

1 (1) the number, type, and cost of public housing
2 units revitalized pursuant to this section;

3 (2) the status of developments identified as se-
4 verely distressed public housing;

5 (3) the amount and type of financial assistance
6 provided under and in conjunction with this section;
7 and

8 (4) the recommendations of the Secretary for
9 statutory and regulatory improvements to the pro-
10 gram established by this section.

11 (m) FUNDING.—

12 (1) AUTHORIZATION OF APPROPRIATIONS.—
13 There are authorized to be appropriated for grants
14 under this section \$480,000,000 for each of fiscal
15 years 1996, 1997, and 1998.

16 (2) TECHNICAL ASSISTANCE.—Of the amount ap-
17 propriated pursuant to paragraph (1) for any fiscal
18 year, the Secretary may use not more than 0.50 per-
19 cent for technical assistance. Such assistance may be
20 provided directly or indirectly by grants, contracts, or
21 cooperative agreements, and shall include training,
22 and the cost of necessary travel for participants in
23 such training, by or to officials of the Department of
24 Housing and Urban Development, of local housing
25 and management authorities, and of residents.

1 (n) *SUNSET.*—No assistance may be provided under
2 this section after September 30, 1998.

3 **SEC. 263. VOLUNTARY VOUCHER SYSTEM FOR PUBLIC**
4 **HOUSING.**

5 (a) *IN GENERAL.*—A local housing and management
6 authority may convert any public housing development (or
7 portion thereof) owned and operated by the authority to a
8 system of choice-based rental housing assistance under title
9 III, in accordance with this section.

10 (b) *ASSESSMENT AND PLAN REQUIREMENT.*—In con-
11 verting under this section to a choice-based rental housing
12 assistance system, the local housing and management au-
13 thority shall develop a conversion assessment and plan
14 under this subsection, in consultation with the appropriate
15 public officials and with significant participation by the
16 residents of the development (or portion thereof), which as-
17 sessment and plan shall—

18 (1) be consistent with and part of the local hous-
19 ing management plan for the authority;

20 (2) describe the conversion and future use or dis-
21 position of the public housing development, including
22 an impact analysis on the affected community;

23 (3) include a cost analysis that demonstrates
24 whether or not the cost (both on a net present value
25 basis and in terms of new budget authority require-

1 ments) of providing choice-based rental housing as-
 2 sistance under title III for the same families in sub-
 3 stantially similar dwellings over the same period of
 4 time is less expensive than continuing public housing
 5 assistance in the public housing development proposed
 6 for conversion for the remaining useful life of the de-
 7 velopment; and

8 (4) identify the actions, if any, that the local
 9 housing and management authority will take with re-
 10 gard to converting any public housing development or
 11 developments (or portions thereof) of the authority to
 12 a system of choice-based rental housing assistance
 13 under title III.

14 (c) *STREAMLINED ASSESSMENT AND PLAN.*—At the
 15 discretion of the Secretary or at the request of a local hous-
 16 ing and management authority, the Secretary may waive
 17 any or all of the requirements of subsection (b) or otherwise
 18 require a streamlined assessment with respect to any public
 19 housing development or class of public housing develop-
 20 ments.

21 (d) *IMPLEMENTATION OF CONVERSION PLAN.*—

22 (1) *IN GENERAL.*—A local housing and manage-
 23 ment authority may implement a conversion plan
 24 only if the conversion assessment under this section
 25 demonstrates that the conversion—

1 (A) will not be more expensive than con-
2 tinuing to operate the public housing develop-
3 ment (or portion thereof) as public housing; and

4 (B) will principally benefit the residents of
5 the public housing development (or portion there-
6 of) to be converted, the local housing and man-
7 agement authority, and the community.

8 (2) *DISAPPROVAL.*—The Secretary shall dis-
9 approve a conversion plan only if the plan is plainly
10 inconsistent with the conversion assessment under
11 subsection (b) or there is reliable information and
12 data available to the Secretary that contradicts that
13 conversion assessment.

14 (e) *OTHER REQUIREMENTS.*—To the extent approved
15 by the Secretary, the funds used by the local housing and
16 management authority to provide choice-based rental hous-
17 ing assistance under title III shall be added to the housing
18 assistance payment contract administered by the local hous-
19 ing and management authority or any entity administer-
20 ing the contract on behalf of the local housing and manage-
21 ment authority.

22 (f) *SAVINGS PROVISION.*—This section does not affect
23 any contract or other agreement entered into under section
24 22 of the United States Housing Act of 1937 (as such sec-
25 tion existed immediately before the enactment of this Act).

Subtitle F—General Provisions

SEC. 271. CONVERSION TO BLOCK GRANT ASSISTANCE.

(a) *SAVINGS PROVISIONS.*—Any amounts made available to a public housing agency for assistance for public housing pursuant to the United States Housing Act of 1937 (or any other provision of law relating to assistance for public housing) under an appropriation for fiscal year 1996 or any previous fiscal year shall be subject to the provisions of such Act as in effect before the enactment of this Act, notwithstanding the repeals made by this Act, except to the extent the Secretary provides otherwise to provide for the conversion of public housing and public housing assistance to the system provided under this Act.

(b) *MODIFICATIONS.*—Notwithstanding any provision of this Act or any annual contributions contract or other agreement entered into by the Secretary and a public housing agency pursuant to the provisions of the United States Housing Act of 1937 (as in effect before the enactment of this Act), the Secretary and the agency may by mutual consent amend, supersede, modify any such agreement as appropriate to provide for assistance under this title, except that the Secretary and the agency may not consent to any such amendment, supersession, or modification that substantially alters any outstanding obligations requiring continued maintenance of the low-income character of any pub-

1 *lic housing development and any such amendment, super-*
 2 *session, or modification shall not be given effect:*

3 **SEC. 272. PAYMENT OF NON-FEDERAL SHARE.**

4 *Rental or use-value of buildings or facilities paid for,*
 5 *in whole or in part, from production, modernization, or op-*
 6 *eration costs financed under this title may be used as the*
 7 *non-Federal share required in connection with activities*
 8 *undertaken under Federal grant-in-aid programs which*
 9 *provide social, educational, employment, and other services*
 10 *to the residents in a project assisted under this title.*

11 **SEC. 273. DEFINITIONS.**

12 *For purposes of this title, the following definitions*
 13 *shall apply:*

14 (1) **ACQUISITION COST.**—*The term “acquisition*
 15 *cost” means the amount prudently expended by a*
 16 *local housing and management authority in acquir-*
 17 *ing property for a public housing development.*

18 (2) **DEVELOPMENT.**—*The terms “public housing*
 19 *development” and “development” mean—*

20 (A) *public housing; and*

21 (B) *the improvement of any such housing.*

22 (3) **ELIGIBLE LOCAL HOUSING AND MANAGEMENT**
 23 **AUTHORITY.**—*The term “eligible local housing and*
 24 *management authority” means, with respect to a fis-*
 25 *cal year, a local housing and management authority*

1 *that is eligible under section 202(d) for a grant under*
2 *this title.*

3 (4) *GROUP HOME AND INDEPENDENT LIVING FA-*
4 *CILITY.—The terms “group home” and “independent*
5 *living facility” have the meanings given such terms*
6 *in section 811(k) of the Cranston-Gonzalez National*
7 *Affordable Housing Act.*

8 (5) *OPERATION.—The term “operation” means*
9 *any or all undertakings appropriate for management,*
10 *operation, services, maintenance, security (including*
11 *the cost of security personnel), or financing in connec-*
12 *tion with a public housing development, including the*
13 *financing of resident programs and services.*

14 (6) *PRODUCTION.—The term “production”*
15 *means any or all undertakings necessary for plan-*
16 *ning, land acquisition, financing, demolition, con-*
17 *struction, or equipment, in connection with the con-*
18 *struction, acquisition, or rehabilitation of a property*
19 *for use as a public housing development, including*
20 *activity in connection with a public housing develop-*
21 *ment that is confined to the reconstruction, remodel-*
22 *ing, or repair of existing buildings.*

23 (7) *PRODUCTION COST.—The term “production*
24 *cost” means the costs incurred by a local housing and*
25 *management authority for production of public hous-*

1 *ing and the necessary financing for production (in-*
2 *cluding the payment of carrying charges and acquisi-*
3 *tion costs).*

4 (8) *RESIDENT COUNCIL.*—*The term “resident*
5 *council” means an organization or association that*
6 *meets the requirements of section 234(a).*

7 (9) *RESIDENT MANAGEMENT CORPORATION.*—
8 *The term “resident management corporation” means*
9 *a corporation that meets the requirements of section*
10 *234(b).*

11 (10) *RESIDENT PROGRAM.*—*The term “resident*
12 *programs and services” means programs and services*
13 *for families residing in public housing developments.*
14 *Such term includes (A) the development and mainte-*
15 *nance of resident organizations which participate in*
16 *the management of public housing developments, (B)*
17 *the training of residents to manage and operate the*
18 *public housing development and the utilization of*
19 *their services in management and operation of the de-*
20 *velopment, (C) counseling on household management,*
21 *housekeeping, budgeting, money management, home-*
22 *ownership issues, child care, and similar matters, (D)*
23 *advice regarding resources for job training and place-*
24 *ment, education, welfare, health, and other commu-*
25 *nity services, (E) services that are directly related to*

meeting resident needs and providing a wholesome living environment; and (F) referral to appropriate agencies in the community when necessary for the provision of such services. To the maximum extent available and appropriate, existing public and private agencies in the community shall be used for the provision of such services.

**SEC. 274. AUTHORIZATION OF APPROPRIATIONS FOR
BLOCK GRANTS.**

There are authorized to be appropriated for grants under this title, the following amounts:

(1) **CAPITAL FUND.**—For the allocations from the capital fund for grants, \$2,500,000,000 for each of fiscal years 1997, 1998, 1999, and 2000; and

(2) **OPERATING FUND.**—For the allocations from the operating fund for grants, \$2,800,000,000 for each of fiscal years 1997, 1998, 1999, and 2000.

**SEC. 275. AUTHORIZATION OF APPROPRIATIONS FOR OPER-
ATION SAFE HOME.**

There is authorized to be appropriated, for assistance for relocating residents of public housing under the operation safe home program of the Department of Housing and Urban Development (including assistance for costs of relocation and housing assistance under title III), \$700,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000. The

1 Secretary shall provide that families who are residing in
 2 public housing, who have been subject to domestic violence,
 3 and for whom provision of assistance is likely to reduce or
 4 eliminate the threat of subsequent violence to the members
 5 of the family, shall be eligible for assistance under the oper-
 6 ation safe home program.

7 **TITLE III—CHOICE-BASED RENT-**
 8 **AL HOUSING AND HOME-**
 9 **OWNERSHIP ASSISTANCE FOR**
 10 **LOW-INCOME FAMILIES**

11 **Subtitle A—Allocation**

12 **SEC. 301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE**
 13 **AMOUNTS.**

14 To the extent that amounts to carry out this title are
 15 made available, the Secretary may enter into contracts with
 16 local housing and management authorities for each fiscal
 17 year to provide housing assistance under this title.

18 **SEC. 302. CONTRACTS WITH LHMA'S.**

19 (a) **CONDITION OF ASSISTANCE.**—The Secretary may
 20 provide amounts under this title to a local housing and
 21 management authority for a fiscal year only if the Sec-
 22 retary has entered into a contract under this section with
 23 the local housing and management authority, under which
 24 the Secretary shall provide such authority with amounts
 25 (in the amount of the allocation for the authority deter-

1 mined pursuant to section 304) for housing assistance
2 under this title for low-income families.

3 (b) *USE FOR HOUSING ASSISTANCE.*—A contract
4 under this section shall require a local housing and man-
5 agement authority to use amounts provided under this title
6 to provide housing assistance in any manner authorized
7 under this title.

8 (c) *ANNUAL OBLIGATION OF AUTHORITY.*—A contract
9 under this title shall provide amounts for housing assistance
10 for 1 fiscal year covered by the contract.

11 (d) *ENFORCEMENT OF HOUSING QUALITY REQUIRE-*
12 *MENTS.*—Each contract under this section shall require the
13 local housing and management authority administering as-
14 sistance provided under the contract—

15 (1) to ensure compliance, under each housing as-
16 sistance payments contract entered into pursuant to
17 the contract under this section, with the provisions of
18 the housing assistance payments contract included
19 pursuant to section 351(c)(4); and

20 (2) to establish procedures for assisted families to
21 notify the authority of any noncompliance with such
22 provisions.

1 **SEC. 303. ELIGIBILITY OF LHMA'S FOR ASSISTANCE**
2 **AMOUNTS.**

3 *The Secretary may provide amounts available for*
4 *housing assistance under this title pursuant to the formula*
5 *established under section 304(a) to a local housing and*
6 *management authority only if—*

7 *(1) the authority has submitted a local housing*
8 *management plan to the Secretary for such fiscal year*
9 *and applied to the Secretary for such assistance;*

10 *(2) the plan has been determined to comply with*
11 *the requirements under section 107 and the Secretary*
12 *has not notified the authority that the plan fails to*
13 *comply with such requirements;*

14 *(3) the authority is accredited under section 433*
15 *by the Housing Foundation and Accreditation Board;*

16 *(4) no member of the board of directors or other*
17 *governing body of the authority, or the executive di-*
18 *rector, has been convicted of a felony; and*

19 *(5) the authority has not been disqualified for*
20 *assistance pursuant to subtitle B of title IV.*

21 **SEC. 304. ALLOCATION OF AMOUNTS.**

22 *(a) FORMULA ALLOCATION.—*

23 *(1) IN GENERAL.—When amounts for assistance*
24 *under this title are first made available for reserva-*
25 *tion, after reserving amounts in accordance with sub-*
26 *sections (b)(3) and (c), and section 112, the Secretary*

1 shall allocate such amounts, only among local housing
2 and management authorities meeting the require-
3 ments under this title to receive such assistance, on
4 the basis of a formula that is established in accord-
5 ance with paragraph (2) and based upon appropriate
6 criteria to reflect the needs of different States, areas,
7 and communities, using the most recent data avail-
8 able from the Bureau of the Census of the Department
9 of Commerce and the comprehensive housing afford-
10 ability strategy under section 105 of the Cranston-
11 Gonzalez National Affordable Housing Act (or any
12 consolidated plan incorporating such strategy) for the
13 applicable jurisdiction. The Secretary may establish a
14 minimum allocation amount, in which case only the
15 local housing and management authorities that, pur-
16 suant to the formula, are provided an amount equal
17 to or greater than the minimum allocation amount,
18 shall receive an allocation.

19 (2) *REGULATIONS.*—The formula under this sub-
20 section shall be established by regulation issued by the
21 Secretary. Notwithstanding sections 563(a) and
22 565(a) of title 5, United States Code, any proposed
23 regulation containing such formula shall be issued
24 pursuant to a negotiated rulemaking procedure under
25 subchapter of chapter 5 of such title and the Secretary

1 shall establish a negotiated rulemaking committee for
2 development of any such proposed regulations.

3 (b) ALLOCATION CONSIDERATIONS.—

4 (1) LIMITATION ON REALLOCATION FOR AN-
5 OTHER STATE.—Any amounts allocated for a State or
6 areas or communities within a State that are not
7 likely to be used within the fiscal year for which the
8 amounts are provided shall not be reallocated for use
9 in another State, unless the Secretary determines that
10 other areas or communities within the same State
11 (that are eligible for amounts under this title) cannot
12 use the amounts within the same fiscal year.

13 (2) EFFECT OF RECEIPT OF TENANT-BASED AS-
14 SISTANCE FOR DISABLED FAMILIES.—The Secretary
15 may not consider the receipt by a local housing and
16 management authority of assistance under section
17 811(b)(1) of the Cranston-Gonzalez National Afford-
18 able Housing Act, or the amount received, in approv-
19 ing amounts under this title for the authority or in
20 determining the amount of such assistance to be pro-
21 vided to the authority.

22 (3) EXEMPTION FROM FORMULA ALLOCATION.—
23 The formula allocation requirements of subsection (a)
24 shall not apply to any assistance under this title that
25 is approved in appropriation Acts for uses that the

1 Secretary determines are incapable of geographic allo-
2 cation, including funding for the headquarters reserve
3 fund under section 112, amendments of existing hous-
4 ing assistance payments contracts, renewal of such
5 contracts, assistance to families that would otherwise
6 lose assistance due to the decision of the project owner
7 to prepay the project mortgage or not to renew the
8 housing assistance payments contract, assistance to
9 prevent displacement from public or assisted housing
10 or to provide replacement housing in connection with
11 the demolition or disposition of public housing, assist-
12 ance for relocation from public housing, assistance in
13 connection with protection of crime witnesses, assist-
14 ance for conversion from leased housing contracts
15 under section 23 of the United States Housing Act of
16 1937 (as in effect before the enactment of the Housing
17 and Community Development Act of 1974), and as-
18 sistance in support of the property disposition and
19 portfolio management functions of the Secretary.

20 (c) RECAPTURE OF AMOUNTS.—

21 (1) AUTHORITY.—In each fiscal year, from any
22 budget authority made available for assistance under
23 this title or section 8 of the United States Housing
24 Act of 1937 (as in effect before the enactment of this
25 Act) that is obligated to a local housing and manage-

1 *ment authority but remains unobligated by the au-*
2 *thority upon the expiration of the 8-month period be-*
3 *ginning upon the initial availability of such amounts*
4 *for obligation by the authority, the Secretary may*
5 *deobligate an amount, as determined by the Sec-*
6 *retary, not exceeding 50 percent of such unobligated*
7 *amount.*

8 (2) *USE.—The Secretary may reallocate and*
9 *transfer any amounts deobligated under paragraph*
10 *(1) only to local housing and management authorities*
11 *in areas that the Secretary determines have received*
12 *less funding than other areas, based on the relative*
13 *needs of all areas.*

14 **SEC. 305. ADMINISTRATIVE FEES.**

15 (a) *FEE FOR ONGOING COSTS OF ADMINISTRATION.—*

16 (1) *IN GENERAL.—The Secretary shall establish*
17 *fees for the costs of administering the choice-based*
18 *housing assistance program under this title.*

19 (2) *FISCAL YEAR 1996.—*

20 (A) *CALCULATION.—For fiscal year 1996,*
21 *the fee for each month for which a dwelling unit*
22 *is covered by a contract for assistance under this*
23 *title shall be—*

24 (i) *in the case of a local housing and*
25 *management authority that, on an annual*

1 basis, is administering a program for not
2 more than 600 dwelling units, 7.65 percent
3 of the base amount; and

4 (ii) in the case of an authority that, on
5 an annual basis, is administering a pro-
6 gram for more than 600 dwelling units—

7 (I) for the first 600 units, 7.65
8 percent of the base amount; and

9 (II) for any additional dwelling
10 units under the program, 7.0 percent
11 of the base amount.

12 (B) *BASE AMOUNT.*—For purposes of this
13 paragraph, the base amount shall be the higher
14 of—

15 (i) the fair market rental established
16 under section 8(c) of the United States
17 Housing Act of 1937 (as in effect imme-
18 diately before the date of the enactment of
19 this Act) for fiscal year 1993 for a 2-bed-
20 room existing rental dwelling unit in the
21 market area of the authority, and

22 (ii) the amount that is the lesser of (I)
23 such fair market rental for fiscal year 1994
24 or (II) 103.5 percent of the amount deter-
25 mined under clause (i),

1 *adjusted based on changes in wage data or other*
 2 *objectively measurable data that reflect the costs*
 3 *of administering the program, as determined by*
 4 *the Secretary. The Secretary may require that*
 5 *the base amount be not less than a minimum*
 6 *amount and not more than a maximum amount.*

7 (3) *SUBSEQUENT FISCAL YEARS.*—For subse-
 8 *quent fiscal years, the Secretary shall publish a notice*
 9 *in the Federal Register, for each geographic area, es-*
 10 *tablishing the amount of the fee that would apply for*
 11 *local housing and management authorities admin-*
 12 *istering the program, based on changes in wage data*
 13 *or other objectively measurable data that reflect the*
 14 *costs of administering the program, as determined by*
 15 *the Secretary.*

16 (4) *INCREASE.*—The Secretary may increase the
 17 *fee if necessary to reflect the higher costs of admin-*
 18 *istering small programs and programs operating over*
 19 *large geographic areas.*

20 (b) *FEE FOR PRELIMINARY EXPENSES.*—The Sec-
 21 *retary shall also establish reasonable fees (as determined by*
 22 *the Secretary) for—*

23 (1) *the costs of preliminary expenses, in the*
 24 *amount of \$500, for a local housing and management*
 25 *authority, but only in the first year that the author-*

ity administers a choice-based housing assistance program under this title, and only if, immediately before the date of the enactment of this Act, the authority was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such date of enactment), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(3) extraordinary costs approved by the Secretary.

(c) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—

(1) IN GENERAL.—In each fiscal year, if any local housing and management authority provides tenant-based rental assistance under section 8 of the United States Housing Act of 1937 or housing assistance under this title on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such authority but is also within the jurisdiction of another local housing and management authority, the Secretary shall take such

1 steps as may be necessary to ensure that the local
2 housing and management authority that provides the
3 services for a family receives all or part of the admin-
4 istrative fee under this section (as appropriate).

5 **SEC. 306. AUTHORIZATIONS OF APPROPRIATIONS.**

6 (a) *IN GENERAL.*—There is authorized to be appro-
7 priated for providing local housing and management au-
8 thorities with housing assistance under this title,
9 \$1,861,668,000 for each of fiscal years 1996, 1997, 1998,
10 1999, and 2000.

11 (b) *ASSISTANCE FOR DISABLED FAMILIES.*—

12 (1) *AUTHORIZATION OF APPROPRIATIONS.*—
13 There is authorized to be appropriated, for choice-
14 based housing assistance under this title to be used in
15 accordance with paragraph (2), \$50,000,000 for fiscal
16 year 1997, and such sums as may be necessary for
17 each subsequent fiscal year.

18 (2) *USE.*—The Secretary shall provide amounts
19 made available under paragraph (1) to local housing
20 and management authorities only for use to provide
21 housing assistance under this title for nonelderly dis-
22 abled families (including such families relocating
23 pursuant to designation of a public housing develop-
24 ment under section 227 and other nonelderly disabled

1 *families who have applied to the authority for hous-*
2 *ing assistance under this title).*

3 (3) *ALLOCATION OF AMOUNTS.—The Secretary*
4 *shall allocate and provide amounts made available*
5 *under paragraph (1) to local housing and manage-*
6 *ment authorities as the Secretary determines appro-*
7 *priate based on the relative levels of need among the*
8 *authorities for assistance for families described in*
9 *paragraph (1).*

10 **SEC. 307. CONVERSION OF SECTION 8 ASSISTANCE.**

11 (a) *IN GENERAL.—Any amounts made available to a*
12 *local housing and management authority under a contract*
13 *for annual contributions for assistance under section 8 of*
14 *the United States Housing Act of 1937 (as in effect before*
15 *the enactment of this Act) that have not been obligated for*
16 *such assistance by such authority before such enactment*
17 *shall be used to provide assistance under this title, except*
18 *to the extent the Secretary determines such use is inconsis-*
19 *ent with existing commitments.*

20 (b) *EXCEPTION.—Subsection (a) shall not apply to*
21 *any amounts made available under a contract for housing*
22 *constructed or substantially rehabilitated pursuant to sec-*
23 *tion 8(b)(2) of the United States Housing Act of 1937, as*
24 *in effect before October 1, 1983.*

1 **Subtitle B—Choice-Based Housing**
2 **Assistance for Eligible Families**

3 **SEC. 321. ELIGIBLE FAMILIES AND PREFERENCES FOR AS-**
4 **SISTANCE.**

5 (a) *LOW-INCOME REQUIREMENT.*—Housing assistance
6 under this title may be provided only on behalf of a family
7 that—

8 (1) *at the time that such assistance is initially*
9 *provided on behalf of the family, is determined by the*
10 *local housing and management authority to be a low-*
11 *income family; or*

12 (2) *qualifies to receive such assistance under any*
13 *other provision of Federal law.*

14 (b) *INCOME TARGETING.*—Of the families initially as-
15 sisted under this title by a local housing and management
16 authority in any year, not less than 50 percent shall be
17 families whose incomes do not exceed 60 percent of the area
18 median income, as determined by the Secretary with adjust-
19 ments for smaller and larger families. The Secretary may
20 establish income ceiling higher or lower than 30 percent of
21 the area median income on the basis of the Secretary's find-
22 ings that such variations are necessary because of unusually
23 high or low family incomes.

24 (c) *INCOME TARGETING.*—Of the families initially as-
25 sisted under this title by a local housing and management

1 authority in any year, not less than 40 percent shall be
2 families whose incomes do not exceed 30 percent of the area
3 median income, as determined by the Secretary with adjust-
4 ments for smaller and larger families. The Secretary may
5 establish income ceiling higher or lower than 30 percent of
6 the area median income on the basis of the Secretary's find-
7 ings that such variations are necessary because of unusually
8 high or low family incomes.

9 (d) *REVIEWS OF FAMILY INCOMES.*—

10 (1) *IN GENERAL.*—Reviews of family incomes for
11 purposes of this title shall be subject to the provisions
12 of section 904 of the Stewart B. McKinney Homeless
13 Assistance Amendments Act of 1988 and shall be con-
14 ducted upon the initial provision of housing assist-
15 ance for the family and thereafter not less than annu-
16 ally.

17 (2) *PROCEDURES.*—Each local housing and
18 management authority administering housing assist-
19 ance under this title shall establish procedures that
20 are appropriate and necessary to ensure that income
21 data provided to the authority and owners by families
22 applying for or receiving housing assistance from the
23 authority is complete and accurate.

24 (e) *PREFERENCES FOR ASSISTANCE.*—

1 (1) *AUTHORITY TO ESTABLISH.*—Any local hous-
2 ing and management authority that receives amounts
3 under this title may establish a system for making
4 housing assistance available on behalf of eligible fami-
5 lies that provides preference for such assistance to eli-
6 gible families having certain characteristics.

7 (2) *CONTENT.*—Each system of preferences estab-
8 lished pursuant to this subsection shall be based upon
9 local housing needs and priorities, as determined by
10 the local housing and management authority using
11 generally accepted data sources, including any infor-
12 mation obtained pursuant to an opportunity for pub-
13 lic comment as provided under section 107(e) or
14 under the requirements applicable to comprehensive
15 housing affordability strategy for the relevant juris-
16 diction.

17 (f) *PORTABILITY OF HOUSING ASSISTANCE.*—

18 (1) *NATIONAL PORTABILITY.*—An eligible family
19 that is selected to receive or is receiving assistance
20 under this title may rent any eligible dwelling unit
21 in any area where a program is being administered
22 under this title. Notwithstanding the preceding sen-
23 tence, a local housing and management authority
24 may require that any family not living within the ju-
25 risdiction of the local housing and management au-

thority at the time the family applies for assistance from the authority shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from that authority, lease and occupy an eligible dwelling unit located within the jurisdiction served by the authority. The authority for the jurisdiction into which the family moves shall have the responsibility for administering assistance for the family.

(2) *SOURCE OF FUNDING FOR A FAMILY THAT MOVES.*—For a family that has moved into the jurisdiction of a local housing and management authority and that, at the time of the move, has been selected to receive, or is receiving, assistance provided by another authority, the authority for the jurisdiction into which the family has moved may, in its discretion, cover the cost of assisting the family under its contract with the Secretary or through reimbursement from the other authority under that authority's contract.

(3) *AUTHORITY TO DENY ASSISTANCE TO CERTAIN FAMILIES WHO MOVE.*—A family may not receive housing assistance as provided under this subsection if the family has moved from a dwelling unit in violation of the lease for the dwelling unit.

1 (4) *FUNDING ALLOCATIONS.*—In providing as-
2 sistance amounts under this title for local housing
3 and management authorities for any fiscal year, the
4 Secretary may give consideration to any reduction or
5 increase in the number of resident families under the
6 program of an authority in the preceding fiscal year
7 as a result of this subsection.

8 (g) *LOSS OF ASSISTANCE UPON TERMINATION OF*
9 *TENANCY.*—A local housing and management authority
10 shall, consistent with the policies described in the local hous-
11 ing management plan of the authority, establish policies
12 providing that an assisted family whose tenancy is termi-
13 nated for serious violations of the terms or conditions of
14 the lease shall—

15 (1) lose any right to continued housing assist-
16 ance; and

17 (2) immediately become ineligible for housing as-
18 sistance under this title or for admission to public
19 housing under title II—

20 (A) in the case of a termination due to
21 drug-related criminal activity, for a period of
22 not less than 3 years from the date of the termi-
23 nation; and

1 (B) for other terminations, for a reasonable
2 period of time as determined by the local housing
3 and management authority.

4 (h) *CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIO-*
5 *LENCE.*—A local housing and management authority shall
6 be subject to the restrictions regarding release of informa-
7 tion relating to the identity and new residence of any fam-
8 ily receiving housing assistance who was a victim of domes-
9 tic violence that are applicable to shelters pursuant to the
10 *Family Violence Prevention and Services Act*. The author-
11 ity shall work with the United States Postal Service to es-
12 tablish procedures consistent with the confidentiality provi-
13 sions in the *Violence Against Women Act* of 1994.

14 (i) *DENIAL OF ASSISTANCE TO CRIMINAL OFFEND-*
15 *ERS.*—In making assistance under this title available on
16 behalf of eligible families, a local housing and management
17 authority may deny the provision of such assistance in the
18 same manner, for the same period, and subject to the same
19 conditions that an owner of federally assisted housing may
20 deny occupancy in such housing under subsections (b) and
21 (c) of section 642 of the *Housing and Community Develop-*
22 *ment Act* of 1992.

23 (j) *AVAILABILITY OF CRIMINAL RECORDS.*—A local
24 housing and management authority may request and ob-
25 tain records regarding the criminal convictions of appli-

1 cants for housing assistance under this title and assisted
2 families under this title to the same extent an owner of fed-
3 erally assisted housing may obtain such records regarding
4 an applicant for or tenant of federally assisted housing
5 under section 646 of the Housing and Community Develop-
6 ment Act of 1992.

7 **SEC. 322. RESIDENT CONTRIBUTION.**

8 (a) **AMOUNT.**—

9 (1) **IN GENERAL.**—An assisted family shall con-
10 tribute on a monthly basis for the rental of an as-
11 sisted dwelling unit an amount that the local housing
12 and management authority determines is appropriate
13 with respect to the family and the unit, but shall not
14 be less than the minimum monthly rental contribu-
15 tion determined under subsection (d).

16 (2) **EXCEPTIONS FOR CERTAIN CURRENT RESI-**
17 **DENTS.**—Notwithstanding paragraph (1), the amount
18 paid by an assisted family for monthly rent for an
19 assisted dwelling unit, may not exceed 30 percent of
20 the family's adjusted monthly income for any family
21 who—

22 (A) upon the date of the enactment of this
23 Act, is an assisted family and—

24 (i) is an elderly family; or

25 (ii) is a disabled family; or

1 (B) has an income that does not exceed 30
2 percent of the median income for the area (as de-
3 termined by the Secretary with adjustments for
4 smaller and larger families).

5 Any amount payable under paragraph (3) shall be in
6 addition to the amount payable under this para-
7 graph.

8 (3) *EXCESS RENTAL AMOUNT.*—In any case in
9 which the monthly rent charged for a dwelling unit
10 pursuant to the housing assistance payments contract
11 exceeds the applicable payment standard (established
12 under section 353) for the dwelling unit, the assisted
13 family residing in the unit shall contribute (in addi-
14 tion to the amount of the monthly rent contribution
15 otherwise determined under paragraph (1) or (2) of
16 this subsection for such family) such entire excess
17 rental amount.

18 (b) *LIMITATION.*—Notwithstanding any other provi-
19 sion of this section, the amount paid by an assisted family
20 that is an elderly family or a disabled family, for monthly
21 rent for an assisted dwelling unit bearing a gross rent that
22 does not exceed the payment standard established under sec-
23 tion 353 for a dwelling unit of the applicable size and lo-
24 cated in the market area in which such assisted dwelling

1 unit is located, may not exceed 30 percent of the family's
2 adjusted monthly income.

3 (c) *LIMITATION.*—Notwithstanding any other provi-
4 sion of this section, the amount paid by an assisted family
5 whose head (or whose spouse) is a veteran (as such term
6 is defined in section 203(b) of the National Housing Act)
7 for monthly rent for an assisted dwelling unit bearing a
8 gross rent that does not exceed the payment standard estab-
9 lished under section 353 for a dwelling unit of the applica-
10 ble size and located in the market area in which such as-
11 sisted dwelling unit is located may not exceed 30 percent
12 of the family's adjusted monthly income.

13 (d) *MINIMUM MONTHLY RENTAL CONTRIBUTION.*—

14 (1) *IN GENERAL.*—The local housing and man-
15 agement authority shall determine the amount of the
16 minimum monthly rental contribution of an assisted
17 family (which rent shall include any amount allowed
18 for utilities), which—

19 (A) shall be based upon factors including
20 the adjusted income of the family and any other
21 factors that the authority considers appropriate;

22 (B) shall be not less than \$25, nor more
23 than \$50; and

24 (C) may be increased annually by the au-
25 thority, except that no such annual increase may

1 *exceed 10 percent of the amount of the minimum*
2 *monthly contribution in effect for the preceding*
3 *year.*

4 (2) *HARDSHIP EXCEPTION.*—Notwithstanding
5 *paragraph (1), a local housing and management au-*
6 *thority may, in its sole discretion, grant an exemp-*
7 *tion in whole or in part from payment of the mini-*
8 *um monthly rental contribution established under*
9 *this paragraph to any assisted family unable to pay*
10 *such amount because of severe financial hardships.*
11 *Severe financial hardships may include situations*
12 *where the family is awaiting an eligibility determina-*
13 *tion for a Federal, State, or local assistance program,*
14 *where the family would be evicted as a result of impo-*
15 *sition of the minimum rent, and other situations as*
16 *may be determined by the authority.*

17 (e) *TREATMENT OF CHANGES IN RENTAL CONTRIBU-*
18 *TION.*—

19 (1) *NOTIFICATION OF CHANGES.*—A local hous-
20 *ing and management authority shall promptly notify*
21 *the owner of an assisted dwelling unit of any change*
22 *in the resident contribution by the assisted family re-*
23 *siding in the unit that takes effect immediately or at*
24 *a later date.*

1 (2) *COLLECTION OF RETROACTIVE CHANGES.*—In
2 the case of any change in the rental contribution of
3 an assisted family that affects rental payments pre-
4 viously made, the local housing and management au-
5 thority shall collect any additional amounts required
6 to be paid by the family under such change directly
7 from the family and shall refund any excess rental
8 contribution paid by the family directly to the fam-
9 ily.

10 (f) *PHASE-IN OF RENT CONTRIBUTION INCREASES.*—

11 (1) *IN GENERAL.*—Except as provided in para-
12 graph (2), for any family that is receiving tenant-
13 based rental assistance under section 8 of the United
14 States Housing Act of 1937 upon the initial applica-
15 bility of the provisions of this title to such family, if
16 the monthly contribution for rental of an assisted
17 dwelling unit to be paid by the family upon such ini-
18 tial applicability is greater than the amount paid by
19 the family under the provisions of the United States
20 Housing Act of 1937 immediately before such applica-
21 bility, any such resulting increase in rent contribu-
22 tion shall be—

23 (A) *phased in equally over a period of not*
24 *less than 3 years, if such increase is 30 percent*

1 or more of such contribution before initial appli-
2 cability; and

3 (B) limited to not more than 10 percent per
4 year if such increase is more than 10 percent but
5 less than 30 percent of such contribution before
6 initial applicability.

7 (2) *EXCEPTION.*—The minimum rent contribu-
8 tion requirement under subsection (d)(1)(B) shall
9 apply to each family described in paragraph (1) of
10 this subsection, notwithstanding such paragraph.

11 **SEC. 323. RENTAL INDICATORS.**

12 (a) *IN GENERAL.*—The Secretary shall establish and
13 issue rental indicators under this section periodically, but
14 not less than annually, for existing rental dwelling units
15 that are eligible dwelling units. The Secretary shall estab-
16 lish and issue the rental indicators by housing market area
17 (as the Secretary shall establish) for various sizes and types
18 of dwelling units.

19 (b) *AMOUNT.*—For a market area, the rental indicator
20 established under subsection (a) for a dwelling unit of a
21 particular size and type in the market area shall be a dollar
22 amount that reflects the rental amount for a standard qual-
23 ity rental unit of such size and type in the market area
24 that is an eligible dwelling unit.

1 (c) *EFFECTIVE DATE.*—*The Secretary shall cause the*
 2 *proposed rental indicators established under subsection (a)*
 3 *for each market area to be published in the Federal Register*
 4 *with reasonable time for public comment, and such rental*
 5 *indicators shall become effective upon the date of publica-*
 6 *tion in final form in the Federal Register.*

7 (d) *ANNUAL ADJUSTMENT.*—*Each rental indicator in*
 8 *effect under this section shall be adjusted to be effective on*
 9 *October 1 of each year to reflect changes, based on the most*
 10 *recent available data trended so that the indicators will be*
 11 *current for the year to which they apply, in rents for exist-*
 12 *ing rental dwelling units of various sizes and types in the*
 13 *market area suitable for occupancy by families assisted*
 14 *under this title.*

15 **SEC. 324. LEASE TERMS.**

16 *Rental assistance may be provided for an eligible*
 17 *dwelling unit only if the assisted family and the owner of*
 18 *the dwelling unit enter into a lease for the unit that—*

19 (1) *provides for a single lease term of 12 months*
 20 *and continued tenancy after such term under a peri-*
 21 *odic tenancy on a month-to-month basis;*

22 (2) *contains terms and conditions specifying*
 23 *that termination of tenancy during the term of a*
 24 *lease shall be subject to the provisions set forth in sec-*
 25 *tion 325; and*

(3) is set forth in the standard form, which is used in the local housing market area by the owner and applies generally to any other tenants in the property who are not assisted families, together with any addendum necessary to include the many terms required under this section.

A lease may include any addenda appropriate to set forth the provisions under this title.

SEC. 325. TERMINATION OF TENANCY.

(a) **GENERAL GROUNDS FOR TERMINATION OF TENANCY.**—Each housing assistance payments contract under section 351 shall provide that the owner of any assisted dwelling unit assisted under the contract may, before expiration of a lease for a unit, terminate the tenancy of any tenant of the unit, but only for—

(1) violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause; or

(2) any activity, engaged in by the tenant, any member of the tenant's household, or any guest or other person under the tenant's control, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the owner or manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises; or

(C) is criminal activity (including drug-related criminal activity) on or off such premises.

(b) *MANNER OF TERMINATION.*—Each housing assistance payments contract shall provide that the owner shall conduct the termination of tenancy of any tenant of an assisted dwelling unit under the contract in accordance with applicable State or local laws, including providing any notice of termination required under such laws.

SEC. 326. ELIGIBLE OWNERS.

(a) *OWNERSHIP ENTITY.*—Rental assistance under this title may be provided for any eligible dwelling unit for which the owner is any public agency, private person or entity (including a cooperative), nonprofit organization, agency of the Federal Government, or local housing and management authority.

(b) *INELIGIBLE OWNERS.*—

(1) *IN GENERAL.*—Notwithstanding subsection (a), a local housing and management authority—

(A) may not enter into a housing assistance payments contract (or renew an existing contract) covering a dwelling unit that is owned by

1 an owner who is debarred, suspended, or subject
2 to limited denial of participation under part 24
3 of title 24, Code of Federal Regulations;

4 (B) may prohibit, or authorize the termi-
5 nation or suspension of, payment of housing as-
6 sistance under a housing assistance payments
7 contract in effect at the time such debarment,
8 suspension, or limited denial of participation
9 takes effect.

10 If the local housing and management authority takes
11 action under subparagraph (B), the authority shall
12 take such actions as may be necessary to protect as-
13 sisted families who are affected by the action, which
14 may include the provision of additional assistance
15 under this title to such families.

16 (2) PROHIBITION OF SALE TO RELATED PAR-
17 TIES.—The Secretary shall establish guidelines to pre-
18 vent housing assistance payments for a dwelling unit
19 that is owned by any spouse, child, or other party
20 who allows an owner described in paragraph (1) to
21 maintain control of the unit.

22 **SEC. 327. SELECTION OF DWELLING UNITS.**

23 (a) FAMILY CHOICE.—The determination of the dwell-
24 ing unit in which an assisted family resides and for which
25 housing assistance is provided under this title shall be made

1 solely by the assisted family, subject to the provisions of
2 this title and any applicable law.

3 (b) *DEED RESTRICTIONS.*—Housing assistance may
4 not be used in any manner that abrogates any local deed
5 restriction that applies to any housing consisting of 1 to
6 4 dwelling units. Nothing in this section may be construed
7 to affect the provisions or applicability of the Fair Housing
8 Act.

9 **SEC. 328. ELIGIBLE DWELLING UNITS.**

10 (a) *IN GENERAL.*—A dwelling unit shall be an eligible
11 dwelling unit for purposes of this title only if the local hous-
12 ing and management authority to provide housing assist-
13 ance for the dwelling unit determines that the dwelling
14 unit—

15 (1) is an existing dwelling unit that is not lo-
16 cated within a nursing home or the grounds of any
17 penal, reformatory, medical, mental, or similar public
18 or private institution; and

19 (2) complies—

20 (A) with applicable State or local laws, reg-
21 ulations, standards, or codes regarding habit-
22 ability of residential dwellings that—

23 (i) are in effect for the jurisdiction in
24 which the dwelling unit is located;

1 (ii) provide protection to residents of
2 the dwellings that is equal to or greater
3 than the protection provided under the
4 housing quality standards established under
5 subsection (b); and

6 (iii) that do not severely restrict hous-
7 ing choice; or

8 (B) in the case of a dwelling unit located in
9 a jurisdiction which does not have in effect laws,
10 regulations, standards, or codes described in sub-
11 paragraph (A), with the housing quality stand-
12 ards established under subsection (c).

13 *Each local housing and management authority providing*
14 *housing assistance shall identify, in the local housing man-*
15 *agement plan for the authority, whether the authority is*
16 *utilizing the standard under subparagraph (A) or (B) of*
17 *paragraph (2) and, if the authority utilizes the standard*
18 *under subparagraph (A), shall certify in such plan that the*
19 *applicable State or local laws, regulations, standards, or*
20 *codes comply with the requirements under such subpara-*
21 *graph.*

22 (b) DETERMINATIONS.—

23 (1) IN GENERAL.—A local housing and manage-
24 ment authority shall make the determinations re-
25 quired under subsection (a) pursuant to an inspection

1 of the dwelling unit conducted before any assistance
2 payment is made for the unit.

3 (2) *EXPEDITIOUS INSPECTION.*—Inspections of
4 dwelling units under this subsection shall be made be-
5 fore the expiration of the 15-day period beginning
6 upon a request by the resident or landlord to the local
7 housing and management authority. The performance
8 of the authority in meeting the 15-day inspection
9 deadline shall be taken into account in assessing the
10 performance of the authority.

11 (c) *FEDERAL HOUSING QUALITY STANDARDS.*—The
12 Secretary shall establish housing quality standards under
13 this subsection that ensure that assisted dwelling units are
14 safe, clean, and healthy. Such standards shall include re-
15 quirements relating to habitability, including maintenance,
16 health and sanitation factors, condition, and construction
17 of dwellings, and shall, to the greatest extent practicable,
18 be consistent with the standards established under section
19 232(b). The Secretary shall differentiate between major and
20 minor violations of such standards.

21 (d) *ANNUAL INSPECTIONS.*—Each local housing and
22 management authority providing housing assistance shall
23 make an annual inspection of each assisted dwelling unit
24 during the term of the housing assistance payments con-
25 tracts for the unit to determine whether the unit is main-

1 tained in accordance with the requirements under sub-
2 section (a)(2). The authority shall retain the records of the
3 inspection for a reasonable time and shall make the records
4 available upon request to the Secretary and the Inspector
5 General for the Department of Housing and Urban Devel-
6 opment, the Housing Foundation and Accreditation Board
7 established under title IV, and any auditor conducting an
8 audit under section 432.

9 (e) *INSPECTION GUIDELINES.*—The Secretary shall es-
10 tablish procedural guidelines and performance standards to
11 facilitate inspections of dwelling units and conform such
12 inspections with practices utilized in the private housing
13 market. Such guidelines and standards shall take into con-
14 sideration variations in local laws and practices of local
15 housing and management authorities and shall provide
16 flexibility to authorities appropriate to facilitate efficient
17 provision of assistance under this title.

18 (f) *RULE OF CONSTRUCTION.*—This section may not
19 be construed to prevent the provision of housing assistance
20 in connection with supportive services for elderly or dis-
21 abled families.

22 **SEC. 329. HOMEOWNERSHIP OPTION.**

23 (a) *IN GENERAL.*—A local housing and management
24 authority providing housing assistance under this title may
25 provide homeownership assistance to assist eligible families

1 to purchase a dwelling unit (including purchase under
2 lease-purchase homeownership plans).

3 (b) *REQUIREMENTS.*—A local housing and manage-
4 ment authority providing homeownership assistance under
5 this section shall, as a condition of an eligible family receiv-
6 ing such assistance, require the family to—

7 (1) demonstrate that the family has sufficient in-
8 come from employment or other sources (other than
9 public assistance), as determined in accordance with
10 requirements established by the authority; and

11 (2) meet any other initial or continuing require-
12 ments established by the local housing and manage-
13 ment authority.

14 (c) *DOWNPAYMENT REQUIREMENT.*—

15 (1) *IN GENERAL.*—A local housing and manage-
16 ment authority may establish minimum downpay-
17 ment requirements, if appropriate, in connection with
18 loans made for the purchase of dwelling units for
19 which homeownership assistance is provided under
20 this section. If the authority establishes a minimum
21 downpayment requirement, except as provided in
22 paragraph (2) the authority shall permit the family
23 to use grant amounts, gifts from relatives, contribu-
24 tions from private sources, and similar amounts as
25 downpayment amounts in such purchase.

1 (2) *DIRECT FAMILY CONTRIBUTION.*—In pur-
 2 *chasing housing pursuant to this section subject to a*
 3 *downpayment requirement, each family shall contrib-*
 4 *ute an amount of the downpayment, from resources of*
 5 *the family other than grants, gifts, contributions, or*
 6 *other similar amounts referred to in paragraph (1),*
 7 *that is not less than 1 percent of the purchase price.*

8 (d) *INELIGIBILITY UNDER OTHER PROGRAMS.*—A
 9 *family may not receive homeownership assistance pursuant*
 10 *to this section during any period when assistance is being*
 11 *provided for the family under other Federal homeownership*
 12 *assistance programs, as determined by the Secretary, in-*
 13 *cluding assistance under the HOME Investment Partner-*
 14 *ships Act, the Homeownership and Opportunity Through*
 15 *HOPE Act, title II of the Housing and Community Devel-*
 16 *opment Act of 1987, and section 502 of the Housing Act*
 17 *of 1949.*

18 **SEC. 330. ASSISTANCE FOR RENTAL OF MANUFACTURED**
 19 **HOMES.**

20 (a) *AUTHORITY.*—Nothing in this title may be con-
 21 *strued to prevent a local housing and management author-*
 22 *ity from providing housing assistance under this title on*
 23 *behalf of a low-income family for the rental of—*

1 (1) a manufactured home that is the principal
2 residence of the family and the real property on
3 which the home is located; or

4 (2) the real property on which is located a man-
5 ufactured home, which is owned by the family and is
6 the principal residence of the family.

7 (b) ASSISTANCE FOR CERTAIN FAMILIES OWNING
8 MANUFACTURED HOMES.—

9 (1) AUTHORITY.—Notwithstanding section 351
10 or any other provision of this title, a local housing
11 and management authority that receives amounts
12 under a contract under section 302 may enter into a
13 housing assistance payment contract to make assist-
14 ance payments under this title to a family that owns
15 a manufactured home, but only as provided in para-
16 graph (2).

17 (2) LIMITATIONS.—In the case only of a low-in-
18 come family that owns a manufactured home, rents
19 the real property on which it is located, and to whom
20 housing assistance under this title has been made
21 available for the rental of such property, the local
22 housing and management authority making such as-
23 sistance available shall enter into a contract to make
24 housing assistance payments under this title directly

1 to the family (rather than to the owner of such real
2 property) if—

3 (1) the owner of the real property refuses to enter
4 into a contract to receive housing assistance payments
5 pursuant to section 351(a);

6 (2) the family was residing in such manufac-
7 tured home on such real property at the time such
8 housing assistance was initially made available on
9 behalf of the family;

10 (3) the family provides such assurances to the
11 agency, as the Secretary may require, to ensure that
12 amounts from the housing assistance payments are
13 used for rental of the real property; and

14 (4) the rental of the real property otherwise com-
15 plies with the requirements for assistance under this
16 title.

17 A contract pursuant to this subsection shall be subject
18 to the provisions of section 351 and any other provi-
19 sions applicable to housing assistance payments con-
20 tracts under this title, except that the Secretary may
21 provide such exceptions as the Secretary considers ap-
22 propriate to facilitate the provision of assistance
23 under this subsection.

1 **Subtitle C—Payment of Housing As-**
2 **sistance on Behalf of Assisted**
3 **Families**

4 **SEC. 351. HOUSING ASSISTANCE PAYMENTS CONTRACTS.**

5 (a) *IN GENERAL.*—Each local housing and manage-
6 ment authority that receives amounts under a contract
7 under section 302 may enter into housing assistance pay-
8 ments contracts with owners of existing dwelling units to
9 make housing assistance payments to such owners in ac-
10 cordance with this title.

11 (b) *LHMA ACTING AS OWNER.*—A local housing and
12 management authority may enter into a housing assistance
13 payments contract to make housing assistance payments
14 under this title to itself (or any agency or instrumentality
15 thereof) as the owner of dwelling units (other than public
16 housing), and the authority shall be subject to the same re-
17 quirements that are applicable to other owners, except that
18 the determinations under section 328(a) and 354(b) shall
19 be made by a competent party not affiliated with the au-
20 thority, and the authority shall be responsible for any ex-
21 penses of such determinations.

22 (c) *PROVISIONS.*—Each housing assistance payments
23 contract shall—

24 (1) have a term of not more than 12 months;

(2) require that the assisted dwelling unit may be rented only pursuant to a lease that complies with the requirements of section 324;

(3) comply with the requirements of section 325 (relating to termination of tenancy);

(4) require the owner to maintain the dwelling unit in accordance with the applicable standards under section 328(a)(2); and

(5) provide that the screening and selection of eligible families for assisted dwelling units shall be the function of the owner.

SEC. 352. AMOUNT OF MONTHLY ASSISTANCE PAYMENT.

(a) **UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.**—In the case of a dwelling unit bearing a gross rent that exceeds the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located—

(1) the amount by which such payment standard exceeds the amount of the resident contribution determined in accordance with section 322(a)(1);

(2) in the case only of families described in paragraph (2) of section 322(a), the amount by which such payment standard exceeds the lesser of the resident contribution determined in accordance with sec-

tion 322(a)(1) or 30 percent of the family's adjusted monthly income;

(3) in the case of an assisted family that is an elderly family or a disabled family, the amount of the monthly assistance payment shall be the amount by which such payment standard exceeds the lesser of the amount of the resident contribution determined in accordance with section 322 or 30 percent of the family's adjusted monthly income; or

(4) in the case of a family whose head (or whose spouse) is a veteran (as such term is defined in section 203(b) of the National Housing Act), the lesser of the amount of such resident contribution or 30 percent of the family's adjusted monthly income.

(b) *SHOPPING INCENTIVE FOR UNITS HAVING GROSS RENT NOT EXCEEDING PAYMENT STANDARD.*—In the case of an assisted family renting an eligible dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, the following requirements shall apply:

(1) *AMOUNT OF MONTHLY ASSISTANCE PAYMENT.*—The amount of the monthly assistance payment for housing assistance under this title on behalf

1 of the assisted family shall be the amount by which
2 the gross rent for the dwelling unit exceeds the
3 amount of the resident contribution.

4 (2) *ESCROW OF SHOPPING INCENTIVE SAV-*
5 *INGS.*—An amount equal to 50 percent of the dif-
6 ference between payment standard and the gross rent
7 for the dwelling unit shall be placed in an interest
8 bearing escrow account on behalf of such family on a
9 monthly basis by the local housing and management
10 authority. Amounts in the escrow account shall be
11 made available to the assisted family on an annual
12 basis.

13 (3) *DEFICIT REDUCTION.*—The local housing and
14 management authority making housing assistance
15 payments on behalf of such assisted family in a fiscal
16 year shall reserve from amounts made available to the
17 authority for assistance payments for such fiscal year
18 an amount equal to the amount described in para-
19 graph (2). At the end of each fiscal year, the Sec-
20 retary shall recapture any such amounts reserved by
21 local housing and management authorities and such
22 amounts shall be covered into the General Fund of the
23 Treasury of the United States.

24 For purposes of this section, in the case of a family receiv-
25 ing homeownership assistance under section 329, the term

1 "gross rent" shall mean the homeownership costs to the fam- 1
2 ily as determined in accordance with guidelines of the Sec- 2
3 retary. 3

4 **SEC. 353. PAYMENT STANDARDS.** 4

5 (a) **ESTABLISHMENT.**—Each local housing and man- 5
6 agement authority providing housing assistance under this 6
7 title shall establish payment standards under this section 7
8 for various areas, and sizes and types of dwelling units, 8
9 for use in determining the amount of monthly housing as- 9
10 sistance payment to be provided on behalf of assisted fami- 10
11 lies. 1

12 (b) **USE OF RENTAL INDICATORS.**—The payment 1
13 standard for each size and type of housing for each market 1
14 area shall be an amount that is not less than 80 percent, 1
15 and not greater than 120 percent, of the rental indicator 1
16 established under section 323 for such size and type for such 1
17 area. 1

18 (c) **REVIEW.**—If the Secretary determines, at any 1
19 time, that a significant percentage of the assisted families
20 who are assisted by a local housing and management au-
21 thority and are occupying dwelling units of a particular
22 size are paying more than 30 percent of their adjusted in-
23 comes for rent, the Secretary shall review the payment
24 standard established by the authority for such size dwell-
25 ings. If, pursuant to the review, the Secretary determines

1 *that such payment standard is not appropriate to serve the*
2 *needs of the low-income population of the jurisdiction served*
3 *by the authority (taking into consideration rental costs in*
4 *the area), as identified in the approved community im-*
5 *provement plan of the authority, the Secretary may require*
6 *the local housing and management authority to modify the*
7 *payment standard.*

8 **SEC. 354. REASONABLE RENTS.**

9 (a) *ESTABLISHMENT.*—*The rent charged for a dwelling*
10 *unit for which rental assistance is provided under this title*
11 *shall be established pursuant to negotiation and agreement*
12 *between the assisted family and the owner of the dwelling*
13 *unit.*

14 (b) *REASONABLENESS.*—

15 (1) *DETERMINATION.*—*A local housing and man-*
16 *agement authority providing rental assistance under*
17 *this title for a dwelling unit shall, before commencing*
18 *assistance payments for a unit (with respect to initial*
19 *contract rents and any rent revisions), determine*
20 *whether the rent charged for the unit exceeds the rents*
21 *charged for comparable units in the applicable pri-*
22 *vate unassisted market.*

23 (2) *UNREASONABLE RENTS.*—*If the authority de-*
24 *termines that the rent charged for a dwelling unit ex-*
25 *ceeds such comparable rents, the authority shall—*

(A) inform the assisted family renting the unit that such rent exceeds the rents for comparable unassisted units in the market; and

(B) refuse to provide housing assistance payments for such unit.

SEC. 355. PROHIBITION OF ASSISTANCE FOR VACANT RENTAL UNITS.

If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payments contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

Subtitle D—General and Miscellaneous Provisions

SEC. 371. DEFINITIONS.

For purposes of this title:

(1) **ASSISTED DWELLING UNIT.**—The term “assisted dwelling unit” means a dwelling unit in which an assisted family resides and for which housing assistance payments are made under this title.

(2) **ASSISTED FAMILY.**—The term “assisted family” means an eligible family on whose behalf housing assistance payments are made under this title or who has been selected and approved for housing assistance.

1 (3) *CHOICE-BASED.*—The term “choice-based”
2 means, with respect to housing assistance, that the as-
3 sistance is not attached to a dwelling unit but can be
4 used for any eligible dwelling unit selected by the eli-
5 gible family.

6 (4) *ELIGIBLE DWELLING UNIT.*—The term “eligi-
7 ble dwelling unit” means a dwelling unit that com-
8 plies with the requirements under section 328 for con-
9 sideration as an eligible dwelling unit.

10 (5) *ELIGIBLE FAMILY.*—The term “eligible fam-
11 ily” means a family that meets the requirements
12 under section 321(a) for assistance under this title.

13 (6) *HOMEOWNERSHIP ASSISTANCE.*—The term
14 “homeownership assistance” means housing assistance
15 provided under section 329 for the ownership of a
16 dwelling unit.

17 (7) *HOUSING ASSISTANCE.*—The term “housing
18 assistance” means assistance provided under this title
19 on behalf of low-income families for the rental or
20 ownership of an eligible dwelling unit.

21 (8) *HOUSING ASSISTANCE PAYMENTS CON-*
22 *TRACT.*—The term “housing assistance payments con-
23 tract” means a contract under section 351 between a
24 local housing and management authority (or the Sec-
25 retary) and an owner to make housing assistance

1 payments under this title to the owner on behalf of an
2 assisted family.

3 (9) *LOCAL HOUSING AND MANAGEMENT AUTHOR-*
4 *ITY.*—The terms “local housing and management au-
5 thority” and “authority” have the meaning given
6 such terms in section 103, except that the terms in-
7 clude—

8 (A) a consortia of local housing and man-
9 agement authorities that the Secretary deter-
10 mines has the capacity and capability to admin-
11 ister a program for housing assistance under this
12 title in an efficient manner;

13 (B) any other entity that, upon the date of
14 the enactment of this Act, was administering
15 any program for tenant-based rental assistance
16 under section 8 of the United States Housing Act
17 of 1937 (as in effect before the enactment of this
18 Act), pursuant to a contract with the Secretary
19 or a public housing agency; and

20 (C) with respect to any area in which no
21 local housing and management authority has
22 been organized or where the Secretary determines
23 that a local housing and management authority
24 is unwilling or unable to implement this title, or
25 is not performing effectively—

1 (i) the Secretary or another entity that
2 by contract agrees to receive assistance
3 amounts under this title and enter into
4 housing assistance payments contracts with
5 owners and perform the other functions of
6 local housing and management authority
7 under this title; or

8 (ii) notwithstanding any provision of
9 State or local law, a local housing and
10 management authority for another area
11 that contracts with the Secretary to admin-
12 ister a program for housing assistance
13 under this title, without regard to any oth-
14 erwise applicable limitations on its area of
15 operation.

16 (10) OWNER.—The term “owner” means the per-
17 son or entity having the legal right to lease or sub-
18 lease dwelling units. Such term includes any prin-
19 cipals, general partners, primary shareholders, and
20 other similar participants in any entity owning a
21 multifamily housing project, as well as the entity it-
22 self.

23 (11) RENT.—The terms “rent” and “rental” in-
24 clude, with respect to members of a cooperative, the

1 charges under the occupancy agreements between such
2 members and the cooperative.

3 (12) *RENTAL ASSISTANCE*.—The term “rental as-
4 sistance” means housing assistance provided under
5 this title for the rental of a dwelling unit.

6 **SEC. 372. RENTAL ASSISTANCE FRAUD RECOVERIES.**

7 (a) *AUTHORITY TO RETAIN RECOVERED AMOUNTS*.—
8 The Secretary shall permit local housing and management
9 authorities administering housing assistance under this
10 title to retain, out of amounts obtained by the authorities
11 from tenants that are due as a result of fraud and abuse,
12 an amount (determined in accordance with regulations is-
13 sued by the Secretary) equal to the greater of—

14 (1) 50 percent of the amount actually collected;
15 or

16 (2) the actual, reasonable, and necessary ex-
17 penses related to the collection, including costs of in-
18 vestigation, legal fees, and collection agency fees.

19 (b) *USE*.—Amounts retained by an authority shall be
20 made available for use in support of the affected program
21 or project, in accordance with regulations issued by the Sec-
22 retary. If the Secretary is the principal party initiating
23 or sustaining an action to recover amounts from families
24 or owners, the provisions of this section shall not apply.

1 (c) *RECOVERY*.—Amounts may be recovered under this
2 section—

3 (1) by an authority through a lawsuit (including
4 settlement of the lawsuit) brought by the authority or
5 through court-ordered restitution pursuant to a criminal
6 proceeding resulting from an authority's investigation where the authority seeks prosecution of a
7 family or where an authority seeks prosecution of an
8 owner;
9

10 (2) through administrative repayment agreements with a family or owner entered into as a result
11 of an administrative grievance procedure conducted
12 by an impartial decisionmaker in accordance with
13 section 111; or
14

15 (3) through an agreement between the parties.

16 **SEC. 373. STUDY REGARDING GEOGRAPHIC CONCENTRA-**
17 **TION OF ASSISTED FAMILIES.**

18 (a) *IN GENERAL*.—The Secretary shall conduct a
19 study of the geographic areas in the State of Illinois served
20 by the Housing Authority of Cook County and the Chicago
21 Housing Authority and submit to the Congress a report and
22 a specific proposal, which addresses and resolves the issues
23 of—

24 (1) the adverse impact on local communities due
25 to geographic concentration of assisted households

1 under the tenant-based housing programs under sec-
 2 tion 8 of the United States Housing Act of 1937 (as
 3 in effect immediately before the enactment of this Act)
 4 and under this title; and

5 (2) facilitating the deconcentration of such as-
 6 sisted households by providing broader housing
 7 choices to such households.

8 The study shall be completed, and the report shall be sub-
 9 mitted, not later than 90 days after the date of the enact-
 10 ment of this Act.

11 (b) CONCENTRATION.—For purposes of this section, the
 12 term “concentration” means, with respect to any area with-
 13 in a census tract, that—

14 (1) 15 percent or more of the households residing
 15 within such area have incomes which do not exceed
 16 the poverty level; or

17 (2) 15 percent or more of the total affordable
 18 housing stock located within such area is assisted
 19 housing.

1 **TITLE IV—ACCREDITATION AND**
2 **OVERSIGHT OF LOCAL HOUS-**
3 **ING AND MANAGEMENT AU-**
4 **THORITIES**

5 **Subtitle A—Housing Foundation**
6 **and Accreditation Board**

7 **SEC. 401. ESTABLISHMENT.**

8 *There is established an independent agency in the exec-*
9 *utive branch of the Government to be known as the Housing*
10 *Foundation and Accreditation Board (in this title referred*
11 *to as the "Board").*

12 **SEC. 402. MEMBERSHIP.**

13 *(a) IN GENERAL.—The Board shall be composed of 12*
14 *members appointed by the President not later than 180*
15 *days after the date of the enactment of this Act, as follows:*

16 *(1) 4 members shall be appointed from among 10*
17 *individuals recommended by the Secretary of Housing*
18 *and Urban Development.*

19 *(2) 4 members shall be appointed from among 10*
20 *individuals recommended by the Chairman and*
21 *Ranking Minority Member of the Committee on*
22 *Banking, Housing, and Urban Affairs of the Senate.*

23 *(3) 4 members appointed from among 10 indi-*
24 *viduals recommended by the Chairman and Ranking*

Minority Member of the Committee on Banking and
Financial Services of the House of Representatives.

(b) QUALIFICATIONS.—

(1) REQUIRED REPRESENTATION.—The Board
shall at all times have the following members:

(A) 2 members who are residents of public
housing or dwelling units assisted under title III
of this Act or the provisions of section 8 of the
United States Housing Act of 1937 (as in effect
before the enactment of this Act).

(B) at least 2, but not more than 4 members
who are executive directors of local housing and
management authorities.

(C) 1 member who is a member of the Insti-
tute of Real Estate Managers.

(D) 1 member who is the owner of a multi-
family housing project assisted under a program
administered by the Secretary of Housing and
Urban Development.

(2) REQUIRED EXPERIENCE.—The Board shall
at all times have as members individuals with the fol-
lowing experience:

(A) At least 1 individual who has extensive
experience in the residential real estate finance
business.

1 (B) At least 1 individual who has extensive
2 experience in operating a nonprofit organization
3 that provides affordable housing.

4 (C) At least 1 individual who has extensive
5 experience in construction of multifamily hous-
6 ing.

7 (D) At least 1 individual who has extensive
8 experience in the management of a community
9 development corporation.

10 (E) At least 1 individual who has extensive
11 experience in auditing participants in govern-
12 ment programs.

13 A single member of the board with the appropriate ex-
14 perience may satisfy the requirements of more than 1
15 subparagraph of this paragraph. A single member of
16 the board with the appropriate qualifications and ex-
17 perience may satisfy the requirements of a subpara-
18 graph of paragraph (1) and a subparagraph of this
19 paragraph.

20 (c) *POLITICAL AFFILIATION.*—Not more than 6 mem-
21 bers of the Board may be of the same political party.

22 (d) *TERMS.*—

23 (1) *IN GENERAL.*—Each member of the Board
24 shall be appointed for a term of 4 years, except as
25 provided in paragraphs (2) and (3).

1 (2) *TERMS OF INITIAL APPOINTEES.*—As des-
2 ignated by the President at the time of appointment,
3 of the members first appointed—

4 (A) 3 shall be appointed for terms of 1 year;

5 (B) 3 shall be appointed for terms of 2
6 years;

7 (C) 3 shall be appointed for terms of 3
8 years; and

9 (D) 3 shall be appointed for terms of 4
10 years;

11 (3) *VACANCIES.*—Any member appointed to fill a
12 vacancy occurring before the expiration of the term
13 for which the member's predecessor was appointed
14 shall be appointed only for the remainder of that
15 term. A member may serve after the expiration of that
16 member's term until a successor has taken office. A
17 vacancy in the Board shall be filled in the manner in
18 which the original appointment was made.

19 (e) *CHAIRPERSON.*—The Board shall elect a chair-
20 person from among members of the Board.

21 (f) *QUORUM.*—A majority of the members of the Board
22 shall constitute a quorum for the transaction of business.

23 (g) *VOTING.*—Each member of the Board shall be enti-
24 tled to 1 vote, which shall be equal to the vote of every other
25 member of the Board.

1 (h) *PROHIBITION ON ADDITIONAL PAY.*—Members of
2 the Board shall serve without compensation, but shall be
3 reimbursed for travel, subsistence, and other necessary ex-
4 penses incurred in the performance of their duties as mem-
5 bers of the Board.

6 **SEC. 403. FUNCTIONS.**

7 The purpose of this subtitle is to establish the Board
8 as a nonpolitical entity to carry out the following functions:

9 (1) *EVALUATION OF DEEP SUBSIDY PRO-*
10 *GRAMS.*—Measuring the performance and efficiency of
11 all “deep subsidy” programs for housing assistance
12 administered by the Secretary of Housing and Urban
13 Development, including the public housing program
14 under title II and the programs for tenant- and
15 project-based rental assistance under title III and sec-
16 tion 8 of the United States Housing Act of 1937 (as
17 in effect before the enactment of this Act).

18 (2) *ESTABLISHMENT OF LHMA PERFORMANCE*
19 *BENCHMARKS.*—Establishing standards and guide-
20 lines under section 431 for use by the Secretary in
21 measuring the performance and efficiency of local
22 housing and management authorities and other own-
23 ers and providers of federally assisted housing in car-
24 rying out operational and financial functions.

1 (3) *IMPROVEMENT OF INDEPENDENT AUDITS.*—
 2 *Providing for the development of effective means for*
 3 *conducting comprehensive financial and performance*
 4 *audits of local housing and management authorities*
 5 *under section 432 and, to the extent provided in such*
 6 *section, providing for the conducting of such audits.*

7 (4) *ACCREDITATION OF LHMA'S.*—*Establishing a*
 8 *procedure under section 431(b) for accrediting local*
 9 *housing and management authorities to receive block*
 10 *grants under title II for the operation, maintenance,*
 11 *and production of public housing and amounts for*
 12 *housing assistance under title III, ensuring that fi-*
 13 *nancial and performance audits under section 432*
 14 *are conducted annually for each local housing and*
 15 *management authority, and reviewing such audits for*
 16 *purposes of accreditation.*

17 (5) *CLASSIFICATION OF LHMA'S.*—*Classifying*
 18 *local housing and management authorities, under to*
 19 *section 434, according to the performance categories*
 20 *under section 431(a)(2).*

21 **SEC. 404. INITIAL ESTABLISHMENT OF STANDARDS AND**
 22 **PROCEDURES FOR LHMA COMPLIANCE.**

23 (a) *DEADLINE.*—*Not later than the expiration of the*
 24 *12-month period beginning upon the completion of the ap-*
 25 *pointment, under section 402, of the initial members of the*

1 Board, the Board shall organize its structure and oper-
2 ations, establish the standards, guidelines, and procedures
3 under sections 431, and establish any fees under section
4 406. Before issuing such standards, guidelines, and proce-
5 dures in final form, the Board shall submit a copy to the
6 Congress.

7 (b) *PRIORITY OF INITIAL EVALUATIONS.*—After orga-
8 nization of the Board and establishment of standards,
9 guidelines, and procedures under sections 431, the Board
10 shall commence evaluations under section 433(b) for the
11 purpose of accrediting local housing and management au-
12 thorities and shall give priority to conducting evaluations
13 of local housing and management authorities that are des-
14 ignated as troubled public housing agencies under section
15 6(j) of the United States Housing Act of 1937 (as in effect
16 before the date of the enactment of this Act) pursuant to
17 section 431(d).

18 (c) *ASSISTANCE FROM NATIONAL CENTER FOR HOUS-*
19 *ING MANAGEMENT.*—

20 (1) *IN GENERAL.*—During the period referred to
21 in subsection (a), the National Center for Housing
22 Management established by Executive Order 11668
23 (42 U.S.C. 3531 note) shall, to the extent agreed to
24 by the Center, provide the Board with ongoing assist-
25 ance and advice relating to the following matters:

1 (A) *Organizing the structure of the Board*
2 *and its operations.*

3 (B) *Establishing performance standards*
4 *and guidelines under section 431(a).*

5 *Such Center may, at the request of the Board, provide*
6 *assistance and advice with respect to matters not de-*
7 *scribed in paragraphs (1) and (2) and after the expi-*
8 *ration of the period referred to in subsection (a).*

9 (2) *ASSISTANCE.*—*The assistance provided by*
10 *such Center shall include staff and logistical support*
11 *for the Board and such operational and managerial*
12 *activities as are necessary to assist the Board to carry*
13 *out its functions during the period referred to in sub-*
14 *section (a).*

15 **SEC. 405. POWERS.**

16 (a) *HEARINGS.*—*The Board may, for the purpose of*
17 *carrying out this subtitle, hold such hearings and sit and*
18 *act at such times and places as the Board determines appro-*
19 *priate.*

20 (b) *RULES AND REGULATIONS.*—*The Board may*
21 *adopt such rules and regulations as may be necessary to*
22 *establish its procedures and to govern the manner of its op-*
23 *erations, organization, and personnel.*

24 (c) *ASSISTANCE FROM FEDERAL AGENCIES.*—

1 (1) *INFORMATION.*—The Board may secure di-
2 rectly from any department or agency of the Federal
3 Government such information as the Board may re-
4 quire for carrying out its functions, including local
5 housing management plans submitted to the Secretary
6 by local housing and management authorities under
7 title II. Upon request of the Board, any such depart-
8 ment or agency shall furnish such information. The
9 Board may acquire information directly from local
10 housing and management authorities to the same ex-
11 tent the Secretary may acquire such information.

12 (2) *GENERAL SERVICES ADMINISTRATION.*—The
13 Administrator of General Services shall provide to the
14 Board, on a reimbursable basis, such administrative
15 support services as the Board may request.

16 (3) *DEPARTMENT OF HOUSING AND URBAN DE-*
17 *VELOPMENT.*—Upon the request of the chairperson of
18 the Board, the Secretary of Housing and Urban De-
19 velopment shall, to the extent possible and subject to
20 the discretion of the Secretary, detail any of the per-
21 sonnel of the Department of Housing and Urban De-
22 velopment, on a nonreimbursable basis, to assist the
23 Board in carrying out its functions under this sub-
24 title.

1 (4) *HUD INSPECTOR GENERAL.*—*The Inspector*
2 *General of the Department of Housing and Urban*
3 *Development shall serve the Board as a principal ad-*
4 *viser with respect to all aspects of annual financial*
5 *and performance audits of local housing and manage-*
6 *ment authorities under section 432. The Inspector*
7 *General may advise the Board with respect to other*
8 *activities and functions of the Board.*

9 (d) *MAILS.*—*The Board may use the United States*
10 *mails in the same manner and under the same conditions*
11 *as other Federal agencies.*

12 (e) *CONTRACTING.*—*The Board may, to such extent*
13 *and in such amounts as are provided in appropriation*
14 *Acts, enter into contracts with private firms, institutions,*
15 *and individuals for the purpose of conducting evaluations*
16 *under section 404(b), audits of local housing and manage-*
17 *ment authorities as provided under section 432, research,*
18 *and surveys necessary to enable the Board to discharge its*
19 *functions under this subtitle, and may enter into contracts*
20 *with the National Center for Housing Management to con-*
21 *duct the functions assigned to the Center under this title.*

22 (f) *STAFF.*—

23 (1) *EXECUTIVE DIRECTOR.*—*The Board shall ap-*
24 *point an executive director of the Board, who shall be*
25 *compensated at a rate fixed by the Board, but which*

1 shall not exceed the rate established for level V of the
2 Executive Schedule under title 5, United States Code.

3 (2) *OTHER PERSONNEL.*—In addition to the ex-
4 ecutive director, the Board may appoint and fix the
5 compensation of such personnel as the Board consid-
6 ers necessary, in accordance with the provisions of
7 title 5, United States Code, governing appointments
8 to the competitive service, and the provisions of chap-
9 ter 51 and subchapter III of chapter 53 of such title,
10 relating to classification and General Schedule pay
11 rates. Such personnel may include personnel for as-
12 sessment teams under section 431(b).

13 **SEC. 406. FEES.**

14 (a) *ACCREDITATION FEES.*—The Board may establish
15 and charge fees for the accreditation of local housing and
16 management authorities as the Board considers necessary
17 to cover the costs of the operations of the Board relating
18 to establishing standards, guidelines, and procedures for
19 evaluating the performance of local housing and manage-
20 ment authorities, performing comprehensive reviews relat-
21 ing to the accreditation of such authorities, and conducting
22 audits of authorities under section 432.

23 (b) *FUND.*—Any fees collected under this section shall
24 be deposited in an operations fund for the Board, which
25 is hereby established in the Treasury of the United States.

1 *Amounts in such fund shall be available, to the extent pro-*
 2 *vided in appropriation Acts, for the expenses of the Board*
 3 *in carrying out its functions under this subtitle.*

4 **SEC. 407. REPORTS.**

5 (a) *REPORT ON COORDINATION WITH HUD FUNC-*
 6 *TIONS.—Not later than the expiration of the 12-month pe-*
 7 *riod beginning upon the date of the enactment of this Act,*
 8 *the Board shall submit a report to the Congress that—*

9 (1) *identifies and describes the processes, proce-*
 10 *dures, and activities of the Department of Housing*
 11 *and Urban Development which may duplicate func-*
 12 *tions of the Board, and makes recommendations re-*
 13 *garding activities of the Department that may no*
 14 *longer be necessary as a result of improved auditing*
 15 *of authorities pursuant to this title;*

16 (2) *makes recommendations for any changes to*
 17 *Federal law necessary to improve auditing of local*
 18 *housing and management authorities; and*

19 (3) *makes recommendations regarding the review*
 20 *and evaluation functions currently performed by the*
 21 *Department of Housing and Urban Development that*
 22 *may be more efficiently performed by the Board and*
 23 *should be performed by the Board, and those that*
 24 *should continue to be performed by the Department.*

1 (b) *ANNUAL REPORTS.*—The Board shall submit a re-
 2 port to the Congress annually describing, for the year for
 3 which the report is made—

4 (1) any modifications made by the Board to the
 5 standards, guidelines, and procedures issued under
 6 section 431 by the Board;

7 (2) the results of the assessments, reviews, and
 8 evaluations conducted by the Board under subtitle B;

9 (3) the types and extent of assistance, informa-
 10 tion, and products provided by the Board; and

11 (4) any other activities of the Board.

12 **SEC. 408. GAO AUDIT.**

13 The activities and transactions of the Board shall be
 14 subject to audit by the Comptroller General of the United
 15 States under such rules and regulations as may be pre-
 16 scribed by the Comptroller General. The representatives of
 17 the General Accounting Office shall have access for the pur-
 18 pose of audit and examination to any books, documents,
 19 papers, and records of the Board that are necessary to fa-
 20 cilitate an audit.

21 **Subtitle B—Accreditation and Over-**
 22 **sight Standards and Procedures**

23 **SEC. 431. ESTABLISHMENT OF PERFORMANCE BENCH-**

24 **MARKS AND ACCREDITATION PROCEDURES.**

25 (a) *PERFORMANCE BENCHMARKS.*—

(1) *PERFORMANCE AREAS.*—*The Housing Foundation and Accreditation Board established under section 401 (in this subtitle referred to as the “Board”) shall establish standards and guidelines, for use under section 434, to measure the performance of local housing and management authorities in all aspects relating to—*

(A) *operational and financial functions;*

(B) *providing, maintaining, and assisting low-income housing—*

(i) *that is safe, clean, and healthy, as required under sections 232 and 328;*

(ii) *in a manner consistent with the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act, if appropriate;*

(iii) *that is occupied by eligible families; and*

(iv) *that is affordable to eligible families;*

(C) *producing low-income housing and executing capital projects, if applicable;*

(D) *administering the provision of housing assistance under title III;*

1 (E) accomplishing the goals and plans set
2 forth in the local housing management plan for
3 the authority;

4 (F) promoting responsibility and self-suffi-
5 ciency among residents of public housing devel-
6 opments of the authority and assisted families
7 under title III; and

8 (G) complying with the other requirements
9 of the authority under block grant contracts
10 under title II, grant agreements under title III,
11 and the provisions of this Act.

12 (2) *PERFORMANCE CATEGORIES.*—In establish-
13 ing standards and guidelines under this section, the
14 Board shall define various levels of performance,
15 which shall include the following levels:

16 (A) *EXCEPTIONALLY WELL-MANAGED.*—A
17 minimum acceptable level of performance in the
18 areas specified in paragraph (1) for classifica-
19 tion of a local housing and management author-
20 ity as exceptionally well-managed, which shall
21 indicate that the authority functions exception-
22 ally.

23 (B) *WELL-MANAGED.*—A minimum accept-
24 able level of performance in the areas specified in
25 paragraph (1) for classification of a local hous-

1 *ing and management authority as well-managed,*
2 *which shall indicate that the authority functions*
3 *satisfactorily.*

4 (C) *AT RISK OF BECOMING TROUBLED.*—A
5 *minimum acceptable level of performance in the*
6 *areas specified in paragraph (1) for classifica-*
7 *tion of a local housing and management author-*
8 *ity as at risk of becoming troubled, which shall*
9 *indicate that there are elements in the oper-*
10 *ations, management, or functioning of the au-*
11 *thority that must be addressed before they result*
12 *in serious and complicated deficiencies.*

13 (D) *TROUBLED.*—A minimum level of per-
14 *formance in the areas specified in paragraph (1)*
15 *for classification of a local housing and manage-*
16 *ment authority as a troubled authority, which*
17 *shall indicate that the authority functions unsat-*
18 *isfactorily with respect to certain areas under*
19 *paragraph (1), but such deficiencies are not ir-*
20 *reparable.*

21 (E) *DYSFUNCTIONAL.*—A maximum level of
22 *performance in the areas specified in paragraph*
23 *(1) for classification of a local housing and man-*
24 *agement authority as dysfunctional, which shall*
25 *indicate that the authority suffers such defi-*

1 *ciencies that the authority should not be allowed*
2 *to continue to manage low-income housing or ad-*
3 *minister housing assistance.*

4 (3) *ACCREDITATION STANDARD.*—*In establishing*
5 *standards and guidelines under this section, the*
6 *Board shall establish a minimum acceptable level of*
7 *performance for accrediting a local housing and man-*
8 *agement authority for purposes of authorizing the au-*
9 *thority to enter into a new block grant contract under*
10 *title II or a new grant agreement under title III.*

11 (b) *ACCREDITATION PROCEDURE.*—*The Accreditation*
12 *Board shall establish procedures for—*

13 (1) *reviewing the performance of a local housing*
14 *and management authority over the term of the expir-*
15 *ing accreditation, which review shall be conducted*
16 *during the 12-month period that ends upon the con-*
17 *clusion of the term of the expiring accreditation;*

18 (2) *evaluating the capability of a local housing*
19 *and management authority that proposes to enter*
20 *into an initial block grant contract under title II or*
21 *an initial grant agreement under title III; and*

22 (3) *determining whether the authority complies*
23 *with the standards and guidelines for accreditation*
24 *established under subsection (a)(3).*

1 The procedures for a review or evaluation under this sub-
2 section shall provide for the review or evaluation to be con-
3 ducted by an assessment team established by the Board,
4 which shall review annual financial and performance au-
5 dits conducted under section 432 and obtain such informa-
6 tion as the Board may require.

7 (c) *IDENTIFICATION OF POTENTIAL PROBLEMS.*—The
8 standards and guidelines under subsection (a) and the pro-
9 cedure under subsection (b) shall be established in a manner
10 designed to identify potential problems in the operations,
11 management, functioning of local housing and management
12 authorities at a time before such problems result in serious
13 and complicated deficiencies.

14 (d) *INTERIM APPLICABILITY OF PHMAP.*—Notwith-
15 standing any other provision of this subtitle, during the pe-
16 riod that begins on the date of the enactment of this Act
17 and ends upon the date of the effectiveness of final regula-
18 tions establishing the standards, guidelines, and procedures
19 required under this section and section 432, the Secretary
20 shall assess the management performance of local housing
21 and management authorities in the same manner provided
22 for public housing agencies pursuant to section 6(j) of the
23 United States Housing Act of 1937 (as in effect imme-
24 diately before the enactment of this Act) and may take ac-
25 tions with respect to local housing and management au-

1 *thorities that are authorized under such section with respect*
2 *to public housing agencies.*

3 **SEC. 432. FINANCIAL AND PERFORMANCE AUDITS.**

4 (a) *REQUIREMENT.*—*A financial and performance*
5 *audit under this section shall be conducted for each local*
6 *housing and management authority for each fiscal year that*
7 *the authority receives grant amounts under this Act, as pro-*
8 *vided under one of the following paragraphs:*

9 (1) *LHMA PROVIDES FOR AUDIT.*—*If neither the*
10 *Secretary nor the Board takes action under para-*
11 *graph (2) or (3), the Secretary shall require the local*
12 *housing and management authority to have the audit*
13 *conducted. The Secretary may prescribe that such au-*
14 *ditions be conducted pursuant to guidelines set forth by*
15 *the Department.*

16 (2) *SECRETARY REQUESTS BOARD TO PROVIDE*
17 *FOR AUDIT.*—*The Secretary may request the Board to*
18 *contract directly with an auditor to have the audit*
19 *conducted for the authority.*

20 (3) *BOARD PROVIDES FOR AUDIT.*—*The Board*
21 *may notify the Secretary that it will contract directly*
22 *with an auditor to have the audit conducted for the*
23 *authority.*

24 (b) *OTHER AUDITS.*—*Pursuant to risk assessment*
25 *strategies designed to ensure the integrity of the programs*

1 for assistance under this Act, which shall be established by
 2 the Inspector General for the Department of Housing and
 3 Urban Development in consultation with the Board, the In-
 4 spector General may request the Board to conduct audits
 5 under this subsection of local housing and management au-
 6 thorities. Such audits may be in addition to, or in place
 7 of, audits under subsection (a), as the Board shall provide.

8 (c) SUBMISSION OF RESULTS.—

9 (1) SUBMISSION TO SECRETARY AND BOARD.—

10 The results of any audit conducted under this sub-
 11 section shall be submitted to the local housing and
 12 management authority, the Secretary, and the Board.

13 (2) SUBMISSION TO LOCAL OFFICIALS.—

14 (A) REQUIREMENT.—A local housing and
 15 management authority shall submit each audit
 16 conducted under this section to any local elected
 17 official or officials responsible for appointing the
 18 members of the board of directors (or other simi-
 19 lar governing body) of the local housing and
 20 management authority for review and comment.
 21 Any such comments shall be submitted, together
 22 with the audit, to the Secretary and the Board
 23 and the Secretary and the Board shall consider
 24 such comments in reviewing the audit.

1 (B) *TIMING.*—An audit shall be submitted
2 to local officials as provided in subparagraph

3 (A)—

4 (i) in the case of an audit conducted
5 under subsection (a)(1), not later than 60
6 days before the local housing and manage-
7 ment authority submits the audit to the
8 Secretary and the Board; or

9 (ii) in the case of an audit under
10 paragraph (2) or (3) of subsection (a) or
11 under subsection (b), not later than 60 days
12 after the authority receives the audit.

13 (d) *PROCEDURES.*— The requirements for financial
14 and performance audits under this section shall—

15 (1) be established by the Board, in consultation
16 with the Inspector General of the Department of
17 Housing and Urban Development;

18 (2) provide for the audit to be conducted by an
19 independent auditor selected—

20 (A) in the case of an audit under subsection
21 (a)(1), by the authority; and

22 (B) in the case of an audit under para-
23 graph (2) or (3) of subsection (a) or under sub-
24 section (b), by the Board;

1 (3) *authorize the auditor to obtain information*
2 *from a local housing and management authority, to*
3 *access any books, documents, papers, and records of*
4 *an authority that are pertinent to this Act and assist-*
5 *ance received pursuant to this Act, and to review any*
6 *reports of an authority to the Secretary;*

7 (4) *impose sufficient requirements for obtaining*
8 *information so that the audits are useful to the Board*
9 *in evaluating local housing and management authori-*
10 *ties; and*

11 (5) *include procedures for testing the reliability*
12 *of internal financial controls of local housing and*
13 *management authorities.*

14 (e) *PURPOSE.—Audits under this section shall be de-*
15 *signed to—*

16 (1) *evaluate the financial performance and*
17 *soundness and management performance of the local*
18 *housing and management authority board of directors*
19 *(or other similar governing body) and the authority*
20 *management officials and staff;*

21 (2) *assess the compliance of an authority with*
22 *all aspects of the standards and guidelines established*
23 *under section 431(a)(1);*

24 (3) *provide information to the Secretary and the*
25 *Board regarding the financial performance and man-*

1 *agement of the authority and to determine whether a*
2 *review under section 225(d) or 353(c) is required; and*

3 *(4) identify potential problems in the operations,*
4 *management, functioning of a local housing and*
5 *management authority at a time before such problems*
6 *result in serious and complicated deficiencies.*

7 *(f) INAPPLICABILITY OF SINGLE AUDIT ACT.—Not-*
8 *withstanding the first sentence of section 7503(a) of title*
9 *31, United States Code, an audit conducted in accordance*
10 *with chapter 75 of such title shall not exempt any local*
11 *housing and management authority from conducting an*
12 *audit under this section. Audits under this section shall not*
13 *be subject to the requirements for audits under such chapter.*
14 *An audit under this section for a local housing and man-*
15 *agement authority for a fiscal year shall be considered to*
16 *satisfy any requirements under such chapter for such fiscal*
17 *year.*

18 *(g) WITHHOLDING OF AMOUNTS FOR COSTS OF*
19 *AUDIT.—*

20 *(1) LHMA RESPONSIBLE FOR AUDIT.—If the Sec-*
21 *retary requires a local housing and management au-*
22 *thority to have an audit under this section conducted*
23 *pursuant to subsection (a)(1) and determines that the*
24 *authority has failed to take the actions required to*

1 *submit an audit under this section for a fiscal year,*
2 *the Secretary may—*

3 (A) *arrange for, and pay the costs of, the*
4 *audit and withhold, from the total allocation for*
5 *any fiscal year otherwise payable to the author-*
6 *ity under this Act, amounts sufficient to pay for*
7 *the reasonable costs of conducting an acceptable*
8 *audit (including, if appropriate, the reasonable*
9 *costs of accounting services necessary to place the*
10 *authority's books and records in condition that*
11 *permits an audit); or*

12 (B) *request the Board to conduct the audit*
13 *pursuant to subsection (a)(2) and withhold*
14 *amounts pursuant to paragraph (2) of this sub-*
15 *section.*

16 (2) **BOARD RESPONSIBLE FOR AUDIT.**—*If the*
17 *Board is responsible for an audit for a local housing*
18 *and management authority pursuant to paragraph*
19 *(2) or (3) of subsection (a), subsection (b), or para-*
20 *graph (1)(B) of this subsection, the Secretary shall—*

21 (A) *withhold, from the total allocation for*
22 *any fiscal year otherwise payable to the author-*
23 *ity under this Act, amounts sufficient to pay for*
24 *the audit, but in no case more than the reason-*
25 *able cost of conducting an acceptable audit (in-*

cluding, if appropriate, the reasonable costs of accounting services necessary to place the authority's books and records in condition that permits an audit); and

(B) transfer such amounts to the Board.

SEC. 433. ACCREDITATION.

(a) *REVIEW UPON EXPIRATION OF PREVIOUS ACCREDITATION.*—The Accreditation Board shall perform a comprehensive review of the performance of a local housing and management authority, in accordance with the procedures established under section 431(b), before the expiration of the term for which a previous accreditation was granted under this subtitle.

(b) *INITIAL EVALUATION.*—

(1) *IN GENERAL.*—Before entering into an initial block grant contract under title II or an initial contract pursuant to section 302 for assistance under title III with any local housing and management authority, the Board shall conduct a comprehensive evaluation of the capabilities of the local housing and management authority.

(2) *EXCEPTION.*—Paragraph (1) shall not apply to an initial block grant contract or grant agreement entered into during the period beginning upon the date of the enactment of this Act and ending upon the

1 date of the effectiveness of final regulations establish-
2 ing the standards, guidelines, and procedures required
3 under section 431 with any public housing agency
4 that received amounts under the United States Hous-
5 ing Act of 1937 during fiscal year 1995.

6 (c) *DETERMINATION AND REPORT.*—Pursuant to a re-
7 view or evaluation under this section, the Board shall deter-
8 mine whether the authority meets the requirements for ac-
9 creditation under section 431(a)(3), shall accredit the au-
10 thority if it meets such requirements, and shall submit a
11 report on the results of the review or evaluation and such
12 determination to the Secretary and the authority.

13 (d) *ACCREDITATION.*—An accreditation under this sec-
14 tion shall expire at the end the term established by the
15 Board in granting the accreditation, which may not exceed
16 5 years. The Board may qualify an accreditation placing
17 conditions on the accreditation based on the future perform-
18 ance of the authority.

19 **SEC. 434. CLASSIFICATION BY PERFORMANCE CATEGORY.**

20 Upon completing the accreditation process under sec-
21 tion 433 with respect to a local housing and management
22 authority, the Housing Finance and Accreditation Board
23 shall designate the authority according to the performance
24 categories under section 431(a)(2). In determining the clas-
25 sification of an authority, the Board shall consider the most

1 recent financial and performance audit under section 432
2 of the authority and accreditation reports under section
3 433(c) for the authority.

4 **SEC. 435. PERFORMANCE AGREEMENTS FOR AUTHORITIES**

5 **AT RISK OF BECOMING TROUBLED.**

6 (a) *IN GENERAL.*—Upon designation of a local hous-
7 ing and management authority as at risk of becoming trou-
8 bled under section 431(a)(2)(C), the Secretary shall seek to
9 enter into an agreement with the authority providing for
10 improvement of the elements of the authority that have been
11 identified. An agreement under this section shall contain
12 such terms and conditions as the Secretary determines are
13 appropriate for addressing the elements identified, which
14 may include an on-site, independent assessment of the man-
15 agement of the authority.

16 (b) *POWERS OF SECRETARY.*—If the Secretary deter-
17 mines that such action is necessary to prevent the local
18 housing and management authority from becoming a trou-
19 bled authority, the Secretary may—

20 (1) solicit competitive proposals from other local
21 housing and management authorities and private
22 housing management agents (which may be selected
23 by existing tenants through administrative procedures
24 established by the Secretary), for any case in which
25 such agents may be needed for managing all, or part,

1 of the housing or functions administered by the au-
2 thority; or

3 (2) solicit competitive proposals from other local
4 housing and management authorities and private en-
5 tities with experience in construction management,
6 for any case in which such authorities or firms may
7 be needed to oversee implementation of assistance
8 made available for capital improvement for public
9 housing of the authority.

10 **SEC. 436. PERFORMANCE AGREEMENTS AND CDBG SANC-**
11 **TIONS FOR TROUBLED LHMA'S.**

12 (a) *IN GENERAL.*—Upon designation of a local hous-
13 ing and management authority as a troubled authority
14 under section 431(a)(2)(D), the Secretary shall seek to enter
15 into an agreement with the authority providing for improv-
16 ing the management performance of the authority.

17 (b) *CONTENTS.*—An agreement under this section be-
18 tween the Secretary and a local housing and management
19 authority shall set forth—

20 (1) targets for improving performance, as meas-
21 ured by the guidelines and standards established
22 under section 431(a)(1) and other requirements with-
23 in a specified period of time, which shall include tar-
24 gets to be met upon the expiration of the 12-month pe-
25 riod beginning upon entering into the agreement;

1 (2) strategies for meeting such targets;

2 (3) sanctions for failure to implement such strat-
3 egies; and

4 (4) to the extent the Secretary deems appro-
5 priate, a plan for enhancing resident involvement in
6 the management of the local housing and management
7 authority.

8 (c) LOCAL ASSISTANCE IN IMPLEMENTATION.—The
9 Secretary and the local housing and management authority
10 shall, to the maximum extent practicable, seek the assistance
11 of local public and private entities in carrying out an
12 agreement under this section.

13 (d) DEFAULT UNDER PERFORMANCE AGREEMENT.—
14 Upon the expiration of the 12-month period beginning upon
15 entering into an agreement under this section with a local
16 housing and management authority, the Secretary shall re-
17 view the performance of the authority in relation to the per-
18 formance targets and strategies under the agreement. If the
19 Secretary determines that the authority has failed to com-
20 ply with the performance targets established for such period,
21 the Secretary shall take the action authorized under sub-
22 section (b)(2) or (b)(5) of section 438.

23 (e) CDBG SANCTION AGAINST LOCAL GOVERNMENT
24 CONTRIBUTING TO TROUBLED STATUS OF LHMA.—If the
25 Secretary determines that the actions or inaction of any

1 unit of general local government within which any portion
 2 of the jurisdiction of a local housing and management au-
 3 thority is located has substantially contributed to the condi-
 4 tions resulting in the authority being designated under sec-
 5 tion 431(a)(2)(D) as a troubled authority, the Secretary
 6 may redirect or withhold, from such unit of general local
 7 government any amounts allocated for such unit under sec-
 8 tion 106 of such Act.

9 **SEC. 437. OPTION TO DEMAND CONVEYANCE OF TITLE TO**
 10 **OR POSSESSION OF PUBLIC HOUSING.**

11 (a) **AUTHORITY FOR CONVEYANCE.**—A contract under
 12 section 201 for block grants under title II (including con-
 13 tracts which amend or supersede contracts previously made
 14 (including contracts for contributions)) may provide that
 15 upon the occurrence of a substantial default with respect
 16 to the covenants or conditions to which the local housing
 17 and management authority is subject (as such substantial
 18 default shall be defined in such contract) or upon designa-
 19 tion of the authority as dysfunctional pursuant to section
 20 431(a)(2)(E), the local housing and management authority
 21 shall be obligated, at the option of the Secretary, to—

22 (1) convey title in any case where, in the deter-
 23 mination of the Secretary (which determination shall
 24 be final and conclusive), such conveyance of title is
 25 necessary to achieve the purposes of this Act; or

1 (2) deliver to the Secretary possession of the de-
2 velopment, as then constituted, to which such contract
3 relates.

4 (b) *OBLIGATION TO RECONVEY.*—Any block grant con-
5 tract under title II containing the provisions authorized in
6 subsection (a) shall also provide that the Secretary shall
7 be obligated to reconvey or redeliver possession of the devel-
8 opment, as constituted at the time of reconveyance or rede-
9 livery, to such local housing and management authority or
10 to its successor (if such local housing and management au-
11 thority or a successor exists) upon such terms as shall be
12 prescribed in such contract, and as soon as practicable
13 after—

14 (1) the Secretary is satisfied that all defaults
15 with respect to the development have been cured, and
16 that the development will, in order to fulfill the pur-
17 poses of this Act, thereafter be operated in accordance
18 with the terms of such contract; or

19 (2) the termination of the obligation to make an-
20 nual block grants to the authority, unless there are
21 any obligations or covenants of the authority to the
22 Secretary which are then in default.

23 Any prior conveyances and reconveyances or deliveries and
24 redeliveries of possession shall not exhaust the right to re-
25 quire a conveyance or delivery of possession of the develop-

1 ment to the Secretary pursuant to subsection (a) upon the
2 subsequent occurrence of a substantial default.

3 (c) *CONTINUED GRANTS FOR REPAYMENT OF BONDS*
4 *AND NOTES UNDER 1937 ACT.—If—*

5 (1) *a contract for block grants under title II for*
6 *an authority includes provisions that expressly state*
7 *that the provisions are included pursuant to this sub-*
8 *section, and*

9 (2) *the portion of the block grant payable for*
10 *debt service requirements pursuant to the contract has*
11 *been pledged by the local housing and management*
12 *authority as security for the payment of the principal*
13 *and interest on any of its obligations, then—*

14 (A) *the Secretary shall (notwithstanding*
15 *any other provisions of this Act), continue to*
16 *make the block grant payments for the authority*
17 *so long as any of such obligations remain out-*
18 *standing; and*

19 (B) *the Secretary may covenant in such a*
20 *contract that in any event such block grant*
21 *amounts shall in each year be at least equal to*
22 *an amount which, together with such income or*
23 *other funds as are actually available from the de-*
24 *velopment for the purpose at the time such block*
25 *grant payments are made, will suffice for the*

1 payment of all installments of principal and in-
2 terest on the obligations for which the amounts
3 provided for in the contract shall have been
4 pledged as security that fall due within the next
5 succeeding 12 months.

6 In no case shall such block grant amounts be in excess of
7 the maximum sum specified in the contract involved, nor
8 for longer than the remainder of the maximum period fixed
9 by the contract.

10 **SEC. 438. REMOVAL OF INEFFECTIVE LHMA'S.**

11 (a) **CONDITIONS OF REMOVAL.**—The actions specified
12 in subsection (b) may be taken only upon—

13 (1) the occurrence of events or conditions that
14 constitute a substantial default by a local housing
15 and management authority with respect to (A) the
16 covenants or conditions to which the local housing
17 and management authority is subject, or (B) an
18 agreement entered into under section 436;

19 (2) designation of the authority as dysfunctional
20 pursuant to section 431(a)(2)(E);

21 (3) in the case only of action under subsection
22 (b)(1), failure of a local housing and management au-
23 thority to obtain reaccreditation upon the expiration
24 of the term of a previous accreditation granted under
25 this subtitle; or

1 (4) *submission to the Secretary of a petition by*
2 *the residents of the public housing owned or operated*
3 *by a local housing and management authority that is*
4 *designated as troubled or dysfunctional pursuant to*
5 *section 431(a)(2).*

6 (b) *REMOVAL ACTIONS.*—*Notwithstanding any other*
7 *provision of law or of any block grant contract under title*
8 *II or any grant agreement under title III, in accordance*
9 *with subsection (a), the Secretary may—*

10 (1) *solicit competitive proposals from other local*
11 *housing and management authorities and private*
12 *housing management agents (which, in the discretion*
13 *of the Secretary, may be selected by existing public*
14 *housing residents through administrative procedures*
15 *established by the Secretary) and, if appropriate, pro-*
16 *vide for such agents to manage all, or part, of the*
17 *housing administered by the local housing and man-*
18 *agement authority or all or part of the other functions*
19 *of the authority;*

20 (2) *take possession of the local housing and man-*
21 *agement authority, including any developments or*
22 *functions of the authority under any section of this*
23 *Act;*

24 (3) *solicit competitive proposals from other local*
25 *housing and management authorities and private en-*

1 *tities with experience in construction management*
2 *and, if appropriate, provide for such authorities or*
3 *firms to oversee implementation of assistance made*
4 *available for capital improvements for public housing;*

5 *(4) require the authority to make other arrange-*
6 *ments acceptable to the Secretary and in the best in-*
7 *terests of the public housing residents and assisted*
8 *families under title III for managing all, or part of,*
9 *the public housing administered by the authority or*
10 *the functions of the authority; or*

11 *(5) petition for the appointment of a receiver for*
12 *the local housing and management authority to any*
13 *district court of the United States or to any court of*
14 *the State in which any portion of the jurisdiction of*
15 *the local housing and management authority is lo-*
16 *cated, that is authorized to appoint a receiver for the*
17 *purposes and having the powers prescribed in this*
18 *section.*

19 *(c) EMERGENCY ASSISTANCE.—The Secretary may*
20 *make available to receivers and other entities selected or ap-*
21 *pointed pursuant to this section such assistance as is fair*
22 *and reasonable to remedy the substantial deterioration of*
23 *living conditions in individual public housing developments*
24 *or other related emergencies that endanger the health, safety*

1 *and welfare of public housing residents or assisted families*
2 *under title III.*

3 (d) *POWERS OF SECRETARY.—If the Secretary takes*
4 *possession of an authority, or any developments or func-*
5 *tions of an authority, pursuant to subsection (b)(2), the Sec-*
6 *retary—*

7 (1) *may abrogate contracts that substantially*
8 *impede correction of the substantial default or im-*
9 *provement of the classification, but only after efforts*
10 *to renegotiate such contracts have failed;*

11 (2) *may demolish and dispose of assets of the au-*
12 *thority in accordance with subtitle E of title II;*

13 (3) *where determined appropriate by the Sec-*
14 *retary, may require the establishment of one or more*
15 *new local housing and management authorities;*

16 (4) *may consolidate the authority into other*
17 *well-managed local housing and management authori-*
18 *ties with the consent of such well-managed authori-*
19 *ties;*

20 (5) *shall not be subject to any State or local laws*
21 *relating to civil service requirements, employee rights,*
22 *procurement, or financial or administrative controls*
23 *that, in the determination of the Secretary, substan-*
24 *tially impede correction of the substantial default or*
25 *improvement of the classification; and*

1 (6) shall have such additional authority as a dis-
2 trict court of the United States has the authority to
3 confer under like circumstances upon a receiver to
4 achieve the purposes of the receivership.

5 The Secretary may appoint, on a competitive or non-
6 competitive basis, an individual or entity as an adminis-
7 trative receiver to assume the Secretary's responsibility
8 under this paragraph for the administration of a local
9 housing and management authority. The Secretary may
10 delegate to the administrative receiver any or all of the pow-
11 ers of the Secretary under this subsection. Regardless of any
12 delegation under this subsection, an administrative receiver
13 may not require the establishment of one or more new local
14 housing and management authorities pursuant to para-
15 graph (3) unless the Secretary first approves such establish-
16 ment. For purposes of this subsection, the term "local hous-
17 ing and management authority" includes any developments
18 or functions of a local housing and management authority
19 under any section of this title.

20 (e) RECEIVERSHIP.—

21 (1) REQUIRED APPOINTMENT.—In any proceed-
22 ing under subsection (b)(5), upon a determination
23 that a substantial default has occurred, and without
24 regard to the availability of alternative remedies, the
25 court shall appoint a receiver to conduct the affairs

1 of the local housing and management authority in a
2 manner consistent with this Act and in accordance
3 with such further terms and conditions as the court
4 may provide. The receiver appointed may be another
5 local housing and management authority, a private
6 management corporation, the Secretary, or any other
7 appropriate entity. The court shall have power to
8 grant appropriate temporary or preliminary relief
9 pending final disposition of the petition by the Sec-
10 retary.

11 (2) *POWERS OF RECEIVER.*—If a receiver is ap-
12 pointed for a local housing and management author-
13 ity pursuant to subsection (b)(5), in addition to the
14 powers accorded by the court appointing the receiver,
15 the receiver—

16 (A) may abrogate contracts that substan-
17 tially impede correction of the substantial default
18 or improvement of the classification;

19 (B) may demolish and dispose of assets of
20 the authority in accordance with subtitle E of
21 title II;

22 (C) where determined appropriate by the
23 Secretary, may require the establishment of one
24 or more new local housing and management au-

1 *thorities, to the extent permitted by State and*
2 *local law; and*

3 *(D) except as provided in subparagraph*
4 *(C), shall not be subject to any State or local*
5 *laws relating to civil service requirements, em-*
6 *ployee rights, procurement, or financial or ad-*
7 *ministrative controls that, in the determination*
8 *of the receiver, substantially impede correction of*
9 *the substantial default or improvement of the*
10 *classification.*

11 *For purposes of this paragraph, the term "local hous-*
12 *ing and management authority" includes any devel-*
13 *opments or functions of a local housing and manage-*
14 *ment authority under any section of this title.*

15 *(3) TERMINATION.—The appointment of a re-*
16 *ceiver pursuant to this subsection may be terminated,*
17 *upon the petition of any party, when the court deter-*
18 *mines that all defaults have been cured or the local*
19 *housing and management authority will be able to*
20 *make the same amount of progress in correcting the*
21 *management of the housing as the receiver.*

22 *(f) LIABILITY.—If the Secretary takes possession of an*
23 *authority pursuant to subsection (b)(2) or a receiver is ap-*
24 *pointed pursuant to subsection (b)(5) for a local housing*
25 *and management authority, the Secretary or the receiver*

1 shall be deemed to be acting in the capacity of the local
2 housing and management authority (and not in the official
3 capacity as Secretary or other official) and any liability
4 incurred shall be a liability of the local housing and man-
5 agement authority.

6 (g) *EFFECTIVENESS.*—The provisions of this section
7 shall apply with respect to actions taken before, on, or after
8 the effective date of this Act and shall apply to any receivers
9 appointed for a public housing agency before the date of
10 enactment of this Act.

11 **SEC. 439. MANDATORY TAKEOVER OF CHRONICALLY TROU-**
12 **BLED PHA'S.**

13 (a) *REMOVAL OF AGENCY.*—Notwithstanding any
14 other provision of this Act, not later than the expiration
15 of the 180-day period beginning on the date of the enact-
16 ment of this Act, the Secretary shall take one of the follow-
17 ing actions with respect to each chronically troubled public
18 housing agency:

19 (1) *CONTRACTING FOR MANAGEMENT.*—Solicit
20 competitive proposals for the management of the
21 agency pursuant to section 437(b)(1) and replace the
22 management of the agency pursuant to selection of
23 such a proposal.

24 (2) *TAKEOVER.*—Take possession of the agency
25 pursuant to section 437(b)(2) of such Act.

1 (b) *DEFINITION.*—For purposes of this section, the
2 term “chronically troubled public housing agency” means
3 a public housing agency that, as of the date of the enactment
4 of this Act, is designated under section 6(j)(2) of the United
5 States Housing Act of 1937 (as in effect immediately before
6 the enactment of this Act) as a troubled public housing
7 agency and has been so designated continuously for the 3-
8 year period ending upon such date of enactment; except that
9 such term does not include any agency that owns or oper-
10 ates less than 1250 public housing dwelling units and that
11 the Secretary determines can, with a reasonable amount of
12 effort, make such improvements or remedies as may be nec-
13 essary to remove its designation as troubled within 12
14 months.

15 **SEC. 440. TREATMENT OF TROUBLED PHA’S.**

16 (a) *EFFECT OF TROUBLED STATUS ON CHAS.*—The
17 comprehensive housing affordability strategy (or any con-
18 solidated plan incorporating such strategy) for the State or
19 unit of general local government in which any troubled pub-
20 lic housing agency is located shall not be considered to com-
21 ply with the requirements under section 105 of the Cran-
22 ston-Gonzalez National Affordable Housing Act unless such
23 plan includes a description of the manner in which the
24 State or unit will assist such troubled agency in improving
25 its operations to remove such designation.

1 (b) *DEFINITION.*—For purposes of this section, the
2 term “troubled public housing agency” means a public
3 housing agency that—

4 (1) upon the date of the enactment of this Act,
5 is designated under section 6(j)(2) of the United
6 States Housing Act of 1937 (as in effect immediately
7 before the enactment of this Act) as a troubled public
8 housing agency; and

9 (2) is not a chronically troubled public housing
10 agency, as such term is defined in section 439(b) of
11 this Act.

12 **SEC. 441. MAINTENANCE OF AND ACCESS TO RECORDS.**

13 (a) *KEEPING OF RECORDS.*—Each local housing and
14 management authority shall keep such records as may be
15 reasonably necessary to disclose the amount and the disposi-
16 tion by the authority of the proceeds of assistance received
17 pursuant to this Act and to ensure compliance with the re-
18 quirements of this Act.

19 (b) *ACCESS TO DOCUMENTS.*—The Secretary, the In-
20 spector General for the Department of Housing and Urban
21 Development, and the Comptroller General of the United
22 States shall each have access for the purpose of audit and
23 examination to any books, documents, papers, and records
24 of a local housing and management authority that are per-

1 *tinent to this Act and assistance received pursuant to this*
2 *Act.*

3 **SEC. 442. ANNUAL REPORTS REGARDING TROUBLED**
4 **LHMA'S.**

5 *The Secretary shall submit a report to the Congress*
6 *annually, as a part of the report of the Secretary under*
7 *section 8 of the Department of Housing and Urban Develop-*
8 *ment Act, that—*

9 *(1) identifies the local housing and management*
10 *authorities that are designated as troubled or dysfunc-*
11 *tional under section 431(a)(2) and the reasons for*
12 *such designation;*

13 *(2) identifies the local housing and management*
14 *authorities that have lost accreditation pursuant to*
15 *section 433; and*

16 *(3) describes any actions that have been taken in*
17 *accordance with sections 433, 434, 435, 436, and 438.*

18 **SEC. 443. APPLICABILITY TO RESIDENT MANAGEMENT COR-**
19 **PORATIONS.**

20 *The Secretary shall apply the provisions of this sub-*
21 *title to resident management corporations in the same man-*
22 *ner as applied to local housing and management authori-*
23 *ties.*

1 **TITLE V—REPEALS AND**
2 **CONFORMING AMENDMENTS**

3 **SEC. 501. REPEALS.**

4 (a) *IN GENERAL.*—The following provisions of law are
5 hereby repealed:

6 (1) *UNITED STATES HOUSING ACT OF 1937.*—The
7 United States Housing Act of 1937 (42 U.S.C. 1437
8 et seq.).

9 (2) *ASSISTED HOUSING ALLOCATION.*—Section
10 213 of the Housing and Community Development Act
11 of 1974 (42 U.S.C. 1439).

12 (3) *PUBLIC HOUSING RENT WAIVERS FOR PO-*
13 *LICE.*—Section 519 of the Cranston-Gonzalez Na-
14 tional Affordable Housing Act (42 U.S.C. 1437a-1).

15 (4) *OCCUPANCY PREFERENCES AND INCOME MIX*
16 *FOR NEW CONSTRUCTION AND SUBSTANTIAL REHA-*
17 *BILITATION PROJECTS.*—Subsection (c) of section 545,
18 and section 555, of the Cranston-Gonzalez National
19 Affordable Housing Act (42 U.S.C. 1437f note).

20 (5) *TREATMENT OF CERTIFICATE AND VOUCHER*
21 *HOLDERS.*—Subsection (c) of section 183 of the Hous-
22 ing and Community Development Act of 1987 (42
23 U.S.C. 1437f note).

1 (6) *EXCESSIVE RENT BURDEN DATA*.—Subsection
2 (b) of section 550 of the Cranston-Gonzalez National
3 Affordable Housing Act (42 U.S.C. 1437f note).

4 (7) *SECTION 8 DISASTER RELIEF*.—Sections 931
5 and 932 of the Cranston-Gonzalez National Affordable
6 Housing Act (42 U.S.C. 1437c note).

7 (8) *MOVING TO OPPORTUNITY FOR FAIR HOUS-*
8 *ING*.—Section 152 of the Housing and Community
9 Development Act of 1992 (42 U.S.C. 1437f note).

10 (9) *REPORT REGARDING FAIR HOUSING OBJEC-*
11 *TIVES*.—Section 153 of the Housing and Community
12 Development Act of 1992 (42 U.S.C. 1437f note).

13 (10) *SECTION 8 COMMUNITY INVESTMENT DEM-*
14 *ONSTRATION*.—Section 6 of the HUD Demonstration
15 Act of 1993 (42 U.S.C. 1437f note).

16 (11) *SPECIAL PROJECTS FOR ELDERLY OR*
17 *HANDICAPPED FAMILIES*.—Section 209 of the Housing
18 and Community Development Act of 1974 (42 U.S.C.
19 1438).

20 (12) *ACCESS TO PHA BOOKS*.—Section 816 of the
21 Housing Act of 1954 (42 U.S.C. 1435).

22 (13) *MISCELLANEOUS PROVISIONS*.—Subsections
23 (b)(1), (c), and (d) of section 326 of the Housing and
24 Community Development Amendments of 1981 (Pub-
25 lic Law 97-35, 95 Stat. 406; 42 U.S.C. 1437f note).

1 (14) *PAYMENT FOR DEVELOPMENT MANAGERS.*—
2 *Section 329A of the Housing and Community Devel-*
3 *opment Amendments of 1981 (42 U.S.C. 1437j-1).*

4 (15) *PURCHASE OF PHA OBLIGATIONS.*—*Section*
5 *329E of the Housing and Community Development*
6 *Amendments of 1981 (12 U.S.C. 2294a).*

7 (16) *PROCUREMENT OF INSURANCE BY PHA'S.*—

8 (A) *In the item relating to "ADMINISTRA-*
9 *TIVE PROVISIONS" under the heading "MANAGE-*
10 *MENT AND ADMINISTRATION" in title II of the*
11 *Departments of Veterans Affairs and Housing*
12 *and Urban Development, and Independent Agen-*
13 *cies Appropriations Act, 1991, the penultimate*
14 *undesignated paragraph of such item (Public*
15 *Law 101-507; 104 Stat. 1369).*

16 (B) *In the item relating to "ADMINISTRA-*
17 *TIVE PROVISIONS" under the heading "MANAGE-*
18 *MENT AND ADMINISTRATION" in title II of the*
19 *Departments of Veterans Affairs and Housing*
20 *and Urban Development, and Independent Agen-*
21 *cies Appropriations Act, 1992, the 19th through*
22 *23d undesignated paragraphs of such item (Pub-*
23 *lic Law 102-139; 105 Stat. 758).*

1 (17) *PUBLIC HOUSING CHILDHOOD DEVELOP-*
2 *MENT.—Section 222 of the Housing and Urban-Rural*
3 *Recovery Act of 1983 (12 U.S.C. 1701z-6 note).*

4 (18) *INDIAN HOUSING CHILDHOOD DEVELOP-*
5 *MENT.—Section 518 of the Cranston-Gonzalez Na-*
6 *tional Affordable Housing Act (12 U.S.C. 1701z-6*
7 *note).*

8 (19) *PUBLIC HOUSING COMPREHENSIVE TRANSI-*
9 *TION DEMONSTRATION.—Section 126 of the Housing*
10 *and Community Development Act of 1987 (42 U.S.C.*
11 *1437f note).*

12 (20) *PUBLIC HOUSING ONE-STOP PERINATAL*
13 *SERVICES DEMONSTRATION.—Section 521 of the*
14 *Cranston-Gonzalez National Affordable Housing Act*
15 *(42 U.S.C. 1437t note).*

16 (21) *PUBLIC HOUSING MINCS DEMONSTRA-*
17 *TION.—Section 522 of the Cranston-Gonzalez Na-*
18 *tional Affordable Housing Act (42 U.S.C. 1437f note).*

19 (22) *PUBLIC HOUSING ENERGY EFFICIENCY DEM-*
20 *ONSTRATION.—Section 523 of the Cranston-Gonzalez*
21 *National Affordable Housing Act (42 U.S.C. 1437g*
22 *note).*

23 (23) *OMAHA HOMEOWNERSHIP DEMONSTRA-*
24 *TION.—Section 132 of the Housing and Community*

1 *Development Act of 1992 (Public Law 102-550; 106*
 2 *stat. 3712).*

3 (24) *PUBLIC AND ASSISTED HOUSING YOUTH*
 4 *SPORTS PROGRAMS.—Section 520 of the Cranston-*
 5 *Gonzalez National Affordable Housing Act (42 U.S.C.*
 6 *11903a).*

7 (b) *SAVINGS PROVISION.—The repeals made by sub-*
 8 *section (a) shall not affect any legally binding obligations*
 9 *entered into before the date of the enactment of this Act.*
 10 *Any funds or activities subject to a provision of law re-*
 11 *pealed by subsection (a) shall continue to be governed by*
 12 *the provision as in effect immediately before such repeal.*

13 **SEC. 502. CONFORMING AND TECHNICAL PROVISIONS.**

14 (a) *ALLOCATION OF ELDERLY HOUSING AMOUNTS.—*
 15 *Section 202(l) of the Housing Act of 1959 (42 U.S.C.*
 16 *1701q(l)) is amended by adding at the end the following*
 17 *new paragraph:*

18 “(4) *CONSIDERATION IN ALLOCATING ASSIST-*
 19 *ANCE.—Assistance under this section shall be allo-*
 20 *cated in a manner that ensures that the awards of the*
 21 *assistance are made for projects of sufficient size to*
 22 *accommodate facilities for supportive services appro-*
 23 *priate to the needs of frail elderly residents.”.*

24 (b) *ELIGIBILITY FOR ASSISTED HOUSING.—*

1 (1) *GENERAL.*—Notwithstanding any other pro-
2 vision of law, for purposes of determining eligibility
3 for admission to assisted housing, a person shall not
4 be considered to have a disability or a handicap sole-
5 ly because of the prior or current illegal use of a con-
6 trolled substance (as defined in section 102 of the
7 Controlled Substances Act) or solely by reason of the
8 prior or current use of alcohol.

9 (2) *DEFINITION.*—For purposes of this sub-
10 section, the term “assisted housing” means housing
11 designed primarily for occupancy by elderly persons
12 or persons with disabilities that is assisted pursuant
13 to this Act, the United States Housing Act of 1937,
14 section 221(d)(3) or 236 of the National Housing Act,
15 section 202 of the Housing Act of 1959, section 101
16 of the Housing and Urban Development Act of 1965,
17 or section 811 of the Cranston-Gonzalez National Af-
18 fordable Housing Act.

19 (3) *CONTINUED OCCUPANCY.*—This subsection
20 may not be construed to prohibit the continued occu-
21 pancy of any person who is a resident in assisted
22 housing on the date of enactment of this Act.

23 (c) *AMENDMENT TO HOUSING AND URBAN-RURAL RE-*
24 *COVERY ACT OF 1983.*—Section 227(d)(2) of the Housing
25 and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r—

1 1(d)(2)) is amended by inserting "the United States Hous-
2 ing Act of 1996," after "the United States Housing Act of
3 1937,".

4 (d) REVIEW OF DRUG ELIMINATION PROGRAM CON-
5 TRACTS.—

6 (1) REQUIREMENT.—Notwithstanding the repeal
7 under section 501(a)(26), the Secretary of Housing
8 and Urban Development shall investigate all security
9 contracts awarded by grantees under the Public and
10 Assisted Housing Drug Elimination Act of 1990 (42
11 U.S.C. 11901 et seq.) that are public housing agencies
12 that own or operate more than 4,500 public housing
13 dwelling units—

14 (A) to determine whether the contractors
15 under such contracts have complied with all laws
16 and regulations regarding prohibition of dis-
17 crimination in hiring practices;

18 (B) to determine whether such contracts
19 were awarded in accordance with the applicable
20 laws and regulations regarding the award of
21 such contracts;

22 (C) to determine how many such contracts
23 were awarded under emergency contracting pro-
24 cedures;

1 (D) to evaluate the effectiveness of the con-
2 tracts; and

3 (E) to provide a full accounting of all ex-
4 penses under the contracts.

5 (2) *REPORT.*—Not later than 180 days after the
6 date of the enactment of this Act, the Secretary shall
7 complete the investigation required under paragraph
8 (1) and submit a report to the Congress regarding the
9 findings under the investigation. With respect to each
10 such contract, the report shall (A) state whether the
11 contract was made and is operating, or was not made
12 or is not operating, in full compliance with applica-
13 ble laws and regulations, and (B) for each contract
14 that the Secretary determines is in such compliance
15 in a personal certification of such compliance by the
16 Secretary of Housing and Urban Development.

17 (3) *ACTIONS.*—For each contract that is de-
18 scribed in the report under paragraph (2) as not
19 made or not operating in full compliance with appli-
20 cable laws and regulation, the Secretary of Housing
21 and Urban Development shall promptly take any ac-
22 tions available under law or regulation that are nec-
23 essary—

24 (A) to bring such contract into compliance;

25 or

1 (B) to terminate the contract.

2 (e) REFERENCES.—Except as provided in section 271
3 and 501(b), any reference in any other Federal law, Execu-
4 tive order, rule, regulation, or delegation of authority, or
5 any document of or pertaining to—

6 (1) public housing or housing assisted under the
7 United States Housing Act of 1937 is deemed to refer
8 to public housing assisted under title II of this Act;

9 (2) to assistance under section 8 of the United
10 States Housing Act of 1937 is deemed to refer to as-
11 sistance under title III of this Act; and

12 (3) to assistance under the United States Hous-
13 ing Act of 1937 is deemed to refer to assistance under
14 this Act.

15 (f) CONVERSION OF PROJECT-BASED ASSISTANCE TO
16 CHOICE-BASED RENTAL ASSISTANCE.—

17 (1) SECTION 8 PROJECT-BASED CONTRACTS.—
18 Upon the request of the owner of a multifamily hous-
19 ing project for which project-based assistance is pro-
20 vided under a contract entered into under section 8
21 of the United States Housing Act of 1937 (as in effect
22 before the enactment of this Act), notwithstanding the
23 termination date of such contract the Secretary shall
24 provide for a reduction in the number of dwelling
25 units assisted under the contract, which may not ex-

1 *ceed 40 percent of the units in the project and shall*
2 *be subject to the requirements in paragraphs (3) and*
3 *(4) of this subsection.*

4 (2) *SECTION 236 CONTRACTS.—Upon the request*
5 *of the owner of a multifamily housing project for*
6 *which assistance is provided under a contract for in-*
7 *terest reduction payments under section 236 of the*
8 *National Housing Act, notwithstanding the termi-*
9 *nation date of such contract the Secretary shall pro-*
10 *vide for a reduction in the number of dwelling units*
11 *assisted under the contract, which may not exceed 40*
12 *percent of the units in the project. The amount of the*
13 *interest reduction payments made on behalf of the*
14 *owner shall be reduced by a fraction for which the nu-*
15 *merator is the aggregate basic rent for the units*
16 *which are no longer assisted under the contract for*
17 *interest reduction payments and the denominator is*
18 *the aggregate basic rents for all units in the project.*
19 *The requirements of section 236(g) of the National*
20 *Housing Act shall not apply to rental charges col-*
21 *lected with respect to dwelling units for which assist-*
22 *ance in terminated under this paragraph. Such re-*
23 *duction shall be subject to the requirements in para-*
24 *graphs (3) and (4) of this subsection.*

1 (3) *ELIGIBLE UNITS.*—A unit may be removed
2 from coverage by a contract pursuant to paragraph
3 (1) or (2) only—

4 (A) upon the vacancy of the unit; and
5 (B) in the case of—

6 (i) units assisted under section 8 of the
7 United States Housing Act of 1937, if the
8 contract rent for the unit is not less than
9 the applicable fair market rental established
10 pursuant to section 8(c) of such Act for the
11 area in which the unit is located; or

12 (ii) units assisted under an interest re-
13 duction contract under section 236 of the
14 National Housing Act, if the reduction in
15 the amount of interest reduction payments
16 on a monthly basis is less than the aggre-
17 gate amount of fair market rents established
18 pursuant to section 8(c) of such Act for the
19 number and type of units which are re-
20 moved from coverage by the contract.

21 (4) *RECAPTURE.*—Any budget authority that be-
22 comes available to a local housing and management
23 authority or the Secretary pursuant to this section
24 shall be used to provide choice-based rental assistance

under title III, during the term covered by such contract.

SEC. 503. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) **SHORT TITLE, PURPOSES, AND AUTHORITY TO MAKE GRANTS.**—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by striking the chapter heading and all that follows through section 5123 and inserting the following:

“CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME

“SEC. 5121. SHORT TITLE.

“This chapter may be cited as the ‘Community Partnerships Against Crime Act of 1996’.

“SEC. 5122. PURPOSES.

“The purposes of this chapter are to—

“(1) improve the quality of life for the vast majority of law-abiding public housing residents by reducing the levels of fear, violence, and crime in their communities;

“(2) broaden the scope of the Public and Assisted Housing Drug Elimination Act of 1990 to apply to all types of crime, and not simply crime that is drug-related; and

1 “(3) reduce crime and disorder in and around
2 public housing through the expansion of community-
3 oriented policing activities and problem solving.

4 **“SEC. 5123. AUTHORITY TO MAKE GRANTS.**

5 *“The Secretary of Housing and Urban Development*
6 *may make grants in accordance with the provisions of this*
7 *chapter for use in eliminating crime in and around public*
8 *housing and other federally assisted low-income housing*
9 *projects to (1) local housing and management authorities,*
10 *and (2) private, for-profit and nonprofit owners of federally*
11 *assisted low-income housing.”.*

12 **(b) ELIGIBLE ACTIVITIES.—**

13 **(1) IN GENERAL.—***Section 5124(a) of the Anti-*
14 *Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is*
15 *amended—*

16 **(A)** *in the matter preceding paragraph (1),*
17 *by inserting “and around” after “used in”;*

18 **(B)** *in paragraph (3), by inserting before*
19 *the semicolon the following: “, including fencing,*
20 *lighting, locking, and surveillance systems”;*

21 **(C)** *in paragraph (4), by striking subpara-*
22 *graph (A) and inserting the following new sub-*
23 *paragraph:*

24 *“(A) to investigate crime; and”;*

25 **(D)** *in paragraph (6)—*

1 (i) by striking "in and around public
2 or other federally assisted low-income hous-
3 ing projects"; and

4 (ii) by striking "and" after the semi-
5 colon; and

6 (E) by striking paragraph (7) and inserting
7 the following new paragraphs:

8 “(7) providing funding to nonprofit public hous-
9 ing resident management corporations and resident
10 councils to develop security and crime prevention pro-
11 grams involving site residents;

12 “(8) the employment or utilization of one or
13 more individuals, including law enforcement officers,
14 made available by contract or other cooperative ar-
15 rangement with State or local law enforcement agen-
16 cies, to engage in community- and problem-oriented
17 policing involving interaction with members of the
18 community in proactive crime control and prevention
19 activities;

20 “(9) programs and activities for or involving
21 youth, including training, education, recreation and
22 sports, career planning, and entrepreneurship and
23 employment activities and after school and cultural
24 programs; and

1 “(10) service programs for residents that address
2 the contributing factors of crime, including programs
3 for job training, education, drug and alcohol treat-
4 ment, and other appropriate social services.”.

5 (2) OTHER LHMA-OWNED HOUSING.—Section
6 5124(b) of the Anti-Drug Abuse Act of 1988 (42
7 U.S.C. 11903(b)) is amended—

8 (A) in the matter preceding paragraph
9 (1)—

10 (i) by striking “drug-related crime in
11 housing owned by public housing agencies”
12 and inserting “crime in and around hous-
13 ing owned by local housing and manage-
14 ment authorities”; and

15 (ii) by striking “paragraphs (1)
16 through (7)” and inserting “paragraphs (1)
17 through (10)”; and

18 (B) in paragraph (2)—

19 (i) by striking “public housing agency”
20 and inserting “local housing and manage-
21 ment authority”; and

22 (ii) by striking “drug-related” and in-
23 serting “criminal”.

1 (c) *GRANT PROCEDURES*.—Section 5125 of the Anti-
2 *Drug Abuse Act of 1988* (42 U.S.C. 11904) is amended to
3 read as follows:

4 ***“SEC. 5125. GRANT PROCEDURES.***

5 “(a) *LHMA’S WITH 250 OR MORE UNITS*.—

6 “(1) *GRANTS*.—In each fiscal year, the Secretary
7 shall make a grant under this chapter from any
8 amounts available under section 5131(b)(1) for the
9 fiscal year to each of the following local housing and
10 management authorities:

11 “(A) *NEW APPLICANTS*.—Each local hous-
12 ing and management authority that owns or op-
13 erates 250 or more public housing dwelling units
14 and has—

15 “(i) submitted an application to the
16 Secretary for a grant for such fiscal year,
17 which includes a 5-year crime deterrence
18 and reduction plan under paragraph (2);
19 and

20 “(ii) had such application and plan
21 approved by the Secretary.

22 “(B) *RENEWALS*.—Each local housing and
23 management authority that owns or operates 250
24 or more public housing dwelling units and for
25 which—

1 “(i) a grant was made under this
2 chapter for the preceding Federal fiscal
3 year;

4 “(ii) the term of the 5-year crime de-
5 terrence and reduction plan applicable to
6 such grant includes the fiscal year for which
7 the grant under this subsection is to be
8 made; and

9 “(iii) the Secretary has determined,
10 pursuant to a performance review under
11 paragraph (4), that during the preceding
12 fiscal year the agency has substantially ful-
13 filled the requirements under subparagraphs
14 (A) and (B) of paragraph (4).

15 “(2) ~~5-YEAR CRIME DETERRENCE AND REDUC-~~
16 ~~TION PLAN.~~—Each application for a grant under this
17 subsection shall contain a 5-year crime deterrence
18 and reduction plan. The plan shall be developed with
19 the participation of residents and appropriate law
20 enforcement officials. The plan shall describe, for the
21 local housing and management authority submitting
22 the plan—

23 “(A) the nature of the crime problem in
24 public housing owned or operated by the local
25 housing and management authority;

1 “(B) the building or buildings of the local
2 housing and management authority affected by
3 the crime problem;

4 “(C) the impact of the crime problem on
5 residents of such building or buildings; and

6 “(D) the actions to be taken during the term
7 of the plan to reduce and deter such crime, which
8 shall include actions involving residents, law en-
9 forcement, and service providers.

10 The term of a plan shall be the period consisting of
11 5 consecutive fiscal years, which begins with the first
12 fiscal year for which funding under this chapter is
13 provided to carry out the plan.

14 “(3) AMOUNT.—In any fiscal year, the amount
15 of the grant for a local housing and management au-
16 thority receiving a grant pursuant to paragraph (1)
17 shall be the amount that bears the same ratio to the
18 total amount made available under section 5131(b)(1)
19 as the total number of public dwelling units owned or
20 operated by such authority bears to the total number
21 of dwelling units owned or operated by all local hous-
22 ing and management authorities that own or operate
23 250 or more public housing dwelling units that are
24 approved for such fiscal year.

1 “(4) *PERFORMANCE REVIEW.*—For each fiscal
2 year, the Secretary shall conduct a performance re-
3 view of the activities carried out by each local housing
4 and management authority receiving a grant pursu-
5 ant to this subsection to determine whether the agen-
6 cy—

7 “(A) has carried out such activities in a
8 timely manner and in accordance with its 5-
9 year crime deterrence and reduction plan; and

10 “(B) has a continuing capacity to carry out
11 such plan in a timely manner.

12 “(5) *SUBMISSION OF APPLICATIONS.*—The Sec-
13 retary shall establish such deadlines and requirements
14 for submission of applications under this subsection.

15 “(6) *REVIEW AND DETERMINATION.*—The Sec-
16 retary shall review each application submitted under
17 this subsection upon submission and shall approve the
18 application unless the application and the 5-year
19 crime deterrence and reduction plan are inconsistent
20 with the purposes of this chapter or any requirements
21 established by the Secretary or the information in the
22 application or plan is not substantially complete.
23 Upon approving or determining not to approve an
24 application and plan submitted under this subsection,
25 the Secretary shall notify the local housing and man-

1 *agement authority submitting the application and*
2 *plan of such approval or disapproval.*

3 *“(7) DISAPPROVAL OF APPLICATIONS.—If the*
4 *Secretary notifies an authority that the application*
5 *and plan of the authority is not approved, not later*
6 *than the expiration of the 15-day period beginning*
7 *upon such notice of disapproval, the Secretary shall*
8 *also notify the authority, in writing, of the reasons*
9 *for the disapproval, the actions that the authority*
10 *could take to comply with the criteria for approval,*
11 *and the deadlines for such actions.*

12 *“(8) FAILURE TO APPROVE OR DISAPPROVE.—If*
13 *the Secretary fails to notify an authority of approval*
14 *or disapproval of an application and plan submitted*
15 *under this subsection before the expiration of the 60-*
16 *day period beginning upon the submission of the plan*
17 *or fails to provide notice under paragraph (7) within*
18 *the 15-day period under such paragraph to an au-*
19 *thority whose application has been disapproved, the*
20 *application and plan shall be considered to have been*
21 *approved for purposes of this section.*

22 *“(b) LHMA’S WITH FEWER THAN 250 UNITS AND*
23 *OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUS-*
24 *ING.—*

1 “(1) *APPLICATIONS AND PLANS.*—To be eligible
2 to receive a grant under this chapter, a local housing
3 and management authority that owns or operates
4 fewer than 250 public housing dwelling units or an
5 owner of federally assisted low-income housing shall
6 submit an application to the Secretary at such time,
7 in such manner, and accompanied by such additional
8 information as the Secretary may require. The appli-
9 cation shall include a plan for addressing the problem
10 of crime in and around the housing for which the ap-
11 plication is submitted, describing in detail activities
12 to be conducted during the fiscal year for which the
13 grant is requested.

14 “(2) *GRANTS FOR LHMA’S WITH FEWER THAN 250*
15 *UNITS.*—In each fiscal year the Secretary may, to the
16 extent amounts are available under section
17 5131(b)(2), make grants under this chapter to local
18 housing and management authorities that own or op-
19 erate fewer than 250 public housing dwelling units
20 and have submitted applications under paragraph (1)
21 that the Secretary has approved pursuant to the cri-
22 teria under paragraph (4).

23 “(3) *GRANTS FOR FEDERALLY ASSISTED LOW-IN-*
24 *COME HOUSING.*—In each fiscal year the Secretary
25 may, to the extent amounts are available under sec-

tion 5131(b)(3), make grants under this chapter to owners of federally assisted low-income housing that have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraphs (4) and (5).

“(4) *CRITERIA FOR APPROVAL OF APPLICATIONS.*—The Secretary shall determine whether to approve each application under this subsection on the basis of—

“(A) *the extent of the crime problem in and around the housing for which the application is made;*

“(B) *the quality of the plan to address the crime problem in the housing for which the application is made;*

“(C) *the capability of the applicant to carry out the plan; and*

“(D) *the extent to which the tenants of the housing, the local government, local community-based nonprofit organizations, local tenant organizations representing residents of neighboring projects that are owned or assisted by the Secretary, and the local community support and participate in the design and implementation of*

1 the activities proposed to be funded under the
2 application.

3 In each fiscal year, the Secretary may give preference
4 to applications under this subsection for housing
5 made by applicants who received a grant for such
6 housing for the preceding fiscal year under this sub-
7 section or under the provisions of this chapter as in
8 effect immediately before the date of the enactment of
9 the United States Housing Act of 1996.

10 “(5) *ADDITIONAL CRITERIA FOR FEDERALLY AS-*
11 *SISTED LOW-INCOME HOUSING.*—In addition to the
12 selection criteria under paragraph (4), the Secretary
13 may establish other criteria for evaluating applica-
14 tions submitted by owners of federally assisted low-in-
15 come housing, ~~except that such additional criteria~~
16 shall be designed only to reflect—

17 “(A) relevant differences between the finan-
18 cial resources and other characteristics of local
19 housing and management authorities and owners
20 of federally assisted low-income housing; or

21 “(B) relevant differences between the prob-
22 lem of crime in public housing administered by
23 such authorities and the problem of crime in fed-
24 erally assisted low-income housing.”.

1 (d) *DEFINITIONS.*—Section 5126 of the Anti-Drug
2 Abuse Act of 1988 (42 U.S.C. 11905) is amended—

3 (1) by striking paragraphs (1) and (2);

4 (2) in paragraph (4)(A), by striking “section”
5 before “221(d)(4)”;

6 (3) by redesignating paragraphs (3) and (4) (as
7 so amended) as paragraphs (1) and (2), respectively;
8 and

9 (4) by adding at the end the following new para-
10 graph:

11 “(3) *LOCAL HOUSING AND MANAGEMENT AU-*
12 *THORITY.*—The term ‘local housing and management
13 authority’ has the meaning given the term in title I
14 of the United States Housing Act of 1996.”.

15 (e) *IMPLEMENTATION.*—Section 5127 of the Anti-Drug
16 Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking
17 “Cranston-Gonzalez National Affordable Housing Act” and
18 inserting “United States Housing Act of 1996”.

19 (f) *REPORTS.*—Section 5128 of the Anti-Drug Abuse
20 Act of 1988 (42 U.S.C. 11907) is amended—

21 (1) by striking “drug-related crime in” and in-
22 serting “crime in and around”; and

23 (2) by striking “described in section 5125(a)”
24 and inserting “for the grantee submitted under sub-
25 section (a) or (b) of section 5125, as applicable”.

1 (g) *FUNDING AND PROGRAM SUNSET.*—Chapter 2 of
2 subtitle C of title V of the Anti-Drug Abuse Act of 1988
3 is amended by striking section 5130 (42 U.S.C. 11909) and
4 inserting the following new sections:

5 “**SEC. 5130. FUNDING.**

6 “(a) *AUTHORIZATION OF APPROPRIATIONS.*—There
7 are authorized to be appropriated to carry out this chapter
8 such sums as may be necessary for fiscal years 1997 and
9 1998.

10 “(b) *ALLOCATION.*—Of any amounts available, or that
11 the Secretary is authorized to use, to carry out this chapter
12 in any fiscal year—

13 “(1) 85 percent shall be available only for assist-
14 ance pursuant to section 5125(a) to local housing and
15 management authorities that own or operate 250 or
16 more public housing dwelling units;

17 “(2) 10 percent shall be available only for assist-
18 ance pursuant to section 5125(b)(2) to local housing
19 and management authorities that own or operate
20 fewer than 250 public housing dwelling units; and

21 “(3) 5 percent shall be available only for assist-
22 ance to federally assisted low-income housing pursu-
23 ant to section 5125(b)(3).”.

1 (h) CONFORMING AMENDMENTS.—*The table of contents*
 2 *in section 5001 of the Anti-Drug Abuse Act of 1988 (Public*
 3 *Law 100-690; 102 Stat. 4295) is amended—*

4 (1) *by striking the item relating to the heading*
 5 *for chapter 2 of subtitle C of title V and inserting the*
 6 *following:*

 “CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME”;

7 (2) *by striking the item relating to section 5122*
 8 *and inserting the following new item:*

 “Sec. 5122. Purposes.”;

9 (3) *by striking the item relating to section 5125*
 10 *and inserting the following new item:*

 “Sec. 5125. Grant procedures.”;

11 *and*

12 (4) *by striking the item relating to section 5130*
 13 *and inserting the following new item:*

 “Sec. 5130. Funding.”.

14 (i) TREATMENT OF NOFA.—*The cap limiting assist-*
 15 *ance under the Notice of Funding Availability issued by*
 16 *the Department of Housing and Urban Development in the*
 17 *Federal Register of April 8, 1996, shall not apply to a local*
 18 *housing and management authority within an area des-*
 19 *ignated as a high intensity drug trafficking area under sec-*
 20 *tion 1005(c) of the Anti-Drug Abuse Act of 1988 (21 U.S.C.*
 21 *1504(c).*

1 **SEC. 504. TREATMENT OF CERTAIN PROJECTS.**

2 *Rehabilitation activities undertaken by Pennrose*
 3 *Properties in connection with 40 dwelling units for senior*
 4 *citizens in the Providence Square development located in*
 5 *New Brunswick, New Jersey, are hereby deemed to have*
 6 *been conducted pursuant to the approval of and an agree-*
 7 *ment with the Secretary of Housing and Urban Develop-*
 8 *ment under clauses (i) and (ii) of the third sentence of sec-*
 9 *tion 8(d)(2)(A) of the United States Housing Act of 1937*
 10 *(as in effect before the date of the enactment of this Act).*

11 **SEC. 505. AMENDMENTS RELATING TO COMMUNITY DEVEL-**

12 **OPMENT ASSISTANCE.**

13 (a) **ELIGIBILITY OF METROPOLITAN CITIES.**—Section
 14 102(a)(4) of the Housing and Community Development Act
 15 of 1974 (42 U.S.C. 5302(a)(4)) is amended—

16 (1) by striking the second sentence and inserting
 17 the following new sentence: “Any city that was classi-
 18 fied as a metropolitan city for at least 1 year after
 19 September 30, 1989, pursuant to the first sentence of
 20 this paragraph, shall remain classified as a metro-
 21 politan city by reason of this sentence until the first
 22 year for which data from the 2000 Decennial Census
 23 is available for use for purposes of allocating amounts
 24 this title.”; and

25 (2) by striking the fifth sentence and inserting
 26 the following new sentence: “Notwithstanding that the

1 population of a unit of general local government was
 2 included, after September 30, 1989, with the popu-
 3 lation of an urban county for purposes of qualifying
 4 for assistance under section 106, the unit of general
 5 local government may apply for assistance under sec-
 6 tion 106 as a metropolitan city if the unit meets the
 7 requirements of the second sentence of this para-
 8 graph.”.

9 (b) *PUBLIC SERVICES LIMITATION*.—Section 105(a)(8)
 10 of the Housing and Community Development Act of 1974
 11 (42 U.S.C. 5305(a)(8)) is amended by striking “through
 12 1997” and inserting “through 1998”.

13 **SEC. 506. AUTHORITY TO TRANSFER SURPLUS REAL PROP-**
 14 **ERTY FOR HOUSING USE.**

15 Section 203 of the Federal Property and Administra-
 16 tive Services Act of 1949 (40 U.S.C. 484) is amended by
 17 adding at the end the following new subsection:

18 “(r)(1) Under such regulations as the Administrator
 19 may prescribe, and with the written consent of appropriate
 20 local governmental authorities, the Administrator may
 21 transfer to any nonprofit organization which exists for the
 22 primary purpose of providing housing or housing assistance
 23 for homeless individuals or families, such surplus real prop-
 24 erty, including buildings, fixtures, and equipment situated
 25 thereon, as is needed for housing use.

1 “(2) Under such regulations as the Administrator may
2 prescribe, and with the written consent of appropriate local
3 governmental authorities, the Administrator may transfer
4 to any nonprofit organization which exists for the primary
5 purpose of providing housing or housing assistance for low-
6 income individuals or families such surplus real property,
7 including buildings, fixtures, and equipment situated there-
8 on, as is needed for housing use.

9 “(3) In making transfers under this subsection, the Ad-
10 ministrator shall take such action, which shall include
11 grant agreements with an organization receiving a grant,
12 as may be necessary to ensure that—

13 “(A) assistance provided under this subsection is
14 used to facilitate and encourage homeownership op-
15 portunities through the construction of self-help hous-
16 ing, under terms which require that the person receiv-
17 ing the assistance contribute a significant amount of
18 labor toward the construction; and

19 “(B) the dwellings constructed with property
20 transferred under this subsection shall be quality
21 dwellings that comply with local building and safety
22 codes and standards and shall be available at prices
23 below the prevailing market prices.

24 “(4)(A) Where the Administrator has transferred a sig-
25 nificant portion of a surplus real property, including build-

1 ings, fixtures, and equipment situated thereon, under para-
 2 graph (1) or (2) of this subsection, the transfer of the entire
 3 property shall be deemed to be in compliance with title V
 4 of the Stewart B. McKinney Homeless Assistance Act (42
 5 U.S.C. 11411 et seq.).

6 “(B) For the purpose of this paragraph, the term ‘a
 7 significant portion of a surplus real property’ means a por-
 8 tion of surplus real property—

9 “(i) which constitutes at least 5 acres of total
 10 acreage;

11 “(ii) whose fair market value exceeds \$100,000;
 12 or

13 “(iii) whose fair market value exceeds 15 percent
 14 of the surplus property’s fair market value.

15 “(5) The provisions of this section shall not apply to
 16 buildings and property at military installations that are
 17 approved for closure under the Defense Base Closure and
 18 Realignment Act of 1990 (part A of title XXIX of Public
 19 Law 101-510; 10 U.S.C. 2687 note) and shall not supersede
 20 the provisions of section 2(e) of the Base Closure Commu-
 21 nity Redevelopment and Homeless Assistance Act of 1994
 22 (10 U.S.C. 2687 note).”.

23 **SEC. 507. RURAL HOUSING ASSISTANCE.**

24 The last sentence of section 520 of the Housing Act
 25 of 1949 (42 U.S.C. 1490) is amended by inserting before

1 the period the following: “, and the city of Altus, Oklahoma,
2 shall be considered a rural area for purposes of this title
3 until the receipt of data from the decennial census in the
4 year 2000”.

5 **SEC. 508. TREATMENT OF OCCUPANCY STANDARDS.**

6 (a) **NATIONAL STANDARD PROHIBITED.**—The Sec-
7 retary of Housing and Urban Development shall not di-
8 rectly or indirectly establish a national occupancy stand-
9 ard.

10 (b) **STATE STANDARD.**—If a State establishes an occu-
11 pancy standard—

12 (1) such standard shall be presumed reasonable
13 for purposes of any laws administered by the Sec-
14 retary; and

15 (2) the Secretary shall not suspend, withdraw, or
16 deny certification of any State or local public agency
17 based in whole or in part on that State occupancy
18 standard or its operation.

19 (c) **ABSENCE OF STATE STANDARD.**—If a State fails
20 to establish an occupancy standard, an occupancy standard
21 of 2 persons per bedroom established by a housing provider
22 shall be presumed reasonable for the purposes of any laws
23 administered by the Secretary.

24 (d) **DEFINITION.**—

1 (1) *GENERAL RULE.*—Except as provided in
2 paragraph (2), the term “occupancy standard” means
3 a law, regulation, or housing provider policy that es-
4 tablishes a limit on the number of residents a housing
5 provider can properly manage in a dwelling for any
6 1 or more of the following purposes—

7 (A) providing a decent home and services
8 for each resident;

9 (B) enhancing the livability of a dwelling
10 for all residents, including the dwelling for each
11 particular resident; and

12 (C) avoiding undue physical deterioration
13 of the dwelling and property.

14 (2) *EXCEPTION.*—The term “occupancy stand-
15 ard” does not include a Federal, State, or local re-
16 striction regarding the maximum number of persons
17 permitted to occupy a dwelling for the sole purpose of
18 protecting the health and safety of the residents of a
19 dwelling, including building and housing code provi-
20 sions.

21 (e) *EFFECTIVE DATE.*—This section shall take effect
22 January 1, 1996.

23 **SEC. 509. IMPLEMENTATION OF PLAN.**

24 (a) *IMPLEMENTATION.*—Within 120 days after the en-
25 actment of this Act, the Secretary of Housing and Urban

1 Development shall implement the Ida Barbour Revitaliza-
2 tion Plan of the City of Portsmouth, Virginia, in a manner
3 consistent with existing limitations under law. The Sec-
4 retary shall consider and make any waivers to existing reg-
5 ulations consistent with such plan to enable timely imple-
6 mentation of such plan.

7 (b) REPORT.—Such city shall submit a report to the
8 Secretary on progress in implementing the plan not later
9 than 1 year after the date of the enactment of this Act and
10 annually thereafter through the year 2000. The report shall
11 include quantifiable measures revealing the increase in
12 homeowners, employment, tax base, voucher allocation, le-
13 verage ratio of funds, impact on and compliance with the
14 city's consolidated plan, identification of regulatory and
15 statutory obstacles which have or are causing unnecessary
16 delays in the plan's successful implementation or are con-
17 tributing to unnecessary costs associated with the revital-
18 ization, and any other information as the Secretary consid-
19 ers appropriate.

20 **SEC. 510. INCOME ELIGIBILITY FOR HOME AND CDBG PRO-**
21 **GRAMS.**

22 (a) HOME INVESTMENT PARTNERSHIPS.—The Cran-
23 ston-Gonzalez National Affordable Housing Act is amended
24 as follows:

1 (1) *DEFINITIONS.*—In section 104(10) (42
2 U.S.C. 12704(10))—

3 (A) by striking “income ceilings higher or
4 lower” and inserting “an income ceiling higher”;

5 (B) by striking “variations are” and insert-
6 ing “variation is”; and

7 (C) by striking “high or”.

8 (2) *INCOME TARGETING.*—In section 214(1)(A)
9 (42 U.S.C. 12744(1)(A))—

10 (A) by striking “income ceilings higher or
11 lower” and inserting “an income ceiling higher”;

12 (B) by striking “variations are” and insert-
13 ing “variation is”; and

14 (C) by striking “high or”.

15 (3) *RENT LIMITS.*—In section 215(a)(1)(A) (42
16 U.S.C. 12745(a)(1)(A))—

17 (A) by striking “income ceilings higher or
18 lower” and inserting “an income ceiling higher”;

19 (B) by striking “variations are” and insert-
20 ing “variation is”; and

21 (C) by striking “high or”.

22 (b) *CDBG.*—Section 102(a)(20) of the Housing and
23 Community Development Act of 1974 (42 U.S.C.
24 5302(a)(20)) is amended by striking subparagraph (B) and
25 inserting the following new subparagraph:

1 “(B) The Secretary may—

2 “(i) with respect to any reference in sub-
3 paragraph (A) to 50 percent of the median in-
4 come of the area involved, establish percentages
5 of median income for any area that are higher
6 or lower than 50 percent if the Secretary finds
7 such variations to be necessary because of unusu-
8 ally high or low family incomes in such area;
9 and

10 “(ii) with respect to any reference in sub-
11 paragraph (A) to 80 percent of the median in-
12 come of the area involved, establish a percentage
13 of median income for any area that is higher
14 than 80 percent if the Secretary finds such vari-
15 ation to be necessary because of unusually low
16 family incomes in such area.”.

17 **SEC. 511. AMENDMENTS RELATING TO SECTION 236 PRO-**
18 **GRAM.**

19 Section 236(f)(1) of the National Housing Act (12
20 U.S.C. 1715z-1) (as amended by section 405(d)(1) of The
21 Balanced Budget Downpayment Act, I, and by section
22 228(a) of The Balanced Budget Downpayment Act, II) is
23 amended—

24 (1) in the second sentence, by striking “the lower
25 of (i)”;

(2) in the second sentence, by striking “(ii) the fair market rental established under section 8(c) of the United States Housing Act of 1937 for the market area in which the housing is located, or (iii) the actual rent (as determined by the Secretary) paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located,”; and

(3) by inserting after the second sentence the following: “However, in the case of a project which contains more than 5,000 units, is subject to an interest reduction payments contract, and is financed under a State or local program, the Secretary may reduce the rental charge ceiling, but in no case shall the rent be below basic rent. For plans of action approved for capital grants under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987, the rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the actual rent paid for a comparable unit in comparable unassisted housing in the market area in which the housing is located, as rep-

1 resents 30 percent of the tenant's adjusted income, but
2 in no case shall the rent be below basic rent.”.

3 **SEC. 512. PROSPECTIVE APPLICATION OF GOLD CLAUSES.**

4 Section 5118(d)(2) of title 31, United States Code, is
5 amended by adding at the end the following new sentence:
6 “This paragraph shall continue to apply to any obligations
7 issued on or before October 27, 1977, notwithstanding any
8 assignment and/or novation of such obligations after such
9 date, unless all parties to the assignment and/or novation
10 specifically agree to include a gold clause in the new agree-
11 ment.”.

12 **SEC. 513. MOVING TO WORK DEMONSTRATION FOR THE**
13 **21ST CENTURY.**

14 (a) *PURPOSE.*—The purpose of this demonstration
15 under this section is to give local housing and management
16 authorities and the Secretary of Housing and Urban Devel-
17 opment the flexibility to design and test various approaches
18 for providing and administering housing assistance that—

19 (1) reduce cost and achieve greater cost effective-
20 ness in Federal expenditures;

21 (2) give incentives to families' with children
22 where the head of household is working, seeking work,
23 or preparing for work by participating in job train-
24 ing, educational programs, or programs that assist

people to obtain employment and become economically self-sufficient; and

(3) increase housing choices for low-income families.

(b) *PROGRAM AUTHORITY.*—

(1) *SELECTION OF PARTICIPANTS.*—The Secretary of Housing and Urban Development shall conduct a demonstration program under this section beginning in fiscal year 1997 under which local housing and management authorities (including Indian housing authorities) administering the public or Indian housing program and the choice-based rental assistance program under title III of this Act shall be selected by the Secretary to participate. In the first year of the demonstration, the Secretary shall select 100 local housing and management authorities to participate. In each of the next 2 years of the demonstration, the Secretary shall select 100 additional local housing and management authorities per year to participate. During the first year of the demonstration, the Secretary shall select for participation any authority that complies with the requirement under subsection (d) and owns or administers more than 99,999 dwelling units of public housing.

1 (2) *TRAINING.*—The Secretary, in consultation
2 with representatives of public housing interests, shall
3 provide training and technical assistance during the
4 demonstration and conduct detailed evaluations of up
5 to 30 such agencies in an effort to identify replicable
6 program models promoting the purpose of the dem-
7 onstration.

8 (3) *USE OF HOUSING ASSISTANCE.*—Under the
9 demonstration, notwithstanding any provision of this
10 Act, an authority may combine operating assistance
11 provided under section 9 of the United States Hous-
12 ing Act of 1937 (as in effect before the date of the en-
13 actment of this Act), modernization assistance pro-
14 vided under section 14 of such Act, assistance pro-
15 vided under section 8 of such Act for the certificate
16 and voucher programs, assistance for public housing
17 provided under title II of this Act, and choice-based
18 rental assistance provided under title III of this Act,
19 to provide housing assistance for low-income families
20 and services to facilitate the transition to work on
21 such terms and conditions as the authority may pro-
22 pose.

23 (c) *APPLICATION.*—An application to participate in
24 the demonstration—

(1) shall request authority to combine assistance referred to in subsection (b)(3);

(2) shall be submitted only after the local housing and management authority provides for citizen participation through a public hearing and, if appropriate, other means;

(3) shall include a plan developed by the authority that takes into account comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

(A) establishing a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent; and

(B) assuring that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary; and

(4) may request assistance for training and technical assistance to assist with design of the dem-

1 onstration and to participate in a detailed evalua-
2 tion.

3 (d) *SELECTION CRITERIA.*—In selecting among appli-
4 cations, the Secretary shall take into account the potential
5 of each authority to plan and carry out a program under
6 the demonstration and other appropriate factors as reason-
7 ably determined by the Secretary. An authority shall be eli-
8 gible to participate in any fiscal year only if the most re-
9 cent score for the authority under the public housing man-
10 agement assessment program under section 6(j) of the Unit-
11 ed States Housing Act of 1937 (as in effect before the date
12 of the enactment of this Act) is 90 or greater.

13 (e) *APPLICABILITY OF CERTAIN PROVISIONS.*—

14 (1) Section 261 of this Act shall continue to
15 apply to public housing notwithstanding any use of
16 the housing under this demonstration.

17 (2) Section 113 of this Act shall apply to hous-
18 ing assisted under the demonstration, other than
19 housing assisted solely due to occupancy by families
20 receiving tenant-based assistance.

21 (f) *EFFECT ON PROGRAM ALLOCATIONS.*—The amount
22 of assistance received under titles II and III by a local hous-
23 ing and management authority participating in the dem-
24 onstration under this section shall not be diminished by its
25 participation.

1 (g) *RECORDS, REPORTS, AND AUDITS.*—

2 (1) *KEEPING OF RECORDS.*—Each authority
3 shall keep such records as the Secretary may prescribe
4 as reasonably necessary to disclose the amounts and
5 the disposition of amounts under this demonstration,
6 to ensure compliance with the requirements of this
7 section, and to measure performance.

8 (2) *REPORTS.*—Each authority shall submit to
9 the Secretary a report, or series of reports, in a form
10 and at a time specified by the Secretary. Each report
11 shall—

12 (A) document the use of funds made avail-
13 able under this section;

14 (B) provide such data as the Secretary may
15 request to assist the Secretary in assessing the
16 demonstration; and

17 (C) describe and analyze the effect of as-
18 sisted activities in addressing the objectives of
19 this part.

20 (3) *ACCESS TO DOCUMENTS BY THE SEC-*
21 *RETARY.*—The Secretary shall have access for the pur-
22 pose of audit and examination to any books, docu-
23 ments, papers, and records that are pertinent to as-
24 sistance in connection with, and the requirements of,
25 this section.

1 (4) ACCESS TO DOCUMENTS BY THE COMPTROL-
2 LER GENERAL.—*The Comptroller General of the Unit-*
3 *ed States, or any of the duly authorized representa-*
4 *tives of the Comptroller General, shall have access for*
5 *the purpose of audit and examination to any books,*
6 *documents, papers, and records that are pertinent to*
7 *assistance in connection with, and the requirements*
8 *of, this section.*

9 (h) EVALUATION AND REPORT.—

10 (1) CONSULTATION WITH LHMA AND FAMILY
11 REPRESENTATIVES.—*In making assessments through-*
12 *out the demonstration, the Secretary shall consult*
13 *with representatives of local housing and management*
14 *authorities and residents.*

15 (2) REPORT TO CONGRESS.—*Not later than 180*
16 *days after the end of the third year of the demonstra-*
17 *tion, the Secretary shall submit to the Congress a re-*
18 *port evaluating the programs carried out under the*
19 *emonstration. The report shall also include findings*
20 *and recommendations for any appropriate legislative*
21 *action.*

1 *SEC. 514. OCCUPANCY SCREENING AND EVICTIONS FROM*
2 *FEDERALLY ASSISTED HOUSING.*

3 (a) *OCCUPANCY SCREENING.*—Section 642 of the
4 *Housing and Community Development Act of 1992 (42*
5 *U.S.C. 13602)*—

6 (1) by inserting “(a) *GENERAL CRITERIA.*—” be-
7 fore “In”; and

8 (2) by adding at the end the following new sub-
9 sections:

10 “(b) *AUTHORITY TO DENY OCCUPANCY FOR CRIMINAL*
11 *OFFENDERS.*—In selecting tenants for occupancy of dwell-
12 ing units in federally assisted housing, if the owner of such
13 housing determines that an applicant for occupancy in the
14 housing or any member of the applicant’s household is or
15 was, during the preceding 3 years, engaged in any activity
16 described in paragraph (2)(C) of section 645, the owner
17 may—

18 “(1) deny such applicant occupancy and con-
19 sider the applicant (for purposes of any waiting list)
20 as not having applied for such occupancy ; and

21 “(2) after the expiration of the 3-year period be-
22 ginning upon such activity, require the applicant, as
23 a condition of occupancy in the housing or applica-
24 tion for occupancy in the housing, to submit to the
25 owner evidence sufficient (as the Secretary shall by
26 regulation provide) to ensure that the individual or

1 individuals in the applicant's household who engaged
2 in criminal activity for which denial was made under
3 paragraph (1) have not engaged in any criminal ac-
4 tivity during such 3-year period.

5 "(c) *AUTHORITY TO REQUIRE ACCESS TO CRIMINAL*
6 *RECORDS.*—An owner of federally assisted housing may re-
7 quire, as a condition of providing occupancy in a dwelling
8 unit in such housing to an applicant for occupancy and
9 the members of the applicant's household, that each adult
10 member of the household provide the owner with a signed,
11 written authorization for the owner to obtain records de-
12 scribed in section 646(a) regarding such member of the
13 household from the National Crime Information Center, po-
14 lice departments, and other law enforcement agencies.

15 "(d) *DEFINITION.*—For purposes of subsections (b) and
16 (c), the term 'federally assisted housing' has the meaning
17 given the term by this title, except that the term does not
18 include housing that only meets the requirements of section
19 683(2)(E)."

20 (b) *TERMINATION OF TENANCY.*—Subtitle C of title VI
21 of the Housing and Community Development Act of 1992
22 (42 U.S.C. 13601 et seq.) is amended by adding at the end
23 the following new section:

1 **"SEC. 645. TERMINATION OF TENANCY.**

2 *"Each lease for a dwelling unit in federally assisted*
3 *housing (as such term is defined in section 642(d)) shall*
4 *provide that—*

5 *"(1) the owner may not terminate the tenancy*
6 *except for violation of the terms and conditions of the*
7 *lease, violation of applicable Federal, State, or local*
8 *law, or other good cause; and*

9 *"(2) any activity, engaged in by the tenant, any*
10 *member of the tenant's household, or any guest or*
11 *other person under the tenant's control, that—*

12 *"(A) threatens the health or safety of, or*
13 *right to peaceful enjoyment of the premises by,*
14 *other tenants or employees of the owner or other*
15 *manager of the housing,*

16 *"(B) threatens the health or safety of, or*
17 *right to peaceful enjoyment of their residences*
18 *by, persons residing in the immediate vicinity of*
19 *the premises, or*

20 *"(C) is criminal activity (including drug-*
21 *related criminal activity) on or off the premises,*
22 *shall be cause for termination of tenancy."*

23 **(c) AVAILABILITY OF CRIMINAL RECORDS FOR TENANT**
24 **SCREENING AND EVICTION.**—*Subtitle C of title VI of the*
25 *Housing and Community Development Act of 1992 (42*
26 *U.S.C. 13601 et seq.) is amended adding after section 645*

1 (as added by subsection (b) of this section) the following
2 new section:

3 **"SEC. 646. AVAILABILITY OF RECORDS.**

4 **"(a) IN GENERAL.—**

5 **"(1) PROVISION OF INFORMATION.—**Notwith-
6 standing any other provision of law other than para-
7 graph (2); upon the request of an owner of federally
8 assisted housing, the National Crime Information
9 Center, a police department, and any other law en-
10 forcement agency shall provide to the owner of feder-
11 ally assisted housing information regarding the
12 criminal conviction records of an adult applicant for,
13 or tenants of, the federally assisted housing for pur-
14 poses of applicant screening, lease enforcement, and
15 eviction, but only if the owner requests such informa-
16 tion and presents to such Center, department, or
17 agency with a written authorization, signed by such
18 applicant, for the release of such information to such
19 owner.

20 **"(2) EXCEPTION.—**The information provided
21 under paragraph (1) may not include any informa-
22 tion regarding any criminal conviction of an appli-
23 cant or resident for any act (or failure to act) for
24 which the applicant or resident was not treated as an
25 adult under the laws of the convicting jurisdiction.

1 **"(b) CON-**
2 **tion under th**
3 **the purposes**
4 **may not be**
5 **or employee**
6 **tion, establi-**
7 **tion provid**
8 **confidentia**
9 **quired und**

10 **"(c)**
11 **action is**
12 **sisted hon**
13 **shall pro**
14 **criminal**
15 **and rele**

16 **"(c**
17 **may be**
18 **under :**
19 **"**

20 **ally a**
21 **tion i**
22 **tem c**
23 **recon**
24

1 “(b) *CONFIDENTIALITY*.—An owner receiving informa-
2 tion under this section may use such information only for
3 the purposes provided in this section and such information
4 may not be disclosed to any person who is not an officer
5 or employee of the owner. The Secretary shall, by regula-
6 tion, establish procedures necessary to ensure that informa-
7 tion provided under this section to an owner is used, and
8 confidentiality of such information is maintained, as re-
9 quired under this section.

10 “(c) *OPPORTUNITY TO DISPUTE*.—Before an adverse
11 action is taken with regard to assistance for federally as-
12 sisted housing on the basis of a criminal record, the owner
13 shall provide the tenant or applicant with a copy of the
14 criminal record and an opportunity to dispute the accuracy
15 and relevance of that record.

16 “(d) *FEE*.—An owner of federally assisted housing
17 may be charged a reasonable fee for information provided
18 under subsection (a).

19 “(e) *RECORDS MANAGEMENT*.—Each owner of feder-
20 ally assisted housing that receives criminal record informa-
21 tion under this section shall establish and implement a sys-
22 tem of records management that ensures that any criminal
23 record received by the owner is—

24 “(1) maintained confidentially;

1 “(2) not misused or improperly disseminated;
2 and

3 “(3) destroyed, once the purpose for which the
4 record was requested has been accomplished.

5 “(f) *PENALTY*.—Any person who knowingly and will-
6 fully requests or obtains any information concerning an ap-
7 plicant for, or resident of, federally assisted housing pursu-
8 ant to the authority under this section under false pretenses,
9 or any person who knowingly and willfully discloses any
10 such information in any manner to any individual not en-
11 titled under any law to receive it, shall be guilty of a dis-
12 demeanor and fined not more than \$5,000. The term
13 ‘son’ as used in this subsection shall include an officer or
14 employee of any local housing and management authority.

15 “(g) *CIVIL ACTION*.—Any applicant for, or resident of,
16 federally assisted housing affected by (1) a negligent or
17 knowing disclosure of information referred to in this section
18 about such person by an officer or employee of any owner,
19 which disclosure is not authorized by this section, or (2)
20 any other negligent or knowing action that is inconsistent
21 with this section, may bring a civil action for damages and
22 such other relief as may be appropriate against any owner
23 responsible for such unauthorized action. The district court
24 of the United States in the district in which the affected
25 applicant or resident resides, in which such unauthorized

1 action occurred, or in which the officer or employee alleged
2 to be responsible for any such unauthorized action resides,
3 shall have jurisdiction in such matters. Appropriate relief
4 that may be ordered by such district courts shall include
5 reasonable attorney's fees and other litigation costs.

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

8 “(1) ADULT.—The term ‘adult’ means a person
9 who is 18 years of age or older, or who has been con-
10 victed of a crime as an adult under any Federal,
11 State, or tribal law.

12 “(2) FEDERALLY ASSISTED HOUSING.—The term
13 ‘federally assisted housing’ has the meaning given the
14 term by this title, except that the term does not in-
15 clude housing that only meets the requirements of sec-
16 tion 683(2)(E).”.

17 “(d) DEFINITIONS.—Section 683 of the Housing and
18 Community Development Act of 1992 (42 U.S.C. 13643) is
19 amended—

20 (1) in paragraph (2)—

21 (A) in subparagraph (A), by striking “sec-
22 tion 3(b) of the United States Housing Act of
23 1937” and inserting “section 102 of the United
24 States Housing Act of 1996”;

(B) in subparagraph (B), by inserting before the semicolon at the end the following; “(as in effect before the enactment of the United States Housing Act of 1996)”;

(C) in subparagraph (F), by striking “and” at the end;

(D) in subparagraph (G), by striking the period at the end and inserting “; and”; and

(E) by adding at the end the following new subparagraph:

“(H) for purposes only of subsections (a) and (c) of sections 642, and section 645 and housing assisted under section 515 of the Housing Act of 1949.”;

(2) in paragraph (4), by striking “public housing agency” and inserting “local housing and management authority”; and

(3) by adding at the end the following new paragraph:

“(6) **DRUG-RELATED CRIMINAL ACTIVITY.**—The term ‘drug-related criminal activity’ means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act).”.

1 **SEC. 515. USE OF AMERICAN PRODUCTS.**

2 (a) *PURCHASE OF AMERICAN-MADE EQUIPMENT AND*
 3 *PRODUCTS.—It is the sense of the Congress that, to the*
 4 *greatest extent practicable, all equipment and products pur-*
 5 *chased with funds made available in this Act should be*
 6 *American made.*

7 (b) *NOTICE REQUIREMENT.—In providing financial*
 8 *assistance to, or entering into any contract with, any entity*
 9 *using funds made available in this Act, the head of each*
 10 *Federal agency, to the greatest extent practicable, shall pro-*
 11 *vide to such entity a notice describing the statement made*
 12 *in subsection (a) by the Congress.*

13 **SEC. 516. LIMITATION ON EXTENT OF USE OF LOAN GUAR-**

14 **ANTEES FOR HOUSING PURPOSES.**

15 Section 108 of the Housing and Community Develop-
 16 ment Act of 1974 (42 U.S.C. 5308) is amended by inserting
 17 after subsection (h) the following new section:

18 “(i) *LIMITATION ON USE.—Of any amounts obtained*
 19 *from notes or other obligations issued by an eligible public*
 20 *entity or public agency designated by an eligible public en-*
 21 *tity and guaranteed under this section pursuant to an ap-*
 22 *plication for a guarantee submitted after the date of the*
 23 *enactment of the Housing and Community Development*
 24 *Act of 1992, the aggregate amount used for the purposes*
 25 *described in clauses (2) and (4) of subsection (a), and for*
 26 *other housing activities under the purposes described in*

1 clauses (1) and (3) of subsection (a), may not exceed 50
2 percent of such amounts obtained by the eligible public en-
3 tity or agency.”.

4 **SEC. 517. CONSULTATION WITH AFFECTED AREAS IN SET-**
5 **TLEMENT OF LITIGATION.**

6 *In negotiating any settlement of, or consent decree for,*
7 *any litigation regarding public housing or rental assistance*
8 *(under title III of this Act or the United States Housing*
9 *Act of 1937, as in effect before the enactment of this Act)*
10 *that involves the Secretary and any local housing and man-*
11 *agement authority or any unit of general local government,*
12 *the Secretary shall consult with any units of general local*
13 *government and local housing and management authorities*
14 *having jurisdictions that are adjacent to the jurisdiction*
15 *of the local housing and management authority involved.*

16 **TITLE VI—NATIONAL COMMISSION ON HOUSING**
17 **ASSISTANCE PROGRAMS COST**

18 **SEC. 601. ESTABLISHMENT.**

19 *There is established a commission to be known as the*
20 *National Commission on Housing Assistance Programs*
21 *Cost (in this title referred to as the “Commission”).*

22 **SEC. 602. MEMBERSHIP.**

23 (a) **APPOINTMENT.**—*The Commission shall be com-*
24 *posed of 9 members, who shall be appointed not later than*

1 90 days after the date of the enactment of this Act. The
2 members shall be as follows:

3 (1) 3 members to be appointed by the Secretary
4 of Housing and Urban Development;

5 (2) 3 members appointed by the Chairman and
6 Ranking Minority Member of the Subcommittee on
7 Housing Opportunity and Community Development
8 of the Committee on Banking, Housing, and Urban
9 Affairs of the Senate and the Chairman and Ranking
10 Minority Member of the Subcommittee on VA, HUD,
11 and Independent Agencies of the Committee on Ap-
12 propriations of the Senate; and

13 (3) 3 members appointed by the Chairman and
14 Ranking Minority Member of the Subcommittee on
15 Housing and Community Opportunity of the Com-
16 mittee on Banking and Financial Services of the
17 House of Representatives and the Chairman and
18 Ranking Minority Member of the Subcommittee on
19 VA, HUD, and Independent Agencies of the Commit-
20 tee on Appropriations of the House of Representa-
21 tives.

22 (b) QUALIFICATIONS.—The 3 members of the Commis-
23 sion appointed under each of paragraphs (1), (2), and (3)
24 of subsection (a)—

1 (1) shall all be experts in the field of accounting,
2 economics, cost analysis, finance, or management;
3 and

4 (2) shall include—

5 (A) 1 individual who is an elected public of-
6 ficial at the State or local level;

7 (B) 1 individual who is a distinguished
8 academic engaged in teaching or research;

9 (C) 1 individual who is a business leader,
10 financial officer, management or accounting ex-
11 pert.

12 In selecting members of the Commission for appoint-
13 the individuals appointing shall ensure that the members
14 selected can analyze the Federal assisted housing programs
15 (as such term is defined in section 604(a)) on an objective
16 basis and that no member of the Commission has a personal
17 financial or business interest in any such program.

18 **SEC. 603. ORGANIZATION.**

19 (a) **CHAIRPERSON.**—The Commission shall elect a
20 chairperson from among members of the Commission.

21 (b) **QUORUM.**—A majority of the members of the Com-
22 mission shall constitute a quorum for the transaction of
23 business, but a lesser number may hold hearings.

1 (c) *VOTING.*—Each member of the Commission shall
2 be entitled to 1 vote, which shall be equal to the vote of
3 every other member of the Commission.

4 (d) *VACANCIES.*—Any vacancy on the Commission
5 shall not affect its powers, but shall be filled in the manner
6 in which the original appointment was made.

7 (e) *PROHIBITION ON ADDITIONAL PAY.*—Members of
8 the Commission shall serve without compensation.

9 (f) *TRAVEL EXPENSES.*—Each member shall receive
10 travel expenses, including per diem in lieu of subsistence,
11 in accordance with sections 5702 and 5703 of title 5, United
12 States Code.

13 **SEC. 604. FUNCTIONS.**

14 (a) *IN GENERAL.*—The Commission shall —

15 (1) analyze the full cost to the Federal Govern-
16 ment, public housing agencies, State and local govern-
17 ments, and other parties, per assisted household, of
18 the Federal assisted housing programs, and shall con-
19 duct the analysis on a nationwide and regional basis
20 and in a manner such that accurate per unit cost
21 comparisons may be made between Federal assisted
22 housing programs; and

23 (2) estimate the future liability that will be
24 borne by taxpayers as a result of activities under the

1 *Federal assisted housing programs before the date of*
2 *the enactment of this Act.*

3 (b) *DEFINITION.*—*For purposes of this section, the*
4 *term “Federal assisted housing programs” means—*

5 (1) *the public housing program under the United*
6 *States Housing Act of 1937 (as in effect before the*
7 *date of the enactment of this Act);*

8 (2) *the public housing program under title II of*
9 *this Act;*

10 (3) *the certificate program for rental assistance*
11 *under section 8(b)(1) of the United States Housing*
12 *Act of 1937 (as in effect before the date of the enact-*
13 *ment of this Act);*

14 (4) *the voucher program for rental assistance*
15 *under section 8(o) of the United States Housing Act*
16 *of 1937 (as in effect before the date of the enactment*
17 *of this Act);*

18 (5) *the programs for project-based assistance*
19 *under section 8 of the United States Housing Act of*
20 *1937 (as in effect before the date of the enactment of*
21 *this Act);*

22 (6) *the rental assistance payments program*
23 *under section 521(a)(2)(A) of the Housing Act of*
24 *1949;*

1 (7) the program for housing for the elderly under
2 section 202 of the Housing Act of 1959;

3 (8) the program for housing for persons with dis-
4 abilities under section 811 of the Cranston-Gonzalez
5 National Affordable Housing Act;

6 (9) the program for financing housing by a loan
7 or mortgage insured under section 221(d)(3) of the
8 National Housing Act that bears interest at a rate de-
9 termined under the proviso of section 221(d)(5) of
10 such Act;

11 (10) the program under section 236 of the Na-
12 tional Housing Act;

13 (11) the program for constructed or substantial
14 rehabilitation under section 8(b)(2) of the United
15 States Housing Act of 1937, as in effect before October
16 1, 1983; and

17 (12) any other program for housing assistance
18 administered by the Secretary of Housing and Urban
19 Development or the Secretary of Agriculture, under
20 which occupancy in the housing assisted or housing
21 assistance provided is based on income, as the Com-
22 mission may determine.

23 (c) FINAL REPORT.—Not later than 18 months after
24 the Commission is established pursuant to section 602(a),
25 the Commission shall submit to the Secretary and to the

1 Congress a final report which shall contain the results of
2 the analysis and estimates required under subsection (a).

3 (c) *LIMITATION.*—The Commission may not make any
4 recommendations regarding Federal housing policy.

5 **SEC. 605. POWERS.**

6 (a) *HEARINGS.*—The Commission may, for the pur-
7 pose of carrying out this title, hold such hearings and sit
8 and act at such times and places as the Commission may
9 find advisable.

10 (b) *RULES AND REGULATIONS.*—The Commission may
11 adopt such rules and regulations as may be necessary to
12 establish its procedures and to govern the manner of its op-
13 erations, organization and personnel.

14 (c) *ASSISTANCE FROM FEDERAL AGENCIES.*—

15 (1) *INFORMATION.*—The Commission may re-
16 quest from any department or agency of the United
17 States, and such department or agency shall provide
18 to the Commission in a timely fashion, such data and
19 information as the Commission may require for car-
20 rying out this title, including—

21 (A) local housing management plans sub-
22 mitted to the Secretary of Housing and Urban
23 Development under section 107;

24 (B) block grant contracts under title II;

(C) contracts under section
 ance amounts under title III; and

(D) audits submitted to
 Housing and Urban Development
 432.

(2) ADMINISTRATIVE SUPPORT.—
 Services Administration shall provide
 sion, on a reimbursable basis, such
 support services as the Commission may

(3) PERSONNEL DETAILS AND
 ASSISTANCE.—Upon the request of the
 Commission, the Secretary of Housing
 Development shall, to the extent
 to the discretion of the Secretary—

(A) detail any of the personnel
 department of Housing and Urban
 on a nonreimbursable basis, to
 mission in carrying out its duties
 title; and

(B) provide the Commission
 assistance in carrying out its duties
 title.

(d) INFORMATION FROM LOCAL HOUSING
 AGEMENT AUTHORITIES.—The Commission
 cess, for the purpose of carrying out its functions

1 title, to any books, documents, papers, and records of a local
2 housing and management authority that are pertinent to
3 this Act and assistance received pursuant to this Act.

4 (e) *MAILS*.—The Commission may use the United
5 States mails in the same manner and under the same condi-
6 tions as other Federal agencies.

7 (f) *CONTRACTING*.—The Commission may, to the ex-
8 tent and in such amounts as are provided in appropria-
9 tions Acts, enter into contracts necessary to carry out its
10 duties under this title.

11 (g) *STAFF*.—

12 (1) *EXECUTIVE DIRECTOR*.—The Commission
13 shall appoint an executive director of the Commission
14 who shall be compensated at a rate fixed by the Com-
15 mission, but which shall not exceed the rate estab-
16 lished for level V of the Executive Schedule under title
17 5, United States Code.

18 (2) *PERSONNEL*.—In addition to the executive
19 director, the Commission may appoint and fix the
20 compensation of such personnel as it deems advisable,
21 in accordance with the provisions of title 5, United
22 States Code, governing appointments to the competi-
23 tive service, and the provisions of chapter 51 and sub-
24 chapter III of chapter 53 of such title, relating to
25 classification and General Schedule pay rates.

1 (3) *LIMITATION.*—Paragraphs (1) and (2) shall
2 be effective only to the extent and in such amounts as
3 are provided in appropriations Acts.

4 (4) *SELECTION CRITERIA.*—In appointing an ex-
5 ecutive director and staff, the Commission shall en-
6 sure that the individuals appointed can conduct any
7 functions they may have regarding the Federal as-
8 sisted housing programs (as such term is defined in
9 section 604(a)) on an objective basis and that no such
10 individual has a personal financial or business inter-
11 est in any such program.

12 (h) *ADVISORY COMMITTEE.*—The Commission shall be
13 considered an advisory committee within the meaning of
14 the Federal Advisory Committee Act (5 U.S.C. App.).

15 **SEC. 606. FUNDING.**

16 Of any amounts made available for policy, research,
17 and development activities of the Department of Housing
18 and Urban Development, there shall be available for carry-
19 ing out this title \$750,000, for fiscal year 1997. Any such
20 amounts so appropriated shall remain available until ex-
21 pended.

22 **SEC. 607. SUNSET.**

23 The Commission shall terminate upon the expiration
24 of the 18-month period beginning upon the date that the
25 Commission is established pursuant to section 602(a).

1 **TITLE VII—NATIVE AMERICAN**
2 **HOUSING ASSISTANCE**

3 **SECTION 701. SHORT TITLE.**

4 *This title may be cited as the "Native American Hous-*
5 *ing Assistance and Self-Determination Act of 1996".*

6 **SEC. 702. CONGRESSIONAL FINDINGS.**

7 *The Congress hereby finds that—*

8 *(1) the Federal Government has a responsibility*
9 *to promote the general welfare of the Nation—*

10 *(A) by using Federal resources to aid fami-*
11 *lies and individuals seeking affordable*
12 *that are safe, clean, and healthy and, in par-*
13 *lar, assisting responsible, deserving citizens who*
14 *cannot provide fully for themselves because of*
15 *temporary circumstances or factors beyond their*
16 *control;*

17 *(B) by working to ensure a thriving na-*
18 *tional economy and a strong private housing*
19 *market; and*

20 *(C) by developing effective partnerships*
21 *among the Federal Government, State and local*
22 *governments, and private entities that allow gov-*
23 *ernment to accept responsibility for fostering the*
24 *development of a healthy marketplace and allow*

1 *families to prosper without government involve-*
2 *ment in their day-to-day activities;*

3 *(2) there exists a unique relationship between the*
4 *Government of the United States and the governments*
5 *of Indian tribes and a unique Federal responsibility*
6 *to Indian people;*

7 *(3) the Constitution of the United States invests*
8 *the Congress with plenary power over the field of In-*
9 *dian affairs, and through treaties, statutes, and his-*
10 *torical relations with Indian tribes, the United States*
11 *has undertaken a trust responsibility to protect In-*
12 *an tribes;*

13 *(4) the Congress, through treaties, statutes, and*
14 *the general course of dealing with Indian tribes, has*
15 *assumed the responsibility for the protection and*
16 *preservation of Indian tribes and for working with*
17 *tribes and their members to improve their socio-eco-*
18 *nomics status so that they are able to take greater re-*
19 *sponsibility for their own economic condition;*

20 *(5) providing affordable and healthy homes is an*
21 *essential element in the special role of the United*
22 *States in helping tribes and their members to achieve*
23 *a socio-economic status comparable to their non-In-*
24 *dian neighbors;*

1 (6) the need for affordable and healthy homes on
2 Indian reservations, in Indian communities, and in
3 Native Alaskan villages is acute and the Federal Gov-
4 ernment should work not only to provide housing as-
5 sistance, but also, to the extent practicable, to assist
6 in the development of private housing finance mecha-
7 nisms on Indian lands to achieve the goals of eco-
8 nomic self-sufficiency and self-determination for tribes
9 and their members; and

10 (7) Federal assistance to meet these responsibil-
11 ities should be provided in a manner that recognizes
12 the right of tribal self-governance by making such as-
13 sistance available directly to the tribes or tribally des-
14 ignated entities.

15 **SEC. 703. ADMINISTRATION THROUGH OFFICE OF NATIVE**
16 **AMERICAN PROGRAMS.**

17 The Secretary of Housing and Urban Development
18 shall carry out this title through the Office of Native Amer-
19 ican Programs of the Department of Housing and Urban
20 Development.

21 **SEC. 704. DEFINITIONS.**

22 For purposes of this title, the following definitions
23 shall apply:

24 (1) **AFFORDABLE HOUSING.**—The term “afford-
25 able housing” means housing that complies with the

1 requirements for affordable housing under subtitle B.
2 The term includes permanent housing for homeless
3 persons who are persons with disabilities, transitional
4 housing, and single room occupancy housing.

5 (2) FAMILIES AND PERSONS.—

6 (A) SINGLE PERSONS.—The term “families”
7 includes families consisting of a single person in
8 the case of (i) an elderly person, (ii) a disabled
9 person, (iii) a displaced person, (iv) the remain-
10 ing members of a tenant family, and (v) any
11 other single persons.

12 (B) FAMILIES.—The term “families” in-
13 cludes families with children and, in the cases of
14 elderly families, near-elderly families, and dis-
15 abled families, means families whose heads (or
16 their spouses), or whose sole members, are elder-
17 ly, near-elderly, or persons with disabilities, re-
18 spectively. The term includes, in the cases of el-
19 derly families, near-elderly families, and dis-
20 abled families, 2 or more elderly persons, near-
21 elderly persons, or persons with disabilities liv-
22 ing together, and 1 or more such persons living
23 with 1 or more persons determined under the
24 regulations of the Secretary to be essential to
25 their care or well-being.

1 (C) *ABSENCE OF CHILDREN.*—The tem-
2 porary absence of a child from the home due to
3 placement in foster care shall not be considered
4 in determining family composition and family
5 size for purposes of this title.

6 (D) *ELDERLY PERSON.*—The term “elderly
7 person” means a person who is at least 62 years
8 of age.

9 (E) *PERSON WITH DISABILITIES.*—The term
10 “person with disabilities” means a person who—

11 (i) has a disability as defined in sec-
12 tion 223 of the Social Security Act,

13 (ii) is determined, pursuant to regula-
14 tions issued by the Secretary, to have a
15 physical, mental, or emotional impairment
16 which (I) is expected to be of long-continued
17 and indefinite duration, (II) substantially
18 impedes his or her ability to live independ-
19 ently, and (III) is of such a nature that
20 such ability could be improved by more
21 suitable housing conditions, or

22 (iii) has a developmental disability as
23 defined in section 102 of the Developmental
24 Disabilities Assistance and Bill of Rights
25 Act.

1 *Such term shall not exclude persons who have the*
2 *disease of acquired immunodeficiency syndrome*
3 *or any conditions arising from the etiologic*
4 *agent for acquired immunodeficiency syndrome.*

5 (F) *DISPLACED PERSON.*—*The term “dis-*
6 *placed person” means a person displaced by gov-*
7 *ernmental action, or a person whose dwelling has*
8 *been extensively damaged or destroyed as a result*
9 *of a disaster declared or otherwise formally rec-*
10 *ognized pursuant to Federal disaster relief laws.*

11 (G) *NEAR-ELDERLY PERSON.*—*The term*
12 *“near-elderly person” means a person who is at*
13 *least 50 years of age but below the age of 62.*

14 (3) *GRANT BENEFICIARY.*—*The term “grant ben-*
15 *eficiary” means the Indian tribe or tribes on behalf*
16 *of which a grant is made under this title to a recipi-*
17 *ent.*

18 (4) *INDIAN.*—*The term “Indian” means any per-*
19 *son who is a member of an Indian tribe.*

20 (5) *INDIAN AREA.*—*The term “Indian area”*
21 *means the area within which a tribally designated*
22 *housing entity is authorized to provide assistance*
23 *under this title for affordable housing.*

24 (6) *INDIAN TRIBE.*—*The term “Indian tribe”*
25 *means—*

1 (A) any Indian tribe, band, nation, or other
2 organized group or community of Indians, in-
3 cluding any Alaska Native village or regional or
4 village corporation as defined in or established
5 pursuant to the Alaska Native Claims Settlement
6 Act, which is recognized as eligible for the special
7 programs and services provided by the United
8 States to Indians because of their status as Indi-
9 ans pursuant to the Indian Self-Determination
10 and Education Assistance Act of 1975; and

11 (B) any tribe, band, nation, pueblo, village,
12 or community that—

13 (i) has been recognized as an Indian
14 tribe by any State; and

15 (ii) for which an Indian housing au-
16 thority is eligible, on the date of the enact-
17 ment of this title, to enter into a contract
18 with the Secretary pursuant to the United
19 States Housing Act of 1937.

20 (7) *LOCAL HOUSING PLAN.*—The term “local
21 housing plan” means a plan under section 712.

22 (8) *LOW-INCOME FAMILY.*—The term “low-in-
23 come family” means a family whose income does not
24 exceed 80 percent of the median income for the area,
25 except that the Secretary may, for purposes of this

1 paragraph, establish income ceilings higher or lower
2 than 80 percent of the median for the area on the
3 basis of the authority's findings that such variations
4 are necessary because of unusually high or low family
5 incomes.

6 (9) *MEDIAN INCOME.*—The term “median in-
7 come” means, with respect to an area that is an In-
8 dian area, the greater of—

9 (A) the median income for the Indian area,
10 which the Secretary shall determine; or

11 (B) the median income for the United
12 States.

13 (10) *RECIPIENT.*—The term “recipient” means
14 the entity for an Indian tribe that is authorized to re-
15 ceive grant amounts under this title on behalf of the
16 tribe, which may only be the tribe or the tribally des-
17 ignated housing entity for the tribe.

18 (11) *TRIBALLY DESIGNATED HOUSING ENTITY.*—
19 The terms “tribally designated housing entity” and
20 “housing entity” have the following meaning:

21 (A) *EXISTING IHA'S.*—For any Indian tribe
22 that has not taken action under subparagraph

23 (B) and for which an Indian housing author-
24 ity—

1 (i) was established for purposes of the
2 United States Housing Act of 1937 before
3 the date of the enactment of this title that
4 meets the requirements under the United
5 States Housing Act of 1937,

6 (ii) is acting upon such date of enact-
7 ment as the Indian housing authority for
8 the tribe, and

9 (iii) is not an Indian tribe for pur-
10 poses of this title,

11 the terms mean such Indian housing rity.

12 (B) OTHER ENTITIES.—For any Indian
13 tribe that, pursuant to this Act, authorizes an
14 entity other than the tribal government to receive
15 grant amounts and provide assistance under this
16 title for affordable housing for Indians, which
17 entity is established—

18 (i) by exercise of the power of self-gov-
19 ernment of an Indian tribe independent of
20 State law, or

21 (ii) by operation of State law provid-
22 ing specifically for housing authorities or
23 housing entities for Indians, including re-
24 gional housing authorities in the State of
25 Alaska,

1 *the terms mean such entity.*

2 *A tribally designated housing entity may be author-*
 3 *ized or established by one or more Indian tribes to act*
 4 *on behalf of each such tribe authorizing or establish-*
 5 *ing the housing entity. Nothing in this title may be*
 6 *construed to affect the existence, or the ability to oper-*
 7 *ate, of any Indian housing authority established be-*
 8 *fore the date of the enactment of this title by a State-*
 9 *recognized tribe, band, nation, pueblo, village, or com-*
 10 *munity of Indian or Alaska Natives that is not an*
 11 *Indian tribe for purposes of this title.*

12 (12) SECRETARY.—*The term “Secretary” means*
 13 *the Secretary of Housing and Urban Development, ex-*
 14 *cept as otherwise specified in this title.*

15 ***Subtitle A—Block Grants and***
 16 ***Grant Requirements***

17 **SEC. 711. BLOCK GRANTS.**

18 (a) AUTHORITY.—*For each fiscal year, the Secretary*
 19 *shall (to the extent amounts are made available to carry*
 20 *out this title) make grants under this section on behalf of*
 21 *Indian tribes to carry out affordable housing activities.*
 22 *Under such a grant on behalf of an Indian tribe, the Sec-*
 23 *retary shall provide the grant amounts for the tribe directly*
 24 *to the recipient for the tribe.*

25 (b) CONDITION OF GRANT.—

1 (1) *IN GENERAL.*—The Secretary may make a
2 grant under this title on behalf of an Indian tribe for
3 a fiscal year only if—

4 (A) the Indian tribe has submitted to the
5 Secretary a local housing plan for such fiscal
6 year under section 712; and

7 (B) the plan has been determined under sec-
8 tion 713 to comply with the requirements of sec-
9 tion 712.

10 (2) *WAIVER.*—The Secretary may waive the ap-
11 plicability of the requirements under paragraph (1),
12 in whole or in part, if the Secretary finds that an In-
13 dian tribe has not complied or can not complied with
14 such requirements because of circumstances beyond
15 the control of the tribe.

16 (c) *AMOUNT.*—Except as otherwise provided under
17 subtitle B, the amount of a grant under this section to a
18 recipient for a fiscal year shall be—

19 (1) in the case of a recipient whose grant bene-
20 ficiary is a single Indian tribe, the amount of the al-
21 location under section 741 for the Indian tribe; and

22 (2) in the case of a recipient whose grant bene-
23 ficiary is more than 1 Indian tribe, the sum of the
24 amounts of the allocations under section 741 for each
25 such Indian tribe.

1 (d) *USE FOR AFFORDABLE HOUSING ACTIVITIES.*—

2 *Except as provided in subsection (f), amounts provided*
3 *under a grant under this section may be used only for af-*
4 *fordable housing activities under subtitle B.*

5 (e) *EFFECTUATION OF LHP.*—*Except as provided in*

6 *subsection (f), amounts provided under a grant under this*
7 *section may be used only for affordable housing activities*
8 *that are consistent with the approved local housing plan*
9 *under section 713 for the grant beneficiary on whose behalf*
10 *the grant is made.*

11 (f) *ADMINISTRATIVE EXPENSES.*—

12 (1) *IN GENERAL.*—*The Secretary shall, by regu-*
13 *lation, authorize each recipient to use a percentage of*
14 *any grant amounts received under this title for any*
15 *administrative and planning expenses of the recipient*
16 *relating to carrying out this title and activities as-*
17 *sisted with such amounts, which may include costs for*
18 *salaries of individuals engaged in administering and*
19 *managing affordable housing activities assisted with*
20 *grant amounts provided under this title and expenses*
21 *of preparing a local housing plan under section 712.*

22 (2) *CONTENTS OF REGULATIONS.*—*The regula-*
23 *tions referred to in paragraph (1) shall provide*
24 *that—*

1 (A) the Secretary shall, for each recipient,
2 establish a percentage referred to in paragraph
3 (1) based on the specific circumstances of the re-
4 cipient and the tribes served by the recipient;
5 and

6 (B) the Secretary may review the percent-
7 age for a recipient upon the written request of
8 the recipient specifying the need for such review
9 or the initiative of the Secretary and, pursuant
10 to such review, may revise the percentage estab-
11 lished for the recipient.

12 (g) *PUBLIC-PRIVATE PARTNERSHIPS.*—Each recipient
13 shall make all reasonable efforts, consistent with the pur-
14 poses of this title, to maximize participation by the private
15 sector, including nonprofit organizations and for-profit en-
16 tities, in implementing the approved local housing plan for
17 the tribe that is the grant beneficiary.

18 **SEC. 712. LOCAL HOUSING PLANS.**

19 (a) *IN GENERAL.*—

20 (1) *SUBMISSION.*—The Secretary shall provide
21 for an Indian tribe to submit to the Secretary, for
22 each fiscal year, a local housing plan under this sec-
23 tion for the tribe (or for the tribally designated hous-
24 ing entity for a tribe to submit the plan under sub-

1 *section (e) for the tribe) and for the review of such*
2 *plans.*

3 (2) *LOCALLY DRIVEN NATIONAL OBJECTIVES.—A*
4 *local housing plan shall describe—*

5 (A) *the mission of the tribe with respect to*
6 *affordable housing or, in the case of a recipient*
7 *that is a tribally designated housing entity, the*
8 *mission of the housing entity;*

9 (B) *the goals, objectives, and policies of the*
10 *recipient to meet the housing needs of low-income*
11 *families in the jurisdiction of the housing entity,*
12 *which shall be designed to achieve the national*
13 *objectives under section 721(a); and*

14 (C) *how the locally established mission and*
15 *policies of the recipient are designed to achieve,*
16 *and are consistent with, the national objectives*
17 *under section 721(a).*

18 (b) *5-YEAR PLAN.—Each local housing plan under*
19 *this section for an Indian tribe shall contain, with respect*
20 *to the 5-year period beginning with the fiscal year for which*
21 *the plan is submitted, the following information:*

22 (1) *LOCALLY DRIVEN NATIONAL OBJECTIVES.—*
23 *The information described in subsection (a)(2).*

24 (2) *CAPITAL IMPROVEMENT OVERVIEW.—If the*
25 *recipient will provide capital improvements for hous-*

1 *ing described in subsection (c)(3) during such period,*
2 *an overview of such improvements, the rationale for*
3 *such improvements, and an analysis of how such im-*
4 *provements will enable the recipient to meet its goals,*
5 *objectives, and mission.*

6 *(c) 1-YEAR PLAN.—A local housing plan under this sec-*
7 *tion for an Indian tribe shall contain the following infor-*
8 *mation relating to the upcoming fiscal year for which the*
9 *assistance under this title is to be made available:*

10 *(1) FINANCIAL RESOURCES.—An operating budg-*
11 *et for the recipient for the tribe that includes—*

12 *(A) identification and a description of the*
13 *financial resources reasonably available to the*
14 *recipient to carry out the purposes of this title,*
15 *including an explanation of how amounts made*
16 *available will leverage such additional resources;*
17 *and*

18 *(B) the uses to which such resources will be*
19 *committed, including eligible and required af-*
20 *fordable housing activities under subtitle B to be*
21 *assisted and administrative expenses.*

22 *(2) AFFORDABLE HOUSING.—For the jurisdiction*
23 *within which the recipient is authorized to use assist-*
24 *ance under this title—*

1 (A) a description of the estimated housing
2 needs and the need for assistance for very low-
3 income and moderate-income families;

4 (B) a description of the significant charac-
5 teristics of the housing market, indicating how
6 such characteristics will influence the use of
7 amounts made available under this title for rent-
8 al assistance, production of new units, rehabili-
9 tation of old units, or acquisition of existing
10 units;

11 (C) an description of the structure, means of
12 cooperation, and coordination between the recipi-
13 ent and any units of general local government in
14 the development, submission, and implementa-
15 tion of their housing plans, including a descrip-
16 tion of the involvement of any private industries,
17 nonprofit organizations, and public institutions;

18 (D) a description of how the plan will ad-
19 dress the housing needs identified pursuant to
20 subparagraph (A), describing the reasons for al-
21 location priorities, and identify any obstacles to
22 addressing underserved needs;

23 (E) a description of any homeownership
24 programs of the recipient to be carried out with
25 respect to affordable housing assisted under this

1 *title and the requirements and assistance avail-*
2 *able under such programs;*

3 *(F) a certification that the recipient will*
4 *maintain written records of the standards and*
5 *procedures under which the recipient will mon-*
6 *itor activities assisted under this title and ensure*
7 *long-term compliance with the provisions of this*
8 *title;*

9 *(G) a certification that the recipient will*
10 *comply with title II of the Civil Rights Act of*
11 *1968 in carrying out this title, to the extent that*
12 *such title is applicable;*

13 *(H) a statement of the number of families*
14 *for whom the recipient will provide affordable*
15 *housing using grant amounts provided under*
16 *this title;*

17 *(I) a statement of how the goals, programs,*
18 *and policies for producing and preserving afford-*
19 *able housing will be coordinated with other pro-*
20 *grams and services for which the recipient is re-*
21 *sponsible and the extent to which they will re-*
22 *duce (or assist in reducing) the number of house-*
23 *holds with incomes below the poverty line; and*

24 *(J) a certification that the recipient has ob-*
25 *tain insurance coverage for any housing units*

that are owned or operated by the tribe or the tribally designated housing entity for the tribe and assisted with amounts provided under this Act, in compliance with such requirements as the Secretary may establish.

(3) INDIAN HOUSING DEVELOPED UNDER UNITED STATES HOUSING ACT OF 1937.—A plan describing how the recipient for the tribe will comply with the requirements under section 723 relating to low-income housing owned or operated by the housing entity that was developed pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937, which shall include—

(A) a certification that the recipient will maintain a written record of the policies of the recipient governing eligibility, admissions, and occupancy of families with respect to dwelling units in such housing;

(B) a certification that the recipient will maintain a written record of policies of the recipient governing rents charged for dwelling units in such housing, including—

(i) the methods by which such rents are determined; and

1 (ii) an analysis of how such methods
2 affect—

3 (I) the ability of the recipient to
4 provide affordable housing for low-in-
5 come families having a broad range of
6 incomes;

7 (II) the affordability of housing
8 for families having incomes that do not
9 exceed 30 percent of the median family
10 income for the area; and

11 (III) the availability of other fi-
12 nancial resources to the recipient for
13 use for such housing;

14 (C) a certification that the recipient will
15 maintain a written record of the standards and
16 policies of the recipient governing maintenance
17 and management of such housing, and manage-
18 ment of the recipient with respect to administra-
19 tion of such housing, including—

20 (i) housing quality standards;

21 (ii) routine and preventative mainte-
22 nance policies;

23 (iii) emergency and disaster plans;

24 (iv) rent collection and security poli-
25 cies;

1 (v) priorities and improvements for
2 management of the housing; and

3 (vi) priorities and improvements for
4 management of the recipient, including im-
5 provement of electronic information systems
6 to facilitate managerial capacity and effi-
7 ciency;

8 (D) a plan describing—

9 (i) the capital improvements necessary
10 to ensure long-term physical and social via-
11 bility of such housing; and

12 (ii) the priorities of the recipient for
13 capital improvements of such housing based
14 on analysis of available financial resources,
15 consultation with residents, and health and
16 safety considerations;

17 (E) a description of any such housing to be
18 demolished or disposed of, a timetable for such
19 demolition or disposition, and any information
20 required under law with respect to such demoli-
21 tion or disposition;

22 (F) a description of how the recipient will
23 coordinate with tribal and State welfare agencies
24 to ensure that residents of such housing will be
25 provided with access to resources to assist in ob-

1 *taining employment and achieving self-suffi-*
2 *ciency; and*

3 *(G) a description of the requirements estab-*
4 *lished by the recipient that promote the safety of*
5 *residents of such housing, facilitate the housing*
6 *entity undertaking crime prevention measures*
7 *(such as community policing, where appro-*
8 *priate), allow resident input and involvement,*
9 *and allow for creative methods to increase resi-*
10 *dent safety by coordinating crime prevention ef-*
11 *forts between the recipient and tribal or local*
12 *law enforcement officials.*

13 *(4) INDIAN HOUSING LOAN GUARANTEES AND*
14 *OTHER HOUSING ASSISTANCE.—A description of how*
15 *loan guarantees under section 184 of the Housing and*
16 *Community Development Act of 1992, and other hous-*
17 *ing assistance provided by the Federal Government*
18 *for Indian tribes (including grants, loans, and mort-*
19 *gage insurance) will be used to help in meeting the*
20 *needs for affordable housing in the jurisdiction of the*
21 *recipient.*

22 *(5) DISTRIBUTION OF ASSISTANCE.—A certifi-*
23 *cation that the recipient for the tribe will maintain*
24 *a written record of—*

1 (A) the geographical distribution (within
2 the jurisdiction of the recipient) of the use of
3 grant amounts and how such geographical dis-
4 tribution is consistent with the geographical dis-
5 tribution of housing need (within such jurisdic-
6 tion); and

7 (B) the distribution of the use of such assist-
8 ance for various categories of housing and how
9 use for such various categories is consistent with
10 the priorities of housing need (within the juris-
11 diction of the recipient).

12 (d) *PARTICIPATION OF TRIBALLY DESIGNATED HOUS-*
13 *ING ENTITY.*—A plan under this section for an Indian tribe
14 may be prepared and submitted on behalf of the tribe by
15 the tribally designated housing entity for the tribe, but only
16 if such plan contains a certification by the recognized tribal
17 government of the grant beneficiary that such tribe has had
18 an opportunity to review the plan and has authorized the
19 submission of the plan by the housing entity.

20 (e) *COORDINATION OF PLANS.*—A plan under this sec-
21 tion may cover more than 1 Indian tribe, but only if the
22 certification requirements under subsection (d) are com-
23 plied with by each such grant beneficiary covered.

24 (f) *PLANS FOR SMALL TRIBES.*—

1 (1) *SEPARATE REQUIREMENTS.*—The Secretary
2 shall establish requirements for submission of plans
3 under this section and the information to be included
4 in such plans applicable to small Indian tribes and
5 small tribally designated housing entities. Such re-
6 quirements shall waive any requirements under this
7 section that the Secretary determines are burdensome
8 or unnecessary for such tribes and housing entities.

9 (2) *SMALL TRIBES.*—The Secretary shall define
10 small Indian tribes and small tribally designated
11 housing entities based on the number of dwelling
12 units assisted under this subtitle by the tribe or hous-
13 ing entity or owned or operated pursuant to a con-
14 tract under the United States Housing Act of 1937
15 between the Secretary and the Indian housing author-
16 ity for the tribe.

17 (g) *REGULATIONS.*—The requirements relating to the
18 contents of plans under this section shall be established by
19 regulation, pursuant to section 716.

20 **SEC. 713. REVIEW OF PLANS.**

21 (a) *REVIEW AND NOTICE.*—

22 (1) *REVIEW.*—The Secretary shall conduct a lim-
23 ited review of each local housing plan submitted to
24 the Secretary to ensure that the plan complies with
25 the requirements of section 712. The Secretary shall

1 have the discretion to review a plan only to the extent
2 that the Secretary considers review is necessary.

3 (2) NOTICE.—The Secretary shall notify each In-
4 dian tribe for which a plan is submitted and any
5 tribally designated housing entity for the tribe wheth-
6 er the plan complies with such requirements not later
7 than 45 days after receiving the plan. If the Secretary
8 does not notify the Indian tribe, as required under
9 this subsection and subsection (b), the plan shall be
10 considered, for purposes of this title, to have been de-
11 termined to comply with the requirements under sec-
12 tion 712 and the tribe shall be considered to have been
13 notified of compliance upon the expiration of such 45-
14 day period.

15 (b) NOTICE OF REASONS FOR DETERMINATION OF

16 NONCOMPLIANCE.—If the Secretary determines that a plan,
17 as submitted, does not comply with the requirements under
18 section 712, the Secretary shall specify in the notice under
19 subsection (a) the reasons for the noncompliance and any
20 modifications necessary for the plan to meet the require-
21 ments under section 712.

22 (c) STANDARDS FOR DETERMINATION OF NONCOMPLI-

23 ANCE.—The Secretary may determine that a plan does not
24 comply with the requirements under section 712 only if—

1 (1) the plan is not consistent with the national
2 objectives under section 721(a);

3 (2) the plan is incomplete in significant matters
4 required under such section;

5 (3) there is evidence available to the Secretary
6 that challenges, in a substantial manner, any infor-
7 mation provided in the plan;

8 (4) the Secretary determines that the plan vio-
9 lates the purposes of this title because it fails to pro-
10 vide affordable housing that will be viable on a long-
11 term basis at a reasonable cost; or

12 (5) the plan fails to adequately identify the cap-
13 ital improvement needs for low-income housing owned
14 or operated by the Indian tribe that was developed
15 pursuant to a contract between the Secretary and an
16 Indian housing authority pursuant to the United
17 States Housing Act of 1937.

18 (d) TREATMENT OF EXISTING PLANS.—Notwithstand-
19 ing any other provision of this title, a plan shall be consid-
20 ered to have been submitted for an Indian tribe if the appro-
21 priate Indian housing authority has submitted to the Sec-
22 retary a comprehensive plan under section 14(e) of the
23 United States Housing Act of 1937 (as in effect imme-
24 diately before the enactment of this title) or under the com-
25 prehensive improvement assistance program under such sec-

tion 14, and the Secretary has approved such plan, before January 1, 1997. The Secretary shall provide specific procedures and requirements for such tribes to amend such plans by submitting only such additional information as is necessary to comply with the requirements of section 712.

(e) *UPDATES TO PLAN.*—After a plan under section 712 has been submitted for an Indian tribe for any fiscal year, the tribe may comply with the provisions of such section for any succeeding fiscal year (with respect to information included for the 5-year period under section 712(b) or the 1-year period under section 712(c)) by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

SEC. 714. TREATMENT OF PROGRAM INCOME AND LABOR STANDARDS.

(a) *PROGRAM INCOME.*—

(1) *AUTHORITY TO RETAIN.*—Notwithstanding any other provision of law, a recipient may retain any program income that is realized from any grant amounts under this title if—

(A) such income was realized after the initial disbursement of the grant amounts received by the recipient; and

(B) the recipient has agreed that it will utilize the program income for affordable housing

1 activities in accordance with the provisions of
2 this title.

3 (2) *PROHIBITION OF REDUCTION OF GRANT.*—

4 *The Secretary may not reduce the grant amount for*
5 *any Indian tribe based solely on (1) whether the re-*
6 *recipient for the tribe retains program income under*
7 *paragraph (1), or (2) the amount of any such pro-*
8 *gram income retained.*

9 (3) *EXCLUSION OF AMOUNTS.*—*The Secretary*
10 *may, by regulation, exclude from consideration as*
11 *program income any amounts determined to be so*
12 *small that compliance with the requirements of this*
13 *subsection would create an unreasonable administra-*
14 *tive burden on the recipient.*

15 (b)(1) *IN GENERAL.*—*Any contract for the construc-*
16 *tion of affordable housing with 12 or more units assisted*
17 *with grant amounts made available under this Act shall*
18 *contain a provision requiring that not less than the wages*
19 *prevailing in the locality, as predetermined by the Sec-*
20 *retary of Labor pursuant to the Davis-Bacon Act (40*
21 *U.S.C. 276a—276a-5), shall be paid to all laborers and me-*
22 *chanics employed in the development of affordable housing*
23 *involved, and recipients shall require certification as to the*
24 *compliance with the provisions of this section prior to mak-*
25 *ing any payment under such contract.*

1 (2) *EXCEPTIONS.*—Subsection (a) shall not apply if
2 the individual receives no compensation or is paid expenses,
3 reasonable benefits, or a nominal fee to perform the services
4 for which the individual volunteered and such persons are
5 not otherwise employed at any time in the construction
6 work.

7 (3) *WAIVER.*—The Secretary may waive the provisions
8 of this subsection.

9 **SEC. 715. ENVIRONMENTAL REVIEW.**

10 (a) *IN GENERAL.*—In order to ensure that the policies
11 of the National Environmental Policy Act of 1969 and other
12 provisions of law which further the purposes of such Act
13 (as specified in regulations issued by the Secretary) are
14 most effectively implemented in connection with the expend-
15 iture of grant amounts provided under this title, and to
16 ensure to the public undiminished protection of the environ-
17 ment, the Secretary, in lieu of the environmental protection
18 procedures otherwise applicable, may under regulations
19 provide for the release of amounts for particular projects
20 to recipients of assistance under this title who assume all
21 of the responsibilities for environmental review, decision-
22 making, and action pursuant to such Act, and such other
23 provisions of law as the regulations of the Secretary specify,
24 that would apply to the Secretary were the Secretary to
25 undertake such projects as Federal projects. The Secretary

1 shall issue regulations to carry out this section only after
2 consultation with the Council on Environmental Quality.
3 The regulations shall provide—

4 (1) for the monitoring of the environmental re-
5 views performed under this section;

6 (2) in the discretion of the Secretary, to facilitate
7 training for the performance of such reviews; and

8 (3) for the suspension or termination of the as-
9 sumption of responsibilities under this section.

10 The Secretary's duty under the preceding sentence shall not
11 be construed to limit or reduce any responsibility assumed
12 by a recipient of grant amounts with respect to any par-
13 ticular release of funds.

14 (b) *PROCEDURE.*—The Secretary shall approve the re-
15 lease of funds subject to the procedures authorized by this
16 section only if, at least 15 days prior to such approval and
17 prior to any commitment of funds to such projects the recip-
18 ient of grant amounts has submitted to the Secretary a re-
19 quest for such release accompanied by a certification which
20 meets the requirements of subsection (c). The Secretary's ap-
21 proval of any such certification shall be deemed to satisfy
22 the Secretary's responsibilities under the National Environ-
23 mental Policy Act of 1969 and such other provisions of law
24 as the regulations of the Secretary specify insofar as those
25 responsibilities relate to the releases of funds for projects

1 to be carried out pursuant thereto which are covered by such
2 certification.

3 (c) *CERTIFICATION.*—A certification under the proce-
4 dures authorized by this section shall—

5 (1) be in a form acceptable to the Secretary,

6 (2) be executed by the chief executive officer or
7 other officer of the recipient of assistance under this
8 title qualified under regulations of the Secretary,

9 (3) specify that the recipient has fully carried
10 out its responsibilities as described under subsection
11 (a), and

12 (4) specify that the certifying officer (A) consents
13 to assume the status of a responsible Federal official
14 under the National Environmental Policy Act of 1969
15 and each provision of law specified in regulations is-
16 sued by the Secretary insofar as the provisions of such
17 Act or such other provisions of law apply pursuant
18 to subsection (a), and (B) is authorized and consents
19 on behalf of the recipient of assistance and such offi-
20 cer to accept the jurisdiction of the Federal courts for
21 the purpose of enforcement of the certifying officer's
22 responsibilities as such an official.

23 **SEC. 716. REGULATIONS.**

24 (a) *INTERIM REQUIREMENTS.*—Not later than 90 days
25 after the date of the enactment of this title, the Secretary

1 shall, by notice issued in the Federal Register, establish any
2 requirements necessary to carry out this title in the manner
3 provided in section 717(b), which shall be effective only for
4 fiscal year 1997. The notice shall invite public comments
5 regarding such interim requirements and final regulations
6 to carry out this title and shall include general notice of
7 proposed rulemaking (for purposes of section 564(a) of title
8 5, United States Code) of the final regulations under para-
9 graph (2).

10 (b) FINAL REGULATIONS.—

11 (1) TIMING.—The Secretary shall issue final reg-
12 ulations necessary to carry out this title not later
13 than September 1, 1997, and such regulations shall
14 take effect not later than the effective date under sec-
15 tion 717(a).

16 (2) NEGOTIATED RULEMAKING.—Notwithstand-
17 ing sections 563(a) and 565(a) of title 5, United
18 States Code, the final regulations required under
19 paragraph (1) shall be issued according to a nego-
20 tiated rulemaking procedure under subchapter III of
21 chapter 5 of title 5, United States Code. The Sec-
22 retary shall establish a negotiated rulemaking com-
23 mittee for development of any such proposed regula-
24 tions, which shall include representatives of Indian
25 tribes.

1 **SEC. 717. EFFECTIVE DATE.**

2 (a) *IN GENERAL.*—Except as provided in subsection
3 (b) and as otherwise specifically provided in this title, this
4 title shall take effect on October 1, 1997.

5 (b) *INTERIM APPLICABILITY.*—For fiscal year 1997,
6 this title shall apply to any Indian tribe that requests the
7 Secretary to apply this title to such tribe, subject to the
8 provisions of this subsection, but only if the Secretary deter-
9 mines that the tribe has the capacity to carry out the re-
10 sponsibilities under this title during such fiscal year. For
11 fiscal year 1997, this title shall apply to any such tribe
12 subject to the following limitations:

13 (1) *USE OF ASSISTANCE AMOUNTS AS BLOCK*
14 *GRANT.*—Amounts shall not be made available pursu-
15 ant to this title for grants under this title for such fis-
16 cal year, but any amounts made available for the
17 tribe under the United States Housing Act of 1937,
18 title II or subtitle D of title IV of the Cranston-Gon-
19 zalez National Affordable Housing Act, title IV of the
20 Stewart B. McKinney Homeless Assistance Act, or
21 section 2 of the HUD Demonstration Act of 1993
22 shall be considered grant amounts under this title and
23 shall be used subject to the provisions of this title re-
24 lating to such grant amounts.

25 (2) *LOCAL HOUSING PLAN.*—Notwithstanding
26 section 713 of this title, a local housing plan shall be

1 *considered to have been submitted for the tribe for fis-*
2 *cal year 1997 for purposes of this title only if—*

3 *(A) the appropriate Indian housing author-*
4 *ity has submitted to the Secretary a comprehen-*
5 *sive plan under section 14(e) of the United*
6 *States Housing Act of 1937 or under the com-*
7 *prehensive improvement assistance program*
8 *under such section 14;*

9 *(B) the Secretary has approved such plan*
10 *before January 1, 1996; and*

11 *(C) the tribe complies with specific proce-*
12 *dures and requirements for amending such plan*
13 *as the Secretary may establish to carry out this*
14 *subsection.*

15 *(c) ASSISTANCE UNDER EXISTING PROGRAM DURING*
16 *FISCAL YEAR 1997.—Notwithstanding the repeal of any*
17 *provision of law under section 501(a) and with respect only*
18 *to Indian tribes not provided assistance pursuant to sub-*
19 *section (b), during fiscal year 1997—*

20 *(1) the Secretary shall carry out programs to*
21 *provide low-income housing assistance on Indian res-*
22 *ervations and other Indian areas in accordance with*
23 *the provisions of title II of the United States Housing*
24 *Act of 1937 and related provisions of law, as in effect*
25 *immediately before the enactment of this Act;*

1 (2) except to the extent otherwise provided in the
2 provisions of such title II (as so in effect), the provi-
3 sions of title I of such Act (as so in effect) and such
4 related provisions of law shall apply to low-income
5 housing developed or operated pursuant to a contract
6 between the Secretary and an Indian housing author-
7 ity; and

8 (3) none of the provisions of title I, II, III, or
9 IV, or of any other law specifically modifying the
10 public housing program that is enacted after the date
11 of the enactment of this Act, shall apply to public
12 housing operated pursuant to a contract between the
13 Secretary and an Indian housing authority, unless
14 the provision explicitly provides for such applicabil-
15 ity.

16 **SEC. 718. AUTHORIZATION OF APPROPRIATIONS.**

17 There is authorized to be appropriated for grants
18 under subtitle A \$650,000,000, for each of fiscal years 1998,
19 1999, 2000, and 2001.

20 **Subtitle B—Affordable Housing**
21 **Activities**

22 **SEC. 721. NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.**

23 (a) **PRIMARY OBJECTIVE.**—The national objectives of
24 this title are—

1 (1) to assist and promote affordable housing ac-
2 tivities to develop, maintain, and operate safe, clean,
3 and healthy affordable housing on Indian reservations
4 and in other Indian areas for occupancy by low-in-
5 come Indian families;

6 (2) to ensure better access to private mortgage
7 markets for Indian tribes and their members and to
8 promote self-sufficiency of Indian tribes and their
9 members;

10 (3) to coordinate activities to provide housing for
11 Indian tribes and their members with Federal, State,
12 and local activities to further economic and commu-
13 nity development for Indian tribes and their mem-
14 bers;

15 (4) to plan for and integrate infrastructure re-
16 sources for Indian tribes with housing development
17 for tribes; and

18 (5) to promote the development of private capital
19 markets in Indian country and to allow such markets
20 to operate and grow, thereby benefiting Indian com-
21 munities.

22 (b) ELIGIBLE FAMILIES.—

23 (1) IN GENERAL.—Except as provided under
24 paragraph (2), assistance under eligible housing ac-
25 tivities under this title shall be limited to low-income

1 *Indian families on Indian reservations and other In-*
2 *dian areas.*

3 (2) *EXCEPTION TO LOW-INCOME REQUIRE-*
4 *MENT.—A recipient may provide assistance for model*
5 *activities under section 722(6) to families who are not*
6 *low-income families, if the Secretary approves the ac-*
7 *tivities pursuant to such subsection because there is a*
8 *need for housing for such families that cannot reason-*
9 *ably be met without such assistance. The Secretary*
10 *shall establish limits on the amount of assistance that*
11 *may be provided under this title for activities for*
12 *families who are not low-income families.*

13 (3) *NON-INDIAN FAMILIES.—A recipient may*
14 *provide housing or housing assistance provided*
15 *through affordable housing activities assisted with*
16 *grant amounts under this title for a non-Indian fam-*
17 *ily on an Indian reservation or other Indian area if*
18 *the recipient determines that the presence of the fam-*
19 *ily on the Indian reservation or other Indian area is*
20 *essential to the well-being of Indian families and the*
21 *need for housing for the family cannot reasonably be*
22 *met without such assistance.*

23 (4) *PREFERENCE FOR INDIAN FAMILIES.—The*
24 *local housing plan for an Indian tribe may require*
25 *preference, for housing or housing assistance provided*

1 through affordable housing activities assisted with
2 grant amounts provided under this title on behalf of
3 such tribe, to be given (to the extent practicable) to
4 Indian families who are members of such tribe, or to
5 other Indian families. In any case in which the ap-
6 plicable local housing plan for an Indian tribe pro-
7 vides for preference under this subsection, the recipi-
8 ent for the tribe shall ensure that housing activities
9 that are assisted with grant amounts under this title
10 for such tribe are subject to such preference.

11 (5) *EXEMPTION.*—Title VI of the Civil Rights
12 Act of 1964 and title VIII of the Civil Rights Act of
13 1968 shall not apply to actions by Indian tribes
14 under this subsection.

15 **SEC. 722. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.**

16 Affordable housing activities under this subtitle are ac-
17 tivities, in accordance with the requirements of this subtitle,
18 to develop or to support affordable housing for rental or
19 homeownership, or to provide housing services with respect
20 to affordable housing, through the following activities:

21 (1) *INDIAN HOUSING ASSISTANCE.*—The provi-
22 sion of modernization or operating assistance for
23 housing previously developed or operated pursuant to
24 a contract between the Secretary and an Indian hous-
25 ing authority.

1 (2) *DEVELOPMENT.*—*The acquisition, new con-*
2 *struction, reconstruction, or moderate or substantial*
3 *rehabilitation of affordable housing, which may in-*
4 *clude real property acquisition, site improvement, de-*
5 *velopment of utilities and utility services, conversion,*
6 *demolition, financing, administration and planning,*
7 *and other related activities.*

8 (3) *HOUSING SERVICES.*—*The provision of hous-*
9 *ing-related services for affordable housing, such as*
10 *housing counseling in connection with rental or home-*
11 *ownership assistance, energy auditing, and other serv-*
12 *ices related to assisting owners, tenants, contractors,*
13 *and other entities, participating or seeking to partici-*
14 *pate in other housing activities assisted pursuant to*
15 *this section.*

16 (4) *HOUSING MANAGEMENT SERVICES.*—*The pro-*
17 *vision of management services for affordable housing,*
18 *including preparation of work specifications, loan*
19 *processing, inspections, tenant selection, management*
20 *of tenant-based rental assistance, and management of*
21 *affordable housing projects.*

22 (5) *CRIME PREVENTION AND SAFETY ACTIVI-*
23 *TIES.*—*The provision of safety, security, and law en-*
24 *forcement measures and activities appropriate to pro-*
25 *tect residents of affordable housing from crime.*

1 (6) *MODEL ACTIVITIES.*—Housing activities
2 under model programs that are designed to carry out
3 the purposes of this title and are specifically approved
4 by the Secretary as appropriate for such purpose.

5 **SEC. 723. REQUIRED AFFORDABLE HOUSING ACTIVITIES.**

6 (a) *MAINTENANCE OF OPERATING ASSISTANCE FOR*
7 *INDIAN HOUSING.*—Any recipient who owns or operates (or
8 is responsible for funding any entity that owns or operates)
9 housing developed or operated pursuant to a contract be-
10 tween the Secretary and an Indian housing authority pur-
11 suant to the United States Housing Act of 1937 shall, using
12 amounts of any grants received under this title, reserve and
13 use for operating assistance under section 722(1) such
14 amounts as may be necessary to provide for the continued
15 maintenance and efficient operation of such housing.

16 (b) *DEMOLITION AND DISPOSITION.*—This title may
17 not be construed to prevent any recipient (or entity funded
18 by a recipient) from demolishing or disposing of Indian
19 housing referred to in such subsection. Notwithstanding sec-
20 tion 116, section 261 shall apply to the demolition or dis-
21 position of Indian housing referred to in subsection (a).

22 **SEC. 724. TYPES OF INVESTMENTS.**

23 (a) *IN GENERAL.*—Subject to section 723 and the local
24 housing plan for an Indian tribe, the recipient for such
25 tribe shall have—

1 (1) the discretion to use grant amounts for af-
2 fordable housing activities through equity invest-
3 ments, interest-bearing loans or advances, non-
4 interest-bearing loans or advances, interest subsidies,
5 leveraging of private investments under subsection
6 (b), or any other form of assistance that the Secretary
7 has determined to be consistent with the purposes of
8 this title; and

9 (2) the right to establish the terms of assistance.

10 (b) **LEVERAGING PRIVATE INVESTMENT.**—A recipient
11 may leverage private investments in affordable housing ac-
12 tivities by pledging existing or future grant amounts to as-
13 sure the repayment of notes and other obligations of the re-
14 cipient issued for purposes of carrying out affordable hous-
15 ing activities.

16 **SEC. 725. LOW-INCOME REQUIREMENT AND INCOME**
17 **TARGETING.**

18 Housing shall qualify as affordable housing for pur-
19 poses of this title only if—

20 (1) each dwelling unit in the housing—

21 (A) in the case of rental housing, is made
22 available for occupancy only by a family that is
23 a low-income family at the time of their initial
24 occupancy of such unit; and

1 (B) in the case of housing for homeowner-
2 ship, is made available for purchase only by a
3 family that is a low-income family at the time
4 of purchase; and

5 (2) except for housing assisted under section 202
6 of the United States Housing Act of 1937 (as in effect
7 before the enactment of this Act), each dwelling unit
8 in the housing will remain affordable, according to
9 binding commitments satisfactory to the Secretary,
10 for the remaining useful life of the property (as deter-
11 mined by the Secretary) without regard to the term
12 of the mortgage or to transfer of ownership, or for
13 such other period that the Secretary determines is the
14 longest feasible period of time consistent with sound
15 economics and the purposes of this title, except upon
16 a foreclosure by a lender (or upon other transfer in
17 lieu of foreclosure) if such action (A) recognizes any
18 contractual or legal rights of public agencies, non-
19 profit sponsors, or others to take actions that would
20 avoid termination of low-income affordability in the
21 case of foreclosure or transfer in lieu of foreclosure,
22 and (B) is not for the purpose of avoiding low-income
23 affordability restrictions, as determined by the Sec-
24 retary.

1 **SEC. 726. CERTIFICATION OF COMPLIANCE WITH SUBSIDY**
2 **LAYERING REQUIREMENTS.**

3 *With respect to housing assisted with grant amounts*
4 *provided under this title, the requirements of section 102(d)*
5 *of the Department of Housing and Urban Development Re-*
6 *form Act of 1989 shall be considered to be satisfied upon*
7 *certification by the recipient of the assistance to the Sec-*
8 *retary that the combination of Federal assistance provided*
9 *to any housing project is not any more than is necessary*
10 *to provide affordable housing.*

11 **SEC. 727. LEASE REQUIREMENTS AND TENANT SELECTION.**

12 (a) *LEASES.—Except to the extent otherwise provided*
13 *by or inconsistent with tribal law, in renting dwelling units*
14 *in affordable housing assisted with grant amounts provided*
15 *under this title, the owner or manager of the housing shall*
16 *utilize leases that—*

17 (1) *do not contain unreasonable terms and con-*
18 *ditions;*

19 (2) *require the owner or manager to maintain*
20 *the housing in compliance with applicable housing*
21 *codes and quality standards;*

22 (3) *require the owner or manager to give ade-*
23 *quate written notice of termination of the lease, which*
24 *shall not be less than—*

1 (A) the period provided under the applica-
2 ble law of the jurisdiction or 14 days, whichever
3 is less, in the case of nonpayment of rent;

4 (B) a reasonable period of time, but not to
5 exceed 14 days, when the health or safety of other
6 residents or employees of the owner or manager
7 is threatened; and

8 (C) the period of time provided under the
9 applicable law of the jurisdiction, in any other
10 case;

11 (4) require that the owner or manager may not
12 terminate the tenancy except for violation of the terms
13 or conditions of the lease, violation of applicable Fed-
14 eral, tribal, State, or local law, or for other good
15 cause; and

16 (5) provide that the owner or manager may ter-
17 minate the tenancy of a resident for any activity, en-
18 gaged in by the resident, any member of the resident's
19 household, or any guest or other person under the
20 resident's control, that—

21 (A) threatens the health or safety of, or
22 right to peaceful enjoyment of the premises by,
23 other residents or employees of the owner or
24 manager of the housing;

1 (B) threatens the health or safety of, or
2 right to peaceful enjoyment of their premises by,
3 persons residing in the immediate vicinity of the
4 premises; or

5 (C) is criminal activity (including drug-re-
6 lated criminal activity).

7 (b) *TENANT SELECTION.*—The owner or manager of
8 affordable rental housing assisted under with grant
9 amounts provided under this title shall adopt and utilize
10 written tenant selection policies and criteria that—

11 (1) are consistent with the purpose of providing
12 housing for low-income families;

13 (2) are reasonably related to program eligibility
14 and the applicant's ability to perform the obligations
15 of the lease; and

16 (3) provide for (A) the selection of tenants from
17 a written waiting list in accordance with the policies
18 and goals set forth in the local housing plan for the
19 tribe that is the grant beneficiary of such grant
20 amounts, and (B) the prompt notification in writing
21 of any rejected applicant of the grounds for any rejec-
22 tion.

23 **SEC. 728. REPAYMENT.**

24 If a recipient uses grant amounts to provide affordable
25 housing under activities under this subtitle and, at any

1 time during the useful life of the housing the housing does
2 not comply with the requirement under section 725(a)(2),
3 the Secretary shall reduce future grant payments on behalf
4 of the grant beneficiary by an amount equal to the grant
5 amounts used for such housing (under the authority under
6 section 751(a)(2)) or require repayment to the Secretary of
7 an amount equal to such grant amounts.

8 **SEC. 729. CONTINUED USE OF AMOUNTS FOR AFFORDABLE**
9 **HOUSING.**

10 Any funds for programs for low-income housing under
11 the United States Housing Act of 1937 that, on the date
12 of the applicability of this title to an Indian tribe, are
13 owned by, or in the possession or under the control of, the
14 Indian housing authority for the tribe, including all re-
15 serves not otherwise obligated, shall be considered assistance
16 under this title and subject to the provisions of this title
17 relating to use of such assistance.

18 **Subtitle C—Allocation of Grant**
19 **Amounts**

20 **SEC. 741. ANNUAL ALLOCATION.**

21 For each fiscal year, the Secretary shall allocate any
22 amounts made available for assistance under this title for
23 the fiscal year, in accordance with the formula established
24 pursuant to section 742, among Indian tribes that comply

1 *with the requirements under this title for a grant under*
2 *this title.*

3 **SEC. 742. ALLOCATION FORMULA.**

4 *The Secretary shall, by regulations issued in the man-*
5 *ner provided under section 716, establish a formula to pro-*
6 *vide for allocating amounts available for a fiscal year for*
7 *block grants under this title among Indian tribes. The for-*
8 *mula shall be based on factors that reflect the need of the*
9 *Indian tribes and the Indian areas of the tribes for assist-*
10 *ance for affordable housing activities, including the follow-*
11 *ing factors:*

12 *(1) The number of low-income housing dwelling*
13 *units owned or operated at the time pursuant to a*
14 *contract between an Indian housing authority for the*
15 *tribe and the Secretary.*

16 *(2) The extent of poverty and economic distress*
17 *within Indian areas of the tribe.*

18 *(3) Other objectively measurable conditions as*
19 *the Secretary may specify.*

20 *The regulations establishing the formula shall be issued*
21 *not later than the expiration of the 12-month period begin-*
22 *ning on the date of the enactment of this title.*

1 ***Subtitle D—Compliance, Audits,***
2 ***and Reports***

3 ***SEC. 751. REMEDIES FOR NONCOMPLIANCE.***

4 (a) *ACTIONS BY SECRETARY AFFECTING GRANT*
5 *AMOUNTS.—Except as provided in subsection (b), if the*
6 *Secretary finds after reasonable notice and opportunity for*
7 *hearing that a recipient of assistance under this title has*
8 *failed to comply substantially with any provision of this*
9 *title, the Secretary shall—*

10 (1) *terminate payments under this title to the re-*
11 *ipient;*

12 (2) *reduce payments under this title to the recip-*
13 *ient by an amount equal to the amount of such pay-*
14 *ments which were not expended in accordance with*
15 *this title;*

16 (3) *limit the availability of payments under this*
17 *title to programs, projects, or activities not affected by*
18 *such failure to comply; or*

19 (4) *in the case of noncompliance described in sec-*
20 *tion 752(b), provide a replacement tribally designated*
21 *housing entity for the recipient, under section 752.*

22 *If the Secretary takes an action under paragraph (1), (2),*
23 *or (3), the Secretary shall continue such action until the*
24 *Secretary determines that the failure to comply has ceased.*

1 (b) *NONCOMPLIANCE BECAUSE OF TECHNICAL INCA-*
2 *PACITY.*—*If the Secretary makes a finding under subsection*
3 *(a), but determines that the failure to comply substantially*
4 *with the provisions of this title—*

5 (1) *is not a pattern or practice of activities con-*
6 *stituting willful noncompliance, and*

7 (2) *is a result of the limited capability or capac-*
8 *ity of the recipient,*

9 *the Secretary may provide technical assistance for the re-*
10 *cipient (directly or indirectly) that is designed to increase*
11 *the capability and capacity of the recipient to administer*
12 *assistance provided under this title in compliance with the*
13 *requirements under this title.*

14 (c) *REFERRAL FOR CIVIL ACTION.*—

15 (1) *AUTHORITY.*—*In lieu of, or in addition to,*
16 *any action authorized by subsection (a), the Secretary*
17 *may, if the Secretary has reason to believe that a re-*
18 *cipient has failed to comply substantially with any*
19 *provision of this title, refer the matter to the Attorney*
20 *General of the United States with a recommendation*
21 *that an appropriate civil action be instituted.*

22 (2) *CIVIL ACTION.*—*Upon such a referral, the At-*
23 *torney General may bring a civil action in any Unit-*
24 *ed States district court having venue thereof for such*
25 *relief as may be appropriate, including an action to*

1 *recover the amount of the assistance furnished under*
2 *this title which was not expended in accordance with*
3 *it, or for mandatory or injunctive relief.*

4 (d) *REVIEW.*—

5 (1) *IN GENERAL.*—Any recipient who receives
6 *notice under subsection (a) of the termination, reduc-*
7 *tion, or limitation of payments under this title may,*
8 *within 60 days after receiving such notice, file with*
9 *the United States Court of Appeals for the circuit in*
10 *which such State is located, or in the United States*
11 *Court of Appeals for the District of Columbia, a peti-*
12 *tion for review of the Secretary's action. The peti-*
13 *tioner shall forthwith transmit copies of the petition*
14 *to the Secretary and the Attorney General of the*
15 *United States, who shall represent the Secretary in*
16 *the litigation.*

17 (2) *PROCEDURE.*—The Secretary shall file in the
18 *court record of the proceeding on which the Secretary*
19 *based the action, as provided in section 2112 of title*
20 *28, United States Code. No objection to the action of*
21 *the Secretary shall be considered by the court unless*
22 *such objection has been urged before the Secretary.*

23 (3) *DISPOSITION.*—The court shall have jurisdic-
24 *tion to affirm or modify the action of the Secretary*
25 *or to set it aside in whole or in part. The findings*

1 of fact by the Secretary, if supported by substantial
2 evidence on the record considered as a whole, shall be
3 conclusive. The court may order additional evidence
4 to be taken by the Secretary, and to be made part of
5 the record. The Secretary may modify the Secretary's
6 findings of fact, or make new findings, by reason of
7 the new evidence so taken and filed with the court,
8 and the Secretary shall also file such modified or new
9 findings, which findings with respect to questions of
10 fact shall be conclusive if supported by substantial
11 evidence on the record considered as a whole, and
12 shall also file the Secretary's recommendation, if any,
13 for the modification or setting aside of the Secretary's
14 original action.

15 (4) **FINALITY.**—Upon the filing of the record
16 with the court, the jurisdiction of the court shall be
17 exclusive and its judgment shall be final, except that
18 such judgment shall be subject to review by the Su-
19 preme Court of the United States upon writ of certio-
20 rari or certification as provided in section 1254 of
21 title 28, United State Code.

22 **SEC. 752. REPLACEMENT OF RECIPIENT.**

23 (a) **AUTHORITY.**—As a condition of the Secretary mak-
24 ing a grant under this title on behalf of an Indian tribe,
25 the tribe shall agree that, notwithstanding any other provi-

1 sion of law, the Secretary may, only in the circumstances
2 set forth in subsection (b), require that a replacement trib-
3 ally designated housing entity serve as the recipient for the
4 tribe, in accordance with subsection (c).

5 (b) *CONDITIONS OF REMOVAL.*—The Secretary may re-
6 quire such replacement tribally designated housing entity
7 for a tribe only upon a determination by the Secretary on
8 the record after opportunity for a hearing that the recipient
9 for the tribe has engaged in a pattern or practice of activi-
10 ties that constitutes substantial or willful noncompliance
11 with the requirements under this title.

12 (c) *CHOICE AND TERM OF REPLACEMENT.*—If the Sec-
13 retary requires that a replacement tribally designated hous-
14 ing entity serve as the recipient for a tribe (or tribes)—

15 (1) the replacement entity shall be an entity mu-
16 tually agreed upon by the Secretary and the tribe (or
17 tribes) for which the recipient was authorized to act,
18 except that if no such entity is agreed upon before the
19 expiration of the 60-day period beginning upon the
20 date that the Secretary makes the determination
21 under subsection (b), the Secretary shall act as the re-
22 placement entity until agreement is reached upon a
23 replacement entity; and

24 (2) the replacement entity (or the Secretary, as
25 provided in paragraph (1)) shall act as the tribally

1 designated housing entity for the tribe (or tribes) for
2 a period that expires upon—

3 (A) a date certain, which shall be specified
4 by the Secretary upon making the determination
5 under subsection (b); or

6 (B) the occurrence of specific conditions,
7 which conditions shall be specified in written no-
8 tice provided by the Secretary to the tribe upon
9 making the determination under subsection (b).

10 **SEC. 753. MONITORING OF COMPLIANCE.**

11 (a) **ENFORCEABLE AGREEMENTS.**—Each recipient,
12 through binding contractual agreements with owners and
13 otherwise, shall ensure long-term compliance with the provi-
14 sions of this title. Such measures shall provide for (1) en-
15 forcement of the provisions of this title by the grant bene-
16 ficiary or by recipients and other intended beneficiaries,
17 and (2) remedies for the breach of such provisions.

18 (b) **PERIODIC MONITORING.**—Not less frequently than
19 annually, each recipient shall review the activities con-
20 ducted and housing assisted under this title to assess com-
21 pliance with the requirements of this title. Such review shall
22 include on-site inspection of housing to determine compli-
23 ance with applicable requirements. The results of each re-
24 view shall be included in the performance report of the re-

1 *ipient submitted to the Secretary under section 754 and*
2 *made available to the public.*

3 **SEC. 754. PERFORMANCE REPORTS.**

4 (a) *REQUIREMENT.*—*For each fiscal year, each recipi-*
5 *ent shall—*

6 (1) *review the progress it has made during such*
7 *fiscal year in carrying out the local housing plan (or*
8 *plans) for the Indian tribes for which it administers*
9 *grant amounts; and*

10 (2) *submit a report to the Secretary (in a form*
11 *acceptable to the Secretary) describing the conclusions*
12 *of the review.*

13 (b) *CONTENT.*—*Each report under this section for a*
14 *fiscal year shall—*

15 (1) *describe the use of grant amounts provided to*
16 *the recipient for such fiscal year;*

17 (2) *assess the relationship of such use to the goals*
18 *identified in the local housing plan of the grant bene-*
19 *ficiary;*

20 (3) *indicate the recipient's programmatic accom-*
21 *plishments; and*

22 (4) *describe how the recipient would change its*
23 *programs as a result of its experiences.*

24 (c) *SUBMISSION.*—*The Secretary shall establish dates*
25 *for submission of reports under this section, and review*

1 such reports and make such recommendations as the Sec-
2 retary considers appropriate to carry out the purposes of
3 this title.

4 (d) *PUBLIC AVAILABILITY.*—A recipient preparing a
5 report under this section shall make the report publicly
6 available to the citizens in the recipient's jurisdiction in
7 sufficient time to permit such citizens to comment on such
8 report prior to its submission to the Secretary, and in such
9 manner and at such times as the recipient may determine.
10 The report shall include a summary of any comments re-
11 ceived by the grant beneficiary or recipient from citizens
12 in its jurisdiction regarding its program.

13 **SEC. 755. REVIEW AND AUDIT BY SECRETARY.**

14 (a) *ANNUAL REVIEW.*—The Secretary shall, at least on
15 an annual basis, make such reviews and audits as may be
16 necessary or appropriate to determine—

17 (1) whether the recipient has carried out its eli-
18 gible activities in a timely manner, has carried out
19 its eligible activities and certifications in accordance
20 with the requirements and the primary objectives of
21 this title and with other applicable laws, and has a
22 continuing capacity to carry out those activities in a
23 timely manner;

24 (2) whether the recipient has complied with the
25 local housing plan of the grant beneficiary; and

1 (3) *whether the performance reports under sec-*
2 *tion 754 of the recipient are accurate.*

3 *Reviews under this section shall include, insofar as prac-*
4 *ticable, on-site visits by employees of the Department of*
5 *Housing and Urban Development.*

6 (b) *REPORT BY SECRETARY.—The Secretary shall sub-*
7 *mit a written report to the Congress regarding each review*
8 *under subsection (a). The Secretary shall give a recipient*
9 *not less than 30 days to review and comment on a report*
10 *under this subsection. After taking into consideration the*
11 *comments of the recipient, the Secretary may revise the re-*
12 *port and shall make the recipient's comments and the re-*
13 *port, with any revisions, readily available to the public not*
14 *later than 30 days after receipt of the recipient's comments.*

15 (c) *EFFECT OF REVIEWS.—The Secretary may make*
16 *appropriate adjustments in the amount of the annual*
17 *grants under this title in accordance with the Secretary's*
18 *findings pursuant to reviews and audits under this section.*
19 *The Secretary may adjust, reduce, or withdraw grant*
20 *amounts, or take other action as appropriate in accordance*
21 *with the Secretary's reviews and audits under this section,*
22 *except that grant amounts already expended on affordable*
23 *housing activities may not be recaptured or deducted from*
24 *future assistance provided on behalf of an Indian tribe.*

1 **SEC. 756. GAO AUDITS.**

2 *To the extent that the financial transactions of Indian*
3 *tribes and recipients of grant amounts under this title relate*
4 *to amounts provided under this title, such transactions may*
5 *be audited by the Comptroller General of the United States*
6 *under such rules and regulations as may be prescribed by*
7 *the Comptroller General. The representatives of the General*
8 *Accounting Office shall have access to all books, accounts,*
9 *records, reports, files, and other papers, things, or property*
10 *belonging to or in use by such tribes and recipients pertain-*
11 *ing to such financial transactions and necessary to facili-*
12 *tate the audit.*

13 **SEC. 757. REPORTS TO CONGRESS.**

14 *(a) IN GENERAL.—Not later than 90 days after the*
15 *conclusion of each fiscal year in which assistance under this*
16 *title is made available, the Secretary shall submit to the*
17 *Congress a report that contains—*

18 *(1) a description of the progress made in accom-*
19 *plishing the objectives of this title; and*

20 *(2) a summary of the use of such funds during*
21 *the preceding fiscal year.*

22 *(b) RELATED REPORTS.—The Secretary may require*
23 *recipients of grant amounts under this title to submit to*
24 *the Secretary such reports and other information as may*
25 *be necessary in order for the Secretary to make the report*
26 *required by subsection (a).*

1 *Subtitle E—Termination of Assist-*
2 *ance for Indian Tribes under In-*
3 *corporated Programs*

4 *SEC. 761. TERMINATION OF INDIAN PUBLIC HOUSING AS-*
5 *SISTANCE UNDER UNITED STATES HOUSING*
6 *ACT OF 1937.*

7 (a) *IN GENERAL.*—After September 30, 1997, financial
8 assistance may not be provided under the United States
9 Housing Act of 1937 or pursuant to any commitment en-
10 tered into under such Act, for Indian housing developed or
11 operated pursuant to a contract between the Secretary and
12 an Indian housing authority, unless such assistance is pro-
13 vided from amounts made available for fiscal year 1997
14 and pursuant to a commitment entered into before Septem-
15 ber 30, 1997.

16 (b) *TERMINATION OF RESTRICTIONS ON USE OF IN-*
17 *DIAN HOUSING.*—Except as provided in section 723(b) of
18 this title, any housing developed or operated pursuant to
19 a contract between the Secretary and an Indian housing
20 authority pursuant to the United States Housing Act of
21 1937 shall not be subject to any provision of such Act or
22 any annual contributions contract or other agreement pur-
23 suant to such Act, but shall be considered and maintained
24 as affordable housing for purposes of this title.

1 **SEC. 762. TERMINATION OF NEW COMMITMENTS FOR RENT-**
2 **AL ASSISTANCE.**

3 *After September 30, 1997, financial assistance for*
4 *rental housing assistance under the United States Housing*
5 *Act of 1937 may not be provided to any Indian housing*
6 *authority or tribally designated housing entity, unless such*
7 *assistance is provided pursuant to a contract for such as-*
8 *sistance entered into by the Secretary and the Indian hous-*
9 *ing authority before such date.*

10 **SEC. 763. TERMINATION OF YOUTHBUILD PROGRAM ASSIST-**
11 **ANCE.**

12 (a) *IN GENERAL.*—Subtitle D of title IV of the Cran-
13 ston-Gonzalez National Affordable Housing Act (42 U.S.C.
14 12899 *et seq.*) is amended—

15 (1) by redesignating section 460 as section 461;

16 and

17 (2) by inserting after section 459 the following
18 new section:

19 **“SEC. 460. INELIGIBILITY OF INDIAN TRIBES.**

20 *“Indian tribes, Indian housing authorities, and other*
21 *agencies primarily serving Indians or Indian areas shall*
22 *not be eligible applicants for amounts made available for*
23 *assistance under this subtitle for fiscal year 1997 and fiscal*
24 *years thereafter.”.*

25 (b) *EFFECTIVE DATE AND APPLICABILITY.*—The
26 amendments under subsection (a) shall be made on October

1 1, 1997, and shall apply with respect to amounts made
2 available for assistance under subtitle D of title II of the
3 Cranston-Gonzalez National Affordable Housing Act for fis-
4 cal year 1998 and fiscal years thereafter.

5 **SEC. 764. TERMINATION OF HOME PROGRAM ASSISTANCE.**

6 (a) *IN GENERAL.*—Title II of the Cranston-Gonzalez
7 National Affordable Housing Act (42 U.S.C. 12721 et seq.)
8 is amended—

9 (1) in section 217(a)—

10 (A) in paragraph (1), by striking “reserv-
11 ing amounts under paragraph (2) for Indian
12 tribes and after”; and

13 (B) by striking paragraph (2); and

14 (2) in section 288—

15 (A) in subsection (a), by striking “, Indian
16 tribes,”;

17 (B) in subsection (b), by striking “, Indian
18 tribe,”; and

19 (C) in subsection (c)(4), by striking “, In-
20 dian tribe,”.

21 (b) *EFFECTIVE DATE AND APPLICABILITY.*—The
22 amendments under subsection (a) shall be made on October
23 1, 1997, and shall apply with respect to amounts made
24 available for assistance under title II of the Cranston-Gon-

1 *zalez National Affordable Housing Act for fiscal year 1998*
2 *and fiscal years thereafter.*

3 **SEC. 765. TERMINATION OF HOUSING ASSISTANCE FOR THE**
4 **HOMELESS.**

5 (a) *McKINNEY ACT PROGRAMS.*—*Title IV of the Stew-*
6 *art B. McKinney Homeless Assistance Act (42 U.S.C. 11361*
7 *et seq.) is amended—*

8 (1) *in section 411, by striking paragraph (10);*

9 (2) *in section 412, by striking “, and for Indian*
10 *tribes,”;*

11 (3) *in section 413—*

12 (A) *in subsection (a)—*

13 (i) *by striking “, and to Indian*
14 *tribes,”; and*

15 (ii) *by striking “, or for Indian tribes”*
16 *each place it appears;*

17 (B) *in subsection (c), by striking “or In-*
18 *dian tribe”; and*

19 (C) *in subsection (d)(3)—*

20 (i) *by striking “, or Indian tribe” each*
21 *place it appears; and*

22 (ii) *by striking “, or other Indian*
23 *tribes,”;*

24 (4) *in section 414(a)—*

1 (A) by striking 'or Indian tribe' each place
2 it appears; and

3 (B) by striking ", local government," each
4 place it appears and inserting "or local govern-
5 ment";

6 (5) in section 415(c)(4), by striking "Indian
7 tribes,";

8 (6) in section 416(b), by striking "Indian
9 tribe,";

10 (7) in section 422—

11 (A) in by striking "Indian tribe,"; and

12 (B) by striking paragraph (3);

13 (8) in section 441—

14 (A) by striking subsection (g);

15 (B) in subsection (h), by striking "~~or In-~~
16 dian housing authority"; and

17 (C) in subsection (j)(1), by striking ", In-
18 dian housing authority";

19 (9) in section 462—

20 (A) in paragraph (2), by striking ", Indian
21 tribe,"; and

22 (B) by striking paragraph (4); and

23 (10) in section 491(e), by striking ", Indian
24 tribes (as such term is defined in section 102(a) of the

1 *Housing and Community Development Act of*
2 *1974),”.*

3 **(b) INNOVATIVE HOMELESS DEMONSTRATION.**—Sec-
4 *tion 2(b) of the HUD Demonstration Act of 1993 (42 U.S.C.*
5 *11301 note) is amended—*

6 *(1) in paragraph (3), by striking “ ‘unit of gen-*
7 *eral local government’, and ‘Indian tribe’ ” and in-*
8 *serting “and ‘unit of general local government’ ”; and*

9 *(2) in paragraph (4), by striking “unit of gen-*
10 *eral local government (including units in rural*
11 *areas), or Indian tribe” and inserting “or unit of*
12 *general local government”.*

13 **(c) EFFECTIVE DATE AND APPLICABILITY.**—*The*
14 *amendments under subsections (a) and (b) shall be made*
15 *on October 1, 1997, and shall apply with respect to amounts*
16 *made available for assistance under title IV of the Stewart*
17 *B. McKinney Homeless Assistance Act and section 2 of the*
18 *HUD Demonstration Act of 1993, respectively, for fiscal*
19 *year 1998 and fiscal years thereafter.*

20 **SEC. 766. SAVINGS PROVISION.**

21 *Except as provided in sections 761 and 762, this title*
22 *may not be construed to affect the validity of any right,*
23 *duty, or obligation of the United States or other person aris-*
24 *ing under or pursuant to any commitment or agreement*
25 *lawfully entered into before October 1, 1997, under the*

1 *United States Housing Act of 1937, subtitle D of title IV*
2 *of the Cranston-Gonzalez National Affordable Housing Act,*
3 *title II of the Cranston-Gonzalez National Affordable Hous-*
4 *ing Act, title IV of the Stewart B. McKinney Homeless As-*
5 *sistance Act, or section 2 of the HUD Demonstration Act*
6 *of 1993.*

7 **SEC. 767. EFFECTIVE DATE.**

8 Sections 761, 762, and 766 shall take effect on the date
9 of the enactment of this title.

10 **Subtitle F—Loan Guarantees for**
11 **Affordable Housing Activities**

12 **SEC. 771. AUTHORITY AND REQUIREMENTS.**

13 (a) **AUTHORITY.**—To such extent or in such amounts
14 as provided in appropriation Acts, the Secretary may, sub-
15 ject to the limitations of this subtitle and upon such terms
16 and conditions as the Secretary may prescribe, guarantee
17 and make commitments to guarantee, the notes or other ob-
18 ligations issued by Indian tribes or tribally designated
19 housing entities, for the purposes of financing affordable
20 housing activities described in section 722.

21 (b) **LACK OF FINANCING ELSEWHERE.**—A guarantee
22 under this subtitle may be used to assist an Indian tribe
23 or housing entity in obtaining financing only if the Indian
24 tribe or housing entity has made efforts to obtain such fi-
25 nancing without the use of such guarantee and cannot com-

1 plete such financing consistent with the timely execution
2 of the program plans without such guarantee.

3 (c) *TERMS OF LOANS.*—Notes or other obligations
4 guaranteed pursuant to this subtitle shall be in such form
5 and denominations, have such maturities, and be subject
6 to such conditions as may be prescribed by regulations is-
7 sued by the Secretary. The Secretary may not deny a guar-
8 antee under this subtitle on the basis of the proposed repay-
9 ment period for the note or other obligation, unless the pe-
10 riod is more than 20 years or the Secretary determines that
11 the period causes the guarantee to constitute an unaccept-
12 able financial risk.

13 (d) *LIMITATION ON OUTSTANDING GUARANTEES.*—No
14 guarantee or commitment to guarantee shall be made with
15 respect to any note or other obligation if the issuer's total
16 outstanding notes or obligations guaranteed under this sub-
17 title (excluding any amount defeased under the contract en-
18 tered into under section 772(a)(1)) would thereby exceed an
19 amount equal to 5 times the amount of the grant approval
20 for the issuer pursuant to title III.

21 (e) *PROHIBITION OF PURCHASE BY FFB.*—Notes or
22 other obligations guaranteed under this subtitle may not be
23 purchased by the Federal Financing Bank.

24 (f) *PROHIBITION OF GUARANTEE FEES.*—No fee or
25 charge may be imposed by the Secretary or any other Fed-

1 eral agency on or with respect to a guarantee made by the
2 Secretary under this subtitle.

3 **SEC. 772. SECURITY AND REPAYMENT.**

4 (a) **REQUIREMENTS ON ISSUER.**—To assure the repay-
5 ment of notes or other obligations and charges incurred
6 under this subtitle and as a condition for receiving such
7 guarantees, the Secretary shall require the Indian tribe or
8 housing entity issuing such notes or obligations to—

9 (1) enter into a contract, in a form acceptable to
10 the Secretary, for repayment of notes or other obliga-
11 tions guaranteed under this subtitle;

12 (2) pledge any grant for which the issuer may
13 become eligible under this title;

14 (3) demonstrate that the extent of such issuance
15 and guarantee under this title is within the financial
16 capacity of the tribe and is not likely to impairment
17 the ability to use of grant amounts under subtitle A,
18 taking into consideration the requirements under sec-
19 tion 723(a); and

20 (4) furnish, at the discretion of the Secretary,
21 such other security as may be deemed appropriate by
22 the Secretary in making such guarantees, including
23 increments in local tax receipts generated by the ac-
24 tivities assisted under this title or dispositions pro-
25 ceeds from the sale of land or rehabilitated property.

1 (b) *REPAYMENT FROM GRANT AMOUNTS.*—Notwith-
2 standing any other provision of this title—

3 (1) the Secretary may apply grants pledged pur-
4 suant to subsection (a)(2) to any repayments due the
5 United States as a result of such guarantees; and

6 (2) grants allocated under this title for an In-
7 dian tribe or housing entity (including program in-
8 come derived therefrom) may be used to pay principal
9 and interest due (including such servicing, underwrit-
10 ing, and other costs as may be specified in regulations
11 issued by the Secretary) on notes or other obligations
12 guaranteed pursuant to this subtitle.

13 (c) *FULL FAITH AND CREDIT.*—The full faith and
14 credit of the United States is pledged to the payment of
15 all guarantees made under this subtitle. Any such guarantee
16 made by the Secretary shall be conclusive evidence of the
17 eligibility of the obligations for such guarantee with respect
18 to principal and interest, and the validity of any such
19 guarantee so made shall be incontestable in the hands of
20 a holder of the guaranteed obligations.

21 **SEC. 773. PAYMENT OF INTEREST.**

22 The Secretary may make, and contract to make,
23 grants, in such amounts as may be approved in appropria-
24 tions Acts, to or on behalf of an Indian tribe or housing
25 entity issuing notes or other obligations guaranteed under

1 this subtitle, to cover not to exceed 30 percent of the net
2 interest cost (including such servicing, underwriting, or
3 other costs as may be specified in regulations of the Sec-
4 retary) to the borrowing entity or agency of such obliga-
5 tions. The Secretary may also, to the extent approved in
6 appropriation Acts, assist the issuer of a note or other obli-
7 gation guaranteed under this subtitle in the payment of all
8 or a portion of the principal and interest amount due under
9 the note or other obligation, if the Secretary determines that
10 the issuer is unable to pay the amount because of cir-
11 cumstances of extreme hardship beyond the control of the
12 issuer.

13 **SEC. 774. TREASURY BORROWING.**

14 The Secretary may issue obligations to the Secretary
15 of the Treasury in an amount outstanding at any one time
16 sufficient to enable the Secretary to carry out the obliga-
17 tions of the Secretary under guarantees authorized by this
18 subtitle. The obligations issued under this section shall have
19 such maturities and bear such rate or rates of interest as
20 shall be determined by the Secretary of the Treasury. The
21 Secretary of the Treasury is authorized and directed to pur-
22 chase any obligations of the Secretary issued under this sec-
23 tion, and for such purposes may use as a public debt trans-
24 action the proceeds from the sale of any securities issued
25 under chapter 31 of title 31, United States Code, and the

1 *purposes for which such securities may be issued under such*
2 *chapter are extended to include the purchases of the Sec-*
3 *retary's obligations hereunder.*

4 **SEC. 775. TRAINING AND INFORMATION.**

5 *The Secretary, in cooperation with eligible public enti-*
6 *ties, shall carry out training and information activities*
7 *with respect to the guarantee program under this subtitle.*

8 **SEC. 776. LIMITATIONS ON AMOUNT OF GUARANTEES.**

9 (a) **AGGREGATE FISCAL YEAR LIMITATION.**—Notwith-
10 *standing any other provision of law and subject only to the*
11 *absence of qualified applicants or proposed activities and*
12 *to the authority provided in this subtitle, to the extent ap-*
13 *proved or provided in appropriation Acts, the Secretary*
14 *shall enter into commitments to guarantee notes and obliga-*
15 *tions under this subtitle with an aggregate principal*
16 *amount of \$400,000,000 for each of fiscal years 1997, 1998,*
17 *1999, 2000, and 2001.*

18 (b) **AUTHORIZATION OF APPROPRIATIONS FOR CREDIT**
19 **SUBSIDY.**—*There is authorized to be appropriated to cover*
20 *the costs (as such term is defined in section 502 of the Con-*
21 *gressional Budget Act of 1974) of guarantees under this sub-*
22 *title, \$40,000,000 for each of fiscal years 1997, 1998, 1999,*
23 *2000, and 2001.*

24 (c) **AGGREGATE OUTSTANDING LIMITATION.**—*The*
25 *total amount of outstanding obligations guaranteed on a*

1 cumulative basis by the Secretary pursuant to this subtitle
2 shall not at any time exceed \$2,000,000,000 or such higher
3 amount as may be authorized to be appropriated for this
4 subtitle for any fiscal year.

5 (d) *FISCAL YEAR LIMITATIONS ON TRIBES.*—The Sec-
6 retary shall monitor the use of guarantees under this sub-
7 title by Indian tribes. If the Secretary finds that 50 percent
8 of the aggregate guarantee authority under subsection (c)
9 has been committed, the Secretary may—

10 (1) impose limitations on the amount of guaran-
11 tees any one Indian tribe may receive in any fiscal
12 year of \$50,000,000; or

13 (2) request the enactment of legislation increas-
14 ing the aggregate limitation on guarantees under this
15 subtitle.

16 **SEC. 777. EFFECTIVE DATE.**

17 This subtitle shall take effect upon the enactment of
18 this title.

19 **Subtitle G—Other Housing**
20 **Assistance for Native Americans**

21 **SEC. 781. LOAN GUARANTEES FOR INDIAN HOUSING.**

22 (a) *DEFINITION OF ELIGIBLE BORROWERS TO IN-*
23 *CLUDE INDIAN TRIBES.*—Section 184 of the Housing and
24 Community Development Act of 1992 (12 U.S.C. 1515z-
25 13a) is amended—

1 (1) in subsection (a)—

2 (A) by striking “and Indian housing au-
3 thorities” and inserting “, Indian housing au-
4 thorities, and Indian tribes,”; and

5 (B) by striking “or Indian housing author-
6 ity” and inserting “, Indian housing authority,
7 or Indian tribe”; and

8 (2) in subsection (b)(1), by striking “or Indian
9 housing authorities” and inserting “, Indian housing
10 authorities, or Indian tribes”.

11 (b) *NEED FOR LOAN GUARANTEE*.—Section 184(a) of
12 the Housing and Community Development Act of 1992 is
13 amended by striking “trust land” and inserting “lands or
14 as a result of a lack of access to private financial markets”.

15 (c) *LHP REQUIREMENT*.—Section 184(b)(2) of the
16 Housing and Community Development Act of 1992 is
17 amended by inserting before the period at the end the follow-
18 ing: “that is under the jurisdiction of an Indian tribe for
19 which a local housing plan has been submitted and ap-
20 proved pursuant to sections 712 and 713 of the Native
21 American Housing Assistance and Self-Determination Act
22 of 1996 that provides for the use of loan guarantees under
23 this section to provide affordable homeownership housing in
24 such areas”.

1 (d) LENDER OPTION TO OBTAIN PAYMENT UPON DE-
2 FAULT WITHOUT FORECLOSURE.—Section 184(h) of the
3 Housing and Community Development Act of 1992 is
4 amended—

5 (1) in paragraph (1)(A)—

6 (A) in the first sentence of clause (i), by
7 striking “in a court of competent jurisdiction”;

8 and

9 (B) by striking clause (ii) and inserting the
10 following new clause:

11 “(ii) NO FORECLOSURE.—Without
12 seeking foreclosure (or in any case in which
13 a foreclosure proceeding initiated under
14 clause (i) continues for a period in excess of
15 1 year), the holder of the guarantee may
16 submit to the Secretary a request to assign
17 the obligation and security interest to the
18 Secretary in return for payment of the
19 claim under the guarantee. The Secretary
20 may accept assignment of the loan if the
21 Secretary determines that the assignment is
22 in the best interests of the United States.
23 Upon assignment, the Secretary shall pay
24 to the holder of the guarantee the pro rata
25 portion of the amount guaranteed (as deter-

1 mined under subsection (e)). The Secretary
2 shall be subrogated to the rights of the hold-
3 er of the guarantee and the holder shall as-
4 sign the obligation and security to the Sec-
5 retary.”;

6 (2) by striking paragraph (2); and

7 (3) by redesignating paragraph (3) as para-
8 graph (2).

9 (e) *LIMITATION OF MORTGAGEE AUTHORITY*.—Section
10 184(h)(2) of the Housing and Community Development Act
11 of 1992, as so redesignated by subsection (e)(3) of this sec-
12 tion, is amended—

13 (1) in the first sentence, by striking “tribal allot-
14 ted or trust land,” and inserting “restricted Indian
15 land, the mortgagee or”; and

16 (B) in the second sentence, by striking “Sec-
17 retary” each place it appears, and inserting
18 “mortgagee or the Secretary”.

19 (f) *LIMITATION ON OUTSTANDING AGGREGATE PRIN-*
20 *CIPAL AMOUNT*.—Section 184(i)(5)(C) of the Housing and
21 Community Development Act of 1992 is amended by strik-
22 ing “1993” and all that follows through “such year” and
23 inserting “1997, 1998, 1999, 2000, and 2001 with an aggre-
24 gate outstanding principal amount note exceeding
25 \$400,000,000 for each such fiscal year”.

1 (g) *AUTHORIZATION OF APPROPRIATIONS FOR GUAR-*
 2 *ANTEE FUND.*—Section 184(i)(7) of the Housing and Com-
 3 *munity Development Act of 1992 is amended by striking*
 4 *“such sums” and all that follows through “1994” and in-*
 5 *serting “\$30,000,000 for each of fiscal years 1997, 1998,*
 6 *1999, 2000, and 2001”.*

7 (h) *DEFINITIONS.*—Section 184(k) of the Housing and
 8 *Community Development Act of 1992 is amended—*

9 (1) *in paragraph (4), by inserting after “author-*
 10 *ity” the following: “or Indian tribe”;*

11 (2) *in paragraph (5)—*

12 (A) *by striking subparagraph (A) and in-*
 13 *serting the following new subparagraph:*

14 “(A) *is authorized to engage in or assist in*
 15 *the development or operation of—*

16 “(i) *low-income housing for Indians; or*

17 “(ii) *housing subject to the provisions*
 18 *of this section; and”; and*

19 (B) *by adding at the end the following:*

20 “*The term includes tribally designated housing enti-*
 21 *ties under the Native American Housing Assistance*
 22 *and Self-Determination Act of 1996.”; and*

23 (3) *by striking paragraph (8) and inserting the*
 24 *following new paragraph:*

1 “(8) The term ‘tribe’ or ‘Indian tribe’ means any
2 Indian tribe, band, notation, or other organized group
3 or community of Indians, including any Alaska Na-
4 tive village or regional or village corporation as de-
5 fined in or established pursuant to the Alaska Native
6 Claims Settlement Act, which is recognized as eligible
7 for the special programs and services provided by the
8 United States to Indians because of their status as
9 Indians pursuant to the Indian Self-Determination
10 and Education Assistance Act of 1975.

11 (i) *PRINCIPAL OBLIGATION AMOUNTS.*—Section
12 184(b)(5)(C) of the Housing and Community Development
13 Act of 1992 is amended by striking clause (i) and inserting
14 the following new clause:

15 “(i) 97.75 percent of the appraised
16 value of the property as of the date the loan
17 is accepted for guarantee (or 98.75 percent
18 if the value of the property is \$50,000 or
19 less); and”.

20 (j) *AVAILABILITY OF AMOUNTS.*—

21 (1) *REQUIREMENT OF APPROPRIATIONS.*—Sec-
22 tion 184(i)(5) of the Housing and Community Devel-
23 opment Act of 1992 is amended by striking subpara-
24 graph (A) and inserting the following new subpara-
25 graph:

1 “(A) REQUIREMENT OF APPROPRIATIONS.—

2 *The authority of the Secretary to enter into com-*
3 *mitments to guarantee loans under this section*
4 *shall be effective for any fiscal year to the extent*
5 *or in such amounts as are or have been provided*
6 *in appropriations Acts, without regard to the fis-*
7 *cal year for which such amounts were appro-*
8 *priated.”.*

9 (2) COSTS.—Section 184(i)(5)(B) of the Housing
10 *and Community Development Act of 1992 is amended*
11 *by adding at the end the following new sentence:*
12 *“Any amounts appropriated pursuant to this sub-*
13 *paragraph shall remain available until expended.”.*

14 (k) GNMA AUTHORITY.—The first sentence of section
15 306(g)(1) of the Federal National Mortgage Association
16 Charter Act (12 U.S.C. 1721(g)(1)) is amended by inserting
17 before the period at the end the following: “; or guaranteed
18 under section 184 of the Housing and Community Develop-
19 ment Act of 1992”.

20 SEC. 782. 50-YEAR LEASEHOLD INTEREST IN TRUST OR RE-
21 **STRICTED LANDS FOR HOUSING PURPOSES.**

22 (a) AUTHORITY TO LEASE.—Notwithstanding any
23 other provision of law, any restricted Indian lands, whether
24 tribally or individually owned, may be leased by the Indian

1 owners, with the approval of the Secretary of the Interior,
2 for residential purposes.

3 (b) *TERM.*—Each lease pursuant to subsection (a)
4 shall be for a term not exceeding 50 years.

5 (c) *OTHER CONDITIONS.*—Each lease pursuant to sub-
6 section (a) and each renewal of such a lease shall be made
7 under such terms and regulations as may be prescribed by
8 the Secretary of the Interior.

9 (d) *RULE OF CONSTRUCTION.*—This section may not
10 be construed to repeal, limit, or affect any authority to lease
11 any restricted Indian lands that—

12 (1) is conferred by or pursuant to any other pro-
13 vision of law; or

14 (2) provides for leases for any period exceeding
15 50 years.

16 **SEC. 783. TRAINING AND TECHNICAL ASSISTANCE.**

17 There is authorized to be appropriated for assistance
18 for the a national organization representing Native Amer-
19 ican housing interests for providing training and technical
20 assistance to Indian housing authorities and tribally des-
21 ignated housing entities \$2,000,000, for each of fiscal years
22 1997, 1998, 1999, 2000, and 2001.

23 **SEC. 784. EFFECTIVE DATE.**

24 This subtitle and the amendments made by this sub-
25 title shall take effect upon the enactment of this title.

1 **TITLE VIII—NATIONAL MANU-**
2 **FACTURED HOUSING CON-**
3 **STRUCTION AND SAFETY**
4 **STANDARDS CONSENSUS**
5 **COMMITTEE**

6 **SEC. 801. SHORT TITLE; REFERENCE.**

7 (a) *SHORT TITLE.*—This title may be cited as the “Na-
8 tional Manufactured Housing Construction and Safety
9 Standards Act of 1996”.

10 (b) *REFERENCE.*—Whenever in this title an amend-
11 ment is expressed in terms of an amendment to, or repeal
12 of, a section or other provision, the reference shall be consid-
13 ered to be made to that section or other provision of the
14 Housing and Community Development Act of 1974.

15 **SEC. 802. STATEMENT OF PURPOSE.**

16 Section 602 (42 U.S.C. 5401) is amended by striking
17 the first sentence and inserting the following: “The Congress
18 declares that the purposes of this title are to reduce the
19 number of personal injuries and deaths and property dam-
20 age resulting from manufactured home accidents and to es-
21 tablish a balanced consensus process for the development,
22 revision, and interpretation of Federal construction and
23 safety standards for manufactured homes.”.

1 **SEC. 803. DEFINITIONS.**

2 (a) *IN GENERAL.*—Section 703 (42 U.S.C. 5402) is
3 amended—

4 (1) in paragraph (2), by striking “dealer” and
5 inserting “retailer”;

6 (2) in paragraph (12), by striking “and” at the
7 end;

8 (3) in paragraph (13), by striking the period at
9 the end and inserting a semicolon; and

10 (4) by adding at the end the following new para-
11 graphs:

12 “(14) ‘consensus committee’ means the committee
13 established under section 604(a)(7); and

14 “(15) ‘consensus standards development process’
15 means the process by which additions and revisions
16 to the Federal manufactured home construction and
17 safety standards shall be developed and recommended
18 to the Secretary by the consensus committee.”.

19 (b) *CONFORMING AMENDMENTS.*—

20 (1) *OCCURRENCES OF “DEALER”.*—The Act (42
21 U.S.C. 5401 et seq.) is amended by striking “dealer”
22 and inserting “retailer” in each of the following pro-
23 visions:

24 (A) In section 613, each place such term ap-
25
pears.

1 (B) In section 614(f), each place such term
2 appears.

3 (C) In section 615(b)(1).

4 (D) In section 616.

5 (2) *OTHER AMENDMENTS.*—The Act (42 U.S.C.
6 5401 et seq.) is amended—

7 (A) in section 615(b)(3), by striking “dealer
8 or dealers” and inserting “retailer or retailers”;
9 and

10 (B) by striking “dealers” and inserting “re-
11 tailers” each place such term appears—

12 (i) in section 615(d);

13 (ii) in section 615(f); and

14 (iii) in section 623(c)(9).

15 **SEC. 804. FEDERAL MANUFACTURED-HOME CONSTRUCTION—**

16 **AND SAFETY STANDARDS.**

17 Section 604 (42 U.S.C. 5403) is amended—

18 (1) by striking subsections (a) and (b) and in-
19 serting the following new subsections:

20 “(a) *ESTABLISHMENT.*—

21 “(1) *AUTHORITY.*—The Secretary shall establish,
22 by order, appropriate Federal manufactured home
23 construction and safety standards. Each such Federal
24 manufactured home standard shall be reasonable and
25 shall meet the highest standards of protection, taking

1 into account existing State and local laws relating to
2 manufactured home safety and construction. The Sec-
3 retary shall issue all such orders pursuant to the con-
4 sensus standards development process under this sub-
5 section. The Secretary may issue orders which are not
6 part of the consensus standards development process
7 only in accordance with subsection (b).

8 “(2) CONSENSUS STANDARDS DEVELOPMENT
9 PROCESS.—Not later than 180 days after the date of
10 enactment of the National Manufactured Housing
11 Construction and Safety Standards Act of 1996, the
12 Secretary shall enter into a cooperative agreement or
13 establish a relationship with a qualified technical or
14 building code organization to administer the consen-
15 sus standards development process and establish a
16 consensus committee under paragraph (7). Periodi-
17 cally, the Secretary shall review such organization’s
18 performance and may replace the organization upon
19 a finding of need.

20 “(3) REVISIONS.—The consensus committee es-
21 tablished under paragraph (7) shall consider revisions
22 to the Federal manufactured home construction and
23 safety standards and shall submit revised standards
24 to the Secretary at least once during every 2-year pe-
25 riod, the first such 2-year period beginning upon the

1 appointment of the consensus committee under para-
2 graph (7). Before submitting proposed revised stand-
3 ards to the Secretary, the consensus committee shall
4 cause the proposed revised standards to be published
5 in the Federal Register, together with a description of
6 the consensus committee's considerations and deci-
7 sions under subsection (e), and shall provide an op-
8 portunity for public comment. Public views and objec-
9 tions shall be presented to the consensus committee in
10 accordance with American National Standards Insti-
11 tute procedures. After such notice and opportunity
12 public comment, the consensus committee shall cause
13 the recommended revisions to the standards and no-
14 tice of its submission to the Secretary to be published
15 in the Federal Register. Such notice shall describe the
16 circumstances under which the proposed revised
17 standards could become effective.

18 "(4) REVIEW BY SECRETARY.—The Secretary
19 shall either adopt, modify, or reject the standards sub-
20 mitted by the consensus committee. A final order
21 adopting the standards shall be issued by the Sec-
22 retary not later than 12 months after the date the
23 standards are submitted to the Secretary by the con-
24 sensus committee, and shall be published in the Fed-

1 *eral Register and become effective pursuant to sub-*
2 *section (c). If the Secretary—*

3 *“(A) adopts the standards recommended by*
4 *the consensus committee, the Secretary may issue*
5 *a final order directly without further rule-*
6 *making;*

7 *“(B) determines that any portion of the*
8 *standards should be rejected because it would*
9 *jeopardize health or safety or is inconsistent with*
10 *the purposes of this title, a notice to that effect,*
11 *together with this reason for rejecting the pro-*
12 *posed standard, shall be published in the Federal*
13 *Register no later than 12 months after the date*
14 *the standards are submitted to the Secretary by*
15 *the consensus committee;*

16 *“(C) determines that any portion of the*
17 *standard should be modified because it would*
18 *jeopardize health or safety or is inconsistent with*
19 *the purposes of this title—*

20 *“(i) such determination shall be made*
21 *no later than 12 months after the date the*
22 *standards are submitted to the Secretary by*
23 *the consensus committee;*

24 *“(ii) within such 12-month period, the*
25 *Secretary shall cause the proposed modified*

1 standard to be published in the Federal
2 Register, together with an explanation of
3 the reason for the Secretary's determination
4 that the consensus committee recommenda-
5 tion needs to be modified, and shall provide
6 an opportunity for public comment in ac-
7 cordance with the provisions of section 553
8 of title 5, United States Code; and

9 “(iii) the final standard shall become
10 effective pursuant to subsection (c).

11 “(5) *FAILURE TO ACT.*—If the Secretary fails to
12 take final action under paragraph (4) and publish
13 notice of the action in the Federal Register within the
14 12-month period under such paragraph, the rec-
15 ommendations of the consensus committee shall be
16 considered to have been adopted by the Secretary and
17 shall take effect upon the expiration of the 180-day
18 period that begins upon the conclusion of the 12-
19 month period. Within 10 days after the expiration of
20 the 12-month period, the Secretary shall cause to be
21 published in the Federal Register notice of the Sec-
22 retary's failure to act, the revised standards, and the
23 effective date of the revised standards. Such notice
24 shall be deemed an order of the Secretary approving

1 *the revised standards proposed by the consensus com-*
2 *mittee.*

3 *“(6) INTERPRETIVE BULLETINS.—The Secretary*
4 *may issue interpretive bulletins to clarify the mean-*
5 *ing of any Federal manufactured home construction*
6 *and safety standards, subject to the following require-*
7 *ments:*

8 *“(A) REVIEW BY CONSENSUS COMMITTEE.—*
9 *Before issuing an interpretive bulletin, the Sec-*
10 *retary shall submit the proposed bulletin to the*
11 *consensus committee and the consensus commit-*
12 *tee shall have 90 days to provide written com-*
13 *ments thereon to the Secretary. If the consensus*
14 *committee fails to act or if the Secretary rejects*
15 *any significant views recommended by the con-*
16 *sensus committee, the Secretary shall explain in*
17 *writing to the consensus committee, before the*
18 *bulletin becomes effective, the reasons for such re-*
19 *jection.*

20 *“(B) PROPOSALS.—The consensus commit-*
21 *tee may, from time to time, submit to the Sec-*
22 *retary proposals for interpretive bulletins under*
23 *this subsection. If the Secretary fails to issue or*
24 *rejects a proposed bulletin within 90 days of its*
25 *receipt, the Secretary shall be considered to have*

1 approved the proposed bulletin and shall imme-
2 diately issue the bulletin.

3 “(C) *EFFECT.*—Interpretative bulletins is-
4 sued under this paragraph shall become binding
5 without rulemaking.

6 “(7) *CONSENSUS COMMITTEE.*—

7 “(A) *PURPOSE.*—The consensus committee
8 referred to in paragraph (2) shall have as its
9 purpose providing periodic recommendations to
10 the Secretary to revise and interpret the Federal
11 manufactured home construction and safety
12 standards and carrying out such other functions
13 assigned to the committee under this title. The
14 committee shall be organized and carry out its
15 business in a manner that guarantees a fair op-
16 portunity for the expression and consideration of
17 various positions.

18 “(B) *MEMBERSHIP.*—The consensus com-
19 mittee shall be composed of 25 members who
20 shall be appointed as follows:

21 “(i) *APPOINTMENT BY PROCESS ADMIN-*
22 *ISTRATOR.*—Members shall be appointed by
23 the qualified technical or building code or-
24 ganization that administers the consensus
25 standards development process pursuant to

1 paragraph (2), subject to the approval of the
2 Secretary.

3 “(ii) *BALANCED MEMBERSHIP.*—Mem-
4 bers shall be appointed in a manner de-
5 signed to include all interested parties with-
6 out domination by any single interest cat-
7 egory.

8 “(iii) *SELECTION PROCEDURES AND*
9 *REQUIREMENTS.*—Members shall be ap-
10 pointed in accordance with selection proce-
11 dures for consensus committees promulgated
12 by the American National Standards Insti-
13 tute, except that the American National
14 Standards Institute interest categories shall
15 be modified to ensure representation on the
16 committee by individuals representing the
17 following fields, in equal numbers under
18 each of the following subclauses:

19 “(I) *Manufacturers.*

20 “(II) *Retailers, insurers, suppli-*
21 *ers, lenders, community owners and*
22 *private inspection agencies which have*
23 *a financial interest in the industry.*

24 “(III) *Homeowners and consumer*
25 *representatives.*

1 “(IV) Public officials, such as
2 those from State or local building code
3 enforcement and inspection agencies.

4 “(V) General interest, including
5 academicians, researchers, architects,
6 engineers, private inspection agencies,
7 and others.

8 Members of the consensus committee shall be
9 qualified by background and experience to
10 participate in the work of the committee,
11 but members by reason of subclauses (III),
12 (IV), and (V), except the private inspection
13 agencies, may not have a financial interest
14 in the manufactured home industry, unless
15 such bar to participation is waived by the
16 Secretary. The number of members by rea-
17 son of subclause (V) who represent private
18 inspection agencies may not constitute more
19 than 20 percent of the total number of mem-
20 bers by reason of subclause (V). Notwith-
21 standing any other provision of this para-
22 graph, the Secretary shall appoint a mem-
23 ber of the consensus committee, who shall
24 not have voting privileges.

1 “(C) *MEETINGS.*—*The consensus committee*
2 *shall cause advance notice of all meetings to be*
3 *published in the Federal Register and all meet-*
4 *ings of the committee shall be open to the public.*

5 “(D) *AUTHORITY.*—*Sections 203, 205, 207,*
6 *and 208 of title 18, United States Code, shall not*
7 *apply to the members of the consensus committee.*
8 *Members shall not be considered to be special*
9 *government employees for purposes of part 2634*
10 *of title 5, Code of Federal Regulations. The con-*
11 *sensus committee shall not be considered an ad-*
12 *visory committee for purposes of the Federal Ad-*
13 *visory Committee Act.*

14 “(E) *ADMINISTRATION.*—*The consensus*
15 *committee and the administering organization*
16 *shall operate in conformance with American Na-*
17 *tional Standards Institute procedures for the de-*
18 *velopment and coordination of American Na-*
19 *tional Standards and shall apply to such Insti-*
20 *tute to obtain accreditation.*

21 “(F) *STAFF.*—*The consensus committee*
22 *shall be provided reasonable staff resources by the*
23 *administering organization. Upon a showing of*
24 *need and subject to the approval of the Secretary,*
25 *the administering organization shall furnish*

1 technical support to any of the various interest
2 categories on the consensus committee.

3 “(b) *OTHER ORDERS.*—The Secretary may issue or-
4 ders that are not developed under the procedures set forth
5 in subsection (a) in order to respond to an emergency health
6 or safety issue, or to address issues on which the Secretary
7 determines the consensus committee will not make timely
8 recommendations, but only if the proposed order is first sub-
9 mitted by the Secretary to the consensus committee for re-
10 view and the committee is afforded 90 days to provide its
11 views on the proposed order to the Secretary. If the consen-
12 sus committee fails to act within such period or if the Sec-
13 retary rejects any significant change recommended by the
14 consensus committee, the public notice of the order shall in-
15 clude an explanation of the reasons for the Secretary’s ac-
16 tion. The Secretary may issue such orders only in accord-
17 ance with the provisions of section 553 of title 5, United
18 States Code.”;

19 (2) by striking subsection (e);

20 (3) in subsection (f), by striking the matter pre-
21 ceding paragraph (1) and inserting the following:

22 “(e) *CONSIDERATIONS IN ESTABLISHING AND INTER-*
23 *PRETING STANDARDS.*—The consensus committee, in rec-
24 ommending standards and interpretations, and the Sec-

1 *retary, in establishing standards or issuing interpretations*
2 *under this section, shall—”;*

3 *(4) by striking subsection (g);*

4 *(5) in the first sentence of subsection (j), by*
5 *striking “subsection (f)” and inserting “subsection*
6 *(e)”;* and

7 *(6) by redesignating subsections (h), (i), and (j)*
8 *as subsections (f), (g), and (h), respectively.*

9 **SEC. 805. ABOLISHMENT OF NATIONAL MANUFACTURED**
10 **HOME ADVISORY COUNCIL.**

11 *Section 605 (42 U.S.C. 5404) is hereby repealed.*

12 **SEC. 806. PUBLIC INFORMATION.**

13 *Section 607 (42 U.S.C. 5406) is amended—*

14 *(1) in subsection (a)—*

15 *(A) by inserting “to the Secretary” after*
16 *“submit”;* and

17 *(B) by adding at the end the following new*
18 *sentence: “Such cost and other information shall*
19 *be submitted to the consensus committee by the*
20 *Secretary for its evaluation.”;*

21 *(2) in subsection (d), by inserting “, the consen-*
22 *sus committee,” after “public,”; and*

23 *(3) by striking subsection (c) and redesignating*
24 *subsections (d) and (e) as subsections (c) and (d), re-*
25 *spectively.*

1 **SEC. 807. INSPECTION FEES.**

2 Section 620 (42 U.S.C. 5419) is amended to read as
3 follows:

4 “SEC. 620. (a) **AUTHORITY TO ESTABLISH FEES.**—
5 In carrying out the inspections required under this title and
6 in developing standards pursuant to section 604, the Sec-
7 retary may establish and impose on manufactured home
8 manufacturers, distributors, and retailers such reasonable
9 fees as may be necessary to offset the expenses incurred by
10 the Secretary in conducting such inspections and admin-
11 istering the consensus standards development process and
12 for developing standards pursuant to section 604(b), and
13 the Secretary may use any fees so collected to pay expenses
14 incurred in connection therewith. Such fees shall only be
15 modified pursuant to rulemaking in accordance with the
16 provisions of section 553 of title 5, United States Code.

17 “(b) **DEPOSIT OF FEES.**—Fees collected pursuant to
18 this title shall be deposited in a fund, which is hereby estab-
19 lished in the Treasury for deposit of such fees. Amounts in
20 the fund are hereby available for use by the Secretary pur-
21 suant to subsection (a). The use of these fees by the Sec-
22 retary shall not be subject to general or specific limitations
23 on appropriated funds unless use of these fees is specifically
24 addressed in any future appropriations legislation. The
25 Secretary shall provide an annual report to Congress indi-
26 cating expenditures under this section. The Secretary shall

1 also make available to the public, in accordance with all
2 applicable disclosure laws, regulations, orders, and direc-
3 tives, information pertaining to such funds, including in-
4 formation pertaining to amounts collected, amounts dis-
5 bursed, and the fund balance.”.

6 **SEC. 808. ELIMINATION OF ANNUAL REPORT REQUIRE-**
7 **MENT.**

8 Section 626 (42 U.S.C. 5425) is hereby repealed.

9 **SEC. 809. EFFECTIVE DATE.**

10 The amendments made by this title shall take effect
11 on the date of enactment of this Act, except that the amend-
12 ments shall have no effect on any order or interpretative
13 bulletin that is published as a proposed rule pursuant to
14 the provisions of section 553 of title 5, United States Code,
15 on or before that date.

Amend the title so as to read: “An Act to repeal the
United States Housing Act of 1937, deregulate the pub-
lic housing program and the program for rental housing
assistance for low-income families, and increase commu-
nity control over such programs, and for other pur-
poses.”.

Attest:

Clerk.