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H. R. 1851

IN THE SENATE OF THE UNITED STATES

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Received; read twice and referred to the Committee on Banking, Housing, and
Urban Affairs

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 “(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: LORRAINE C. MILLER,
Clerk.