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110TH CONGRESS
1ST SESSION

H. R. 1851

[Report No. 110-216]

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

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Mrs. BIGGERT, and Mr. SHAYS) introduced the following bill; which was referred to the Committee on Financial Services

JUNE 28, 2007

Additional sponsors: Mr. DELAHUNT, Mr. PAYNE, and Mr. DAVIS of Illinois

JUNE 28, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on March 29, 2007]

A BILL

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 States*
 6 *Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is amended—*

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

9 *“(A) INITIAL INSPECTION.—*

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

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

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

15 “(iii) *PROJECTS RECEIVING CERTAIN*
16 *FEDERAL HOUSING SUBSIDIES.—In the case*
17 *of any property that within the previous 12*
18 *months has been determined to meet housing*
19 *quality and safety standards under any*
20 *Federal housing program inspection stand-*
21 *ard, including the program under section*
22 *42 of the Internal Revenue Code of 1986 or*
23 *under subtitle A of title II of the Cranston*
24 *Gonzalez National Affordable Housing Act*
25 *of 1990, a public housing agency may au-*

1 *thorize occupancy before the inspection*
2 *under clause (i) has been completed, and*
3 *may make assistance payments retroactive*
4 *to the beginning of the lease term after the*
5 *unit has been determined pursuant to an*
6 *inspection under clause (i) to meet the hous-*
7 *ing quality standards under subparagraph*
8 *(B).”;*

9 (2) *by striking subparagraph (D) and inserting*
10 *the following new subparagraph:*

11 “(D) *BIENNIAL INSPECTIONS.—*

12 “(i) *REQUIREMENT.—Each public*
13 *housing agency providing assistance under*
14 *this subsection (or other entity, as provided*
15 *in paragraph (11)) shall, for each assisted*
16 *dwelling unit, make biennial inspections*
17 *during the term of the housing assistance*
18 *payments contract for the unit to determine*
19 *whether the unit is maintained in accord-*
20 *ance with the requirements under subpara-*
21 *graph (A). The agency (or other entity)*
22 *shall retain the records of the inspection for*
23 *a reasonable time and shall make the*
24 *records available upon request to the Sec-*
25 *retary, the Inspector General for the De-*

1 *partment of Housing and Urban Develop-*
2 *ment, and any auditor conducting an audit*
3 *under section 5(h).*

4 “(i) *SUFFICIENT INSPECTION.*—*An in-*
5 *spection of a property shall be sufficient to*
6 *comply with the inspection requirement*
7 *under clause (i) if—*

8 *“(I) the inspection was conducted*
9 *pursuant to requirements under a Fed-*
10 *eral, State, or local housing assistance*
11 *program (including the HOME invest-*
12 *ment partnerships program under title*
13 *II of the Cranston-Gonzalez National*
14 *Affordable Housing Act (42 U.S.C.*
15 *12721 et seq.)); and*

16 *“(II) pursuant to such inspection,*
17 *the property was determined to meet*
18 *the standards or requirements regard-*
19 *ing housing quality or safety applica-*
20 *ble to units assisted under such pro-*
21 *gram, and, if a non-Federal standard*
22 *was used, the public housing agency*
23 *has certified to the Secretary that such*
24 *standards or requirements provide the*
25 *same protection to occupants of dwell-*

1 *ing units meeting such standards or*
2 *requirements as, or greater protection*
3 *than, the housing quality standards*
4 *under subparagraph (B).”; and*

5 *(3) by adding at the end the following new sub-*
6 *paragraph:*

7 *“(F) ENFORCEMENT OF HOUSING QUALITY*
8 *STANDARDS.—*

9 *“(i) DETERMINATION OF NONCOMPLI-*
10 *ANCE.—A dwelling unit that is covered by*
11 *a housing assistance payments contract*
12 *under this subsection shall be considered, for*
13 *purposes of this subparagraph, to be in non-*
14 *compliance with the housing quality stand-*
15 *ards under subparagraph (B) if—*

16 *“(I) the public housing agency or*
17 *an inspector authorized by the State or*
18 *unit of local government determines*
19 *upon inspection of the unit that the*
20 *unit fails to comply with such stand-*
21 *ards;*

22 *“(II) the agency or inspector noti-*
23 *fies the owner of the unit in writing of*
24 *such failure to comply; and*

1 “(III) the failure to comply is not
2 corrected within 90 days after receipt
3 of such notice.

4 “(ii) WITHHOLDING AND RELEASE OF
5 ASSISTANCE AMOUNTS.—The public housing
6 agency shall withhold all of the assistance
7 amounts under this subsection with respect
8 to a dwelling unit that is in noncompliance
9 with housing quality standards under sub-
10 paragraph (B). Subject to clause (iii), the
11 agency shall promptly release any withheld
12 amounts to the owner of the dwelling unit
13 upon completion of repairs that remedy
14 such noncompliance.

15 “(iii) USE OF WITHHELD ASSISTANCE
16 TO PAY FOR REPAIRS.—The public housing
17 agency may use such amounts withheld to
18 make repairs to the dwelling unit or to con-
19 tract to have repairs made (or to contract
20 with an inspector referred to in clause (i)(I)
21 to make or contract for such repairs), and
22 shall subtract the cost of such repairs from
23 any amounts released to the owner of the
24 unit upon remedying such noncompliance.

1 “(iv) *PROTECTION OF TENANTS.*—An
2 owner of a dwelling unit may not terminate
3 the tenancy of any tenant or refuse to renew
4 a lease for such unit because of the with-
5 holding of assistance pursuant to this sub-
6 paragraph.

7 “(v) *TERMINATION OF LEASE OR AS-*
8 *SISTANCE PAYMENTS CONTRACT.*—If assist-
9 ance amounts under this section for a dwell-
10 ing unit are withheld pursuant to clause
11 (ii) and the owner does not correct the non-
12 compliance before the expiration of the lease
13 for the dwelling unit and such lease is not
14 renewed, the Secretary shall recapture any
15 such amounts from the public housing agen-
16 cy.

17 “(vi) *APPLICABILITY.*—This subpara-
18 graph shall apply to any dwelling unit for
19 which a housing assistance payments con-
20 tract is entered into or renewed after the
21 date of the effectiveness of the regulations
22 implementing this subparagraph.”.

23 (b) *REGULATIONS.*—The Secretary of Housing and
24 Urban Development shall issue any regulations necessary
25 to carry out the amendment made by subsection (a)(3) not

1 *later than the expiration of the 12-month period beginning*
 2 *upon the date of the enactment of this Act. Such regulations*
 3 *shall take effect not later than the expiration of the 90-day*
 4 *period beginning upon such issuance. This subsection shall*
 5 *take effect upon enactment of this Act.*

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

7 *(a) RENT FOR PUBLIC HOUSING AND SECTION 8 PRO-*
 8 *GRAMS.—Section 3 of the United States Housing Act of*
 9 *1937 (42 U.S.C. 1437a(a)) is amended—*

10 *(1) in subsection (a)—*

11 *(A) in paragraph (1) by inserting “LOW-IN-*
 12 *COME OCCUPANCY REQUIREMENT AND RENTAL*
 13 *PAYMENTS.—” after “(1)”;* and

14 *(B) by adding at the end the following new*
 15 *paragraphs:*

16 *“(6) REVIEWS OF FAMILY INCOME.—*

17 *“(A) FREQUENCY.—Reviews of family in-*
 18 *come for purposes of this section shall be made—*

19 *“(i) in the case of all families, upon*
 20 *the initial provision of housing assistance*
 21 *for the family;*

22 *“(ii) annually thereafter, except as*
 23 *provided in subparagraph (B)(i);*

24 *“(iii) upon the request of the family, at*
 25 *any time the income or deductions (under*

1 *subsection (b)(5)) of the family change by*
2 *an amount that is estimated to result in a*
3 *decrease of \$1,500 (or such lower amount as*
4 *the public housing agency may, at the op-*
5 *tion of the agency or owner, establish) or*
6 *more in annual adjusted income; and*

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

20 *“(B) FIXED-INCOME FAMILIES.—*

21 *“(i) SELF CERTIFICATION AND 3-YEAR*
22 *REVIEW.—In the case of any family de-*
23 *scribed in clause (ii), after the initial re-*
24 *view of the family’s income pursuant to*
25 *subparagraph (A)(i), the public housing*

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

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

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

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

1 *agreement for Federal administration*
2 *under section 1616(a) of the Social Se-*
3 *curity Act and payments pursuant to*
4 *an agreement entered into under sec-*
5 *tion 212(b) of Public Law 93–66;*

6 “(II) *Social Security payments;*

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

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

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

19 “(7) *CALCULATION OF INCOME.—*

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

1 *consideration any redetermination of income*
2 *during such prior year pursuant to clause (iii)*
3 *or (iv) of paragraph (6)(A).*

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

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 *(6)(B)(ii), or the amount of fixed income of any*
19 *other family, based on the prior year’s income or*
20 *fixed income, respectively, pursuant to subpara-*
21 *graph (A), such prior year’s income or fixed in-*
22 *come, respectively, shall be adjusted by applying*
23 *an inflationary factor as the Secretary shall, by*
24 *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 of
5 types of income not subject to subparagraph (B),
6 a public housing agency or owner may make
7 other adjustments as it considers appropriate to
8 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 pur-
13 poses of this section based on timely income de-
14 terminations made for purposes of other means-
15 tested Federal public assistance programs (in-
16 cluding the program for block grants to States
17 for temporary assistance for needy families
18 under part A of title IV of the Social Security
19 Act, a program for medicaid assistance under a
20 State plan approved under title XIX of the So-
21 cial Security Act, and the food stamp program
22 as defined in section 3(h) of the Food Stamp Act
23 of 1977). The Secretary shall, in consultation
24 with other appropriate Federal agencies, develop
25 procedures to enable public housing agencies and

1 *owners to have access to such income determina-*
2 *tions made by other Federal programs.*

3 “(F) PHA AND OWNER COMPLIANCE.—A
4 *public housing agency or owner may not be con-*
5 *sidered to fail to comply with this paragraph or*
6 *paragraph (6) due solely to any de minimus er-*
7 *rors made by the agency or owner in calculating*
8 *family incomes.”;*

9 *(2) by striking subsections (d) and (e); and*

10 *(3) by redesignating subsection (f) as subsection*
11 *(d).*

12 (b) INCOME.—Section 3(b) of the United States Hous-
13 *ing Act of 1937 (42 U.S.C. 1437a(b)) is amended—*

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

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

1 “(A) *INCLUDED AMOUNTS.*—Such term in-
2 cludes recurring gifts and receipts, actual income
3 from assets, and profit or loss from a business.

4 “(B) *EXCLUDED AMOUNTS.*—Such term
5 does not include—

6 “(i) any imputed return on assets; and

7 “(ii) any amounts that would be eligi-
8 ble for exclusion under section 1613(a)(7) of
9 the Social Security Act (42 U.S.C.
10 1382b(a)(7)).

11 “(C) *EARNED INCOME OF STUDENTS.*—Such
12 term does not include earned income of any de-
13 pendent earned during any period that such de-
14 pendent is attending school on a full-time basis
15 or any grant-in-aid or scholarship amounts re-
16 lated to such attendance used for the cost of tui-
17 tion or books.

18 “(D) *EDUCATIONAL SAVINGS ACCOUNTS.*—
19 Income shall be determined without regard to
20 any amounts in or from, or any benefits from,
21 any Coverdell education savings account under
22 section 530 of the Internal Revenue Code of 1986
23 or any qualified tuition program under section
24 529 of such Code.

1 “(E) *OTHER EXCLUSIONS.*—Such term shall
2 *not include other exclusions from income as are*
3 *established by the Secretary or any amount re-*
4 *quired by Federal law to be excluded from con-*
5 *sideration as income. The Secretary may not re-*
6 *quire a public housing agency or owner to main-*
7 *tain records of any amounts excluded from in-*
8 *come pursuant to this subparagraph.”; and*

9 (2) *by striking paragraph (5) and inserting the*
10 *following new paragraph:*

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

17 “(A) *ELDERLY AND DISABLED FAMILIES.*—
18 *\$725 in the case of any family that is an elderly*
19 *family or a disabled family.*

20 “(B) *DEPENDENTS.*—In the case of any
21 *family that includes a member or members*
22 *who—*

23 “(i) *are less than 18 years of age or at-*
24 *tending school or vocational training on a*
25 *full-time basis; or*

1 “(ii) is a person with disabilities who
2 is 18 years of age or older and resides in
3 the household,
4 \$500 for each such member.

5 “(C) *HEALTH AND MEDICAL EXPENSES.*—
6 The amount, if any, by which 10 percent of an-
7 nual family income is exceeded by the sum of—
8 “(i) in the case of any elderly or dis-
9 abled family, any unreimbursed health and
10 medical care expenses; and

11 “(ii) any unreimbursed reasonable at-
12 tendant care and auxiliary apparatus ex-
13 penses for each handicapped member of the
14 family, to the extent necessary to enable any
15 member of such family to be employed.

16 “(D) *PERMISSIVE DEDUCTIONS.*—Such ad-
17 ditional deductions as a public housing agency
18 may, at its discretion, establish, except that the
19 Secretary shall establish procedures to ensure
20 that such deductions do not increase Federal ex-
21 penditures.

22 The Secretary shall annually adjust the amounts of
23 the exclusions under subparagraphs (A) and (B), as
24 such amounts may have been previously adjusted, by
25 applying an inflationary factor as the Secretary

1 *shall, by regulation, establish. If the dollar amount of*
2 *any such exclusion determined for any year by apply-*
3 *ing such inflationary factor is not a multiple of \$25,*
4 *the Secretary shall round such amount to the next*
5 *lowest multiple of \$25.”.*

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

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

11 (2) *in subparagraph (A)—*

12 (A) *by striking “the provisions of” and in-*
13 *serting “paragraphs (6) and (7) of section 3(a)*
14 *and to”; and*

15 (B) *by striking “and shall be conducted*
16 *upon the initial provision of housing assistance*
17 *for the family and thereafter not less than annu-*
18 *ally”; and*

19 (3) *in subparagraph (B), by striking the second*
20 *sentence.*

21 (d) *ENHANCED VOUCHER PROGRAM.*—Section
22 *8(t)(1)(D) of the United States Housing Act of 1937 (42*
23 *U.S.C. 1437f(t)(1)(D)) is amended by striking “income”*
24 *each place such term appears and inserting “annual ad-*
25 *justed income”.*

1 (e) *PROJECT-BASED HOUSING.*—Paragraph (3) of sec-
2 tion 8(c) of the United States Housing Act of 1937 (42
3 U.S.C. 1437f(c)(3)) is amended by striking the last sentence.

4 (f) *IMPACT ON PUBLIC HOUSING REVENUES.*—

5 (1) *INTERACTION WITH ASSET MANAGEMENT*
6 *RULE.*—If the Secretary of Housing and Urban De-
7 velopment determines that the application of the
8 amendments made by this section results in a reduc-
9 tion in the rental income of a public housing agency
10 that is not de minimus during the period that the op-
11 erating formula income is frozen at a level that does
12 not fully reflect the changes made by such amend-
13 ments, the Secretary shall make appropriate adjust-
14 ments in the formula income of the agency.

15 (2) *HUD REPORTS ON PUBLIC HOUSING REV-*
16 *ENUE IMPACT.*—For each of fiscal years 2008 and
17 2009, the Secretary of Housing and Urban Develop-
18 ment shall submit a report to Congress identifying
19 and calculating the impact of changes made by the
20 amendments made by this section on the revenues and
21 costs of operating public housing units.

22 (g) *EFFECTIVE DATE AND TRANSITION.*—The amend-
23 ments made by this section shall apply with respect to fiscal
24 year 2008 and fiscal years thereafter.

1 **SEC. 4. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS**
2 **AND INCOME.**

3 (a) *ASSETS.*—Section 16 of the United States Housing
4 Act of 1937 (42 U.S.C. 1437n) is amended by inserting
5 after subsection (d) the following new subsection:

6 “(e) *ELIGIBILITY FOR ASSISTANCE BASED ON AS-*
7 *SETS.*—

8 “(1) *LIMITATION ON ASSETS.*—Subject to para-
9 graph (3) and notwithstanding any other provision of
10 this Act, a dwelling unit assisted under this Act may
11 not be rented and assistance under this Act may not
12 be provided, either initially or at each recertification
13 of family income, to any family—

14 “(A) whose net family assets exceed
15 \$100,000, as such amount is adjusted annually
16 by applying an inflationary factor as the Sec-
17 retary considers appropriate; or

18 “(B) who has a present ownership interest
19 in, and a legal right to reside in, real property
20 that is suitable for occupancy as a residence, ex-
21 cept that the prohibition under this subpara-
22 graph shall not apply to—

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

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

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

3 “(2) NET FAMILY ASSETS.—

4 “(A) IN GENERAL.—For purposes of this
5 subsection, the term ‘net family assets’ means,
6 for all members of the household, the net cash
7 value of all assets after deducting reasonable
8 costs that would be incurred in disposing of real
9 property, savings, stocks, bonds, and other forms
10 of capital investment. Such term does not in-
11 clude interests in Indian trust land, equity ac-
12 counts in homeownership programs of the De-
13 partment of Housing and Urban Development,
14 or Family Self Sufficiency accounts.

15 “(B) EXCLUSIONS.—Such term does not in-
16 clude—

17 “(i) the value of personal property, ex-
18 cept for items of personal property of sig-
19 nificant value, as the public housing agency
20 may determine;

21 “(ii) the value of any retirement ac-
22 count;

23 “(iii) any amounts recovered in any
24 civil action or settlement based on a claim
25 of malpractice, negligence, or other breach of

1 *duty owed to a member of the family and*
2 *arising out of law, that resulted in a mem-*
3 *ber of the family being disabled (under the*
4 *meaning given such term in section 1614 of*
5 *the Social Security Act (42 U.S.C. 1382c));*
6 *and*

7 *“(iv) the value of any Coverdell edu-*
8 *cation savings account under section 530 of*
9 *the Internal Revenue Code of 1986 or any*
10 *qualified tuition program under section 529*
11 *of such Code.*

12 *“(C) TRUST FUNDS.—In cases where a trust*
13 *fund has been established and the trust is not*
14 *revocable by, or under the control of, any mem-*
15 *ber of the family or household, the value of the*
16 *trust fund shall not be considered an asset of a*
17 *family if the fund continues to be held in trust.*
18 *Any income distributed from the trust fund shall*
19 *be considered income for purposes of section 3(b)*
20 *and any calculations of annual family income,*
21 *except in the case of medical expenses for a*
22 *minor.*

23 *“(D) SELF-CERTIFICATION.—A public hous-*
24 *ing agency or owner may determine the net as-*
25 *sets of a family, for purposes of this section,*

1 *based on the amounts reported by the family at*
2 *the time the agency or owner reviews the family's*
3 *income.*

4 “(3) *COMPLIANCE FOR PUBLIC HOUSING DWELL-*
5 *ING UNITS.—When recertifying family income with*
6 *respect to families residing in public housing dwelling*
7 *units, a public housing agency may, in the discretion*
8 *of the agency and only pursuant to a policy that is*
9 *set forth in the public housing agency plan under sec-*
10 *tion 5A for the agency, choose not to enforce the limi-*
11 *tation under paragraph (1).*

12 “(4) *AUTHORITY TO DELAY EVICTIONS.—In the*
13 *case of a family residing in a dwelling unit assisted*
14 *under this Act who does not comply with the limita-*
15 *tion under paragraph (1), the public housing agency*
16 *or project owner may delay eviction or termination of*
17 *the family based on such noncompliance for a period*
18 *of not more than 6 months.”.*

19 “(b) *INCOME.—The United States Housing Act of 1937*
20 *is amended—*

21 (1) *in section 3(a)(1) (42 U.S.C. 1437a(a)(1)),*
22 *by striking the first sentence and inserting the fol-*
23 *lowing: “Dwelling units assisted under this Act may*
24 *be rented, and assistance under this Act may be pro-*
25 *vided, whether initially or at time of recertification,*

1 *only to families who are low-income families at the*
2 *time such initial or continued assistance, respectively,*
3 *is provided, except that families residing in dwelling*
4 *units as of the date of the enactment of the Section*
5 *8 Voucher Reform Act of 2007 that, under agreements*
6 *in effect on such date of enactment, may have incomes*
7 *up to 95 percent of local area median income shall*
8 *continue to be eligible for assistance at recertification*
9 *as long as they continue to comply with such income*
10 *restrictions. When recertifying family income with re-*
11 *spect to families residing in public housing dwelling*
12 *units, a public housing agency may, in the discretion*
13 *of the agency and only pursuant to a policy that is*
14 *set forth in the public housing agency plan under sec-*
15 *tion 5A for the agency, choose not to enforce the pro-*
16 *hibition under the preceding sentence. When recerti-*
17 *fying family income with respect to families residing*
18 *in dwelling units for which project-based assistance is*
19 *provided, a project owner may, in the owner's discre-*
20 *tion and only pursuant to a policy adopted by such*
21 *owner, choose not to enforce such prohibition. In the*
22 *case of a family residing in a dwelling unit assisted*
23 *under this Act who does not comply with the prohibi-*
24 *tion under the first sentence of this paragraph, the*
25 *public housing agency or project owner may delay*

1 *eviction or termination of the family based on such*
 2 *noncompliance for a period of not more than 6*
 3 *months.”;*

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

7 “(4) *ELIGIBLE FAMILIES.—Assistance under this*
 8 *subsection may be provided, whether initially or at*
 9 *each recertification, only pursuant to subsection (t) to*
 10 *a family eligible for assistance under such subsection*
 11 *or to a family who at the time of such initial or con-*
 12 *tinued assistance, respectively, is a low-income family*
 13 *that is—”;* and

14 (3) *in section 8(c)(4) (42 U.S.C. 1437f(c)(4)), by*
 15 *striking “at the time it initially occupied such dwell-*
 16 *ing unit” and inserting “according to the restrictions*
 17 *under section 3(a)(1)”.*

18 **SEC. 5. TARGETING ASSISTANCE TO LOW-INCOME WORKING**

19 **FAMILIES.**

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

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

1 *ing any revision required by such section) applicable*
2 *to a family of the size involved, or (B)”; and*

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

8 *(b) PUBLIC HOUSING.—Section 16(a)(2)(A) of the*
9 *United States Housing Act of 1937 (42 U.S.C.*
10 *1437n(a)(2)(A)) is amended—*

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

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

22 *(c) PROJECT-BASED SECTION 8 ASSISTANCE.—Section*
23 *16(c)(3) of the United States Housing Act of 1937 (42*
24 *U.S.C. 1437n(c)(3)) is amended—*

1 (1) by inserting after “do not exceed” the fol-
 2 lowing: “the higher of (A) the poverty line (as such
 3 term is defined in section 673 of the Omnibus Budget
 4 Reconciliation Act of 1981 (42 U.S.C. 9902), includ-
 5 ing any revision required by such section) applicable
 6 to a family of the size involved, or (B)”;

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

12 **SEC. 6. VOUCHER RENEWAL FUNDING.**

13 (a) *IN GENERAL.*—Section 8 of the United States
 14 Housing Act of 1937 (42 U.S.C. 1437f) is amended by strik-
 15 ing subsection (dd) and inserting the following new sub-
 16 section:

17 “(dd) *TENANT-BASED VOUCHERS.*—

18 “(1) *AUTHORIZATION OF APPROPRIATIONS.*—

19 There are authorized to be appropriated, for each of
 20 fiscal years 2008 through 2012, such sums as may be
 21 necessary for tenant-based assistance under subsection
 22 (o) for the following purposes:

23 “(A) To renew all expiring annual con-
 24 tributions contracts for tenant-based rental as-
 25 sistance.

1 “(B) To provide tenant-based rental assist-
2 ance for—

3 “(i) relocation and replacement of
4 housing units that are demolished or dis-
5 posed of pursuant to the Omnibus Consoli-
6 dated Rescissions and Appropriations Act
7 of 1996 (Public Law 104–134);

8 “(ii) conversion of section 23 projects
9 to assistance under this section;

10 “(iii) the family unification program
11 under subsection (x) of this section;

12 “(iv) relocation of witnesses in connec-
13 tion with efforts to combat crime in public
14 and assisted housing pursuant to a request
15 from a law enforcement or prosecution
16 agency;

17 “(v) enhanced vouchers authorized
18 under subsection (t) of this section;

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

21 “(vii) demolition or disposition of pub-
22 lic housing units pursuant to section 18 of
23 the United States Housing Act of 1937 (42
24 U.S.C. 1437p);

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

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

8 “(x) vouchers to replace dwelling units
9 that cease to receive project-based assistance
10 under subsection (b), (c), (d), (e), or (v) of
11 this section;

12 “(xi) tenant protection assistance, in-
13 cluding replacement and relocation assist-
14 ance; and

15 “(xii) emergency voucher assistance for
16 the protection of victims of domestic vio-
17 lence, dating violence, sexual assault, or
18 stalking.

19 Subject only to the availability of sufficient
20 amounts provided in appropriation Acts, the
21 Secretary shall provide tenant-based rental as-
22 sistance to replace all dwelling units that cease
23 to be available as assisted housing as a result of
24 clause (i), (ii), (v), (vi), (vii), (viii), or (x).

1 “(2) *ALLOCATION OF RENEWAL FUNDING AMONG*
2 *PUBLIC HOUSING AGENCIES.—*

3 “(A) *From amounts appropriated for each*
4 *year pursuant to paragraph (1)(A), the Sec-*
5 *retary shall provide renewal funding for each*
6 *public housing agency—*

7 “(i) *based on leasing and cost data*
8 *from the preceding calendar year, as ad-*
9 *justed by an annual adjustment factor to be*
10 *established by the Secretary, which shall be*
11 *established using the smallest geographical*
12 *areas for which data on changes in rental*
13 *costs are annually available;*

14 “(ii) *by making any adjustments nec-*
15 *essary to provide for the first-time renewal*
16 *of vouchers funded under paragraph (1)(B);*

17 “(iii) *by making any adjustments nec-*
18 *essary for full year funding of vouchers*
19 *ported in the prior calendar year under*
20 *subsection (r)(2); and*

21 “(iv) *by making such other adjust-*
22 *ments as the Secretary considers appro-*
23 *priate, including adjustments necessary to*
24 *address changes in voucher utilization rates*

1 *and voucher costs related to natural and*
2 *other major disasters.*

3 “(B) *LEASING AND COST DATA.*—*For pur-*
4 *poses of subparagraph (A)(i), leasing and cost*
5 *data shall be calculated annually by using the*
6 *average for the preceding calendar year. Such*
7 *leasing and cost data shall be adjusted to include*
8 *vouchers that were set aside under a commitment*
9 *to provide project-based assistance under sub-*
10 *section (o)(13) and to exclude amounts funded*
11 *through advances under paragraph (3). Such*
12 *leasing and cost data shall not include funds not*
13 *appropriated for tenant-based assistance under*
14 *section 8(o), unless the agency’s funding was*
15 *prorated in the prior year and the agency used*
16 *other funds to maintain vouchers in use.*

17 “(C) *OVERLEASING.*—*For the purpose of de-*
18 *termining allocations under subsection (A)(i),*
19 *the leasing rate calculated for the prior calendar*
20 *year may exceed an agency’s authorized voucher*
21 *level, except that such calculation in 2009 shall*
22 *not include amounts resulting from a leasing*
23 *rate in excess of 103 percent of an agency’s au-*
24 *thorized vouchers in 2008 which results from the*

1 *use of accumulated amounts, as referred to in*
2 *paragraph (4)(A).*

3 “(D) *MOVING TO WORK; HOUSING INNOVA-*
4 *TION PROGRAM.—Notwithstanding subpara-*
5 *graphs (A) and (B), each public housing agency*
6 *participating at any time in the moving to work*
7 *demonstration under section 204 of the Depart-*
8 *ments of Veterans Affairs and Housing and*
9 *Urban Development, and Independent Agencies*
10 *Appropriations Act, 1996 (42 U.S.C. 1437f note)*
11 *or in the housing innovation program under sec-*
12 *tion 36 of this Act shall be funded pursuant to*
13 *its agreement under such program and shall be*
14 *subject to any pro rata adjustment made under*
15 *subparagraph (E)(i).*

16 “(E) *PRO RATA ALLOCATION.—*

17 “(i) *INSUFFICIENT FUNDS.—To the ex-*
18 *tent that amounts made available for a fis-*
19 *cal year are not sufficient to provide each*
20 *public housing agency with the full alloca-*
21 *tion for the agency determined pursuant to*
22 *subparagraphs (A) and (D), the Secretary*
23 *shall reduce such allocation for each agency*
24 *on a pro rata basis, except that renewal*

1 *funding of enhanced vouchers under section*
2 *8(t) shall not be subject to such proration.*

3 “(ii) *EXCESS FUNDS.—To the extent*
4 *that amounts made available for a fiscal*
5 *year exceed the amount necessary to provide*
6 *each housing agency with the full allocation*
7 *for the agency determined pursuant to sub-*
8 *paragraphs (A) and (D), such excess*
9 *amounts shall be used for the purposes spec-*
10 *ified in subparagraphs (B) and (C) of para-*
11 *graph (4).*

12 “(F) *PROMPT FUNDING ALLOCATION.—The*
13 *Secretary shall allocate all funds under this sub-*
14 *section for each year before the latter of (i) Feb-*
15 *ruary 15, or (ii) the expiration of the 45-day pe-*
16 *riod beginning upon the enactment of the appro-*
17 *priations Act funding such renewals.*

18 “(3) *ADVANCES.—*

19 “(A) *AUTHORITY.—During the last 3*
20 *months of each calendar year, the Secretary shall*
21 *provide amounts to any public housing agency,*
22 *at the request of the agency, in an amount up*
23 *to two percent of the allocation for the agency for*
24 *such calendar year, subject to subparagraph (C).*

1 “(B) *USE.*—Amounts advanced under sub-
2 paragraph (A) may be used to pay for addi-
3 tional voucher costs, including costs related to
4 temporary overleasing.

5 “(C) *USE OF PRIOR YEAR AMOUNTS.*—Dur-
6 ing the last 3 months of a calendar year, if
7 amounts previously provided to a public housing
8 agency for tenant-based assistance for such year
9 or for previous years remain unobligated and
10 available to the agency—

11 “(i) the agency shall exhaust such
12 amounts to cover any additional voucher
13 costs under subparagraph (B) before
14 amounts advanced under subparagraph (A)
15 may be so used; and

16 “(ii) the amount that may be advanced
17 under subparagraph (A) to the agency shall
18 be reduced by an amount equal to the total
19 of such previously provided and unobligated
20 amounts.

21 “(D) *REPAYMENT.*—Amounts advanced
22 under subparagraph (A) in a calendar year shall
23 be repaid to the Secretary in the subsequent cal-
24 endar year by reducing the amounts made avail-
25 able for such agency for such subsequent calendar

1 *year pursuant to allocation under paragraph (2)*
2 *by an amount equal to the amount so advanced*
3 *to the agency.*

4 “(4) *RECAPTURE.*—

5 “(A) *IN GENERAL.*—*The Secretary shall re-*
6 *capture, from amounts provided under the an-*
7 *nuual contributions contract for a public housing*
8 *agency for a calendar year, all accumulated*
9 *amounts allocated under paragraph (2) and*
10 *from previous years that are unused by the agen-*
11 *cy at the end of each calendar year except—*

12 “(i) *with respect to the recapture under*
13 *this subparagraph at the end of 2007, an*
14 *amount equal to one twelfth the amount al-*
15 *located to the public housing agency for*
16 *such year pursuant to paragraph (2)(A);*
17 *and*

18 “(ii) *with respect to the recapture*
19 *under this subparagraph at the end of each*
20 *of 2008, 2009, 2010, and 2011, an amount*
21 *equal to 5 percent of such amount allocated*
22 *to the agency for such year. Notwith-*
23 *standing any other provision of law, each*
24 *public housing agency may retain all*
25 *amounts not authorized to be recaptured*

1 under this subparagraph, and may use such
2 amounts for all authorized purposes.

3 “(B) *REALLOCATION*.—Not later than May
4 1 of each calendar year, the Secretary shall—

5 “(i) calculate the aggregate unused
6 amounts for the preceding year recaptured
7 pursuant to subparagraph (A);

8 “(ii) set aside and make available such
9 amounts as the Secretary considers appro-
10 priate to reimburse public housing agencies
11 for increased costs related to portability and
12 family self-sufficiency activities during such
13 year; and

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

20 “(C) *USE*.—Amounts reallocated to a public
21 housing agency pursuant to subparagraph
22 (B)(iii) may be used only to increase voucher
23 leasing rates as provided under paragraph
24 (2)(C).”.

1 **(b) ABSORPTION OF VOUCHERS FROM OTHER AGEN-**
2 *CIES.—Section 8(r)(2) of the United States Housing Act*
3 *of 1937 (42 U.S.C. 1437f(r)(2)) is amended by adding after*
4 *the period at the end the following: “The agency shall absorb*
5 *the family into its program for voucher assistance under*
6 *this section and shall have priority to receive additional*
7 *funding from the Secretary for the housing assistance pro-*
8 *vided for such family from amounts made available pursu-*
9 *ant to subsection (dd)(4)(B).”*

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

19 **SEC. 7. ADMINISTRATIVE FEES.**

20 **(a) IN GENERAL.—***Section 8(q) of the United States*
21 *Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended—*
22 **(1)** *in paragraph (1), by striking subparagraphs*
23 **(B) and (C) and inserting the following new subpara-
24 *graphs:***

1 “(B) *CALCULATION.*—*The fee under this*
2 *subsection shall—*

3 “(i) *be payable to each public housing*
4 *agency for each month for which a dwelling*
5 *unit is covered by an assistance contract;*

6 “(ii) *until superseded through subse-*
7 *quent rulemaking, be based on the per-unit*
8 *fee payable to the agency in fiscal year*
9 *2003, updated for each subsequent year as*
10 *specified in subsection (iv);*

11 “(iii) *include an amount for the cost of*
12 *issuing voucher to new participants;*

13 “(iv) *be updated each year using an*
14 *index of changes in wage data or other ob-*
15 *jectively measurable data that reflect the*
16 *costs of administering the program for such*
17 *assistance, as determined by the Secretary;*
18 *and*

19 “(v) *include an amount for the cost of*
20 *family self-sufficiency coordinators, as pro-*
21 *vided in section 23(h)(1).*

22 “(C) *PUBLICATION.*—*The Secretary shall*
23 *cause to be published in the Federal Register the*
24 *fee rate for each geographic area.”; and*

1 (2) in paragraph (4), by striking “1999” and in-
2 serting “2007”.

3 (b) *ADMINISTRATIVE FEES FOR FAMILY SELF-SUFFI-*
4 *CIENCY PROGRAM COSTS.*—Subsection (h) of section 23 of
5 *the United States Housing Act of 1937 (42 U.S.C.*
6 *1437u(h)) is amended by striking paragraph (1) and insert-*
7 *ing the following new paragraph:*

8 “(1) *SECTION 8 FEES.*—

9 “(A) *IN GENERAL.*—The Secretary shall es-
10 *tablish a fee under section 8(q) for the costs in-*
11 *curring in administering the self-sufficiency pro-*
12 *gram under this section to assist families receiv-*
13 *ing voucher assistance through section 8(o).*

14 “(B) *ELIGIBILITY FOR FEE.*—The fee shall
15 *provide funding for family self-sufficiency coor-*
16 *dinators as follows:*

17 “(i) *BASE FEE.*—A public housing
18 *agency serving 25 or more participants in*
19 *the family self-sufficiency program under*
20 *this section shall receive a fee equal to the*
21 *costs of employing one full-time family self-*
22 *sufficiency coordinator. An agency serving*
23 *fewer than 25 such participants shall re-*
24 *ceive a prorated fee.*

1 “(ii) *ADDITIONAL FEE.*—An agency
2 that meets minimum performance standards
3 shall receive an additional fee sufficient to
4 cover the costs of employing a second family
5 self-sufficiency coordinator if the agency has
6 75 or more participating families, and a
7 third such coordinator if it has 125 or more
8 participating families.

9 “(iii) *PREVIOUSLY FUNDED AGEN-*
10 *CIES.*—An agency that received funding
11 from the Department of Housing and
12 Urban Development for more than three
13 such coordinators in any of fiscal years
14 1998 through 2007 shall receive funding for
15 the highest number of coordinators funded
16 in a single fiscal year during that period,
17 provided they meet applicable size and per-
18 formance standards.

19 “(iv) *INITIAL YEAR.*—For the first year
20 in which a public housing agency exercises
21 its right to develop an family self-suffi-
22 ciency program for its residents, it shall be
23 entitled to funding to cover the costs of up
24 to one family self-sufficiency coordinator,

1 *based on the size specified in its action plan*
2 *for such program.*

3 “(v) *STATE AND REGIONAL AGEN-*
4 *CIES.—For purposes of calculating the fam-*
5 *ily self-sufficiency portion of the adminis-*
6 *trative fee under this subparagraph, each*
7 *administratively distinct part of a State or*
8 *regional public housing agency shall be*
9 *treated as a separate agency.*

10 “(vi) *DETERMINATION OF NUMBER OF*
11 *COORDINATORS.—In determining whether a*
12 *public housing agency meets a specific*
13 *threshold for funding pursuant to this para-*
14 *graph, the number of participants being*
15 *served by the agency in its family self-suffi-*
16 *ciency program shall be considered to be the*
17 *average number of families enrolled in such*
18 *agency’s program during the course of the*
19 *most recent fiscal year for which the De-*
20 *partment of Housing and Urban Develop-*
21 *ment has data.*

22 “(C) *PRORATION.—If insufficient funds are*
23 *available in any fiscal year to fund all of the co-*
24 *ordinators authorized under this section, the first*
25 *priority shall be given to funding one coordi-*

1 nator at each agency with an existing family
2 self-sufficiency program. The remaining funds
3 shall be prorated based on the number of remain-
4 ing coordinators to which each agency is entitled
5 under this subparagraph.

6 “(D) *RECAPTURE.*—Any fees allocated
7 under this subparagraph by the Secretary in a
8 fiscal year that have not been spent by the end
9 of the subsequent fiscal year shall be recaptured
10 by the Secretary and shall be available for pro-
11 viding additional fees pursuant to subparagraph
12 (B)(ii).

13 “(E) *PERFORMANCE STANDARDS.*—Within
14 six months after the date of the enactment of this
15 paragraph, the Secretary shall publish a pro-
16 posed rule specifying the performance standards
17 applicable to funding under clauses (ii) and (iii)
18 of subparagraph (B). Such standards shall in-
19 clude requirements applicable to the leveraging of
20 in-kind services and other resources to support
21 the goals of the family self-sufficiency program.

22 “(F) *DATA COLLECTION.*—Public housing
23 agencies receiving funding under this paragraph
24 shall collect and report to the Secretary, in such
25 manner as the Secretary shall require, informa-

1 *tion on the performance of their family self-suffi-*
2 *ciency programs.*

3 “(G) *EVALUATION.*—*The Secretary shall*
4 *conduct a formal and scientific evaluation of the*
5 *effectiveness of well-run family self-sufficiency*
6 *programs, using random assignment of partici-*
7 *pants to the extent practicable. Not later than*
8 *the expiration of the 4-year period beginning*
9 *upon the enactment of this paragraph, the Sec-*
10 *retary shall submit an interim evaluation report*
11 *to the Congress. Not later than the expiration of*
12 *the 8-year period beginning upon such enact-*
13 *ment, the Secretary shall submit a final evalua-*
14 *tion report to the Congress. There is authorized*
15 *to be appropriated \$10,000,000 to carry out the*
16 *evaluation under this subparagraph.*

17 “(H) *INCENTIVES FOR INNOVATION AND*
18 *HIGH PERFORMANCE.*—*The Secretary may re-*
19 *serve up to 10 percent of the amounts made*
20 *available for administrative fees under this*
21 *paragraph to provide support to or reward fam-*
22 *ily self-sufficiency programs that are particu-*
23 *larly innovative or highly successful in achieving*
24 *the goals of the program.”.*

1 (c) *REPEAL.*—Section 202 of the Departments of Vet-
2 *erans Affairs and Housing and Urban Development, and*
3 *Independent Agencies Appropriations Act, 1997 (42 U.S.C.*
4 *1437f note; Public Law 104–204; 110 Stat. 2893) is hereby*
5 *repealed.*

6 **SEC. 8. HOMEOWNERSHIP.**

7 (a) *SECTION 8 HOMEOWNERSHIP DOWNPAYMENT PRO-*
8 *GRAM.*—Section 8(y)(7) of the United States Housing Act
9 of 1937 (42 U.S.C. 1437f(y)(7)) is amended by striking sub-
10 paragraphs (A) and (B) and inserting the following new
11 subparagraphs:

12 “(A) *IN GENERAL.*—Subject to the provi-
13 sions of this paragraph, in the case of a family
14 on whose behalf rental assistance under section
15 8(o) has been provided for a period of not less
16 than 12 months prior to the date of receipt of
17 downpayment assistance under this paragraph,
18 a public housing agency may, in lieu of pro-
19 viding monthly assistance payments under this
20 subsection on behalf of a family eligible for such
21 assistance and at the discretion of the agency,
22 provide a downpayment assistance grant in ac-
23 cordance with subparagraph (B).

24 “(B) *GRANT REQUIREMENTS.*—A downpay-
25 ment assistance grant under this paragraph—

1 “(i) shall be used by the family only as
2 a contribution toward the downpayment
3 and reasonable and customary closing costs
4 required in connection with the purchase of
5 a home;

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

8 “(iii) may not exceed \$10,000.

9 “(C) NO EFFECT ON OBTAINING OUTSIDE
10 SOURCES FOR DOWNPAYMENT ASSISTANCE.—This
11 Act may not be construed to prohibit a public
12 housing agency from providing downpayment
13 assistance to families from sources other than a
14 grant provided under this Act, or as determined
15 by the public housing agency.”.

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

19 (1) in subparagraph (A), by striking the period
20 at the end of the first sentence and all that follows
21 through “of” in the second sentence and inserting
22 “and rents”; and

23 (2) in subparagraph (B)—

24 (A) in clause (i), by striking “the rent” and
25 all that follows and inserting the following: “rent

1 shall mean the sum of the monthly payments
2 made by a family assisted under this paragraph
3 to amortize the cost of purchasing the manufac-
4 tured home, including any required insurance
5 and property taxes, the monthly amount allowed
6 for tenant-paid utilities, and the monthly rent
7 charged for the real property on which the man-
8 ufactured home is located, including monthly
9 management and maintenance charges.”;

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

11 (C) in clause (iii)—

12 (i) by inserting after the period at the
13 end the following: “If the amount of the
14 monthly assistance payment for a family
15 exceeds the monthly rent charged for the
16 real property on which the manufactured
17 home is located, including monthly manage-
18 ment and maintenance charges, a public
19 housing agency may pay the remainder to
20 the family, lender or utility company, or
21 may choose to make a single payment to the
22 family for the entire monthly assistance
23 amount.”; and

24 (ii) by redesignating such clause as
25 clause (ii).

1 **SEC. 9. PHA REPORTING OF RENT PAYMENTS TO CREDIT**
2 **REPORTING AGENCIES.**

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

7 “(e) *PHA REPORTING OF RENT PAYMENTS TO CREDIT*
8 *REPORTING AGENCIES.*—

9 “(1) *AUTHORITY.*—To the extent that a family
10 receiving tenant-based housing choice vouchers under
11 section 8 by a public housing agency agrees in writ-
12 ing to reporting under this subsection, the public
13 housing agency may submit to consumer reporting
14 agencies described in section 603(p) of the Fair Credit
15 Reporting Act (15 U.S.C. 1681a) information regard-
16 ing the past rent payment history of the family with
17 respect to the dwelling unit for which such assistance
18 is provided.

19 “(2) *FORMAT.*—The Secretary, after consultation
20 with consumer reporting agencies referred in para-
21 graph (1), shall establish a system and format to be
22 used by public housing agencies for reporting of infor-
23 mation under such paragraph that provides such in-
24 formation in a format and manner that is similar to
25 other credit information submitted to such consumer
26 reporting agencies and is usable by such agencies.”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
2 *section (a) shall take effect on the date of the enactment*
3 *of this Act.*

4 **SEC. 10. PERFORMANCE ASSESSMENTS.**

5 *Section 8(o) of the United States Housing Act of 1937*
6 *(42 U.S.C. 1437f(o)) is amended by adding at the end the*
7 *following new paragraph:*

8 “(21) *PERFORMANCE ASSESSMENTS.*—

9 “(A) *ESTABLISHMENT.*—*The Secretary*
10 *shall, by regulation, establish standards and pro-*
11 *cedures for assessing the performance of public*
12 *housing agencies in carrying out the programs*
13 *for tenant-based rental assistance under this sub-*
14 *section and for homeownership assistance under*
15 *subsection (y).*

16 “(B) *CONTENTS.*—*The standards and proce-*
17 *dures under this paragraph shall provide for as-*
18 *essment of the performance of public housing*
19 *agencies in the following areas:*

20 “(i) *Quality of dwelling units obtained*
21 *using such assistance.*

22 “(ii) *Extent of utilization of assistance*
23 *amounts provided to the agency and of au-*
24 *thorized vouchers.*

1 “(iii) *Timeliness and accuracy of re-*
2 *porting by the agency to the Secretary.*

3 “(iv) *Effectiveness in carrying out*
4 *policies to achieve deconcentration of pov-*
5 *erty.*

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

9 “(vi) *Accurate rent calculations and*
10 *subsidy payments.*

11 “(vii) *Effectiveness in carrying out*
12 *family self-sufficiency activities.*

13 “(viii) *Timeliness of actions related to*
14 *landlord participation.*

15 “(ix) *Such other areas as the Secretary*
16 *considers appropriate.*

17 “(C) *PERIODIC ASSESSMENT.—Using the*
18 *standards and procedures established under this*
19 *paragraph, the Secretary shall conduct an assess-*
20 *ment of the performance of each public housing*
21 *agency carrying out a program referred to in*
22 *subparagraph (A) and shall submit a report to*
23 *the Congress regarding the results of each such*
24 *assessment.”.*

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

2 *Section 8(o)(13) of the United States Housing Act of*
3 *1937 (42 U.S.C. 1437f(o)(13)) is amended—*

4 *(1) by striking subparagraph (B) and inserting*
5 *the following new subparagraph:*

6 *“(B) PERCENTAGE LIMITATION.—*

7 *“(i) IN GENERAL.—Subject to clause*
8 *(ii), not more than 25 percent of the fund-*
9 *ing available for tenant-based assistance*
10 *under this section that is administered by*
11 *the agency may be attached to structures*
12 *pursuant to this paragraph.*

13 *“(ii) EXCEPTION.—An agency may at-*
14 *tach up to an additional 5 percent of the*
15 *funding available for tenant-based assist-*
16 *ance under this section to structures pursu-*
17 *ant to this paragraph for dwelling units*
18 *that house individuals and families that*
19 *meet the definition of homeless under section*
20 *103 of the McKinney-Vento Homeless Assist-*
21 *ance Act (42 U.S.C. 11302).”;*

22 *(2) by striking subparagraph (D) and inserting*
23 *the following new subparagraph:*

24 *“(D) INCOME MIXING REQUIREMENT.—*

25 *“(i) IN GENERAL.—Except as provided*
26 *in clause (ii), not more than the greater of*

1 25 dwelling units or 25 percent of the dwell-
2 ing units in any project may be assisted
3 under a housing assistance payment con-
4 tract for project-based assistance pursuant
5 to this paragraph. For purposes of this sub-
6 paragraph, the term ‘project’ means a single
7 building, multiple contiguous buildings, or
8 multiple buildings on contiguous parcels of
9 land.

10 “(i) *EXCEPTIONS.*—

11 “(I) *CERTAIN HOUSING.*—The
12 limitation under clause (i) shall not
13 apply in the case of assistance under a
14 contract for housing consisting of sin-
15 gle family properties, or for dwelling
16 units that are specifically made avail-
17 able for households comprised of elderly
18 families, disabled families, and fami-
19 lies receiving supportive services. For
20 purposes of the preceding sentence, the
21 term ‘single family properties’ means
22 buildings with no more than four
23 dwelling units.

24 “(II) *CERTAIN AREAS.*—With re-
25 spect to areas in which fewer than 75

1 *percent of families issued vouchers be-*
2 *come participants in the program, the*
3 *public housing agency has established*
4 *the payment standard at 110 percent*
5 *of the fair market rent for all census*
6 *tracts in the area for the previous six*
7 *months, and the public housing agency*
8 *grants an automatic extension of 90*
9 *days (or longer) to families with*
10 *vouchers who are attempting to find*
11 *housing, clause (i) shall be applied by*
12 *substituting ‘50 percent’ for ‘25 per-*
13 *cent.’;*

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

16 *(4) in subparagraph (G)—*

17 *(A) by inserting after the period at the end*
18 *of the first sentence the following: “Such contract*
19 *may, at the election of the public housing agency*
20 *and the owner of the structure, specify that such*
21 *contract shall be extended for renewal terms of*
22 *up to 15 years each, if the agency makes the de-*
23 *termination required by this subparagraph and*
24 *the owner is in compliance with the terms of the*
25 *contract.”; and*

1 (B) by adding at the end the following: “A
2 public housing agency may agree to enter into
3 such a contract at the time it enters into the ini-
4 tial agreement for a housing assistance payment
5 contract or at any time thereafter that is before
6 the expiration of the housing assistance payment
7 contract.”;

8 (5) in subparagraph (H), by inserting before the
9 period at the end of the first sentence the following:
10 “, except that in the case of a contract unit that has
11 been allocated low-income housing tax credits and for
12 which the rent limitation pursuant to such section 42
13 is less than the amount that would otherwise be per-
14 mitted under this subparagraph, the rent for such
15 unit may, in the sole discretion of a public housing
16 agency, be established at the higher section 8 rent,
17 subject only to paragraph (10)(A)”;

18 (6) in subparagraph (I)(i), by inserting before
19 the semicolon the following: “, except that the contract
20 may provide that the maximum rent permitted for a
21 dwelling unit shall not be less than the initial rent
22 for the dwelling unit under the initial housing assist-
23 ance payments contract covering the unit”;

24 (7) in subparagraph (J)—

1 (A) by striking the fifth and sixth sentences
2 and inserting the following: “A public housing
3 agency may establish and utilize procedures for
4 maintaining site-based waiting lists under which
5 applicants may apply directly at, or otherwise
6 designate to the public housing agency, the
7 project or projects in which they seek to reside,
8 except that all applicants on the waiting list of
9 an agency for assistance under this subsection
10 shall be permitted to place their names on such
11 separate list. All such procedures shall comply
12 with title VI of the Civil Rights Act of 1964, the
13 Fair Housing Act, and other applicable civil
14 rights laws. The owner or manager of a structure
15 assisted under this paragraph shall not admit
16 any family to a dwelling unit assisted under a
17 contract pursuant to this paragraph other than
18 a family referred by the public housing agency
19 from its waiting list, or a family on a site-based
20 waiting list that complies with the requirements
21 of this subparagraph. A public housing agency
22 shall fully disclose to each applicant each option
23 in the selection of a project in which to reside
24 that is available to the applicant.”; and

1 (B) by inserting after the third sentence the
2 following new sentence: “Any family who resides
3 in a dwelling unit proposed to be assisted under
4 this paragraph, or in a unit to be replaced by
5 a proposed unit to be assisted under this para-
6 graph shall be given an absolute preference for
7 selection for placement in the proposed unit, if
8 the family is otherwise eligible for assistance
9 under this subsection.”; and

10 (8) by adding at the end the following new sub-
11 paragraphs:

12 “(L) *USE IN COOPERATIVE HOUSING AND*
13 *ELEVATOR BUILDINGS.*—A public housing agency
14 may enter into a housing assistance payments
15 contract under this paragraph with respect to—

16 “(i) dwelling units in cooperative hous-
17 ing;

18 “(ii) notwithstanding subsection (c),
19 dwelling units in a high-rise elevator
20 project, including such a project that is oc-
21 cupied by families with children, without
22 review and approval of the contract by the
23 Secretary.

24 “(M) *REVIEWS.*—

1 “(i) *SUBSIDY LAYERING.*—A *subsidy*
2 *layering review in accordance with section*
3 *102(d) of the Department of Housing and*
4 *Urban Development Reform Act of 1989 (42*
5 *U.S.C. 3545(d)) shall not be required for as-*
6 *sistance under this subparagraph in the*
7 *case of a housing assistance payments con-*
8 *tract for an existing structure, or if a sub-*
9 *sidy layering review has been conducted by*
10 *the applicable State or local agency.*

11 “(ii) *ENVIRONMENTAL REVIEW.*—A
12 *public housing agency shall not be required*
13 *to undertake any environmental review be-*
14 *fore entering into a housing assistance pay-*
15 *ments contract under this paragraph for an*
16 *existing structure, except to the extent such*
17 *a review is otherwise required by law or*
18 *regulation.*

19 “(N) *LEASES AND TENANCY.*—Assistance
20 *provided under this paragraph shall be subject to*
21 *the provisions of paragraph (7), except that sub-*
22 *paragraph (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 re-*
9 *port to the Congress annually on the per-*
10 *centage of families assisted under this sub-*
11 *section, occupying dwelling units of any*
12 *size, that pay more than 30 percent of their*
13 *adjusted incomes for rent and such percent-*
14 *age that pay more than 40 percent of their*
15 *adjusted incomes for rent. Using informa-*
16 *tion regularly reported by public housing*
17 *agencies, the Secretary shall provide public*
18 *housing agencies, on an annual basis, a re-*
19 *port with the information described in the*
20 *first sentence of this clause, and may re-*
21 *quire a public housing agency to modify a*
22 *payment standard that results in a signifi-*
23 *cant percentage of families assisted under*
24 *this subsection, occupying dwelling units of*
25 *any size, paying more than 30 percent of*
26 *their adjusted incomes for rent.*

1 “(ii) *CONCENTRATION OF POVERTY.*—
2 *The Secretary shall submit a report to the*
3 *Congress annually on the degree to which*
4 *families assisted under this subsection in*
5 *each metropolitan area are clustered in*
6 *lower rent, higher poverty areas and how,*
7 *and the extent to which, greater geographic*
8 *distribution of such assisted families could*
9 *be achieved, including by increasing pay-*
10 *ment standards for particular communities*
11 *within such metropolitan areas.*

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

1 *rent burdens within a reasonable time pe-*
2 *riod or explain its reasons for not making*
3 *such adjustment. The Secretary may not*
4 *deny the request of a public housing agency*
5 *to set a payment standard up to 120 per-*
6 *cent of the fair market rent to remedy rent*
7 *burdens in excess of the national average or*
8 *undue concentration of families assisted*
9 *under this subsection in lower rent, higher*
10 *poverty sections of a metropolitan area ex-*
11 *cept on the basis that an agency has not*
12 *demonstrated that its request meets these*
13 *criteria. If a request of a public housing*
14 *agency has not been denied or approved*
15 *with 45 days after the request is made, the*
16 *request shall be considered to have been ap-*
17 *proved.”.*

18 **(b) PUBLIC HOUSING AGENCY PLAN.**—Section
19 5A(d)(4) of the United States Housing Act of 1937 (42
20 U.S.C. 1437c–1(d)(4)) is amended by inserting before the
21 period at the end the following: “, including the report with
22 respect to the agency furnished by the Secretary pursuant
23 to section 8(o)(1)(E) concerning rent burdens and, if appli-
24 cable, geographic concentration of voucher holders, any
25 changes in rent or other policies the public housing agency

1 *is making to address excessive rent burdens or concentra-*
2 *tion, and if the public housing agency is not adjusting its*
3 *payment standard, its reasons for not doing so”.*

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

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

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

19 (1) *by inserting “(A)” after the paragraph des-*
20 *ignation;*

21 (2) *by striking the seventh, eighth, and ninth*
22 *sentences; and*

23 (3) *by adding at the end the following:*

24 “(B)(i) *The Secretary shall endeavor to define market*
25 *areas for purposes of this paragraph in a manner that re-*

1 *sults in fair market rentals that are adequate to cover typ-*
2 *ical rental costs of units suitable for occupancy by persons*
3 *assisted under this section in as wide a range of commu-*
4 *nities as is feasible, including communities with low pov-*
5 *erty rates.*

6 “(ii) *The Secretary at a minimum shall define a sepa-*
7 *rate market area for each—*

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

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

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

20 “(I) *the requested market area contains at least*
21 *20,000 rental dwelling units;*

22 “(II) *the areas contained in the requested market*
23 *area are geographically contiguous and share similar*
24 *housing market characteristics;*

1 “(III) adequate data are available to establish a
2 reliable fair market rental for the requested market
3 area, and for the remainder of the market area in
4 which it is currently located; and

5 “(IV) establishing the requested market area
6 would raise or lower the fair market rental by 10 per-
7 cent or more at the time the requested market area is
8 established.

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

15 “(iv) The Secretary shall not reduce the fair market
16 rental in a market area as a result of a change in the per-
17 centile of the distribution of market rents used to establish
18 the fair market rental.”.

19 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-
20 tion 8(o)(1) of the United States Housing Act of 1937 (42
21 U.S.C. 1437f(o)(1)(B)) is amended by inserting before the
22 period at the end the following: “, except that no public
23 housing agency shall be required as a result of a reduction
24 in the fair market rental to reduce the payment standard
25 applied to a family continuing to reside in a unit for which

1 *the family was receiving assistance under this section at*
2 *the time the fair market rental was reduced”.*

3 **SEC. 14. SCREENING OF APPLICANTS.**

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

19 **SEC. 15. ENHANCED VOUCHERS.**

20 *Subparagraph (B) of section 8(t)(1) of the United*
21 *States Housing Act of 1937 (42 U.S.C. 1437f(t)(1)(B)) is*
22 *amended by inserting after “eligibility event for the*
23 *project,” the following: “regardless of unit and family size*
24 *standards normally used by the administering agency (ex-*

1 *cept that tenants may be required to move to units of appro-*
2 *priate size if available on the premises),”.*

3 **SEC. 16. HOUSING INNOVATION PROGRAM.**

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

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

8 *“(a) PURPOSE.—The purpose of the program under*
9 *this section is to provide public housing agencies and the*
10 *Secretary the flexibility to design and evaluate innovative*
11 *approaches to providing housing assistance that—*

12 *“(1) increase housing opportunities for low-in-*
13 *come families, including preventing homelessness, re-*
14 *habilitate or replace housing at risk of physical dete-*
15 *rioration or obsolescence, and develop additional af-*
16 *fordable housing;*

17 *“(2) leverage other Federal, State, and local*
18 *funding sources, including the low-income housing tax*
19 *credit program, to expand and preserve affordable*
20 *housing opportunities, including public housing;*

21 *“(3) provide financial incentives and other sup-*
22 *port mechanisms to families to obtain employment*
23 *and increase earned income;*

24 *“(4) test alternative rent-setting policies to deter-*
25 *mine whether rent determinations can be simplified*

1 *and administrative cost savings can be realized while*
2 *protecting extremely low- and very low-income fami-*
3 *lies from increased rent burdens;*

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

6 “(6) *are developed with the support of the local*
7 *community and with the substantial participation of*
8 *affected residents.*

9 “(b) *PROGRAM AUTHORITY.—*

10 “(1) *SCOPE.—The Secretary shall carry out a*
11 *housing innovation program under this section under*
12 *which the Secretary may designate not more than 60*
13 *public housing agencies to participate, at any one*
14 *time, in the housing innovation program, in accord-*
15 *ance with subsections (c) and (d), except that, in ad-*
16 *dition to such 60 agencies, the Secretary may des-*
17 *ignate an additional 20 agencies to participate in the*
18 *program under the terms of subsection (h).*

19 “(2) *DURATION.—The Secretary may carry out*
20 *the housing innovation program under this section*
21 *only during the 10-year period beginning on the date*
22 *of the enactment of the Section 8 Voucher Reform Act*
23 *of 2007.*

24 “(c) *PARTICIPATION OF EXISTING MTW AGENCIES.—*

1 “(1) *EXISTING MTW AGENCIES.*—Subject to the
2 requirements of paragraph (2), all existing MTW
3 agencies shall be designated to participate in the pro-
4 gram.

5 “(2) *CONDITIONS OF PARTICIPATION.*—The Sec-
6 retary shall approve and transfer into the housing in-
7 novation program under this section each existing
8 MTW agency that the Secretary determines is not in
9 default under such agreement and which the Sec-
10 retary also determines is meeting the goals and objec-
11 tives of its moving to work plan. Each such agency
12 shall, within two years after the date of the enactment
13 of the Section 8 Voucher Reform Act of 2007, make
14 changes to its policies that were implemented before
15 such date of enactment in order to comply with the
16 requirements of this section.

17 “(d) *ADDITIONAL AGENCIES.*—

18 “(1) *PROPOSALS; SELECTION PROCESS.*—In ad-
19 dition to agencies participating in the program pur-
20 suant to subsection (c), the Secretary shall, within 18
21 months after such date of enactment, select public
22 housing agencies to participate in the program pursu-
23 ant to a competitive process that meets the following
24 requirements:

1 “(A) Any public housing agency may be se-
2 lected to participate in the program, except that
3 not more than 5 agencies that are near-troubled
4 under the public housing assessment system and/
5 or section 8 management assessment program
6 may be selected, and except that any agency for
7 which the Secretary has hired an alternative
8 management entity for such agency or has taken
9 possession of all or any part of such agency’s
10 public housing program shall not be eligible for
11 participation. Any near-troubled public housing
12 agency participating in the program shall re-
13 main subject to the requirements of this Act gov-
14 erning tenant rent contributions, eligibility, and
15 continued participation, and may not adopt
16 policies described in subsection (e)(4) (relating to
17 rents and requirements for continued occupation
18 and participation).

19 “(B) The process provides, to the extent pos-
20 sible based on eligible agencies submitting appli-
21 cations and taking into account existing MTW
22 agencies participating pursuant to subsection
23 (c), for representation among agencies selected of
24 agencies having various characteristics, includ-
25 ing both large and small agencies, agencies serv-

1 *ing urban, suburban, and rural areas, and agen-*
2 *cies in various geographical regions throughout*
3 *the United States, and which may include the se-*
4 *lection of agencies that only administer the*
5 *voucher program under section 8(o).*

6 *“(C) Any agency submitting a proposal*
7 *under this paragraph shall have provided notice*
8 *to residents and the local community, not later*
9 *than 30 days before the first of the two public*
10 *meetings required under subparagraph (D).*

11 *“(D) The agency submitting a proposal*
12 *shall hold two public meetings to receive com-*
13 *ments on the agency’s proposed application, on*
14 *the implications of changes under the proposal,*
15 *and the possible impact on residents.*

16 *“(E) The process includes criteria for selec-*
17 *tion, as follows:*

18 *“(i) The extent to which the proposal*
19 *generally identifies existing rules and regu-*
20 *lations that impede achievement of the goals*
21 *and objectives of the proposal and an expla-*
22 *nation of why participation in the program*
23 *is necessary to achieve such goals and objec-*
24 *tives.*

1 “(ii) *The extent of commitment and*
2 *funding for carrying out the proposal by*
3 *local government agencies and nonprofit or-*
4 *ganizations, including the provision of ad-*
5 *ditional funding and other services, and the*
6 *extent of support for the proposal by resi-*
7 *dents, resident advisory boards, and mem-*
8 *bers of the local community.*

9 “(iii) *The extent to which the agency*
10 *has a successful history of implementing*
11 *strategies similar to those set forth in the*
12 *agency’s proposal.*

13 “(iv) *Whether the proposal pursues a*
14 *priority strategy as specified in paragraph*
15 *(2). In the case of any proposal utilizing a*
16 *such a priority strategy, the proposal shall*
17 *be evaluated based upon—*

18 “(I) *the extent to which the pro-*
19 *posal is likely to achieve the objectives*
20 *of developing additional housing dwell-*
21 *ing units affordable to extremely low-,*
22 *very low-, and low-income families,*
23 *and preserving, rehabilitating, or mod-*
24 *ernizing existing public housing dwell-*
25 *ing units; or*

1 “(II) the extent to which the pro-
2 posal is likely to achieve the purposes
3 of moving families toward economic
4 self-sufficiency and increasing employ-
5 ment rates and wages of families with-
6 out imposing a significant rent burden
7 on the lowest income families, as well
8 as such of the additional purposes as
9 may be identified in the proposal,
10 which may include expanding housing
11 choices utilizing coordinators for the
12 family self-sufficiency program under
13 section 23, making more effective use of
14 program funds, and improving pro-
15 gram management.

16 “(v) Such other factors as the Sec-
17 retary may provide, in consultation with
18 participating agencies, program stake-
19 holders, and any entity conducting evalua-
20 tions pursuant to subsection (f).

21 “(2) *PRIORITY STRATEGIES.*—For purposes of
22 paragraph (1)(E)(iv), the following are priority strat-
23 egies:

24 “(A) *DEVELOPMENT, REHABILITATION, AND*
25 *FINANCING.*—A strategy of development of addi-

1 *tional affordable housing dwelling units and/or a*
2 *strategy for preservation and physical rehabilita-*
3 *tion and modernization of existing public hous-*
4 *ing dwelling units. Such strategies may include*
5 *innovative financing proposals, leveraging of*
6 *non-public housing funds (including the low-in-*
7 *come housing tax credit program), and com-*
8 *bining of funds for assistance under sections 8*
9 *and 9. Each such proposal shall include detailed*
10 *information about the strategies expected to be*
11 *employed, an explanation of why participation*
12 *in the program is necessary to employ such*
13 *strategies, and numerical goals regarding the*
14 *number of dwelling units to be developed, pre-*
15 *served, or rehabilitated.*

16 *“(B) RENT REFORMS.—A strategy to imple-*
17 *ment rent reforms, which shall be designed to*
18 *help families increase their earned income*
19 *through rent and other work incentives, and may*
20 *also test the effectiveness of achieving adminis-*
21 *trative cost savings without increased rent bur-*
22 *dens for extremely low- and very low-income*
23 *families.*

24 *“(3) CONTRACT AMENDMENT.—After selecting*
25 *agencies under this subsection, the Secretary shall*

1 *promptly amend the applicable annual contributions*
2 *contracts of such agencies to provide that—*

3 “(A) *subject to subparagraph (B), such*
4 *agencies may implement any policies and activi-*
5 *ties that are not inconsistent with this section*
6 *without specifying such policies and activities in*
7 *such amendment and without negotiating or en-*
8 *tering into any other agreements with the Sec-*
9 *retary specifying such policies and activities;*
10 *and*

11 “(B) *the activities to be implemented by an*
12 *agency under the program in a given year shall*
13 *be described in and subject to the requirements of*
14 *the annual plan under subsection (e)(8). Upon*
15 *the enactment of this section, any agency which*
16 *has participated in the Moving to Work dem-*
17 *onstration may, at its option, be subject to the*
18 *provisions of this paragraph in lieu of any other*
19 *agreement required by the Secretary for partici-*
20 *pation in the program.*

21 “(4) *MAINTAINING PARTICIPATION RATE.—If, at*
22 *any time after the initial selection period under para-*
23 *graph (1), the number of public housing agencies par-*
24 *ticipating in the program under this section is fewer*
25 *than 40, the Secretary shall promptly solicit applica-*

1 *tions from and select public housing agencies to par-*
2 *ticipate in the program under the terms and condi-*
3 *tions for application and selection provided in this*
4 *section to increase the number of agencies partici-*
5 *pating in the program to 40.*

6 *“(e) PROGRAM REQUIREMENTS.—*

7 *“(1) PROGRAM FUNDS.—*

8 *“(A) IN GENERAL.—To carry out a housing*
9 *innovation program under this section, the par-*
10 *ticipating agency may use amounts provided to*
11 *the agency from the Operating Fund under sec-*
12 *tion 9(e), amounts provided to the agency from*
13 *the Capital Fund under section 9(d), and*
14 *amounts provided to the agency for voucher as-*
15 *sistance under section 8(o). Such program funds*
16 *may be used for any activities that are author-*
17 *ized by sections 8(o) or 9, or for other activities*
18 *that are not inconsistent with this section, which*
19 *shall include, without limitation—*

20 *“(i) providing capital and operating*
21 *assistance, and financing for housing pre-*
22 *viously developed or operated pursuant to a*
23 *contract between the Secretary and such*
24 *agency;*

1 “(ii) the acquisition, new construction,
2 rehabilitation, financing, and provision of
3 capital or operating assistance for low-in-
4 come housing (including housing other than
5 public housing) and related facilities, which
6 may be for terms exceeding the term of the
7 program under this section in order to se-
8 cure other financing for such housing;

9 “(iii) costs of site acquisition and im-
10 provement, providing utility services, demo-
11 lition, planning, and administration of ac-
12 tivities under this paragraph;

13 “(iv) housing counseling for low-in-
14 come families in connection with rental or
15 homeownership assistance provided under
16 the program;

17 “(v) safety, security, law enforcement,
18 and anticrime activities appropriate to pro-
19 tect and support families assisted under the
20 program;

21 “(vi) tenant-based rental assistance,
22 which may include the project-basing of
23 such assistance; and

24 “(vii) appropriate and reasonable fi-
25 nancial assistance that is required to pre-

1 *serve low-income housing otherwise assisted*
2 *under programs administered by the Sec-*
3 *retary or under State or local low-income*
4 *housing programs.*

5 “(B) *COMBINING FUNDS.*—*Notwithstanding*
6 *any other provision of law, a participating*
7 *agency may combine and use program funds for*
8 *any activities authorized under this section, ex-*
9 *cept that a participating agency may use funds*
10 *provided for assistance under section 8(o) for ac-*
11 *tivities other than those authorized under section*
12 *8(o) only if (i) in the calendar year prior to its*
13 *participation in the program, the agency utilized*
14 *not less than 95 percent of such funds allocated*
15 *for that calendar year for such authorized activi-*
16 *ties or 95 percent of its authorized vouchers, in-*
17 *cluding vouchers ported in to the agency and*
18 *vouchers ported out; or (ii) after approval to*
19 *participate in the program, the agency achieves*
20 *such utilization for a 12-month period. This sub-*
21 *paragraph shall not apply to participating agen-*
22 *cies approved by the Secretary to combine funds*
23 *from sections 8 and 9 of the Act prior to enact-*
24 *ment of this section.*

1 “(2) *USE OF PROGRAM FUNDS.*—*In carrying out*
2 *the housing innovation program under this section,*
3 *each participating agency shall continue to assist—*

4 “(A) *not less than substantially the same*
5 *number of eligible low-income families under the*
6 *program as it assisted in the base year for the*
7 *agency; and*

8 “(B) *a comparable mix of families by fam-*
9 *ily size, subject to adjustment to reflect changes*
10 *in the agency’s waiting list, except that the Sec-*
11 *retary may approve exceptions to such require-*
12 *ments for up to 3 years based on modernization*
13 *or redevelopment activities proposed in an an-*
14 *ual plan submitted and approved in accordance*
15 *with paragraph (8).*

16 *Determinations with respect to the number of families*
17 *served shall be adjusted based on any allocation of ad-*
18 *ditional vouchers under section 8(o) and to reflect*
19 *any change in the percentage of program funds that*
20 *a participating agency receives compared to the base*
21 *year.*

22 “(3) *RETAINED PROVISIONS.*—*Notwithstanding*
23 *any other provision of this section, families receiving*
24 *assistance under this section shall retain the same*
25 *rights of judicial review of agency action as they*

1 *would otherwise have had if the agency were not par-*
2 *ticipating in the program, and each participating*
3 *agency shall comply with the following provisions of*
4 *this Act:*

5 “(A) *Subsections (a)(2)(A) and (b)(1) of*
6 *section 16 (relating to targeting for new admis-*
7 *sions in the public housing and voucher pro-*
8 *grams).*

9 “(B) *Section 2(b) (relating to tenant rep-*
10 *resentatives on the public housing agency board*
11 *of directors).*

12 “(C) *Section 3(b)(2) (relating to definitions*
13 *for the terms ‘low-income families’ and ‘very*
14 *low-income families’).*

15 “(D) *Section 5(A)(e) (relating to the forma-*
16 *tion of and consultation with a resident advisory*
17 *board).*

18 “(E) *Sections 6(f)(1) and 8(o)(8)(B) (relat-*
19 *ing to compliance of units assisted with housing*
20 *quality standards or other codes).*

21 “(F) *Sections 6(c)(3), 6(c)(4)(i), and*
22 *8(o)(6)(B) (relating to rights of public housing*
23 *applicants and existing procedural rights for ap-*
24 *plicants under section 8(o)).*

1 “(G) Section 6(k) (relating to grievance
2 procedures for public housing tenants) and com-
3 parable procedural rights for families assisted
4 under section 8(o).

5 “(H) Section 6(l) (relating to public hous-
6 ing lease requirements), except that for units as-
7 sisted both with program funds and low-income
8 housing tax credits, the initial lease term may be
9 less than 12 months if required to conform lease
10 terms with such tax credit requirements.

11 “(I) Section 7 (relating to designation of
12 housing for elderly and disabled households), ex-
13 cept that a participating agency may make such
14 designations(at initial designation or upon re-
15 newal) for a term of up to 5 years if the agency
16 includes in its annual plan under paragraph (8)
17 an analysis of the impact of such designations
18 on affected households and such designation is
19 subject to the program evaluation. Any partici-
20 pating agency with a designated housing plan
21 that was approved under the moving to work
22 demonstration may continue to operate under
23 the terms of such plan for a term of 5 years
24 (with an option to renew on the same terms for
25 an additional 5 years) if it includes in its an-

1 *nual plan an analysis of the impact of such des-*
2 *ignations on affected households and is subject to*
3 *evaluation under subsection (f).*

4 *“(J) Subparagraphs (C) through (E) of sec-*
5 *tion 8(o)(7) (relating to lease requirements and*
6 *eviction protections for families assisted with*
7 *tenant-based assistance).*

8 *“(K) Subject to paragraph (1)(B) of this*
9 *subsection, section 8(o)(13)(B) (relating to a per-*
10 *centage limitation on project-based assistance),*
11 *except that for purposes of this subparagraph*
12 *such section shall be applied by substituting ‘50*
13 *percent’ for ‘20 percent’.*

14 *“(L) Section 8(o)(13)(E) (relating to resi-*
15 *dent choice for tenants of units with project-*
16 *based vouchers), except with respect to—*

17 *“(i) in the case of agencies partici-*
18 *parting in the moving to work demonstra-*
19 *tion, any housing assistance payment con-*
20 *tract entered into within 2 years after the*
21 *enactment of this section;*

22 *“(ii) project-based vouchers that re-*
23 *place public housing units;*

24 *“(iii) not more than 10 percent of the*
25 *vouchers available to the participating*

1 *agency upon entering the housing innova-*
2 *tion program under this section; and*

3 *“(iv) any project-based voucher pro-*
4 *gram that is subject to evaluation under*
5 *subsection (f).*

6 *“(M) Section 8(r) (relating to portability of*
7 *voucher assistance), except that a participating*
8 *agency may receive funding for portability obli-*
9 *gations under section 8(dd) in the same manner*
10 *as other public housing agencies.*

11 *“(N) Subsections (a) and (b) of section 12*
12 *(relating to payment of prevailing wages).*

13 *“(O) Section 18 (relating to demolition and*
14 *disposition of public housing).*

15 *“(4) RENTS AND REQUIREMENTS FOR CONTIN-*
16 *UED OCCUPANCY OR PARTICIPATION.—*

17 *“(A) BEFORE POLICY CHANGE.—Before*
18 *adopting any policy pursuant to participation*
19 *in the housing innovation program under this*
20 *section that would make a material change to the*
21 *requirements of this Act regarding tenant rents*
22 *or contributions, or conditions of continued occu-*
23 *pancy or participation, a participating agency*
24 *shall complete each of the following actions:*

1 “(i) *The agency shall conduct an im-*
2 *act analysis of the proposed policy on fam-*
3 *ilies the agency is assisting under the pro-*
4 *gram under this section and on applicants*
5 *on the waiting list, including analysis of*
6 *the incidence and severity of rent burdens*
7 *greater than 30 percent of adjusted income*
8 *on households of various sizes and types and*
9 *in various income tiers, that would result,*
10 *if any, without application of the hardship*
11 *provisions. The analysis with respect to ap-*
12 *plicants on the waiting list may be limited*
13 *to demographic data provided by the appli-*
14 *cable consolidated plan, information pro-*
15 *vided by the Secretary, and other generally*
16 *available information. The proposed policy,*
17 *including provisions for addressing hard-*
18 *ship cases and transition provisions that*
19 *mitigate the impact of any rent increases or*
20 *changes in the conditions of continued occu-*
21 *pancy or participation, and data from this*
22 *analysis shall be made available for public*
23 *inspection for at least 60 days in advance*
24 *of the public meeting described in clause*
25 *(ii).*

1 “(ii) *The agency shall hold a public*
2 *meeting regarding the proposed change, in-*
3 *cluding the hardship provisions, which may*
4 *be combined with a public meeting on the*
5 *draft annual plan under paragraph (8) or*
6 *the annual report under paragraph (9).*

7 “(iii) *The board of directors or other*
8 *similar governing body of the agency shall*
9 *approve the change in public session.*

10 “(iv) *The agency shall obtain approval*
11 *from the Secretary of the annual plan or*
12 *plan amendment. The Secretary may ap-*
13 *prove a plan or amendment containing a*
14 *material change to the requirements of this*
15 *Act regarding tenant rents or contributions,*
16 *or conditions of continued occupancy or*
17 *participation, only if the agency agrees that*
18 *such policy may be included as part of the*
19 *national evaluation.*

20 “(B) *AFTER POLICY CHANGE.—After adopt-*
21 *ing a policy described in subparagraph (A), a*
22 *program agency shall complete each of the fol-*
23 *lowing actions:*

24 “(i) *The agency shall provide adequate*
25 *notice to residents, which shall include a de-*

1 *scription of the changes in the public hous-*
2 *ing lease or participation agreement that*
3 *may be required and of the hardship or*
4 *transition protections offered.*

5 *“(ii) In the case of any additional re-*
6 *quirements for continued occupancy or par-*
7 *ticipation, the agency shall execute a lease*
8 *addendum or participation agreement*
9 *specifying the requirements applicable to*
10 *both the resident and the agency. A resident*
11 *may bring a civil action to enforce commit-*
12 *ments of the agency made through the lease*
13 *addendum or participation agreement.*

14 *“(iii) The agency shall reassess rent,*
15 *subsidy level, and policies on program par-*
16 *ticipation no less often than every two*
17 *years, which shall include preparing a re-*
18 *vised impact analysis, and make available*
19 *to the public the results of such reassessment*
20 *and impact analysis. The requirement*
21 *under this clause may be met by sufficiently*
22 *detailed interim reports, if any, by the na-*
23 *tional evaluating entity.*

24 *“(iv) The agency shall include in the*
25 *annual report under paragraph (8) infor-*

1 *mation sufficient to describe any hardship*
2 *requests, including the number and types of*
3 *requests made, granted, and denied, the use*
4 *of transition rules, and adverse impacts re-*
5 *sulting from changes in rent or continued*
6 *occupancy policies, including actions taken*
7 *by the agency to mitigate such impacts and*
8 *impacts on families no longer assisted*
9 *under the program.*

10 *“(C) APPLICABILITY TO EXISTING MTW*
11 *AGENCIES.—An existing MTW agency that, be-*
12 *fore the date of the enactment of this section, im-*
13 *plemented material changes to the requirements*
14 *of this Act regarding tenant rents or contribu-*
15 *tions, or conditions of continued occupancy or*
16 *participation, as part of the moving to work*
17 *demonstration shall not be subject to subpara-*
18 *graph (A) with regard to such previously imple-*
19 *mented changes, but shall comply with the re-*
20 *quirements of subparagraph (B)(ii) and provide*
21 *the evaluation and impact analysis required by*
22 *subparagraph (B)(iii) by the end of the second*
23 *agency fiscal year ending after such date of en-*
24 *actment.*

1 “(5) *PROHIBITION AGAINST DECREASE IN PRO-*
2 *GRAM FUNDS.—The amount of program funds a par-*
3 *ticipating agency receives shall not be diminished by*
4 *its participation in the housing innovation program*
5 *under this section.*

6 “(6) *SUBMISSION OF INFORMATION.—As part of*
7 *the annual report required under subsection (g)(2),*
8 *each participating agency shall submit information*
9 *annually to the Secretary regarding families assisted*
10 *under the program of the agency and comply with*
11 *any other data submissions required by the Secretary*
12 *for purposes of evaluation of the program under this*
13 *section.*

14 “(7) *PUBLIC AND RESIDENT PARTICIPATION.—*
15 *Each participating agency shall provide opportuni-*
16 *ties for resident and public participation in the an-*
17 *annual plan under paragraph (8), as follows:*

18 “(A) *NOTICE TO RESIDENTS.—*

19 “(i) *NOTICE.—Each year, the agency*
20 *shall provide notice to the low-income fami-*
21 *lies it serves under the programs authorized*
22 *by this section as to the impact of proposed*
23 *policy changes and program initiatives and*
24 *of the schedule of resident advisory board*
25 *and public meetings for the annual plan.*

1 “(i) *MEETING.*—*The agency shall hold*
2 *at least one meeting with the resident advi-*
3 *sory board (including representatives of re-*
4 *ipients of assistance under section 8) to re-*
5 *view the annual plan for each year.*

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

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

1 “(D) *BOARD APPROVAL.*—*Before submitting*
2 *an annual plan or annual report to the Sec-*
3 *retary, the plan or report, as applicable, shall be*
4 *approved in a public meeting by the board of di-*
5 *rectors or other governing body of the agency.*

6 “(8) *ANNUAL PLAN.*—

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

13 “(B) *CONTENTS.*—*Each annual plan shall*
14 *include the following information:*

15 “(i) *A list and description of all pro-*
16 *gram initiatives and generally applicable*
17 *policy changes, including references to af-*
18 *ected provisions of law or the implementing*
19 *regulations affected.*

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

24 “(iii) *A description of property rede-*
25 *velopment or portfolio repositioning strate-*

1 *gies and proposed changes in policies or*
2 *uses of funds required to implement such*
3 *strategies.*

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

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 *ilitation 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 of
8 any other asset management, project based
9 management or accounting, or other system
10 of allocating resources and costs to partici-
11 pating agency assets or cost centers that the
12 Secretary may otherwise impose under this
13 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 to
19 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 within
25 45 days after such submission.

1 “(ii) *STANDARDS FOR DISAPPROVAL.*—
2 *The Secretary may disapprove a plan only*
3 *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 5,*
25 *United States Code, or an action regarding*

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

4 “(f) *EVALUATION OF PERFORMANCE.*—

5 “(1) *IN GENERAL.*—*Not later than the expiration*
6 *of the one-year period that begins upon selection*
7 *under subsection (d) of at least half of the number of*
8 *agencies able to participate in the program under this*
9 *section, the Secretary shall conduct detailed evalua-*
10 *tions of all public housing agencies participating in*
11 *the program under this section—*

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

15 “(B) *to identify program models that can be*
16 *replicated by other agencies to achieve such suc-*
17 *cess.*

18 “(2) *REPORTS.*—

19 “(A) *IN GENERAL.*—*The Secretary shall*
20 *submit three reports to the Congress, as provided*
21 *in subparagraph (B), evaluating the programs of*
22 *all public housing agencies participating in the*
23 *program under this section and all agencies par-*
24 *ticipating in the moving to work demonstration.*
25 *Each such report shall include findings and rec-*

1 *ommendations for any appropriate legislative*
2 *action.*

3 “(B) *TIMING.*—*The reports under this para-*
4 *graph shall include—*

5 “(i) *an initial report, which shall be*
6 *submitted before the expiration of the 3-year*
7 *period beginning on the date of the enact-*
8 *ment of the Section 8 Voucher Reform Act*
9 *of 2007;*

10 “(ii) *an interim report, which shall be*
11 *submitted before the expiration of the 5-year*
12 *period beginning on such date of enactment;*
13 *and*

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

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

22 “(4) *PERFORMANCE MEASURES.*—*The Secretary*
23 *or the evaluating entity, as applicable, shall establish*
24 *performance measures, which may include—*

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

3 “(B) performance measures for—

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

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

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

20 “(iv) reducing administrative costs;
21 and

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

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

1 “(1) *RECORDKEEPING.*—*Each public housing*
2 *agency participating in the program under this sec-*
3 *tion shall keep such records as the Secretary may pre-*
4 *scribe as reasonably necessary to disclose the amounts*
5 *and the disposition of amounts under the program, to*
6 *ensure compliance with the requirements of this sec-*
7 *tion, and to measure performance.*

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

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

22 “(B) *An annual audit that complies with*
23 *the requirements of Circular A–133 of the Office*
24 *of Management and Budget, including the OMB*
25 *Compliance Supplement.*

1 “(C) A description of each hardship excep-
2 tion requested and granted or denied, and of the
3 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 by
10 the agency in the base year.

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

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

1 *cess for the purpose of audit and examination to any*
2 *books, documents, papers, and records that are perti-*
3 *nent to assistance in connection with, and the re-*
4 *quirements of, this section.*

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

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

19 *“(1) APPLICABILITY OF CERTAIN EXISTING PRO-*
20 *VISIONS.—Such agencies shall be subject to the provi-*
21 *sions of—*

22 *“(A) subsections (a) and (b) of section 3;*

23 *and*

24 *“(B) section 8(o), except for paragraph (11)*

25 *and except that such agencies shall not be re-*

1 *quired to comply with any provision of such sec-*
2 *tion 8(o) that pursuant to subsection (e)(3) of*
3 *this section does not apply to agencies that are*
4 *subject to such section (e)(3).*

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 agen-*
9 *cies may not condition the receipt of housing assist-*
10 *ance by families under the program on the employ-*
11 *ment 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 plan*
19 *for replacement of such units in accordance with,*
20 *and approved by the Secretary of Housing and*
21 *Urban Development pursuant to, subparagraph*
22 *(B).*

23 “(B) *PLAN REQUIREMENTS.*—*The Secretary*
24 *may not approve a plan that provides for demo-*
25 *lition or disposition of any dwelling unit of pub-*

1 *lic housing referred to in subparagraph (A) un-*
2 *less—*

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 public*
9 *hearing regarding the demolition or disposi-*
10 *tion 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, development,*
19 *or contracting (including through*
20 *project-based assistance) of additional*
21 *dwelling units that are subject to re-*
22 *quirements regarding eligibility for oc-*
23 *cupancy, tenant contribution toward*
24 *rent, and long-term affordability re-*

1 *strictions which are comparable to*
2 *public housing units;*

3 “(iv) *such plan provides for a right,*
4 *and implementation of such right, to occu-*
5 *pancy of additional dwelling units provided*
6 *in accordance with clause (iii), for house-*
7 *holds who, as of the time that dwelling*
8 *units demolished or disposed of were va-*
9 *cated to provide for such demolition or dis-*
10 *position, were occupying such dwelling*
11 *units;*

12 “(v) *such plan provides that the pro-*
13 *posed demolition or disposition and reloca-*
14 *tion will be carried out in a manner that*
15 *affirmatively furthers fair housing, as de-*
16 *scribed in subsection (e) of section 808 of*
17 *the Civil Rights Act of 1968; and*

18 “(vi) *to the extent that such plan pro-*
19 *vides for the provision of replacement or ad-*
20 *ditional dwelling units, or redevelopment,*
21 *in phases over time, such plan provides that*
22 *the ratio of dwelling units described in sub-*
23 *clauses (I) and (II) of clause (iii) that are*
24 *provided in any such single phase to the*
25 *total number of dwelling units provided in*

1 *such phase is not less than the ratio of the*
2 *aggregate number of such dwelling units*
3 *provided under the plan to the total number*
4 *of dwelling units provided under the plan.*

5 *“(C) INAPPLICABLE PROVISIONS.—Subpara-*
6 *graphs (B) and (D) of section 8(o)(13) of the*
7 *United States Housing Act of 1937 (42 U.S.C.*
8 *1437f(o)(13)) shall not apply with respect to*
9 *vouchers used to comply with the requirements of*
10 *subparagraph (B)(iii) of this paragraph.*

11 *“(D) MONITORING.—The Secretary of Hous-*
12 *ing and Urban Development shall provide for the*
13 *appropriate field offices of the Department to*
14 *monitor and supervise enforcement of this para-*
15 *graph and plans approved under this paragraph*
16 *and to consult, regarding such monitoring and*
17 *enforcement, with resident councils of, and resi-*
18 *dents of public housing operated or administered*
19 *by, the agency.*

20 *“(5) COMPREHENSIVE OUTREACH PLAN.—No*
21 *program funds of such agencies may be use to demol-*
22 *ish, dispose of, or eliminate any public housing dwell-*
23 *ing units except in accordance with a comprehensive*
24 *outreach plan for such activities, developed by the*

1 *agency in conjunction with the residents of the public*
2 *housing agency, as follows:*

3 *“(A) The plan shall be developed by the*
4 *agency and a resident task force, which may in-*
5 *clude members of the Resident Council, but may*
6 *not be limited to such members, and which shall*
7 *represent all segments of the population of resi-*
8 *dents of the agency, including single parent-*
9 *headed households, the elderly, young employed*
10 *and unemployed adults, teenage youth, and dis-*
11 *abled persons.*

12 *“(B) The votes and agreements regarding*
13 *the plan shall involve not less than 25 and not*
14 *more than 35 persons.*

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

1 *munity services to be provided, opportunities for*
2 *participation in architectural design, and em-*
3 *ployment opportunities for residents, which shall*
4 *reserve at least 70 percent of the jobs in demoli-*
5 *tion activities and 50 percent of the jobs in con-*
6 *struction activities related to the redevelopment*
7 *project, including job training, apprenticeships,*
8 *union membership assistance.*

9 *“(D) The plan shall provide for regularly*
10 *scheduled monthly meeting updates and a system*
11 *for filing complaints about any aspect of the re-*
12 *development process.*

13 *“(i) DEFINITIONS.—For purposes of this section, the*
14 *following definitions shall apply:*

15 *“(1) EXISTING MTW AGENCY.—The term ‘existing*
16 *MTW agency’ means a public housing agency that as*
17 *of the date of the enactment of the Section 8 Voucher*
18 *Reform Act of 2007 has an existing agreement with*
19 *the Secretary pursuant to the moving to work dem-*
20 *onstration.*

21 *“(2) BASE YEAR.—The term ‘base year’ means,*
22 *with respect to a participating agency, the agency fis-*
23 *cal year most recently completed prior to selection*
24 *and approval for participation in the housing inno-*
25 *vation program under this section.*

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

7 “(4) *PARTICIPATING AGENCIES.*—*The term ‘par-*
8 *ticipating agencies’ means public housing agencies*
9 *designated and approved for participation, and par-*
10 *ticipating, in the housing innovation program under*
11 *this section.*

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

17 “(6) *RESIDENTS.*—*The term ‘residents’ means,*
18 *with respect to a public housing agency, tenants of*
19 *public housing of the agency and participants in the*
20 *voucher or other housing assistance programs of the*
21 *agency funded under section 8(o), or tenants of other*
22 *units owned by the agency and assisted under this*
23 *section.*

24 “(j) *AUTHORIZATION OF APPROPRIATIONS FOR RESI-*
25 *DENT TECHNICAL ASSISTANCE.*—*There is authorized to be*

1 *appropriated for each of fiscal years 2008 through 2012*
2 *\$10,000,000, for providing capacity building and technical*
3 *assistance to enhance the capabilities of low-income families*
4 *assisted under the program under this section to participate*
5 *in the process for establishment of annual plans under this*
6 *section for participating agencies.*

7 “(k) *AUTHORIZATION OF APPROPRIATIONS FOR EVAL-*
8 *UATIONS.—There is authorized to be appropriated*
9 *\$15,000,000 to the Department of Housing and Urban De-*
10 *velopment for the purpose of conducting the evaluations re-*
11 *quired under subsection (f)(1).”.*

12 “(b) *GAO REPORT.—Not later than 48 months after the*
13 *date of the enactment of this Act, the Comptroller General*
14 *of the United States shall submit a report to the Congress*
15 *on the extent to which the public housing agencies partici-*
16 *pating in the housing innovation program under section*
17 *36 of the United States Housing Act of 1937 are meeting*
18 *the goals and purposes of such program, as identified in*
19 *subsection (a) of such section 36.*

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

21 “(a) *AUTHORITY TO ENTER INTO AGREEMENTS.—Not-*
22 *withstanding any other provision of law, the Secretary of*
23 *Housing and Urban Development may enter into such*
24 *agreements as may be necessary with the Social Security*
25 *Administration and the Secretary of Health and Human*

1 *Services to allow for the participation, in any demonstra-*
2 *tion program described in subsection (c), by the Department*
3 *of Housing and Urban Development and the use under such*
4 *program of housing choice vouchers under section 8(o) of*
5 *the United States Housing Act of 1937 (42 U.S.C.*
6 *1437f(o)).*

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

17 (c) *DEMONSTRATION PROGRAMS.—A demonstration*
18 *program described in this subsection is a demonstration*
19 *program of a State that provides for persons with signifi-*
20 *cant disabilities to be employed and continue to receive ben-*
21 *efits under programs of the Department of Health and*
22 *Human Services and the Social Security Administration,*
23 *including the program of supplemental security income*
24 *benefits under title XVI of the Social Security Act, dis-*
25 *ability insurance benefits under title II of such Act, and*

1 *the State program for medical assistance (Medicaid) under*
2 *title XIX of such Act.*

3 **SEC. 18. AUTHORIZATION OF APPROPRIATIONS.**

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

10 **SEC. 19. EFFECTIVE DATE.**

11 *Except as otherwise specifically provided in this Act,*
12 *this Act and the amendments made by this Act, shall take*
13 *effect on January 1, 2008.*

Union Calendar No. 132

110TH CONGRESS
1ST Session

H. R. 1851

[Report No. 110-216]

A BILL

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

JUNE 28, 2007

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed