii)”; and

3 (2) by inserting before the period at the end the  
4 following: “; and except that clause (i) of this sen-  
5 tence shall not apply in the case of families residing  
6 in Puerto Rico or any other territory or possession  
7 of the United States”.

8 (c) PROJECT-BASED SECTION 8 ASSISTANCE.—Sec-  
9 tion 16(c)(3) of the United States Housing Act of 1937  
10 (42 U.S.C. 1437n(c)(3)) is amended—

11 (1) by inserting after “do not exceed” the fol-  
12 lowing: “the higher of (A) the poverty line (as such  
13 term is defined in section 673 of the Omnibus Budg-  
14 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-  
15 cluding any revision required by such section) appli-  
16 cable to a family of the size involved, or (B)”; and

17 (2) by inserting before the period at the end the  
18 following: “; and except that clause (A) of this sen-  
19 tence shall not apply in the case of families residing  
20 in Puerto Rico or any other territory or possession  
21 of the United States”.

22 **SEC. 6. VOUCHER RENEWAL FUNDING.**

23 (a) IN GENERAL.—Section 8 of the United States  
24 Housing Act of 1937 (42 U.S.C. 1437f) is amended by

1 striking subsection (dd) and inserting the following new  
2 subsection:

3 “(dd) TENANT-BASED VOUCHERS.—

4 “(1) AUTHORIZATION OF APPROPRIATIONS.—

5 There are authorized to be appropriated, for each of  
6 fiscal years 2008 through 2012, such sums as may  
7 be necessary for tenant-based assistance under sub-  
8 section (o) for the following purposes:

9 “(A) To renew all expiring annual con-  
10 tributions contracts for tenant-based rental as-  
11 sistance.

12 “(B) To provide tenant-based rental assist-  
13 ance for—

14 “(i) relocation and replacement of  
15 housing units that are demolished or dis-  
16 posed of pursuant to the Omnibus Consoli-  
17 dated Rescissions and Appropriations Act  
18 of 1996 (Public Law 104–134);

19 “(ii) conversion of section 23 projects  
20 to assistance under this section;

21 “(iii) the family unification program  
22 under subsection (x) of this section;

23 “(iv) relocation of witnesses in con-  
24 nection with efforts to combat crime in  
25 public and assisted housing pursuant to a

1 request from a law enforcement or pros-  
2 ecution agency;

3 “(v) enhanced vouchers authorized  
4 under subsection (t) of this section;

5 “(vi) vouchers in connection with the  
6 HOPE VI program under section 24;

7 “(vii) demolition or disposition of pub-  
8 lic housing units pursuant to section 18 of  
9 the United States Housing Act of 1937  
10 (42 U.S.C. 1437p);

11 “(viii) mandatory and voluntary con-  
12 versions of public housing to vouchers, pur-  
13 suant to sections 33 and 22 of the United  
14 States Housing Act of 1937, respectively  
15 (42 U.S.C. 1437z–5, 1437t);

16 “(ix) vouchers necessary to comply  
17 with a consent decree or court order;

18 “(x) vouchers to replace dwelling units  
19 that cease to receive project-based assist-  
20 ance under subsection (b), (c), (d), (e), or  
21 (v) of this section;

22 “(xi) relocation and replacement of  
23 public housing units that are demolished or  
24 disposed of pursuant to eminent domain,  
25 pursuant to a homeownership program, or

1 in connection with a mixed finance devel-  
2 opment method under section 35 or other-  
3 wise;

4 “(xii) tenant protection assistance, in-  
5 cluding replacement and relocation assist-  
6 ance; and

7 “(xiii) emergency voucher assistance  
8 for the protection of victims of domestic vi-  
9 olence, dating violence, sexual assault, or  
10 stalking.

11 Subject only to the availability of sufficient  
12 amounts provided in appropriation Acts, the  
13 Secretary shall provide tenant-based rental as-  
14 sistance to replace all dwelling units that cease  
15 to be available as assisted housing as a result  
16 of clause (i), (ii), (v), (vi), (vii), (viii), (x), or  
17 (xi).

18 “(2) ALLOCATION OF RENEWAL FUNDING  
19 AMONG PUBLIC HOUSING AGENCIES.—

20 “(A) From amounts appropriated for each  
21 year pursuant to paragraph (1)(A), the Sec-  
22 retary shall provide renewal funding for each  
23 public housing agency—

24 “(i) based on leasing and cost data  
25 from the preceding calendar year, as ad-

1           justed by an annual adjustment factor to  
2           be established by the Secretary, which shall  
3           be established using the smallest geo-  
4           graphical areas for which data on changes  
5           in rental costs are annually available;

6           “(ii) by making any adjustments nec-  
7           essary to provide for the first-time renewal  
8           of vouchers funded under paragraph  
9           (1)(B) and of any incremental vouchers  
10          funded in previous years;

11          “(iii) by making any adjustments nec-  
12          essary for full year funding of vouchers  
13          ported in the prior calendar year under  
14          subsection (r)(2); and

15          “(iv) by making such other adjust-  
16          ments as the Secretary considers appro-  
17          priate, including adjustments necessary to  
18          address changes in voucher utilization  
19          rates and voucher costs related to natural  
20          and other major disasters.

21          “(B) LEASING AND COST DATA.—For pur-  
22          poses of subparagraph (A)(i), leasing and cost  
23          data shall be calculated annually by using the  
24          average for the preceding calendar year. Such  
25          leasing and cost data shall be adjusted to in-

1           clude vouchers that were set aside under a com-  
2           mitment to provide project-based assistance  
3           under subsection (o)(13) and to exclude  
4           amounts funded through advances under para-  
5           graph (3). Such leasing and cost data shall not  
6           include funds not appropriated for tenant-based  
7           assistance under section 8(o), unless the agen-  
8           cy’s funding was prorated in the prior year and  
9           the agency used other funds to maintain vouch-  
10          ers in use.

11           “(C) OVERLEASING.—For the purpose of  
12          determining allocations under subsection (A)(i),  
13          the leasing rate calculated for the prior cal-  
14          endar year may exceed an agency’s authorized  
15          voucher level, except that such calculation in  
16          2009 shall not include amounts resulting from  
17          a leasing rate in excess of 103 percent of an  
18          agency’s authorized vouchers in 2008 which re-  
19          sults from the use of accumulated amounts, as  
20          referred to in paragraph (4)(A).

21           “(D) MOVING TO WORK; HOUSING INNOVA-  
22          TION PROGRAM.—Notwithstanding subpara-  
23          graphs (A) and (B), each public housing agency  
24          participating at any time in the moving to work  
25          demonstration under section 204 of the Depart-



1           ments of Veterans Affairs and Housing and  
2           Urban Development, and Independent Agencies  
3           Appropriations Act, 1996 (42 U.S.C. 1437f  
4           note) or in the housing innovation program  
5           under section 36 of this Act shall be funded  
6           pursuant to its agreement under such program  
7           and shall be subject to any pro rata adjustment  
8           made under subparagraph (E)(i).

9           “(E) PRO RATA ALLOCATION.—

10           “(i) INSUFFICIENT FUNDS.—To the  
11           extent that amounts made available for a  
12           fiscal year are not sufficient to provide  
13           each public housing agency with the full al-  
14           location for the agency determined pursu-  
15           ant to subparagraphs (A) and (D), the  
16           Secretary shall reduce such allocation for  
17           each agency on a pro rata basis, except  
18           that renewal funding of enhanced vouchers  
19           under section 8(t) shall not be subject to  
20           such proration.

21           “(ii) EXCESS FUNDS.—To the extent  
22           that amounts made available for a fiscal  
23           year exceed the amount necessary to pro-  
24           vide each housing agency with the full allo-  
25           cation for the agency determined pursuant

1 to subparagraphs (A) and (D), such excess  
2 amounts shall be used for the purposes  
3 specified in subparagraphs (B) and (C) of  
4 paragraph (4).

5 “(F) PROMPT FUNDING ALLOCATION.—  
6 The Secretary shall allocate all funds under this  
7 subsection for each year before the latter of (i)  
8 February 15, or (ii) the expiration of the 45-  
9 day period beginning upon the enactment of the  
10 appropriations Act funding such renewals.

11 “(3) ADVANCES.—

12 “(A) AUTHORITY.—During the last 3  
13 months of each calendar year, the Secretary  
14 shall provide amounts to any public housing  
15 agency, at the request of the agency, in an  
16 amount up to two percent of the allocation for  
17 the agency for such calendar year, subject to  
18 subparagraph (C).

19 “(B) USE.—Amounts advanced under sub-  
20 paragraph (A) may be used to pay for addi-  
21 tional voucher costs, including costs related to  
22 temporary overleasing.

23 “(C) USE OF PRIOR YEAR AMOUNTS.—  
24 During the last 3 months of a calendar year, if  
25 amounts previously provided to a public housing

1 agency for tenant-based assistance for such  
2 year or for previous years remain unobligated  
3 and available to the agency—

4 “(i) the agency shall exhaust such  
5 amounts to cover any additional voucher  
6 costs under subparagraph (B) before  
7 amounts advanced under subparagraph (A)  
8 may be so used; and

9 “(ii) the amount that may be ad-  
10 vanced under subparagraph (A) to the  
11 agency shall be reduced by an amount  
12 equal to the total of such previously pro-  
13 vided and unobligated amounts.

14 “(D) REPAYMENT.—Amounts advanced  
15 under subparagraph (A) in a calendar year  
16 shall be repaid to the Secretary in the subse-  
17 quent calendar year by reducing the amounts  
18 made available for such agency for such subse-  
19 quent calendar year pursuant to allocation  
20 under paragraph (2) by an amount equal to the  
21 amount so advanced to the agency.

22 “(4) RECAPTURE.—

23 “(A) IN GENERAL.—The Secretary shall  
24 recapture, from amounts provided under the  
25 annual contributions contract for a public hous-

1           ing agency for a calendar year, all accumulated  
2           amounts allocated under paragraph (2) and  
3           from previous years that are unused by the  
4           agency at the end of each calendar year ex-  
5           cept—

6                   “(i) with respect to the recapture  
7                   under this subparagraph at the end of  
8                   2007, an amount equal to 12.5 percent of  
9                   the amount allocated to the public housing  
10                  agency for such year pursuant to para-  
11                  graph (2)(A); and

12                  “(ii) with respect to the recapture  
13                  under this subparagraph at the end of  
14                  each of 2008, 2009, 2010, and 2011, an  
15                  amount equal to 5 percent of such amount  
16                  allocated to the agency for such year. Not-  
17                  withstanding any other provision of law,  
18                  each public housing agency may retain all  
19                  amounts not authorized to be recaptured  
20                  under this subparagraph, and may use  
21                  such amounts for all authorized purposes.

22                  “(B) REALLOCATION.—Not later than May  
23                  1 of each calendar year, the Secretary shall—

1 “(i) calculate the aggregate unused  
2 amounts for the preceding year recaptured  
3 pursuant to subparagraph (A);

4 “(ii) set aside and make available  
5 such amounts as the Secretary considers  
6 appropriate to reimburse public housing  
7 agencies for increased costs related to port-  
8 ability and family self-sufficiency activities  
9 during such year; and

10 “(iii) reallocate all remaining amounts  
11 among public housing agencies, with pri-  
12 ority given based on the extent to which an  
13 agency has utilized the amount allocated  
14 under paragraph (2) for the agency to  
15 serve eligible families.

16 “(C) USE.—Amounts reallocated to a pub-  
17 lic housing agency pursuant to subparagraph  
18 (B)(iii) may be used only to increase voucher  
19 leasing rates as provided under paragraph  
20 (2)(C).”.

21 (b) ABSORPTION OF VOUCHERS FROM OTHER AGEN-  
22 CIES.—Section 8(r)(2) of the United States Housing Act  
23 of 1937 (42 U.S.C. 1437f(r)(2)) is amended by adding  
24 after the period at the end the following: “The agency  
25 shall absorb the family into its program for voucher assist-

1 ance under this section and shall have priority to receive  
2 additional funding from the Secretary for the housing as-  
3 sistance provided for such family from amounts made  
4 available pursuant to subsection (dd)(4)(B).”.

5 (c) VOUCHERS FOR PERSONS WITH DISABILITIES.—  
6 The Secretary of Housing and Urban Development shall  
7 develop and issue, to public housing agencies that received  
8 voucher assistance under section 8(o) for non-elderly dis-  
9 abled families pursuant to appropriations Acts for fiscal  
10 years 1997 through 2002, guidance to ensure that, to the  
11 maximum extent practicable, such vouchers continue to be  
12 provided upon turnover to qualified non-elderly disabled  
13 families.

14 **SEC. 7. ADMINISTRATIVE FEES.**

15 (a) IN GENERAL.—Section 8(q) of the United States  
16 Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended—

17 (1) in paragraph (1), by striking subparagraphs  
18 (B) and (C) and inserting the following new sub-  
19 paragraphs:

20 “(B) CALCULATION.—The fee under this  
21 subsection shall—

22 “(i) be payable to each public housing  
23 agency for each month for which a dwell-  
24 ing unit is covered by an assistance con-  
25 tract;

1           “(ii) be based on the per-unit fee pay-  
2           able to the agency in fiscal year 2003, up-  
3           dated for each subsequent year as specified  
4           in subsection (iv);

5           “(iii) include an amount for the cost  
6           of issuing voucher to new participants;

7           “(iv) be updated each year using an  
8           index of changes in wage data or other ob-  
9           jectively measurable data that reflect the  
10          costs of administering the program for  
11          such assistance, as determined by the Sec-  
12          retary; and

13          “(v) include an amount for the cost of  
14          family self-sufficiency coordinators, as pro-  
15          vided in section 23(h)(1).

16          “(C) PUBLICATION.—The Secretary shall  
17          cause to be published in the Federal Register  
18          the fee rate for each geographic area.”; and

19          (2) in paragraph (4), by striking “1999” and  
20          inserting “2007”.

21          (b) ADMINISTRATIVE FEES FOR FAMILY SELF-SUF-  
22          FICIENCY PROGRAM COSTS.—Subsection (h) of section 23  
23          of the United States Housing Act of 1937 (42 U.S.C.  
24          1437u(h)) is amended by striking paragraph (1) and in-  
25          serting the following new paragraph:

1           “(1) SECTION 8 FEES.—

2                   “(A) IN GENERAL.—The Secretary shall  
3           establish a fee under section 8(q) for the costs  
4           incurred in administering the self-sufficiency  
5           program under this section to assist families re-  
6           ceiving voucher assistance through section 8(o).

7                   “(B) ELIGIBILITY FOR FEE.—The fee shall  
8           provide funding for family self-sufficiency coor-  
9           dinators as follows:

10                   “(i) BASE FEE.—A public housing  
11           agency serving 25 or more participants in  
12           the family self-sufficiency program under  
13           this section shall receive a fee equal to the  
14           costs of employing one full-time family  
15           self-sufficiency coordinator. An agency  
16           serving fewer than 25 such participants  
17           shall receive a prorated fee.

18                   “(ii) ADDITIONAL FEE.—An agency  
19           that meets minimum performance stand-  
20           ards shall receive an additional fee suffi-  
21           cient to cover the costs of employing a sec-  
22           ond family self-sufficiency coordinator if  
23           the agency has 75 or more participating  
24           families, and a third such coordinator if it  
25           has 125 or more participating families.



1           “(iii) PREVIOUSLY FUNDED AGEN-  
2           CIES.—An agency that received funding  
3           from the Department of Housing and  
4           Urban Development for more than three  
5           such coordinators in any of fiscal years  
6           1998 through 2007 shall receive funding  
7           for the highest number of coordinators  
8           funded in a single fiscal year during that  
9           period, provided they meet applicable size  
10          and performance standards.

11          “(iv) INITIAL YEAR.—For the first  
12          year in which a public housing agency ex-  
13          ercises its right to develop an family self-  
14          sufficiency program for its residents, it  
15          shall be entitled to funding to cover the  
16          costs of up to one family self-sufficiency  
17          coordinator, based on the size specified in  
18          its action plan for such program.

19          “(v) STATE AND REGIONAL AGEN-  
20          CIES.—For purposes of calculating the  
21          family self-sufficiency portion of the ad-  
22          ministrative fee under this subparagraph,  
23          each administratively distinct part of a  
24          State or regional public housing agency  
25          shall be treated as a separate agency.

1                   “(vi) DETERMINATION OF NUMBER  
2                   OF COORDINATORS.—In determining  
3                   whether a public housing agency meets a  
4                   specific threshold for funding pursuant to  
5                   this paragraph, the number of participants  
6                   being served by the agency in its family  
7                   self-sufficiency program shall be considered  
8                   to be the average number of families en-  
9                   rolled in such agency’s program during the  
10                  course of the most recent fiscal year for  
11                  which the Department of Housing and  
12                  Urban Development has data.

13                  “(C) PRORATION.—If insufficient funds  
14                  are available in any fiscal year to fund all of the  
15                  coordinators authorized under this section, the  
16                  first priority shall be given to funding one coor-  
17                  dinator at each agency with an existing family  
18                  self-sufficiency program. The remaining funds  
19                  shall be prorated based on the number of re-  
20                  maining coordinators to which each agency is  
21                  entitled under this subparagraph.

22                  “(D) RECAPTURE.—Any fees allocated  
23                  under this subparagraph by the Secretary in a  
24                  fiscal year that have not been spent by the end  
25                  of the subsequent fiscal year shall be recaptured

1 by the Secretary and shall be available for pro-  
2 viding additional fees pursuant to subparagraph  
3 (B)(ii).

4 “(E) PERFORMANCE STANDARDS.—Within  
5 six months after the date of the enactment of  
6 this paragraph, the Secretary shall publish a  
7 proposed rule specifying the performance stand-  
8 ards applicable to funding under clauses (ii)  
9 and (iii) of subparagraph (B). Such standards  
10 shall include requirements applicable to the  
11 leveraging of in-kind services and other re-  
12 sources to support the goals of the family self-  
13 sufficiency program.

14 “(F) DATA COLLECTION.—Public housing  
15 agencies receiving funding under this paragraph  
16 shall collect and report to the Secretary, in such  
17 manner as the Secretary shall require, informa-  
18 tion on the performance of their family self-suf-  
19 ficiency programs.

20 “(G) EVALUATION.—The Secretary shall  
21 conduct a formal and scientific evaluation of  
22 the effectiveness of well-run family self-suffi-  
23 ciency programs, using random assignment of  
24 participants to the extent practicable. Not later  
25 than the expiration of the 4-year period begin-

1           ning upon the enactment of this paragraph, the  
2           Secretary shall submit an interim evaluation re-  
3           port to the Congress. Not later than the expira-  
4           tion of the 8-year period beginning upon such  
5           enactment, the Secretary shall submit a final  
6           evaluation report to the Congress. There is au-  
7           thorized to be appropriated \$10,000,000 to  
8           carry out the evaluation under this subpara-  
9           graph.

10           “(H) INCENTIVES FOR INNOVATION AND  
11           HIGH PERFORMANCE.—The Secretary may re-  
12           serve up to 10 percent of the amounts made  
13           available for administrative fees under this  
14           paragraph to provide support to or reward fam-  
15           ily self-sufficiency programs that are particu-  
16           larly innovative or highly successful in achieving  
17           the goals of the program.”.

18           (c) REPEAL.—Section 202 of the Departments of  
19           Veterans Affairs and Housing and Urban Development,  
20           and Independent Agencies Appropriations Act, 1997 (42  
21           U.S.C. 1437f note; Public Law 104–204; 110 Stat. 2893)  
22           is hereby repealed.

23           **SEC. 8. HOMEOWNERSHIP.**

24           (a) SECTION 8 HOMEOWNERSHIP DOWNPAYMENT  
25           PROGRAM.—Section 8(y)(7) of the United States Housing

1 Act of 1937 (42 U.S.C. 1437f(y)(7)) is amended by strik-  
2 ing subparagraphs (A) and (B) and inserting the following  
3 new subparagraphs:

4           “(A) IN GENERAL.—Subject to the provi-  
5 sions of this paragraph, in the case of a family  
6 on whose behalf rental assistance under section  
7 8(o) has been provided for a period of not less  
8 than 12 months prior to the date of receipt of  
9 downpayment assistance under this paragraph,  
10 a public housing agency may, in lieu of pro-  
11 viding monthly assistance payments under this  
12 subsection on behalf of a family eligible for  
13 such assistance and at the discretion of the  
14 agency, provide a downpayment assistance  
15 grant in accordance with subparagraph (B).

16           “(B) GRANT REQUIREMENTS.—A down-  
17 payment assistance grant under this para-  
18 graph—

19                   “(i) shall be used by the family only  
20 as a contribution toward the downpayment  
21 and reasonable and customary closing  
22 costs required in connection with the pur-  
23 chase of a home;

24                   “(ii) shall be in the form of a single  
25 one-time grant; and

1 “(iii) may not exceed \$10,000.

2 “(C) NO EFFECT ON OBTAINING OUTSIDE  
3 SOURCES FOR DOWNPAYMENT ASSISTANCE.—  
4 This Act may not be construed to prohibit a  
5 public housing agency from providing downpay-  
6 ment assistance to families from sources other  
7 than a grant provided under this Act, or as de-  
8 termined by the public housing agency.”.

9 (b) USE OF VOUCHERS FOR MANUFACTURED HOUS-  
10 ING.—Section 8(o)(12) of the United States Housing Act  
11 of 1937 (42 U.S.C. 1437f(o)(12) is amended—

12 (1) in subparagraph (A), by striking the period  
13 at the end of the first sentence and all that follows  
14 through “of” in the second sentence and inserting  
15 “and rents”; and

16 (2) in subparagraph (B)—

17 (A) in clause (i), by striking “the rent”  
18 and all that follows and inserting the following:  
19 “rent shall mean the sum of the monthly pay-  
20 ments made by a family assisted under this  
21 paragraph to amortize the cost of purchasing  
22 the manufactured home, including any required  
23 insurance and property taxes, the monthly  
24 amount allowed for tenant-paid utilities, and  
25 the monthly rent charged for the real property

1 on which the manufactured home is located, in-  
2 cluding monthly management and maintenance  
3 charges.”;

4 (B) by striking clause (ii); and

5 (C) in clause (iii)—

6 (i) by inserting after the period at the  
7 end the following: “If the amount of the  
8 monthly assistance payment for a family  
9 exceeds the monthly rent charged for the  
10 real property on which the manufactured  
11 home is located, including monthly man-  
12 agement and maintenance charges, a pub-  
13 lic housing agency may pay the remainder  
14 to the family, lender or utility company, or  
15 may choose to make a single payment to  
16 the family for the entire monthly assist-  
17 ance amount.”; and

18 (ii) by redesignating such clause as  
19 clause (ii).

20 **SEC. 9. PHA REPORTING OF RENT PAYMENTS TO CREDIT**  
21 **REPORTING AGENCIES.**

22 (a) IN GENERAL.—Section 3 of the United States  
23 Housing Act of 1937 (42 U.S.C. 1437a), as amended by  
24 the preceding provisions of this Act, is further amended  
25 by adding at the end the following new subsection:

1       “(e) PHA REPORTING OF RENT PAYMENTS TO  
2 CREDIT REPORTING AGENCIES.—

3           “(1) AUTHORITY.—To the extent that a family  
4 receiving tenant-based housing choice vouchers  
5 under section 8 by a public housing agency agrees  
6 in writing to reporting under this subsection, the  
7 public housing agency may submit to consumer re-  
8 porting agencies described in section 603(p) of the  
9 Fair Credit Reporting Act (15 U.S.C. 1681a) infor-  
10 mation regarding the past rent payment history of  
11 the family with respect to the dwelling unit for  
12 which such assistance is provided.

13           “(2) FORMAT.—The Secretary, after consulta-  
14 tion with consumer reporting agencies referred in  
15 paragraph (1), shall establish a system and format  
16 to be used by public housing agencies for reporting  
17 of information under such paragraph that provides  
18 such information in a format and manner that is  
19 similar to other credit information submitted to such  
20 consumer reporting agencies and is usable by such  
21 agencies.”.

22       “(b) EFFECTIVE DATE.—The amendment made by  
23 subsection (a) shall take effect on the date of the enact-  
24 ment of this Act.



1 **SEC. 10. PERFORMANCE ASSESSMENTS.**

2 Section 8(o) of the United States Housing Act of  
3 1937 (42 U.S.C. 1437f(o)) is amended by adding at the  
4 end the following new paragraph:

5 “(21) PERFORMANCE ASSESSMENTS.—

6 “(A) ESTABLISHMENT.—The Secretary  
7 shall, by regulation, establish standards and  
8 procedures for assessing the performance of  
9 public housing agencies in carrying out the pro-  
10 grams for tenant-based rental assistance under  
11 this subsection and for homeownership assist-  
12 ance under subsection (y).

13 “(B) CONTENTS.—The standards and pro-  
14 cedures under this paragraph shall provide for  
15 assessment of the performance of public hous-  
16 ing agencies in the following areas:

17 “(i) Quality of dwelling units obtained  
18 using such assistance.

19 “(ii) Extent of utilization of assist-  
20 ance amounts provided to the agency and  
21 of authorized vouchers.

22 “(iii) Timeliness and accuracy of re-  
23 porting by the agency to the Secretary.

24 “(iv) Effectiveness in carrying out  
25 policies to achieve deconcentration of pov-  
26 erty.

1           “(v) Reasonableness of rent burdens,  
2           consistent with public housing agency re-  
3           sponsibilities under section 8(o)(1)(E)(iii).

4           “(vi) Accurate rent calculations and  
5           subsidy payments.

6           “(vii) Effectiveness in carrying out  
7           family self-sufficiency activities.

8           “(viii) Timeliness of actions related to  
9           landlord participation.

10          “(ix) Such other areas as the Sec-  
11          retary considers appropriate.

12          “(C) PERIODIC ASSESSMENT.—Using the  
13          standards and procedures established under this  
14          paragraph, the Secretary shall conduct an as-  
15          sessment of the performance of each public  
16          housing agency carrying out a program referred  
17          to in subparagraph (A) and shall submit a re-  
18          port to the Congress regarding the results of  
19          each such assessment.”.

20 **SEC. 11. PHA PROJECT-BASED ASSISTANCE.**

21          Section 8(o)(13) of the United States Housing Act  
22          of 1937 (42 U.S.C. 1437f(o)(13)) is amended—

23                 (1) by striking subparagraph (B) and inserting  
24          the following new subparagraph:

25                 “(B) PERCENTAGE LIMITATION.—

1           “(i) IN GENERAL.—Subject to clause  
2           (ii), not more than 25 percent of the fund-  
3           ing available for tenant-based assistance  
4           under this section that is administered by  
5           the agency may be attached to structures  
6           pursuant to this paragraph.

7           “(ii) EXCEPTION.—An agency may at-  
8           tach up to an additional 5 percent of the  
9           funding available for tenant-based assist-  
10          ance under this section to structures pur-  
11          suant to this paragraph for dwelling units  
12          that house individuals and families that  
13          meet the definition of homeless under sec-  
14          tion 103 of the McKinney-Vento Homeless  
15          Assistance Act (42 U.S.C. 11302).”;

16           (2) by striking subparagraph (D) and inserting  
17          the following new subparagraph:

18           “(D) INCOME MIXING REQUIREMENT.—

19           “(i) IN GENERAL.—Except as pro-  
20           vided in clause (ii), not more than the  
21           greater of 25 dwelling units or 25 percent  
22           of the dwelling units in any project may be  
23           assisted under a housing assistance pay-  
24           ment contract for project-based assistance  
25           pursuant to this paragraph. For purposes

1 of this subparagraph, the term ‘project’  
2 means a single building, multiple contig-  
3 uous buildings, or multiple buildings on  
4 contiguous parcels of land.

5 “(ii) EXCEPTIONS.—

6 “(I) CERTAIN HOUSING.—The  
7 limitation under clause (i) shall not  
8 apply in the case of assistance under  
9 a contract for housing consisting of  
10 single family properties, or for dwell-  
11 ing units that are specifically made  
12 available for households comprised of  
13 elderly families, disabled families, and  
14 families receiving supportive services.  
15 For purposes of the preceding sen-  
16 tence, the term ‘single family prop-  
17 erties’ means buildings with no more  
18 than four dwelling units.

19 “(II) CERTAIN AREAS.—With re-  
20 spect to areas in which fewer than 75  
21 percent of families issued vouchers be-  
22 come participants in the program, the  
23 public housing agency has established  
24 the payment standard at 110 percent  
25 of the fair market rent for all census

1 tracts in the area for the previous six  
2 months, and the public housing agen-  
3 cy grants an automatic extension of  
4 90 days (or longer) to families with  
5 vouchers who are attempting to find  
6 housing, clause (i) shall be applied by  
7 substituting ‘50 percent’ for ‘25 per-  
8 cent.’.”;

9 (3) in the first sentence of subparagraph (F),  
10 by striking “10 years” and inserting “15 years”;

11 (4) in subparagraph (G)—

12 (A) by inserting after the period at the end  
13 of the first sentence the following: “Such con-  
14 tract may, at the election of the public housing  
15 agency and the owner of the structure, specify  
16 that such contract shall be extended for renewal  
17 terms of up to 15 years each, if the agency  
18 makes the determination required by this sub-  
19 paragraph and the owner is in compliance with  
20 the terms of the contract.”; and

21 (B) by adding at the end the following: “A  
22 public housing agency may agree to enter into  
23 such a contract at the time it enters into the  
24 initial agreement for a housing assistance pay-  
25 ment contract or at any time thereafter that is

1 before the expiration of the housing assistance  
2 payment contract.”;

3 (5) in subparagraph (H), by inserting before  
4 the period at the end of the first sentence the fol-  
5 lowing: “, except that in the case of a contract unit  
6 that has been allocated low-income housing tax cred-  
7 its and for which the rent limitation pursuant to  
8 such section 42 is less than the amount that would  
9 otherwise be permitted under this subparagraph, the  
10 rent for such unit may, in the sole discretion of a  
11 public housing agency, be established at the higher  
12 section 8 rent, subject only to paragraph (10)(A)”;

13 (6) in subparagraph (I)(i), by inserting before  
14 the semicolon the following: “, except that the con-  
15 tract may provide that the maximum rent permitted  
16 for a dwelling unit shall not be less than the initial  
17 rent for the dwelling unit under the initial housing  
18 assistance payments contract covering the unit”;

19 (7) in subparagraph (J)—

20 (A) by striking the fifth and sixth sen-  
21 tences and inserting the following: “A public  
22 housing agency may establish and utilize proce-  
23 dures for maintaining site-based waiting lists  
24 under which applicants may apply directly at,  
25 or otherwise designate to the public housing

1 agency, the project or projects in which they  
2 seek to reside, except that all applicants on the  
3 waiting list of an agency for assistance under  
4 this subsection shall be permitted to place their  
5 names on such separate list. All such proce-  
6 dures shall comply with title VI of the Civil  
7 Rights Act of 1964, the Fair Housing Act, and  
8 other applicable civil rights laws. The owner or  
9 manager of a structure assisted under this  
10 paragraph shall not admit any family to a  
11 dwelling unit assisted under a contract pursu-  
12 ant to this paragraph other than a family re-  
13 ferred by the public housing agency from its  
14 waiting list, or a family on a site-based waiting  
15 list that complies with the requirements of this  
16 subparagraph. A public housing agency shall  
17 fully disclose to each applicant each option in  
18 the selection of a project in which to reside that  
19 is available to the applicant.”; and

20 (B) by inserting after the third sentence  
21 the following new sentence: “Any family who re-  
22 sides in a dwelling unit proposed to be assisted  
23 under this paragraph, or in a unit to be re-  
24 placed by a proposed unit to be assisted under  
25 this paragraph shall be given an absolute pref-

1           erence for selection for placement in the pro-  
2           posed unit, if the family is otherwise eligible for  
3           assistance under this subsection.”; and

4           (8) by adding at the end the following new sub-  
5           paragraphs:

6                   “(L) USE IN COOPERATIVE HOUSING AND  
7           ELEVATOR BUILDINGS.—A public housing agen-  
8           cy may enter into a housing assistance pay-  
9           ments contract under this paragraph with re-  
10          spect to—

11                   “(i) dwelling units in cooperative  
12          housing;

13                   “(ii) notwithstanding subsection (c),  
14          dwelling units in a high-rise elevator  
15          project, including such a project that is oc-  
16          cupied by families with children, without  
17          review and approval of the contract by the  
18          Secretary.

19                   “(M) REVIEWS.—

20                   “(i) SUBSIDY LAYERING.—A subsidy  
21          layering review in accordance with section  
22          102(d) of the Department of Housing and  
23          Urban Development Reform Act of 1989  
24          (42 U.S.C. 3545(d)) shall not be required  
25          for assistance under this subparagraph in



1           the case of a housing assistance payments  
2           contract for an existing structure, or if a  
3           subsidy layering review has been conducted  
4           by the applicable State or local agency.

5           “(ii) ENVIRONMENTAL REVIEW.—A  
6           public housing agency shall not be required  
7           to undertake any environmental review be-  
8           fore entering into a housing assistance  
9           payments contract under this paragraph  
10          for an existing structure, except to the ex-  
11          tent such a review is otherwise required by  
12          law or regulation.

13          “(N) ADMINISTRATIVE FEE.—The admin-  
14          istrative fee applicable to the administration of  
15          assistance under this paragraph shall be deter-  
16          mined in the same manner as administrative  
17          fees applicable to other assistance administered  
18          under other provisions of this subsection.

19          “(O) LEASES AND TENANCY.—Assistance  
20          provided under this paragraph shall be subject  
21          to the provisions of paragraph (7), except that  
22          subparagraph (A) of such paragraph shall not  
23          apply.”.

1 **SEC. 12. RENT BURDENS.**

2 (a) **REVIEWS.**—Section 8(o)(1) of the United States  
3 Housing Act of 1937 (42 U.S.C. 1437f(o)(1)) is amended  
4 by striking subparagraph (E) and inserting the following  
5 new subparagraph:

6 “(E) **REVIEWS.**—

7 “(i) **RENT BURDENS.**—The Secretary  
8 shall monitor rent burdens and submit a  
9 report to the Congress annually on the  
10 percentage of families assisted under this  
11 subsection, occupying dwelling units of any  
12 size, that pay more than 30 percent of  
13 their adjusted incomes for rent and such  
14 percentage that pay more than 40 percent  
15 of their adjusted incomes for rent. Using  
16 information regularly reported by public  
17 housing agencies, the Secretary shall pro-  
18 vide public housing agencies, on an annual  
19 basis, a report with the information de-  
20 scribed in the first sentence of this clause,  
21 and may require a public housing agency  
22 to modify a payment standard that results  
23 in a significant percentage of families as-  
24 sisted under this subsection, occupying  
25 dwelling units of any size, paying more

1 than 30 percent of their adjusted incomes  
2 for rent.

3 “(ii) CONCENTRATION OF POVERTY.—

4 The Secretary shall submit a report to the  
5 Congress annually on the degree to which  
6 families assisted under this subsection in  
7 each metropolitan area are clustered in  
8 lower rent, higher poverty areas and how,  
9 and the extent to which, greater geo-  
10 graphic distribution of such assisted fami-  
11 lies could be achieved, including by increas-  
12 ing payment standards for particular com-  
13 munities within such metropolitan areas.

14 “(iii) PUBLIC HOUSING AGENCY RE-

15 SPONSIBILITIES.—Each public housing  
16 agency shall make publicly available the in-  
17 formation on rent burdens provided by the  
18 Secretary pursuant to clause (i), and, for  
19 agencies located in metropolitan areas, the  
20 information on concentration provided by  
21 the Secretary pursuant to clause (ii). If the  
22 percentage of families paying more than 30  
23 percent or 40 percent of income exceeds  
24 the national average for either of such cat-  
25 egories, as reported pursuant to clause (i),

1           the public housing agency shall adjust the  
2           payment standard to eliminate excessive  
3           rent burdens within a reasonable time pe-  
4           riod or explain its reasons for not making  
5           such adjustment. The Secretary may not  
6           deny the request of a public housing agen-  
7           cy to set a payment standard up to 120  
8           percent of the fair market rent to remedy  
9           rent burdens in excess of the national aver-  
10          age or undue concentration of families as-  
11          sisted under this subsection in lower rent,  
12          higher poverty sections of a metropolitan  
13          area except on the basis that an agency  
14          has not demonstrated that its request  
15          meets these criteria. If a request of a pub-  
16          lic housing agency has not been denied or  
17          approved with 45 days after the request is  
18          made, the request shall be considered to  
19          have been approved.”.

20          (b) PUBLIC HOUSING AGENCY PLAN.—Section  
21          5A(d)(4) of the United States Housing Act of 1937 (42  
22          U.S.C. 1437c–1(d)(4)) is amended by inserting before the  
23          period at the end the following: “, including the report  
24          with respect to the agency furnished by the Secretary pur-  
25          suant to section 8(o)(1)(E) concerning rent burdens and,

1 if applicable, geographic concentration of voucher holders,  
 2 any changes in rent or other policies the public housing  
 3 agency is making to address excessive rent burdens or con-  
 4 centration, and if the public housing agency is not adjust-  
 5 ing its payment standard, its reasons for not doing so”.

6 (c) RENT BURDENS FOR PERSONS WITH DISABIL-  
 7 ITIES.—Subparagraph (D) of section 8(o)(1) is amended  
 8 by inserting before the period at the end the following:  
 9 “, except that a public housing agency may establish a  
 10 payment standard of not more than 120 percent of the  
 11 fair market rent where necessary as a reasonable accom-  
 12 modation for a person with a disability, without approval  
 13 of the Secretary. A public housing agency may seek ap-  
 14 proval of the Secretary to use a payment standard greater  
 15 than 120 percent of the fair market rent as a reasonable  
 16 accommodation for a person with a disability”.

17 **SEC. 13. ESTABLISHMENT OF FAIR MARKET RENT.**

18 (a) IN GENERAL.—Paragraph (1) of section 8(c) of  
 19 the United States Housing Act of 1937 (42 U.S.C.  
 20 1437f(c)(1)) is amended—

21 (1) by inserting “(A)” after the paragraph des-  
 22 ignation;

23 (2) by striking the seventh, eighth, and ninth  
 24 sentences; and

25 (3) by adding at the end the following:

1       “(B)(i) The Secretary shall endeavor to define mar-  
2 ket areas for purposes of this paragraph in a manner that  
3 results in fair market rentals that are adequate to cover  
4 typical rental costs of units suitable for occupancy by per-  
5 sons assisted under this section in as wide a range of com-  
6 munities as is feasible, including communities with low  
7 poverty rates.

8       “(ii) The Secretary at a minimum shall define a sepa-  
9 rate market area for each—

10           “(I) metropolitan city, as such term is defined  
11 in section 102(a) of the Housing and Community  
12 Development Act of 1974 (42 U.S.C. 5302(a)), with  
13 more than 40,000 rental dwelling units; and

14           “(II) urban county or portion of an urban coun-  
15 ty, as such term is defined in such section 102(a),  
16 located outside the boundaries of any metropolitan  
17 city specified in subclause (I).

18       “(iii) The Secretary shall, at the request of one or  
19 more public housing agencies, establish a separate market  
20 area for part or all of the area under the jurisdiction of  
21 such agencies, if—

22           “(I) the requested market area contains at least  
23 20,000 rental dwelling units;

1           “(II) the areas contained in the requested mar-  
2           ket area are geographically contiguous and share  
3           similar housing market characteristics;

4           “(III) adequate data are available to establish  
5           a reliable fair market rental for the requested mar-  
6           ket area, and for the remainder of the market area  
7           in which it is currently located; and

8           “(IV) establishing the requested market area  
9           would raise or lower the fair market rental by 10  
10          percent or more at the time the requested market  
11          area is established.

12 For purposes of subclause (III), data for an area shall  
13 be considered adequate if they are sufficient to establish  
14 from time to time a reliable benchmark fair market rental  
15 based primarily on data from that area, whether or not  
16 those data need to be supplemented with data from a larg-  
17 er area for purposes of annual updates.

18          “(iv) The Secretary shall not reduce the fair market  
19 rental in a market area as a result of a change in the  
20 percentile of the distribution of market rents used to es-  
21 tablish the fair market rental.”.

22          (b) PAYMENT STANDARD.—Subparagraph (B) of sec-  
23 tion 8(o)(1) of the United States Housing Act of 1937  
24 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-  
25 fore the period at the end the following: “, except that

1 no public housing agency shall be required as a result of  
2 a reduction in the fair market rental to reduce the pay-  
3 ment standard applied to a family continuing to reside in  
4 a unit for which the family was receiving assistance under  
5 this section at the time the fair market rental was re-  
6 duced”.

7 **SEC. 14. SCREENING OF APPLICANTS.**

8 Subparagraph (B) of section 8(o)(6) of the United  
9 States Housing Act of 1937 (1437f(o)(6)(B)) is amended  
10 by inserting after the period at the end of the second sen-  
11 tence the following: “A public housing agency’s elective  
12 screening shall be limited to criteria that are directly re-  
13 lated to an applicant’s ability to fulfill the obligations of  
14 an assisted lease and shall consider mitigating cir-  
15 cumstances related to such applicant. Any applicant or  
16 participant determined to be ineligible for admission or  
17 continued participation to the program shall be notified  
18 of the basis for such determination and provided, within  
19 a reasonable time after the determination, an opportunity  
20 for an informal hearing on such determination at which  
21 mitigating circumstances, including remedial conduct sub-  
22 sequent to the notice, shall be considered.”.

23 **SEC. 15. ENHANCED VOUCHERS.**

24 (a) TREATMENT OF UNIT AND FAMILY SIZE.—Sub-  
25 paragraph (B) of section 8(t)(1) of the United States



1 Housing Act of 1937 (42 U.S.C. 1437f(t)(1)(B)) is  
2 amended by inserting after “eligibility event for the  
3 project,” the following: “regardless of unit and family size  
4 standards normally used by the administering agency (ex-  
5 cept that tenants may be required to move to units of ap-  
6 propriate size if available on the premises),”.

7 (b) ELIGIBILITY OF CERTAIN PROJECTS.—Notwith-  
8 standing any other provision of law—

9 (1) the property known as The Heritage Apart-  
10 ments (FHA No. 023-44804), in Malden, Massachu-  
11 setts, shall be considered eligible low-income housing  
12 for purposes of the eligibility of residents of the  
13 property for enhanced voucher assistance under sec-  
14 tion 8(t) of the United States Housing Act of 1937  
15 (42 U.S.C. 1437f(t)), pursuant to paragraph (2)(A)  
16 of section 223(f) of the Low-Income Housing Pres-  
17 ervation and Resident Homeownership Act of 1990  
18 (12 U.S.C. 4113(f)(2)(A));

19 (2) such residents shall receive enhanced rental  
20 housing vouchers upon the prepayment of the mort-  
21 gage loan for the property under section 236 of the  
22 National Housing Act (12 U.S.C. 1715z–1); and

23 (3) the Secretary shall approve such prepay-  
24 ment and subsequent transfer of the property with-  
25 out any further condition, except that the property

1 shall be restricted for occupancy, until the original  
2 maturity date of the prepaid mortgage loan, only by  
3 families with incomes not exceeding 80 percent of  
4 the adjusted median income for the area in which  
5 the property is located, as published by the Sec-  
6 retary.

7 Amounts for the enhanced vouchers pursuant to this sub-  
8 section shall be provided under amounts appropriated for  
9 tenant-based rental assistance otherwise authorized under  
10 section 8(t) of the United States Housing Act of 1937.

11 **SEC. 16. HOUSING INNOVATION PROGRAM.**

12 (a) ESTABLISHMENT OF PROGRAM.—Title I of the  
13 United States Housing Act of 1937 (42 U.S.C. 1437 et  
14 seq.) is amended by adding at the end the following new  
15 section:

16 **“SEC. 36. HOUSING INNOVATION PROGRAM.**

17 “(a) PURPOSE.—The purpose of the program under  
18 this section is to provide public housing agencies and the  
19 Secretary the flexibility to design and evaluate innovative  
20 approaches to providing housing assistance that—

21 “(1) increase housing opportunities for low-in-  
22 come families, including preventing homelessness, re-  
23 habilitate or replace housing at risk of physical dete-  
24 rioration or obsolescence, and develop additional af-  
25 fordable housing;

1           “(2) leverage other Federal, State, and local  
2 funding sources, including the low-income housing  
3 tax credit program, to expand and preserve afford-  
4 able housing opportunities, including public housing;

5           “(3) provide financial incentives and other sup-  
6 port mechanisms to families to obtain employment  
7 and increase earned income;

8           “(4) test alternative rent-setting policies to de-  
9 termine whether rent determinations can be sim-  
10 plified and administrative cost savings can be real-  
11 ized while protecting extremely low- and very low-in-  
12 come families from increased rent burdens;

13           “(5) are subject to rigorous evaluation to test  
14 the effectiveness of such innovative approaches; and

15           “(6) are developed with the support of the local  
16 community and with the substantial participation of  
17 affected residents.

18           “(b) PROGRAM AUTHORITY.—

19           “(1) SCOPE.—The Secretary shall carry out a  
20 housing innovation program under this section under  
21 which the Secretary may designate not more than 60  
22 public housing agencies to participate, at any one  
23 time, in the housing innovation program, in accord-  
24 ance with subsections (c) and (d), except that, in ad-  
25 dition to such 60 agencies, the Secretary may des-

1        designate an additional 20 agencies to participate in the  
2        program under the terms of subsection (h).

3            “(2) DURATION.—The Secretary may carry out  
4        the housing innovation program under this section  
5        only during the 10-year period beginning on the date  
6        of the enactment of the Section 8 Voucher Reform  
7        Act of 2007.

8            “(c) PARTICIPATION OF EXISTING MTW AGEN-  
9        CIES.—

10           “(1) EXISTING MTW AGENCIES.—Subject to the  
11        requirements of paragraph (2), all existing MTW  
12        agencies shall be designated to participate in the  
13        program.

14           “(2) CONDITIONS OF PARTICIPATION.—The  
15        Secretary shall approve and transfer into the hous-  
16        ing innovation program under this section each ex-  
17        isting MTW agency that the Secretary determines is  
18        not in default under such agreement and which the  
19        Secretary also determines is meeting the goals and  
20        objectives of its moving to work plan. Each such  
21        agency shall, within two years after the date of the  
22        enactment of the Section 8 Voucher Reform Act of  
23        2007, make changes to its policies that were imple-  
24        mented before such date of enactment in order to  
25        comply with the requirements of this section.

1 “(d) ADDITIONAL AGENCIES.—

2 “(1) PROPOSALS; SELECTION PROCESS.—In ad-  
3 dition to agencies participating in the program pur-  
4 suant to subsection (c), the Secretary shall, within  
5 18 months after such date of enactment, select pub-  
6 lic housing agencies to participate in the program  
7 pursuant to a competitive process that meets the fol-  
8 lowing requirements:

9 “(A) Any public housing agency may be se-  
10 lected to participate in the program, except that  
11 not more than 5 agencies that are near-troubled  
12 under the public housing assessment system  
13 and/or section 8 management assessment pro-  
14 gram may be selected, and except that any  
15 agency that is a troubled agency under either  
16 such assessment program or for which the Sec-  
17 retary has hired an alternative management en-  
18 tity for such agency or has taken possession of  
19 all or any part of such agency’s public housing  
20 program shall not be eligible for participation.  
21 Any near-troubled public housing agency par-  
22 ticipating in the program shall remain subject  
23 to the requirements of this Act governing ten-  
24 ant rent contributions, eligibility, and continued  
25 participation, and may not adopt policies de-

1           scribed in subsection (e)(4) (relating to rents  
2           and requirements for continued occupation and  
3           participation).

4           “(B) The process provides, to the extent  
5           possible based on eligible agencies submitting  
6           applications and taking into account existing  
7           MTW agencies participating pursuant to sub-  
8           section (c), for representation among agencies  
9           selected of agencies having various characteris-  
10          tics, including both large and small agencies,  
11          agencies serving urban, suburban, and rural  
12          areas, and agencies in various geographical re-  
13          gions throughout the United States, and which  
14          may include the selection of agencies that only  
15          administer the voucher program under section  
16          8(o).

17          “(C) Any agency submitting a proposal  
18          under this paragraph shall have provided notice  
19          to residents and the local community, not later  
20          than 30 days before the first of the two public  
21          meetings required under subparagraph (D).

22          “(D) The agency submitting a proposal  
23          shall hold two public meetings to receive com-  
24          ments on the agency’s proposed application, on

1 the implications of changes under the proposal,  
2 and the possible impact on residents.

3 “(E) The process includes criteria for se-  
4 lection, as follows:

5 “(i) The extent to which the proposal  
6 generally identifies existing rules and regu-  
7 lations that impede achievement of the  
8 goals and objectives of the proposal and an  
9 explanation of why participation in the  
10 program is necessary to achieve such goals  
11 and objectives.

12 “(ii) The extent of commitment and  
13 funding for carrying out the proposal by  
14 local government agencies and nonprofit  
15 organizations, including the provision of  
16 additional funding and other services, and  
17 the extent of support for the proposal by  
18 residents, resident advisory boards, and  
19 members of the local community.

20 “(iii) The extent to which the agency  
21 has a successful history of implementing  
22 strategies similar to those set forth in the  
23 agency’s proposal.

24 “(iv) Whether the proposal pursues a  
25 priority strategy as specified in paragraph

1 (2). In the case of any proposal utilizing a  
2 such a priority strategy, the proposal shall  
3 be evaluated based upon—

4 “(I) the extent to which the pro-  
5 posal is likely to achieve the objectives  
6 of developing additional housing dwell-  
7 ing units affordable to extremely low-  
8 , very low-, and low-income families,  
9 and preserving, rehabilitating, or mod-  
10 ernizing existing public housing dwell-  
11 ing units; or

12 “(II) the extent to which the pro-  
13 posal is likely to achieve the purposes  
14 of moving families toward economic  
15 self-sufficiency and increasing employ-  
16 ment rates and wages of families  
17 without imposing a significant rent  
18 burden on the lowest income families,  
19 as well as such of the additional pur-  
20 poses as may be identified in the pro-  
21 posal, which may include expanding  
22 housing choices utilizing coordinators  
23 for the family self-sufficiency program  
24 under section 23, making more effec-



1                   tive use of program funds, and im-  
2                   proving program management.

3                   “(v) Such other factors as the Sec-  
4                   retary may provide, in consultation with  
5                   participating agencies, program stake-  
6                   holders, and any entity conducting evalua-  
7                   tions pursuant to subsection (f).

8                   “(2) PRIORITY STRATEGIES.—For purposes of  
9                   paragraph (1)(E)(iv), the following are priority  
10                  strategies:

11                  “(A) DEVELOPMENT, REHABILITATION,  
12                  AND FINANCING.—A strategy of development of  
13                  additional affordable housing dwelling units  
14                  and/or a strategy for preservation and physical  
15                  rehabilitation and modernization of existing  
16                  public housing dwelling units. Such strategies  
17                  may include innovative financing proposals,  
18                  leveraging of non-public housing funds (includ-  
19                  ing the low-income housing tax credit program),  
20                  and combining of funds for assistance under  
21                  sections 8 and 9. Each such proposal shall in-  
22                  clude detailed information about the strategies  
23                  expected to be employed, an explanation of why  
24                  participation in the program is necessary to em-  
25                  ploy such strategies, and numerical goals re-

1           garding the number of dwelling units to be de-  
2           veloped, preserved, or rehabilitated.

3           “(B) RENT REFORMS.—A strategy to im-  
4           plement rent reforms, which shall be designed  
5           to help families increase their earned income  
6           through rent and other work incentives, and  
7           may also test the effectiveness of achieving ad-  
8           ministrative cost savings without increased rent  
9           burdens for extremely low- and very low-income  
10          families.

11          “(3) CONTRACT AMENDMENT.—After selecting  
12          agencies under this subsection, the Secretary shall  
13          promptly amend the applicable annual contributions  
14          contracts of such agencies to provide that—

15                 “(A) subject to subparagraph (B), such  
16                 agencies may implement any policies and activi-  
17                 ties that are not inconsistent with this section  
18                 without specifying such policies and activities in  
19                 such amendment and without negotiating or en-  
20                 tering into any other agreements with the Sec-  
21                 retary specifying such policies and activities;  
22                 and

23                 “(B) the activities to be implemented by  
24                 an agency under the program in a given year  
25                 shall be described in and subject to the require-

1           ments of the annual plan under subsection  
2           (e)(8). Upon the enactment of this section, any  
3           agency which has participated in the Moving to  
4           Work demonstration may, at its option, be sub-  
5           ject to the provisions of this paragraph in lieu  
6           of any other agreement required by the Sec-  
7           retary for participation in the program.

8           “(4) MAINTAINING PARTICIPATION RATE.—If,  
9           at any time after the initial selection period under  
10          paragraph (1), the number of public housing agen-  
11          cies participating in the program under this section  
12          is fewer than 40, the Secretary shall promptly solicit  
13          applications from and select public housing agencies  
14          to participate in the program under the terms and  
15          conditions for application and selection provided in  
16          this section to increase the number of agencies par-  
17          ticipating in the program to 40.

18          “(e) PROGRAM REQUIREMENTS.—

19                  “(1) PROGRAM FUNDS.—

20                          “(A) IN GENERAL.—To carry out a hous-  
21                          ing innovation program under this section, the  
22                          participating agency may use amounts provided  
23                          to the agency from the Operating Fund under  
24                          section 9(e), amounts provided to the agency  
25                          from the Capital Fund under section 9(d), and

1 amounts provided to the agency for voucher as-  
2 sistance under section 8(o). Such program  
3 funds may be used for any activities that are  
4 authorized by section 8(o) or 9, or for other ac-  
5 tivities that are not inconsistent with this sec-  
6 tion, which shall include, without limitation—

7 “(i) providing capital and operating  
8 assistance, and financing for housing pre-  
9 viously developed or operated pursuant to  
10 a contract between the Secretary and such  
11 agency;

12 “(ii) the acquisition, new construction,  
13 rehabilitation, financing, and provision of  
14 capital or operating assistance for low-in-  
15 come housing (including housing other  
16 than public housing) and related facilities,  
17 which may be for terms exceeding the term  
18 of the program under this section in order  
19 to secure other financing for such housing;

20 “(iii) costs of site acquisition and im-  
21 provement, providing utility services, demo-  
22 lition, planning, and administration of ac-  
23 tivities under this paragraph;

24 “(iv) housing counseling for low-in-  
25 come families in connection with rental or

1 homeownership assistance provided under  
2 the program;

3 “(v) safety, security, law enforcement,  
4 and anticrime activities appropriate to pro-  
5 tect and support families assisted under  
6 the program;

7 “(vi) tenant-based rental assistance,  
8 which may include the project-basing of  
9 such assistance; and

10 “(vii) appropriate and reasonable fi-  
11 nancial assistance that is required to pre-  
12 serve low-income housing otherwise as-  
13 sisted under programs administered by the  
14 Secretary or under State or local low-in-  
15 come housing programs.

16 “(B) COMBINING FUNDS.—Notwith-  
17 standing any other provision of law, a partici-  
18 pating agency may combine and use program  
19 funds for any activities authorized under this  
20 section, except that a participating agency may  
21 use funds provided for assistance under section  
22 8(o) for activities other than those authorized  
23 under section 8(o) only if (i) in the calendar  
24 year prior to its participation in the program,  
25 the agency utilized not less than 95 percent of

1 such funds allocated for that calendar year for  
2 such authorized activities or 95 percent of its  
3 authorized vouchers, including vouchers ported  
4 in to the agency and vouchers ported out; or (ii)  
5 after approval to participate in the program,  
6 the agency achieves such utilization for a 12-  
7 month period. This subparagraph shall not  
8 apply to participating agencies approved by the  
9 Secretary to combine funds from sections 8 and  
10 9 of the Act prior to enactment of this section.

11 “(2) USE OF PROGRAM FUNDS.—In carrying  
12 out the housing innovation program under this sec-  
13 tion, each participating agency shall continue to as-  
14 sist—

15 “(A) not less than substantially the same  
16 number of eligible low-income families under  
17 the program as it assisted in the base year for  
18 the agency; and

19 “(B) a comparable mix of families by fam-  
20 ily size, subject to adjustment to reflect changes  
21 in the agency’s waiting list, except that the Sec-  
22 retary may approve exceptions to such require-  
23 ments for up to 3 years based on modernization  
24 or redevelopment activities proposed in an an-

1           nual plan submitted and approved in accord-  
2           ance with paragraph (8).

3           Determinations with respect to the number of fami-  
4           lies served shall be adjusted based on any allocation  
5           of additional vouchers under section 8(o) and to re-  
6           flect any change in the percentage of program funds  
7           that a participating agency receives compared to the  
8           base year.

9           “(3) RETAINED PROVISIONS.—Notwithstanding  
10          any other provision of this section, families receiving  
11          assistance under this section shall retain the same  
12          rights of judicial review of agency action as they  
13          would otherwise have had if the agency were not  
14          participating in the program, and each participating  
15          agency shall comply with the following provisions of  
16          this Act:

17                 “(A) Subsections (a)(2)(A) and (b)(1) of  
18                 section 16 (relating to targeting for new admis-  
19                 sions in the public housing and voucher pro-  
20                 grams).

21                 “(B) Section 2(b) (relating to tenant rep-  
22                 resentatives on the public housing agency board  
23                 of directors).

1           “(C) Section 3(b)(2) (relating to defini-  
2           tions for the terms ‘low-income families’ and  
3           ‘very low-income families’).

4           “(D) Section 5(A)(e) (relating to the for-  
5           mation of and consultation with a resident advi-  
6           sory board).

7           “(E) Sections 6(f)(1) and 8(o)(8)(B) (re-  
8           lating to compliance of units assisted with hous-  
9           ing quality standards or other codes).

10           “(F) Sections 6(c)(3), 6(c)(4)(i), and  
11           8(o)(6)(B) (relating to rights of public housing  
12           applicants and existing procedural rights for  
13           applicants under section 8(o)).

14           “(G) Section 6(k) (relating to grievance  
15           procedures for public housing tenants) and  
16           comparable procedural rights for families as-  
17           sisted under section 8(o).

18           “(H) Section 6(l) (relating to public hous-  
19           ing lease requirements), except that for units  
20           assisted both with program funds and low-in-  
21           come housing tax credits, the initial lease term  
22           may be less than 12 months if required to con-  
23           form lease terms with such tax credit require-  
24           ments.



1           “(I) Section 7 (relating to designation of  
2           housing for elderly and disabled households),  
3           except that a participating agency may make  
4           such designations(at initial designation or upon  
5           renewal) for a term of up to 5 years if the  
6           agency includes in its annual plan under para-  
7           graph (8) an analysis of the impact of such des-  
8           ignations on affected households and such des-  
9           ignation is subject to the program evaluation.  
10          Any participating agency with a designated  
11          housing plan that was approved under the mov-  
12          ing to work demonstration may continue to op-  
13          erate under the terms of such plan for a term  
14          of 5 years (with an option to renew on the same  
15          terms for an additional 5 years) if it includes  
16          in its annual plan an analysis of the impact of  
17          such designations on affected households and is  
18          subject to evaluation under subsection (f).

19                 “(J) Subparagraphs (C) through (E) of  
20                 section 8(o)(7) and section 8(o)(20) (relating to  
21                 lease requirements and eviction protections for  
22                 families assisted with tenant-based assistance).

23                 “(K) Subject to paragraph (1)(B) of this  
24                 subsection, section 8(o)(13)(B) (relating to a  
25                 percentage limitation on project-based assist-

1           ance), except that for purposes of this subpara-  
2           graph such section shall be applied by sub-  
3           stituting ‘50 percent’ for ‘20 percent’.

4           “(L) Section 8(o)(13)(E) (relating to resi-  
5           dent choice for tenants of units with project-  
6           based vouchers), except with respect to—

7                   “(i) in the case of agencies partici-  
8                   pating in the moving to work demonstra-  
9                   tion, any housing assistance payment con-  
10                  tract entered into within 2 years after the  
11                  enactment of this section;

12                  “(ii) project-based vouchers that re-  
13                  place public housing units;

14                  “(iii) not more than 10 percent of the  
15                  vouchers available to the participating  
16                  agency upon entering the housing innova-  
17                  tion program under this section; and

18                  “(iv) any project-based voucher pro-  
19                  gram that is subject to evaluation under  
20                  subsection (f).

21           “(M) Section 8(r) (relating to portability  
22           of voucher assistance), except that a partici-  
23           pating agency may receive funding for port-  
24           ability obligations under section 8(dd) in the  
25           same manner as other public housing agencies.

1           “(N) Sections 8(ee) and 6(u) (relating to  
2 records, certification and confidentiality regard-  
3 ing domestic violence).

4           “(O) Subsections (a) and (b) of section 12  
5 (relating to payment of prevailing wages).

6           “(P) Section 18 (relating to demolition and  
7 disposition of public housing).

8           “(4) RENTS AND REQUIREMENTS FOR CONTIN-  
9 UED OCCUPANCY OR PARTICIPATION.—

10           “(A) BEFORE POLICY CHANGE.—Before  
11 adopting any policy pursuant to participation in  
12 the housing innovation program under this sec-  
13 tion that would make a material change to the  
14 requirements of this Act regarding tenant rents  
15 or contributions, or conditions of continued oc-  
16 cupancy or participation, a participating agency  
17 shall complete each of the following actions:

18           “(i) The agency shall conduct an im-  
19 pact analysis of the proposed policy on  
20 families the agency is assisting under the  
21 program under this section and on appli-  
22 cants on the waiting list, including analysis  
23 of the incidence and severity of rent bur-  
24 dens greater than 30 percent of adjusted  
25 income on households of various sizes and

1 types and in various income tiers, that  
2 would result, if any, without application of  
3 the hardship provisions. The analysis with  
4 respect to applicants on the waiting list  
5 may be limited to demographic data pro-  
6 vided by the applicable consolidated plan,  
7 information provided by the Secretary, and  
8 other generally available information. The  
9 proposed policy, including provisions for  
10 addressing hardship cases and transition  
11 provisions that mitigate the impact of any  
12 rent increases or changes in the conditions  
13 of continued occupancy or participation,  
14 and data from this analysis shall be made  
15 available for public inspection for at least  
16 60 days in advance of the public meeting  
17 described in clause (ii).

18 “(ii) The agency shall hold a public  
19 meeting regarding the proposed change, in-  
20 cluding the hardship provisions, which may  
21 be combined with a public meeting on the  
22 draft annual plan under paragraph (8) or  
23 the annual report under paragraph (9).

1           “(iii) The board of directors or other  
2 similar governing body of the agency shall  
3 approve the change in public session.

4           “(iv) The agency shall obtain approval  
5 from the Secretary of the annual plan or  
6 plan amendment. The Secretary may ap-  
7 prove a plan or amendment containing a  
8 material change to the requirements of this  
9 Act regarding tenant rents or contribu-  
10 tions, or conditions of continued occupancy  
11 or participation, only if the agency agrees  
12 that such policy may be included as part of  
13 the national evaluation.

14           “(B) AFTER POLICY CHANGE.—After  
15 adopting a policy described in subparagraph  
16 (A), a program agency shall complete each of  
17 the following actions:

18           “(i) The agency shall provide ade-  
19 quate notice to residents, which shall in-  
20 clude a description of the changes in the  
21 public housing lease or participation agree-  
22 ment that may be required and of the  
23 hardship or transition protections offered.

24           “(ii) In the case of any additional re-  
25 quirements for continued occupancy or

1 participation, the agency shall execute a  
2 lease addendum or participation agreement  
3 specifying the requirements applicable to  
4 both the resident and the agency. A resi-  
5 dent may bring a civil action to enforce  
6 commitments of the agency made through  
7 the lease addendum or participation agree-  
8 ment.

9 “(iii) The agency shall reassess rent,  
10 subsidy level, and policies on program par-  
11 ticipation no less often than every two  
12 years, which shall include preparing a re-  
13 vised impact analysis, and make available  
14 to the public the results of such reassess-  
15 ment and impact analysis. The require-  
16 ment under this clause may be met by suf-  
17 ficiently detailed interim reports, if any, by  
18 the national evaluating entity.

19 “(iv) The agency shall include in the  
20 annual report under paragraph (8) infor-  
21 mation sufficient to describe any hardship  
22 requests, including the number and types  
23 of requests made, granted, and denied, the  
24 use of transition rules, and adverse im-  
25 pacts resulting from changes in rent or

1 continued occupancy policies, including ac-  
2 tions taken by the agency to mitigate such  
3 impacts and impacts on families no longer  
4 assisted under the program.

5 “(C) APPLICABILITY TO EXISTING MTW  
6 AGENCIES.—An existing MTW agency that, be-  
7 fore the date of the enactment of this section,  
8 implemented material changes to the require-  
9 ments of this Act regarding tenant rents or  
10 contributions, or conditions of continued occu-  
11 pancy or participation, as part of the moving to  
12 work demonstration shall not be subject to sub-  
13 paragraph (A) with regard to such previously  
14 implemented changes, but shall comply with the  
15 requirements of subparagraph (B)(ii) and pro-  
16 vide the evaluation and impact analysis required  
17 by subparagraph (B)(iii) by the end of the sec-  
18 ond agency fiscal year ending after such date of  
19 enactment.

20 “(5) PROHIBITION AGAINST DECREASE IN PRO-  
21 GRAM FUNDS.—The amount of program funds a  
22 participating agency receives shall not be diminished  
23 by its participation in the housing innovation pro-  
24 gram under this section.

1           “(6) SUBMISSION OF INFORMATION.—As part  
2 of the annual report required under subsection  
3 (g)(2), each participating agency shall submit infor-  
4 mation annually to the Secretary regarding families  
5 assisted under the program of the agency and com-  
6 ply with any other data submissions required by the  
7 Secretary for purposes of evaluation of the program  
8 under this section.

9           “(7) PUBLIC AND RESIDENT PARTICIPATION.—  
10 Each participating agency shall provide opportuni-  
11 ties for resident and public participation in the an-  
12 nual plan under paragraph (8), as follows:

13                   “(A) NOTICE TO RESIDENTS.—

14                           “(i) NOTICE.—Each year, the agency  
15 shall provide notice to the low-income fam-  
16 ilies it serves under the programs author-  
17 ized by this section as to the impact of  
18 proposed policy changes and program ini-  
19 tiatives and of the schedule of resident ad-  
20 visory board and public meetings for the  
21 annual plan.

22                           “(ii) MEETING.—The agency shall  
23 hold at least one meeting with the resident  
24 advisory board (including representatives



1 of recipients of assistance under section 8)  
2 to review the annual plan for each year.

3 “(B) PUBLIC MEETING.—With respect to  
4 each annual plan, the agency shall hold at least  
5 one annual public meeting to obtain comments  
6 on the plan, which may be combined with a  
7 meeting to review the annual report. In the case  
8 of any agency that administers, in the aggre-  
9 gate, more than 15,000 public housing units  
10 and vouchers, the agency shall hold additional  
11 meetings in locations that promote attendance  
12 by residents and other stakeholders.

13 “(C) PUBLIC AVAILABILITY.—Before adop-  
14 tion of any annual plan, and not less than 30  
15 days before the public meeting required under  
16 subparagraph (A)(ii) with respect to the plan,  
17 the agency shall make the proposed annual plan  
18 available for public inspection. The annual plan  
19 shall be made available for public inspection not  
20 less than 30 days before approval by the board  
21 of directors (or other similar governing body) of  
22 the agency and shall remain publicly available.

23 “(D) BOARD APPROVAL.—Before submit-  
24 ting an annual plan or annual report to the  
25 Secretary, the plan or report, as applicable,

1 shall be approved in a public meeting by the  
2 board of directors or other governing body of  
3 the agency.

4 “(8) ANNUAL PLAN.—

5 “(A) REQUIREMENT.—For each year that  
6 a participating agency participates in the hous-  
7 ing innovation program under this section, the  
8 agency shall submit to the Secretary, in lieu of  
9 all other planning requirements, an annual plan  
10 under this paragraph.

11 “(B) CONTENTS.—Each annual plan shall  
12 include the following information:

13 “(i) A list and description of all pro-  
14 gram initiatives and generally applicable  
15 policy changes, including references to af-  
16 fected provisions of law or the imple-  
17 menting regulations affected.

18 “(ii) A description and comparison of  
19 changes under the housing innovation pro-  
20 gram of the agency from the plan for such  
21 program for the preceding year.

22 “(iii) A description of property rede-  
23 velopment or portfolio repositioning strate-  
24 gies and proposed changes in policies or

1 uses of funds required to implement such  
2 strategies.

3 “(iv) Documentation of public and  
4 resident participation sufficient to comply  
5 with the requirements under paragraphs  
6 (4) and (7), including a copy of any rec-  
7 ommendations submitted in writing by the  
8 resident advisory board of the agency and  
9 members of the public, a summary of com-  
10 ments, and a description of the manner in  
11 which the recommendations were ad-  
12 dressed.

13 “(v) Certifications by the agency  
14 that—

15 “(I) the annual plan will be car-  
16 ried out in conformity with title VI of  
17 the Civil Rights Act of 1964, the Fair  
18 Housing Act, section 504 of the Reha-  
19 bilitation Act of 1973, title II of the  
20 Americans with Disabilities Act of  
21 1990, and the rules, standards, and  
22 policies in the approved plan;

23 “(II) the agency will affirmatively  
24 further fair housing; and

1                   “(III) the agency has complied  
2                   and will continue to comply with its  
3                   obligations under the national evalua-  
4                   tion.

5                   “(vi) A description of the agency’s  
6                   local asset management strategy for public  
7                   housing properties, which shall be in lieu  
8                   of any other asset management, project  
9                   based management or accounting, or other  
10                  system of allocating resources and costs to  
11                  participating agency assets or cost centers  
12                  that the Secretary may otherwise impose  
13                  under this Act.

14                  “(C) CHANGES.—If the agency proposes to  
15                  make material changes in policies or initiatives  
16                  in the plan during the year covered by the plan,  
17                  the agency shall consult with the resident advi-  
18                  sory board for the agency established pursuant  
19                  to section 5A(e) and the public regarding such  
20                  changes before their adoption.

21                  “(D) APPROVAL PROCESS.—

22                         “(i) TIMING.—The Secretary shall re-  
23                         view and approve or disapprove each an-  
24                         nual plan submitted to the Secretary with-  
25                         in 45 days after such submission.

1           “(ii) STANDARDS FOR DIS-  
2 APPROVAL.—The Secretary may dis-  
3 approve a plan only if—

4           “(I) the Secretary reasonably de-  
5 termines, based on information con-  
6 tained in the annual plan or annual  
7 report, that the agency is not in com-  
8 pliance with the requirements of this  
9 section;

10          “(II) the annual plan or most re-  
11 cent annual report is not consistent  
12 with other reliable information avail-  
13 able to the Secretary; or

14          “(III) the annual plan or annual  
15 report or the agency’s activities under  
16 the program are not otherwise in ac-  
17 cordance with applicable law.

18          “(iii) FAILURE TO DISAPPROVE.—If a  
19 submitted plan is not disapproved within  
20 45 days after submission, the plan shall be  
21 considered to be approved for purposes of  
22 this section. The preceding sentence shall  
23 not preclude judicial review regarding such  
24 compliance pursuant to chapter 7 of title  
25 5, United States Code, or an action re-

1           garding such compliance under section  
2           1979 of the Revised Statutes of the United  
3           States (42 U.S.C. 1983).

4           “(f) EVALUATION OF PERFORMANCE.—

5           “(1) IN GENERAL.—The Secretary shall con-  
6           duct detailed evaluations of all public housing agen-  
7           cies participating in the program under this sec-  
8           tion—

9           “(A) to determine the level of success of  
10           each public housing agency in achieving the  
11           purposes of the program under subsection (a);  
12           and

13           “(B) to identify program models that can  
14           be replicated by other agencies to achieve such  
15           success.

16           “(2) REPORTS.—

17           “(A) IN GENERAL.—The Secretary shall  
18           submit three reports to the Congress, as pro-  
19           vided in subparagraph (B), evaluating the pro-  
20           grams of all public housing agencies partici-  
21           pating in the program under this section and all  
22           agencies participating in the moving to work  
23           demonstration. Each such report shall include  
24           findings and recommendations for any appro-  
25           priate legislative action.

1           “(B) TIMING.—The reports under this  
2 paragraph shall include—

3           “(i) an initial report, which shall be  
4 submitted before the expiration of the 3-  
5 year period beginning on the date of the  
6 enactment of the Section 8 Voucher Re-  
7 form Act of 2007;

8           “(ii) an interim report, which shall be  
9 submitted before the expiration of the 5-  
10 year period beginning on such date of en-  
11 actment; and

12           “(iii) a final report, which shall be  
13 submitted before the expiration of the 10-  
14 year period beginning on such date of en-  
15 actment.

16           “(3) EVALUATING ENTITY.—The Secretary may  
17 contract out the responsibilities under this para-  
18 graphs (1) and (2) to an independent entity that is  
19 qualified to perform such responsibilities.

20           “(4) PERFORMANCE MEASURES.—The Sec-  
21 retary or the evaluating entity, as applicable, shall  
22 establish performance measures, which may in-  
23 clude—

24           “(A) a baseline performance level against  
25 which program activities may be evaluated; and

1 “(B) performance measures for—

2 “(i) increasing housing opportunities  
3 for extremely low-, very low-, and low-in-  
4 come families, replacing or rehabilitating  
5 housing at risk of physical deterioration or  
6 obsolescence, and developing additional af-  
7 fordable housing;

8 “(ii) leveraging other Federal, State,  
9 and local funding sources, including the  
10 low-income housing tax credit program, to  
11 expand and preserve affordable housing  
12 opportunities, including public housing;

13 “(iii) moving families to self-suffi-  
14 ciency and increasing employment rates  
15 and wages of families without imposing a  
16 significant rent burden on the families hav-  
17 ing the lowest incomes;

18 “(iv) reducing administrative costs;  
19 and

20 “(v) any other performance measures  
21 that the Secretary or evaluating entity, as  
22 applicable, may establish.

23 “(g) RECORDKEEPING, REPORTS, AND AUDITS.—

24 “(1) RECORDKEEPING.—Each public housing  
25 agency participating in the program under this sec-



1       tion shall keep such records as the Secretary may  
2       prescribe as reasonably necessary to disclose the  
3       amounts and the disposition of amounts under the  
4       program, to ensure compliance with the require-  
5       ments of this section, and to measure performance.

6           “(2) REPORTS.—In lieu of all other reporting  
7       requirements, each such agency participating in the  
8       program shall submit to the Secretary an annual re-  
9       port in a form and at a time specified by the Sec-  
10      retary. Each annual report shall include the fol-  
11     lowing information:

12           “(A) A description, including an annual  
13      consolidated financial report, of the sources and  
14      uses of funds of the agency under the program,  
15      which shall account separately for funds made  
16      available under section 8 and subsections (d)  
17      and (e) of section 9, and shall compare the  
18      agency’s actions under the program with its an-  
19      nual plan for the year.

20           “(B) An annual audit that complies with  
21      the requirements of Circular A–133 of the Of-  
22      fice of Management and Budget, including the  
23      OMB Compliance Supplement.

1           “(C) A description of each hardship excep-  
2           tion requested and granted or denied, and of  
3           the use of any transition rules.

4           “(D) Documentation of public and resident  
5           participation sufficient to comply with the re-  
6           quirements under paragraph (7).

7           “(E) A comparison of income and the sizes  
8           and types of families assisted by the agency  
9           under the program compared to those assisted  
10          by the agency in the base year.

11          “(F) Every two years, an evaluation of  
12          rent policies, subsidy level policies, and policies  
13          on program participation.

14          “(G) A description of any ongoing local  
15          evaluations and the results of any local evalua-  
16          tions completed during the year.

17          “(3) ACCESS TO DOCUMENTS BY SECRETARY.—  
18          The Secretary shall have access for the purpose of  
19          audit and examination to any books, documents, pa-  
20          pers, and records that are pertinent to assistance in  
21          connection with, and the requirements of, this sec-  
22          tion.

23          “(4) ACCESS TO DOCUMENTS BY THE COMP-  
24          TROLLER GENERAL.—The Comptroller General of  
25          the United States, or any of the duly authorized rep-

1        representatives of the Comptroller General, shall have  
2        access for the purpose of audit and examination to  
3        any books, documents, papers, and records that are  
4        pertinent to assistance in connection with, and the  
5        requirements of, this section.

6               “(5) REPORTS REGARDING EVALUATIONS.—The  
7        Secretary shall require each public housing agency  
8        participating in the program under this section to  
9        submit to the Secretary, as part of the agency’s an-  
10        nual report under paragraph (2), such information  
11        as the Secretary considers appropriate to permit the  
12        Secretary to evaluate (pursuant to subsection (f))  
13        the performance and success of the agency in achiev-  
14        ing the purposes of the demonstration.

15               “(h) ADDITIONAL PROGRAM AGENCIES.—In partici-  
16        pating in the program under the terms of this subsection,  
17        the public housing agencies designated for such participa-  
18        tion shall be subject to the requirements of this section,  
19        and the additional following requirements:

20               “(1) APPLICABILITY OF CERTAIN EXISTING  
21        PROVISIONS.—Such agencies shall be subject to the  
22        provisions of—

23                       “(A) subsections (a) and (b) of section 3;  
24                and

1           “(B) section 8(o), except for paragraph  
2           (11) and except as the requirements of section  
3           8(o) are modified by subsection (e)(3) of this  
4           section.

5           “(2) NO TIME LIMITS.—Such agencies may not  
6           impose time limits on the term of housing assistance  
7           received by families under the program.

8           “(3) NO EMPLOYMENT CONDITIONS.—Such  
9           agencies may not condition the receipt of housing as-  
10          sistance by families under the program on the em-  
11          ployment status of one of more family members.

12          “(4) ONE-FOR-ONE REPLACEMENT.—

13                 “(A) CONDITIONS ON DEMOLITION.—Such  
14                 agencies may not demolish or dispose of any  
15                 dwelling unit of public housing operated or ad-  
16                 ministered by such agency (including any un-  
17                 inhabitable unit and any unit previously ap-  
18                 proved for demolition) except pursuant to a  
19                 plan for replacement of such units in accord-  
20                 ance with, and approved by the Secretary of  
21                 Housing and Urban Development pursuant to,  
22                 subparagraph (B).

23                 “(B) PLAN REQUIREMENTS.—The Sec-  
24                 retary may not approve a plan that provides for  
25                 demolition or disposition of any dwelling unit of

1 public housing referred to in subparagraph (A)  
2 unless—

3 “(i) such plan provides for outreach to  
4 public housing agency residents in accord-  
5 ance with paragraph (5);

6 “(ii) not later than 60 days before the  
7 date of the approval of such plan, such  
8 agency has convened and conducted a pub-  
9 lic hearing regarding the demolition or dis-  
10 position proposed in the plan;

11 “(iii) such plan provides that for each  
12 such dwelling unit demolished or disposed  
13 of, such public housing agency will provide  
14 an additional dwelling unit through—

15 “(I) the acquisition or develop-  
16 ment of additional public housing  
17 dwelling units; or

18 “(II) the acquisition, develop-  
19 ment, or contracting (including  
20 through project-based assistance) of  
21 additional dwelling units that are sub-  
22 ject to requirements regarding eligi-  
23 bility for occupancy, tenant contribu-  
24 tion toward rent, and long-term af-  
25 fordability restrictions which are com-

1           parable to public housing units, except  
2           that no household may be prevented  
3           from occupying a replacement dwell-  
4           ing unit provided pursuant to clause  
5           (iii) except to the extent specifically  
6           provided by any other provision of  
7           Federal law (including subtitle F of  
8           title V of the Quality Housing and  
9           Work Responsibility Act of 1998 (42  
10          U.S.C. 13661 et seq.; relating to safe-  
11          ty and security in public and assisted  
12          housing, subtitle D of title VI of the  
13          Housing and Community Development  
14          Act of 1992 (42 U.S.C. 13611 et seq.;  
15          relating to preferences for elderly and  
16          disabled residents), and section 16(f)  
17          of this Act (42 U.S.C. 1437n(f)); re-  
18          lating to ineligibility of persons con-  
19          victed of methamphetamine offenses);  
20          “(iv) such plan provides for a right,  
21          and implementation of such right, to occu-  
22          pancy of additional dwelling units provided  
23          in accordance with clause (iii), for house-  
24          holds who, as of the time that dwelling  
25          units demolished or disposed of were va-

1 cated to provide for such demolition or dis-  
2 position, were occupying such dwelling  
3 units;

4 “(v) such plan provides that the pro-  
5 posed demolition or disposition and reloca-  
6 tion will be carried out in a manner that  
7 affirmatively furthers fair housing, as de-  
8 scribed in subsection (e) of section 808 of  
9 the Civil Rights Act of 1968; and

10 “(vi) to the extent that such plan pro-  
11 vides for the provision of replacement or  
12 additional dwelling units, or redevelop-  
13 ment, in phases over time, such plan pro-  
14 vides that the ratio of dwelling units de-  
15 scribed in subclauses (I) and (II) of clause  
16 (iii) that are provided in any such single  
17 phase to the total number of dwelling units  
18 provided in such phase is not less than the  
19 ratio of the aggregate number of such  
20 dwelling units provided under the plan to  
21 the total number of dwelling units provided  
22 under the plan.

23 “(C) INAPPLICABLE PROVISIONS.—Sub-  
24 paragraphs (B) and (D) of section 8(o)(13) of  
25 the United States Housing Act of 1937 (42

1 U.S.C. 1437f(o)(13)) shall not apply with re-  
2 spect to vouchers used to comply with the re-  
3 quirements of subparagraph (B)(iii) of this  
4 paragraph.

5 “(D) MONITORING.—The Secretary of  
6 Housing and Urban Development shall provide  
7 for the appropriate field offices of the Depart-  
8 ment to monitor and supervise enforcement of  
9 this paragraph and plans approved under this  
10 paragraph and to consult, regarding such moni-  
11 toring and enforcement, with resident councils  
12 of, and residents of public housing operated or  
13 administered by, the agency.

14 “(5) COMPREHENSIVE OUTREACH PLAN.—No  
15 program funds of such agencies may be use to de-  
16 molish or dispose of any public housing dwelling  
17 units except in accordance with a comprehensive  
18 outreach plan for such activities, developed by the  
19 agency in conjunction with the residents of the pub-  
20 lic housing agency, as follows:

21 “(A) The plan shall be developed by the  
22 agency and a resident task force, which may in-  
23 clude members of the Resident Council, but  
24 may not be limited to such members, and which  
25 shall represent all segments of the population of



1 residents of the agency, including single parent-  
2 headed households, the elderly, young employed  
3 and unemployed adults, teenage youth, and dis-  
4 abled persons.

5 “(B) The votes and agreements regarding  
6 the plan shall involve—

7 “(i) in the case of any public housing  
8 agency that administers 250 or fewer pub-  
9 lic housing dwelling units, not less than 10  
10 percent of affected residents; and

11 “(ii) in the case of any public housing  
12 agency that administers more than 250  
13 public housing dwelling units, not less than  
14 25 affected residents.

15 “(C) The plan shall provide for and de-  
16 scribe outreach efforts to inform residents of  
17 the program under this subsection, including a  
18 door-to-door information program, monthly  
19 newsletters to each resident household, monthly  
20 meetings dedicated solely to every aspect of the  
21 proposed development, including redevelopment  
22 factors, which shall include the one-for-one re-  
23 placement requirement under paragraph (5),  
24 resident rights to return, the requirements of  
25 the program under this subsection, new resident

1 support and community services to be provided,  
2 opportunities for participation in architectural  
3 design, and employment opportunities for resi-  
4 dents, which shall make available at least 30  
5 percent of the total hours worked at all such  
6 employment, and shall also make available at  
7 least 25 percent of unskilled jobs in demolition  
8 activities and 25 percent of unskilled jobs in  
9 construction activities related to the redevelop-  
10 ment project, including job training, apprentice-  
11 ships, union membership assistance.

12 “(D) The plan shall provide for regularly  
13 scheduled monthly meeting updates and a sys-  
14 tem for filing complaints about any aspect of  
15 the redevelopment process.

16 “(i) DEFINITIONS.—For purposes of this section, the  
17 following definitions shall apply:

18 “(1) EXISTING MTW AGENCY.—The term ‘exist-  
19 ing MTW agency’ means a public housing agency  
20 that as of the date of the enactment of the Section  
21 8 Voucher Reform Act of 2007 has an existing  
22 agreement with the Secretary pursuant to the mov-  
23 ing to work demonstration.

24 “(2) BASE YEAR.—The term ‘base year’ means,  
25 with respect to a participating agency, the agency

1 fiscal year most recently completed prior to selection  
2 and approval for participation in the housing innova-  
3 tion program under this section.

4 “(3) MOVING TO WORK DEMONSTRATION.—The  
5 term ‘moving to work demonstration’ means the  
6 moving to work demonstration program under sec-  
7 tion 204 of the Departments of Veterans Affairs and  
8 Housing and Urban Development, and Independent  
9 Agencies Appropriations Act, 1996 (42 U.S.C. 1437f  
10 note).

11 “(4) PARTICIPATING AGENCIES.—The term  
12 ‘participating agencies’ means public housing agen-  
13 cies designated and approved for participation, and  
14 participating, in the housing innovation program  
15 under this section.

16 “(5) PROGRAM FUNDS.—The term ‘program  
17 funds’ means, with respect to a participating agency,  
18 any amounts that the agency is authorized, pursuant  
19 to subsection (e)(1), to use to carry out the housing  
20 innovation program under this section of the agency.

21 “(6) RESIDENTS.—The term ‘residents’ means,  
22 with respect to a public housing agency, tenants of  
23 public housing of the agency and participants in the  
24 voucher or other housing assistance programs of the  
25 agency funded under section 8(o), or tenants of

1 other units owned by the agency and assisted under  
2 this section.

3 “(j) AUTHORIZATION OF APPROPRIATIONS FOR RESI-  
4 DENT TECHNICAL ASSISTANCE.—There is authorized to  
5 be appropriated for each of fiscal years 2008 through  
6 2012 \$10,000,000, for providing capacity building and  
7 technical assistance to enhance the capabilities of low-in-  
8 come families assisted under the program under this sec-  
9 tion to participate in the process for establishment of an-  
10 nual plans under this section for participating agencies.

11 “(k) AUTHORIZATION OF APPROPRIATIONS FOR  
12 EVALUATIONS.—There is authorized to be appropriated  
13 \$15,000,000 to the Department of Housing and Urban  
14 Development for the purpose of conducting the evaluations  
15 required under subsection (f)(1).”.

16 (b) GAO REPORT.—Not later than 48 months after  
17 the date of the enactment of this Act, the Comptroller  
18 General of the United States shall submit a report to the  
19 Congress on the extent to which the public housing agen-  
20 cies participating in the housing innovation program  
21 under section 36 of the United States Housing Act of  
22 1937 are meeting the goals and purposes of such program,  
23 as identified in subsection (a) of such section 36.

1 **SEC. 17. DEMONSTRATION PROGRAM WAIVER AUTHORITY.**

2 (a) **AUTHORITY TO ENTER INTO AGREEMENTS.—**

3 Notwithstanding any other provision of law, the Secretary  
4 of Housing and Urban Development may enter into such  
5 agreements as may be necessary with the Social Security  
6 Administration and the Secretary of Health and Human  
7 Services to allow for the participation, in any demonstra-  
8 tion program described in subsection (c), by the Depart-  
9 ment of Housing and Urban Development and the use  
10 under such program of housing choice vouchers under sec-  
11 tion 8(o) of the United States Housing Act of 1937 (42  
12 U.S.C. 1437f(o)).

13 (b) **WAIVER OF INCOME REQUIREMENTS.—**The Sec-  
14 retary of Housing and Urban Development may, to extent  
15 necessary to allow rental assistance under section 8(o) of  
16 the United States Housing Act of 1937 to be provided  
17 on behalf of persons described in subsection (c) who par-  
18 ticipate in a demonstration program described in such  
19 subsection, and to allow such persons to be placed on a  
20 waiting list for such assistance, partially or wholly dis-  
21 regard increases in earned income for the purpose of rent  
22 calculations under section 3 for such persons.

23 (c) **DEMONSTRATION PROGRAMS.—**A demonstration  
24 program described in this subsection is a demonstration  
25 program of a State that provides for persons with signifi-  
26 cant disabilities to be employed and continue to receive

1 benefits under programs of the Department of Health and  
2 Human Services and the Social Security Administration,  
3 including the program of supplemental security income  
4 benefits under title XVI of the Social Security Act, dis-  
5 ability insurance benefits under title II of such Act, and  
6 the State program for medical assistance (Medicaid) under  
7 title XIX of such Act.

8 **SEC. 18. ACCESS TO HUD PROGRAMS FOR PERSONS WITH**  
9 **LIMITED ENGLISH PROFICIENCY.**

10 (a) HUD RESPONSIBILITIES.—To allow the Depart-  
11 ment of Housing and Urban Development to better serve  
12 persons with limited proficiency in the English language  
13 by providing technical assistance to recipients of Federal  
14 funds, the Secretary of Housing and Urban Development  
15 shall take the following actions:

16 (1) TASK FORCE.—Within 90 days after the en-  
17 actment of this Act, convene a task force comprised  
18 of appropriate industry groups, recipients of funds  
19 from the Department of Housing and Urban Devel-  
20 opment (in this section referred to as the “Depart-  
21 ment”), community-based organizations that serve  
22 individuals with limited English proficiency, civil  
23 rights groups, and stakeholders, which shall identify  
24 a list of vital documents, including Department and  
25 certain property and other documents, to be com-

1 petently translated to improve access to federally  
2 conducted and federally assisted programs and ac-  
3 tivities for individuals with limited English pro-  
4 ficiency. The task force shall meet not less fre-  
5 quently than twice per year.

6 (2) TRANSLATIONS.—Within 6 months after  
7 identification of documents pursuant to paragraph  
8 (1), produce translations of the documents identified  
9 in all necessary languages and make such trans-  
10 lations available as part of the library of forms avail-  
11 able on the website of the Department and as part  
12 of the clearinghouse developed pursuant to para-  
13 graph (4).

14 (3) PLAN.—Develop and carry out a plan that  
15 includes providing resources of the Department to  
16 assist recipients of Federal funds to improve access  
17 to programs and activities for individuals with lim-  
18 ited English proficiency, which plan shall include the  
19 elements described in paragraph (4).

20 (4) HOUSING INFORMATION RESOURCE CEN-  
21 TER.—Develop and maintain a housing information  
22 resource center to facilitate the provision of lan-  
23 guage services by providers of housing services to in-  
24 dividuals with limited English proficiency. Informa-  
25 tion provided by such center shall be made available

1 in printed form and through the Internet. The re-  
2 sources provided by the center shall include the fol-  
3 lowing:

4 (A) TRANSLATION OF WRITTEN MATE-  
5 RIALS.—The center may provide, directly or  
6 through contract, vital documents from com-  
7 petent translation services for providers of  
8 housing services.

9 (B) TOLL-FREE CUSTOMER SERVICE TELE-  
10 PHONE NUMBER.—The center shall provide a  
11 24-hour toll-free interpretation service tele-  
12 phone line, by which recipients of funds of the  
13 Department and individuals with limited  
14 English proficiency may—

15 (i) obtain information about federally  
16 conducted or federally assisted housing  
17 programs of the Department;

18 (ii) obtain assistance with applying for  
19 or accessing such housing programs and  
20 understanding Federal notices written in  
21 English; and

22 (iii) communicate with housing pro-  
23 viders, and learn how to access additional  
24 language services.



1 The toll-free telephone service provided pursu-  
2 ant to this subparagraph shall supplement re-  
3 sources in the community identified by the plan  
4 developed pursuant to paragraph (3).

5 (C) DOCUMENT CLEARINGHOUSE.—The  
6 center shall collect and evaluate for accuracy or  
7 develop, and make available, templates and doc-  
8 uments that are necessary for consumers, rel-  
9 evant industry representatives, and other stake-  
10 holders of the Department, to access, make  
11 educated decisions, and communicate effectively  
12 about their housing, including—

13 (i) administrative and property docu-  
14 ments;

15 (ii) legally binding documents;

16 (iii) consumer education and outreach  
17 materials;

18 (iv) documents regarding rights and  
19 responsibilities of any party; and

20 (v) remedies available to consumers.

21 (D) STUDY OF LANGUAGE ASSISTANCE  
22 PROGRAMS.—The center shall conduct a study  
23 that evaluates best-practices models for all pro-  
24 grams of the Department that promote lan-  
25 guage assistance and strategies to improve lan-

1            guage services for individuals with limited  
2            English proficiency. Not later than 18 months  
3            after the date of the enactment of this Act, the  
4            center shall submit a report to the Committee  
5            on Financial Services of the House of Rep-  
6            resentatives and the Committee on Banking,  
7            Housing, and Urban Affairs of the Senate,  
8            which shall provide recommendations for imple-  
9            mentation, specific to programs of the Depart-  
10           ment, and information and templates that could  
11           be made available to all recipients of grants  
12           from the Department.

13            (E) CULTURAL AND LINGUISTIC COM-  
14            PETENCE MATERIALS.—The center shall pro-  
15            vide information relating to culturally and lin-  
16            guistically competent housing services for popu-  
17            lations with limited English proficiency.

18            (b) AUTHORIZATION OF APPROPRIATIONS.—There  
19            are authorized to be appropriated such sums as may be  
20            necessary to carry out subsection (a).

21            (c) REPORT.—Not later than the expiration of the 6-  
22            month period beginning on the date of the enactment of  
23            this Act, and annually thereafter, the Secretary of Hous-  
24            ing and Urban Development shall submit a report regard-  
25            ing its compliance with the requirements under subsection

1 (a) to the Committee on Financial Services of the House  
2 of Representatives and the Committee on Banking, Hous-  
3 ing, and Urban Affairs of the Senate.

4 **SEC. 19. TRANSFER OF CERTAIN RENTAL ASSISTANCE CON-**  
5 **TRACTS.**

6 (a) TRANSFER.—Subject to subsection (c) and not-  
7 withstanding any other provision of law, the Secretary of  
8 Housing and Urban Development shall, at the request of  
9 the owner, transfer or authorize the transfer, of the con-  
10 tracts, restrictions, and debt described in subsection (b)—

11 (1) on the housing that is owned or managed  
12 by Community Properties of Ohio Management  
13 Services LLC or an affiliate of Ohio Capital Cor-  
14 poration for Housing and located in Franklin Coun-  
15 ty, Ohio, to other properties located in Franklin  
16 County, Ohio; and

17 (2) on the housing that is owned or managed  
18 by The Model Group, Inc., and located in Hamilton  
19 County, Ohio, to other properties located in Ham-  
20 ilton County, Ohio.

21 (b) CONTRACTS, RESTRICTIONS, AND DEBT COV-  
22 ERED.—The contracts, restrictions, and debt described in  
23 this subsection are as follows:

24 (1) All or a portion of a project-based rental as-  
25 sistance housing assistance payments contract under

1 section 8 of the United States Housing Act of 1937  
2 (42 U.S.C. 1437f).

3 (2) Existing Federal use restrictions, including  
4 without limitation use agreements, regulatory agree-  
5 ments, and accommodation agreements.

6 (3) Any subordinate debt held by the Secretary  
7 or assigned and any mortgages securing such debt,  
8 all related loan and security documentation and obli-  
9 gations, and reserve and escrow balances.

10 (c) RETENTION OF SAME NUMBER OF UNITS AND  
11 AMOUNT OF ASSISTANCE.—Any transfer pursuant to sub-  
12 section (a) shall result in—

13 (1) a total number of dwelling units (including  
14 units retained by the owners and units transferred)  
15 covered by assistance described in subsection (b)(1)  
16 after the transfer remaining the same as such num-  
17 ber assisted before the transfer, with such increases  
18 or decreases in unit sizes as may be contained in a  
19 plan approved by a local planning or development  
20 commission or department; and

21 (2) no reduction in the total amount of the  
22 housing assistance payments under contracts de-  
23 scribed in subsection (b)(1).

24 (d) EFFECTIVE DATE.—This section shall take effect  
25 on the date of the enactment of this Act.

1 **SEC. 20. AUTHORIZATION OF APPROPRIATIONS.**

2       There is authorized to be appropriated the amount  
3 necessary for each of fiscal years 2008 through 2012 to  
4 provide public housing agencies with incremental tenant-  
5 based assistance under section 8(o) of the United States  
6 Housing Act of 1937 (42 U.S.C. 1437f(o)) sufficient to  
7 assist 20,000 incremental dwelling units in each such fis-  
8 cal year.

9 **SEC. 21. ACCEPTABLE IDENTIFICATION REQUIREMENT.**

10       (a) IN GENERAL.—Rental housing assistance under  
11 section 8(o) of the United States Housing Act of 1937  
12 may not be provided on behalf of any individual or house-  
13 hold unless the individual provides, or, in the case of a  
14 household, all adult members of the household provide,  
15 valid personal identification in one of the following forms:

16               (1) SOCIAL SECURITY CARD WITH PHOTO IDEN-  
17               TIFICATION CARD OR REAL ID ACT IDENTIFICA-  
18               TION.—

19                       (A) A social security card accompanied by  
20                       a photo identification card issued by the Fed-  
21                       eral Government or a State Government; or

22                       (B) A driver's license or identification card  
23                       issued by a State in the case of a State that is  
24                       in compliance with title II of the REAL ID Act  
25                       of 2005 (title II of division B of Public Law  
26                       109-13; 49 U.S.C. 30301 note).

1           (2) PASSPORT.—A passport issued by the  
2 United States or a foreign government.

3           (3) USCIS PHOTO IDENTIFICATION CARD.—A  
4 photo identification card issued by the Secretary of  
5 Homeland Security (acting through the Director of  
6 the United States Citizenship and Immigration Serv-  
7 ices).

8           (b) REGULATIONS.—The Secretary of Housing and  
9 Urban Development shall, by regulation, require that each  
10 public housing agency or other entity administering rental  
11 housing assistance described in subsection (a) take such  
12 actions as the Secretary considers necessary to ensure  
13 compliance with the requirements of subsection (a).

14 **SEC. 22. EFFECTIVE DATE.**

15           Except as otherwise specifically provided in this Act,  
16 this Act and the amendments made by this Act, shall take  
17 effect on January 1, 2008.

Passed the House of Representatives July 12, 2007.

Attest:

*Clerk.*



110<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

---

**H. R. 1851**

**AN ACT**

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937.