

[DISCUSSION DRAFT]

112TH CONGRESS  
1ST SESSION

**H. R.** \_\_\_\_\_

To reform affordable housing programs and the provision of supportive services under the United States Housing Act of 1937.

IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

**A BILL**

To reform affordable housing programs and the provision of supportive services under the United States Housing Act of 1937.

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

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Affordable Housing and Self-Sufficiency Improvement  
6 Act of 2012”.

7 (b) TABLE OF CONTENTS.—The table of contents for  
8 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—REFORMS TO HOUSING ASSISTANCE PROGRAMS UNDER  
UNITED STATES HOUSING ACT OF 1937

- Sec. 101. Inspection of dwelling units.  
 Sec. 102. Rent reform and income reviews.  
 Sec. 103. Eligibility for assistance based on assets.  
 Sec. 104. Targeting assistance to low-income working families.  
 Sec. 105. Use of voucher funds.  
 Sec. 106. PHA project-based assistance.  
 Sec. 107. Establishment of fair market rent.  
 Sec. 108. Screening of applicants.  
 Sec. 109. Utility data.  
 Sec. 110. Flexibility of capital and operating fund amounts.  
 Sec. 111. Study regarding occupancy of assisted housing by both elderly persons and persons with disabilities.  
 Sec. 112. Study and guidance on legacy vouchers.  
 Sec. 113. Housing assistance criteria simplification.

TITLE II—RENTAL ASSISTANCE DEMONSTRATION AND  
CONTRACT CONVERSIONS

- Sec. 201. Demonstration to expand role of private capital in affordable housing.  
 Sec. 202. Rent supplement and rental assistance program contract conversions.

TITLE III—FAMILY SELF-SUFFICIENCY PROGRAM

- Sec. 301. Reforms to family self-sufficiency program.  
 Sec. 302. Research demonstration to evaluate options for taking economic security initiatives to scale in subsidized housing.

TITLE IV—REFORM OF MOVING TO WORK PROGRAM

- Sec. 401. Reform of Moving to Work Program.

TITLE V—ACCESS TO HUD PROGRAMS

- Sec. 501. Access to HUD programs for persons with limited English proficiency.

1 **TITLE I—REFORMS TO HOUSING**  
 2 **ASSISTANCE PROGRAMS**  
 3 **UNDER UNITED STATES**  
 4 **HOUSING ACT OF 1937**

5 **SEC. 101. INSPECTION OF DWELLING UNITS.**

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

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

3                   “(A) INITIAL INSPECTION.—

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

15                           “(ii) CORRECTION OF NON-LIFE  
16                           THREATENING CONDITIONS.—In the case  
17                           of any dwelling unit that is determined,  
18                           pursuant to an inspection under clause (i),  
19                           not to meet the housing quality standards  
20                           under subparagraph (B), assistance pay-  
21                           ments may be made for the unit notwith-  
22                           standing subparagraph (C) if failure to  
23                           meet such standards is a result only of  
24                           non-life threatening conditions, as such  
25                           conditions are established by the Secretary.

1 A public housing agency making assistance  
2 payments pursuant to this clause for a  
3 dwelling unit shall, 30 days after the be-  
4 ginning of the period for which such pay-  
5 ments are made, withhold any assistance  
6 payments for the unit if any deficiency re-  
7 sulting in noncompliance with the housing  
8 quality standards has not been corrected  
9 by such time. The public housing agency  
10 shall recommence assistance payments  
11 when such deficiency has been corrected,  
12 and may use any payments withheld to  
13 make assistance payments relating to the  
14 period during which payments were with-  
15 held.

16 “(iii) USE OF ALTERNATIVE INSPEC-  
17 TION METHOD FOR INTERIM PERIOD.—In  
18 the case of any property that within the  
19 previous 12 months has met the require-  
20 ments of an inspection that qualifies as an  
21 alternative inspection method pursuant to  
22 subparagraph (E), a public housing agency  
23 may authorize occupancy before the inspec-  
24 tion under clause (i) has been completed,  
25 and may make assistance payments retro-

1 active to the beginning of the lease term  
2 after the unit has been determined pursu-  
3 ant to an inspection under clause (i) to  
4 meet the housing quality standards under  
5 subparagraph (B).”;

6 (2) by redesignating subparagraph (E) as sub-  
7 paragraph (H); and

8 (3) by striking subparagraph (D) and inserting  
9 the following new subparagraphs:

10 “(D) BIENNIAL INSPECTIONS.—

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

21 “(ii) USE OF ALTERNATIVE INSPEC-  
22 TION METHOD.—The requirement under  
23 clause (i) may be complied with by use of  
24 inspections that qualify as an alternative

1 inspection method pursuant to subpara-  
2 graph (E).

3 “(iii) RECORDS.—The agency (or  
4 other entity) shall retain the records of the  
5 inspection for a reasonable time and shall  
6 make the records available upon request to  
7 the Secretary, the Inspector General for  
8 the Department of Housing and Urban  
9 Development, and any auditor conducting  
10 an audit under section 5(h).

11 “(E) ALTERNATIVE INSPECTION METH-  
12 OD.—An inspection of a property shall qualify  
13 as an alternative inspection method for pur-  
14 poses of this subparagraph if—

15 “(i) the inspection was conducted pur-  
16 suant to requirements under a Federal,  
17 State, or local housing assistance program  
18 (including the HOME investment partner-  
19 ships program under title II of the Cran-  
20 ston-Gonzalez National Affordable Housing  
21 Act (42 U.S.C. 12721 et seq.) and the low-  
22 income housing tax credit program under  
23 section 42 of the Internal Revenue Code of  
24 1986); and

1           “(ii) pursuant to such inspection, the  
2           property was determined to meet the  
3           standards or requirements regarding hous-  
4           ing quality or safety applicable to units as-  
5           sisted under such program, and, if a non-  
6           Federal standard was used, the public  
7           housing agency has certified to the Sec-  
8           retary that such standards or requirements  
9           provide the same protection to occupants  
10          of dwelling units meeting such standards  
11          or requirements as, or greater protection  
12          than, the housing quality standards under  
13          subparagraph (B).

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

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

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

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

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

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

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

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



1                   “(aa) in the case of any  
2                   such failure that is a result of  
3                   life-threatening conditions, within  
4                   24 hours after such notice has  
5                   been provided; and

6                   “(bb) in the case of any  
7                   such failure that is a result of  
8                   non-life threatening conditions,  
9                   within 30 days after such notice  
10                  has been provided or such other  
11                  reasonable longer period as the  
12                  public housing agency may estab-  
13                  lish.

14                  “(ii) WITHHOLDING OF ASSISTANCE  
15                  AMOUNTS DURING CORRECTION.—The  
16                  public housing agency may withhold assist-  
17                  ance amounts under this subsection with  
18                  respect to a dwelling unit for which a no-  
19                  tice pursuant to clause (i)(II), of failure to  
20                  comply with housing quality standards  
21                  under subparagraph (B) as determined  
22                  pursuant to an inspection conducted under  
23                  subparagraph (D) or (F), has been pro-  
24                  vided. If the unit is brought into compli-  
25                  ance with such housing quality standards

1 during the periods referred to in clause  
2 (i)(III), the public housing agency shall re-  
3 commence assistance payments and may  
4 use any amounts withheld during the cor-  
5 rection period to make assistance payments  
6 relating to the period during which pay-  
7 ments were withheld.

8 “(iii) ABATEMENT OF ASSISTANCE  
9 AMOUNTS.—The public housing agency  
10 shall abate all of the assistance amounts  
11 under this subsection with respect to a  
12 dwelling unit that is determined, pursuant  
13 to clause (i) of this subparagraph, to be in  
14 noncompliance with housing quality stand-  
15 ards under subparagraph (B). Upon com-  
16 pletion of repairs by the public housing  
17 agency or the owner sufficient so that the  
18 dwelling unit complies with such housing  
19 quality standards, the agency shall recom-  
20 mence payments under the housing assist-  
21 ance payments contract to the owner of the  
22 dwelling unit.

23 “(iv) NOTIFICATION.—If a public  
24 housing agency providing assistance under  
25 this subsection abates rental assistance

1 payments pursuant to clause (iii) with re-  
2 spect to a dwelling unit, the agency shall,  
3 upon commencement of such abatement—

4 “(I) notify the tenant and the  
5 owner of the dwelling unit that—

6 “(aa) such abatement has  
7 commenced; and

8 “(bb) if the dwelling unit is  
9 not brought into compliance with  
10 housing quality standards within  
11 60 days after the effective date of  
12 the determination of noncompli-  
13 ance under clause (i) or such rea-  
14 sonable longer period as the  
15 agency may establish, the tenant  
16 will have to move; and

17 “(II) issue the tenant the nec-  
18 essary forms to allow the tenant to  
19 move to another dwelling unit and  
20 transfer the rental assistance to that  
21 unit.

22 “(v) PROTECTION OF TENANTS.—An  
23 owner of a dwelling unit may not terminate  
24 the tenancy of any tenant because of the  
25 withholding or abatement of assistance

1           pursuant to this subparagraph. During the  
2           period that assistance is abated pursuant  
3           to this subparagraph, the tenant may ter-  
4           minate the tenancy by notifying the owner.

5           “(vi) TERMINATION OF LEASE OR AS-  
6           SISTANCE PAYMENTS CONTRACT.—If as-  
7           sistance amounts under this section for a  
8           dwelling unit are abated pursuant to clause  
9           (iii) and the owner does not correct the  
10          noncompliance within 60 days after the ef-  
11          fective date of the determination of non-  
12          compliance under clause (i), or such other  
13          reasonable longer period as the public  
14          housing agency may establish, the agency  
15          shall terminate the housing assistance pay-  
16          ments contract for the dwelling unit.

17          “(vii) RELOCATION.—

18                 “(I) LEASE OF NEW UNIT.—The  
19                 agency shall provide the family resid-  
20                 ing in such a dwelling unit a period of  
21                 90 days or such longer period as the  
22                 public housing agency determines is  
23                 reasonably necessary to lease a new  
24                 unit, beginning upon termination of  
25                 the contract, to lease a new residence

1 with tenant-based rental assistance  
2 under this section.

3 “(II) AVAILABILITY OF PUBLIC  
4 HOUSING UNITS.—If the family is un-  
5 able to lease such a new residence  
6 during such period, the public housing  
7 agency shall, at the option of the fam-  
8 ily, provide such family a preference  
9 for occupancy in a dwelling unit of  
10 public housing that is owned or oper-  
11 ated by the agency that first becomes  
12 available for occupancy after the expi-  
13 ration of such period.

14 “(III) ASSISTANCE IN FINDING  
15 UNIT.—The public housing agency  
16 may provide assistance to the family  
17 in finding a new residence, including  
18 use of up to two months of any assist-  
19 ance amounts abated pursuant to  
20 clause (iii) for costs directly associ-  
21 ated with relocation of the family to a  
22 new residence, which shall include se-  
23 curity deposits as necessary and may  
24 include reimbursements for reasonable  
25 moving expenses incurred by the

1 household, as established by the Sec-  
2 retary. The agency may require that a  
3 family receiving assistance for a secu-  
4 rity deposit shall remit, to the extent  
5 of such assistance, the amount of any  
6 security deposit refunds made by the  
7 owner of the dwelling unit for which  
8 the lease was terminated.

9 “(viii) TENANT-CAUSED DAMAGES.—  
10 If a public housing agency determines that  
11 any damage to a dwelling unit that results  
12 in a failure of the dwelling unit to comply  
13 with housing quality standards under sub-  
14 paragraph (B), other than any damage re-  
15 sulting from ordinary use, was caused by  
16 the tenant, any member of the tenant’s  
17 household, or any guest or other person  
18 under the tenant’s control, the agency may  
19 waive the applicability of this subpara-  
20 graph, except that this clause shall not ex-  
21 onerate a tenant from any liability other-  
22 wise existing under applicable law for dam-  
23 ages to the premises caused by such ten-  
24 ant.

1           “(ix) APPLICABILITY.—This subpara-  
2           graph shall apply to any dwelling unit for  
3           which a housing assistance payments con-  
4           tract is entered into or renewed after the  
5           date of the effectiveness of the regulations  
6           implementing this subparagraph.”.

7           (b) EFFECTIVE DATE.—The Secretary of Housing  
8           and Urban Development shall issue notice or regulations  
9           to implement subsection (a) of this section and such sub-  
10          section shall take effect after such issuance.

11   **SEC. 102. RENT REFORM AND INCOME REVIEWS.**

12          (a) RENT FOR PUBLIC HOUSING AND SECTION 8  
13          PROGRAMS.—

14               (1) IN GENERAL.—Section 3 of the United  
15          States Housing Act of 1937 (42 U.S.C. 1437a) is  
16          amended—

17                       (A) in subsection (a)—

18                               (i) in paragraph (3)(A), in the matter  
19                               preceding clause (i), by striking “(which  
20                               amount shall include any amount allowed  
21                               for utilities) of not more than \$50 per  
22                               month” and inserting “, which amount  
23                               shall be \$69.45 per month (as such  
24                               amount is adjusted by applying an infla-  
25                               tionary factor as the Secretary shall, by

1 regulation or notice, establish) and shall  
2 include any amount allowed for utilities” ;  
3 and

4 (ii) by adding at the end the following  
5 new paragraphs:

6 “(6) **REVIEWS OF FAMILY INCOME.**—

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

10 “(i) in the case of all families, upon  
11 the initial provision of housing assistance  
12 for the family;

13 “(ii) annually thereafter, except as  
14 provided in subparagraph (B)(i);

15 “(iii) upon the request of the family,  
16 at any time the income or deductions  
17 (under subsection (b)(5)) of the family  
18 change by an amount that is estimated to  
19 result in a decrease of 10 percent (or such  
20 lower amount as the Secretary may, by no-  
21 tice, establish, or permit the public housing  
22 agency or owner to establish) or more in  
23 annual adjusted income; and

24 “(iv) at any time the income or deduc-  
25 tions (under subsection (b)(5)) of the fam-



1           ily change by an amount that is estimated  
2           to result in an increase of 10 percent or  
3           more in annual adjusted income, or such  
4           other amount as the Secretary may by no-  
5           tice establish, except that any increase in  
6           the earned income of a family shall not be  
7           considered for purposes of this clause (ex-  
8           cept that earned income may be considered  
9           if the increase corresponds to previous de-  
10          creases under clause (iii)), except that a  
11          public housing agency or owner may elect  
12          not to conduct such review in the last three  
13          months of a certification period.

14          “(B) FIXED-INCOME FAMILIES.—

15                 “(i) SELF CERTIFICATION AND 3-YEAR  
16                 REVIEW.—In the case of any family de-  
17                 scribed in clause (ii), after the initial re-  
18                 view of the family’s income pursuant to  
19                 subparagraph (A)(i), the public housing  
20                 agency or owner shall not be required to  
21                 conduct a review of the family’s income  
22                 pursuant to subparagraph (A)(ii) for any  
23                 year for which such family certifies, in ac-  
24                 cordance with such requirements as the  
25                 Secretary shall establish, that the income

1 of the family meets the requirements of  
2 clause (ii) of this subparagraph and that  
3 the sources of such income have not  
4 changed since the previous year, except  
5 that the public housing agency or owner  
6 shall conduct a review of each such fam-  
7 ily's income not less than once every 3  
8 years.

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

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

19 “(I) the supplemental security in-  
20 come program under title XVI of the  
21 Social Security Act, including supple-  
22 mentary payments pursuant to an  
23 agreement for Federal administration  
24 under section 1616(a) of the Social  
25 Security Act and payments pursuant

1 to an agreement entered into under  
2 section 212(b) of Public Law 93–66;  
3 “(II) Social Security payments;  
4 “(III) Federal, State, local and  
5 private pension plans; and  
6 “(IV) other periodic payments re-  
7 ceived from annuities, insurance poli-  
8 cies, retirement funds, disability or  
9 death benefits, and other similar types  
10 of periodic receipts that are of sub-  
11 stantially the same amounts from year  
12 to year.

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

18 “(7) CALCULATION OF INCOME.—

19 “(A) USE OF CURRENT YEAR INCOME.—In  
20 determining family income for initial occupancy  
21 or provision of housing assistance pursuant to  
22 clause (i) of paragraph (6)(A) or pursuant to  
23 reviews pursuant to clause (iii) or (iv) of such  
24 paragraph, a public housing agency or owner

1 shall use the income of the family as estimated  
2 by the agency or owner for the upcoming year.

3 “(B) USE OF PRIOR YEAR INCOME.—In  
4 determining family income for annual reviews  
5 pursuant to paragraph (6)(A)(ii), a public hous-  
6 ing agency or owner shall, except as otherwise  
7 provided in this paragraph, use the income of  
8 the family as determined by the agency or  
9 owner for the preceding year, taking into con-  
10 sideration any redetermination of income during  
11 such prior year pursuant to clause (iii) or (iv)  
12 of paragraph (6)(A).

13 “(C) INFLATIONARY ADJUSTMENT FOR  
14 FIXED INCOME FAMILIES.—

15 “(i) IN GENERAL.—In any year in  
16 which a public housing agency or owner  
17 does not conduct a review of income for  
18 any family described in clause (ii) of para-  
19 graph (6)(B) pursuant to the authority  
20 under clause (i) of such paragraph to  
21 waive such a review, such family’s prior  
22 year’s income determination shall, subject  
23 to clauses (ii) and (iii), be adjusted by ap-  
24 plying an inflationary factor as the Sec-

1           retary shall, by regulation or notice, estab-  
2           lish.

3           “(ii) EXEMPTION FROM ADJUST-  
4           MENT.—A public housing agency or owner  
5           may exempt from an adjustment pursuant  
6           to clause (i) any income source for which  
7           income does not increase from year to  
8           year.

9           “(iii) APPLICABILITY OF INFLA-  
10          TIONARY FACTOR.—The inflationary factor  
11          adjustment referred to in clause (i) shall  
12          not be made with respect to the first year  
13          after the year in which housing is occupied  
14          or housing assistance is initially provided  
15          for a family.

16          “(D) OTHER INCOME.—In determining the  
17          income for any family based on the prior year’s  
18          income, with respect to prior year calculations  
19          of income not subject to subparagraph (B), a  
20          public housing agency or owner may make other  
21          adjustments as it considers appropriate to re-  
22          flect current income.

23          “(E) SAFE HARBOR.—A public housing  
24          agency or owner may, to the extent such infor-  
25          mation is available to the public housing agency

1 or owner, determine the family's income prior  
2 to the application of any deductions based on  
3 timely income determinations made for pur-  
4 poses of other means-tested Federal public as-  
5 sistance programs (including the program for  
6 block grants to States for temporary assistance  
7 for needy families under part A of title IV of  
8 the Social Security Act, a program for Medicaid  
9 assistance under a State plan approved under  
10 title XIX of the Social Security Act, and the  
11 supplemental nutrition assistance program (as  
12 such term is defined in section 3 of the Food  
13 and Nutrition Act of 2008 (7 U.S.C. 2012)).  
14 The Secretary shall, in consultation with other  
15 appropriate Federal agencies, develop proce-  
16 dures to enable public housing agencies and  
17 owners to have access to such income deter-  
18 minations made by other means-tested Federal  
19 programs that the Secretary determines to have  
20 comparable reliability. Exchanges of such infor-  
21 mation shall be subject to the same limitations  
22 and tenant protections provided under section  
23 904 of the Stewart B. McKinney Homeless As-  
24 sistance Act Amendments of 1988 (42 U.S.C.  
25 3544) with respect to information obtained

1 under the requirements of section 303(i) of the  
2 Social Security Act (42 U.S.C. 503(i)).

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

9 (B) by striking subsections (d) and (e);  
10 and

11 (C) by redesignating subsection (f) as sub-  
12 section (d).

13 (2) CERTIFICATION REGARDING HARDSHIP EX-  
14 CEPTION TO MINIMUM MONTHLY RENT.—Not later  
15 than the expiration of the 6-month period beginning  
16 on the date of the enactment of this Act, the Sec-  
17 retary of Housing and Urban Development shall  
18 submit to the Congress a certification that the hard-  
19 ship and tenant protection provisions in clause (i) of  
20 section 3(a)(3)(B) of the United States Housing Act  
21 of 1937 (42 U.S.C. 1437a(a)(3)(B)(i)) are being en-  
22 forced at such time and that the Secretary will con-  
23 tinue to provide due consideration to the hardship  
24 circumstances of persons assisted under relevant  
25 programs of this Act.

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

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

5 “(4) INCOME.—The term ‘income’ means, with  
6 respect to a family, income received from all sources  
7 by each member of the household who is 18 years  
8 of age or older or is the head of household or spouse  
9 of the head of the household, plus unearned income  
10 by or on behalf of each dependent who is less than  
11 18 years of age, as determined in accordance with  
12 criteria prescribed by the Secretary, in consultation  
13 with the Secretary of Agriculture, subject to the fol-  
14 lowing requirements:

15 “(A) INCLUDED AMOUNTS.—Such term in-  
16 cludes recurring gifts and receipts, actual in-  
17 come from assets, and profit or loss from a  
18 business.

19 “(B) EXCLUDED AMOUNTS.—Such term  
20 does not include—

21 “(i) any imputed return on assets, ex-  
22 cept to the extent that net family assets  
23 exceed \$50,000;

24 “(ii) any amounts that would be eligi-  
25 ble for exclusion under section 1613(a)(7)



1 of the Social Security Act (42 U.S.C.  
2 1382b(a)(7));

3 “(iii) deferred disability benefits from  
4 the Department of Veterans Affairs that  
5 are received in a lump sum amount or in  
6 prospective monthly amounts;

7 “(iv) any expenses related to aid and  
8 attendance under section 1521 of title 38,  
9 United States Code, to veterans who are in  
10 need of regular aid and attendance; and

11 “(v) exclusions from income as estab-  
12 lished by the Secretary by regulation or  
13 notice, or any amount required by Federal  
14 law to be excluded from consideration as  
15 income.

16 “(C) EARNED INCOME OF STUDENTS.—  
17 Such term does not include—

18 “(i) earned income, up to an amount  
19 as the Secretary may by regulation estab-  
20 lish, of any dependent earned during any  
21 period that such dependent is attending  
22 school or vocational training on a full-time  
23 basis; or

24 “(ii) any grant-in-aid or scholarship  
25 amounts related to such attendance used—

1                   “(I) for the cost of tuition or  
2                   books; or

3                   “(II) in such amounts as the Sec-  
4                   retary may allow, for the cost of room  
5                   and board.

6                   “(D) EDUCATIONAL SAVINGS ACCOUNTS.—  
7                   Income shall be determined without regard to  
8                   any amounts in or from, or any benefits from,  
9                   any Coverdell education savings account under  
10                  section 530 of the Internal Revenue Code of  
11                  1986 or any qualified tuition program under  
12                  section 529 of such Code.

13                  “(E) RECORDKEEPING.—The Secretary  
14                  may not require a public housing agency or  
15                  owner to maintain records of any amounts ex-  
16                  cluded from income pursuant to this subpara-  
17                  graph.”; and

18                  (2) by striking paragraph (5) and inserting the  
19                  following new paragraph:

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

1           “(A) ELDERLY AND DISABLED FAMI-  
2 LIES.—\$525 in the case of any family that is  
3 an elderly family or a disabled family.

4           “(B) DEPENDENTS.—In the case of any  
5 family, \$525 for each member who—

6           “(i) is less than 18 years of age or at-  
7 tending school or vocational training on a  
8 full-time basis; or

9           “(ii) is a person who is 18 years of  
10 age or older, resides in the household, and  
11 is certified as disabled and unable to work  
12 by the public housing agency of jurisdic-  
13 tion.

14           “(C) CHILD CARE.—The amount, if any,  
15 that exceeds 5 percent of annual family income  
16 that is used to pay for unreimbursed child care  
17 expenses, which shall include child care for pre-  
18 school-age children, for before- and after-care  
19 for children in school, and for other child care  
20 necessary to enable a member of the family to  
21 be employed or further his or her education.

22           “(D) HEALTH AND MEDICAL EXPENSES.—  
23 The amount, if any, by which 10 percent of an-  
24 nual family income is exceeded by the sum of—

1           “(i) in the case of any elderly or dis-  
2           abled family, any unreimbursed health and  
3           medical care expenses; and

4           “(ii) any unreimbursed reasonable at-  
5           tendant care and auxiliary apparatus ex-  
6           penses for each handicapped member of  
7           the family, if determined necessary by the  
8           public housing agency or owner to enable  
9           any member of such family to be employed.

10          “(E) PERMISSIVE DEDUCTIONS.—Such ad-  
11          ditional deductions as a public housing agency  
12          may, at its discretion, establish, except that the  
13          Secretary shall establish procedures to ensure  
14          that such deductions do not materially increase  
15          Federal expenditures.

16          The Secretary shall annually calculate the amounts  
17          of the deductions under subparagraphs (A) and (B),  
18          as such amounts may have been previously cal-  
19          culated, by applying an inflationary factor as the  
20          Secretary shall, by regulation, establish, except that  
21          the actual deduction determined for each year shall  
22          be established by rounding such amount to the next  
23          lowest multiple of \$25.”.

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

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

6 (2) in subparagraph (A)—

7 (A) by striking “the provisions of” and in-  
8 serting “paragraphs (6) and (7) of section 3(a)  
9 and to”; and

10 (B) by striking “and shall be conducted  
11 upon the initial provision of housing assistance  
12 for the family and thereafter not less than an-  
13 nually”; and

14 (3) in subparagraph (B), by striking the second  
15 sentence.

16 (d) ENHANCED VOUCHER PROGRAM.—Section  
17 8(t)(1)(D) of the United States Housing Act of 1937 (42  
18 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
19 each place such term appears and inserting “annual ad-  
20 justed income”.

21 (e) PROJECT-BASED HOUSING.—Paragraph (3) of  
22 section 8(c) of the United States Housing Act of 1937  
23 (42 U.S.C. 1437f(c)(3)) is amended by striking the last  
24 sentence.

25 (f) IMPACT ON PUBLIC HOUSING REVENUES.—

1 (1) ADJUSTMENTS TO OPERATING FORMULA.—

2 If the Secretary of Housing and Urban Development  
3 determines that the application of subsections (a)  
4 through (e) of this section results in a material and  
5 disproportionate reduction in the rental income of  
6 certain public housing agencies during the first year  
7 in which such subsections are implemented, the Sec-  
8 retary may make appropriate adjustments in the for-  
9 mula income for such year of those agencies experi-  
10 encing such a reduction.

11 (2) HUD REPORTS ON REVENUE AND COST IM-

12 PACT.—In each of the first two years after the first  
13 year in which subsections (a) through (e) are imple-  
14 mented, the Secretary of Housing and Urban Devel-  
15 opment shall submit a report to Congress identifying  
16 and calculating the impact of changes made by such  
17 subsections and section 103 of this Act on the reve-  
18 nues and costs of operating public housing units, the  
19 voucher program for rental assistance under section  
20 8 of the United States Housing Act of 1937, and  
21 the program under such section 8 for project-based  
22 rental assistance. If such report identifies a material  
23 reduction in the net income of public housing agen-  
24 cies nationwide or a material increase in the costs of  
25 funding the voucher program or the project-based

1 assistance program, the Secretary shall include in  
2 such report recommendations for legislative changes  
3 to reduce or eliminate such a reduction.

4 (g) RENT POLICY DEMONSTRATION.—

5 (1) IN GENERAL.—The Secretary of Housing  
6 and Urban Development may administer a dem-  
7 onstration program, which shall be initiated upon  
8 the commencement of the first calendar year begin-  
9 ning after the date of the enactment of this Act, for  
10 a limited number of families assisted by such agen-  
11 cies under the United States Housing Act of 1937  
12 to determine the effectiveness of different rent poli-  
13 cies, which may include providing income disregards,  
14 family self-sufficiency accounts, and policies under  
15 which families pay amounts different from 30 per-  
16 cent of their adjusted income for rent, to encourage  
17 families to obtain employment, increase their in-  
18 comes, and achieve economic self-sufficiency.

19 (2) RENT STRUCTURES.—Such demonstration  
20 shall include activities sufficient to test the effective-  
21 ness of the following rent structures:

22 (A) CEILING RENTS.—Ceiling rents that  
23 are based on the rental value of the unit.

24 (B) INCOME-TIERED RENTS.—Income-  
25 tiered tenant rents under which the amount a

1 family pays for rent is set and established on  
2 the basis of broad tiers of income, with annual  
3 cost adjustments.

4 (C) EARNED INCOME DISREGARD.—A ten-  
5 ant rent structure under which the amount of  
6 rent a family pays is reduced through a dis-  
7 regard of a portion of the percentage or of the  
8 dollar amount of the family’s earned income.

9 (3) PUBLIC HOUSING AGENCIES.—Such dem-  
10 onstration shall include public housing agencies of  
11 various sizes, including small public housing agen-  
12 cies.

13 (h) EFFECTIVE DATE.—The Secretary of Housing  
14 and Urban Development shall issue notice or regulations  
15 to implement this section and this section shall take effect  
16 after such issuance, except that this section may only take  
17 effect upon the commencement of a calendar year.

18 **SEC. 103. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS.**

19 Section 16 of the United States Housing Act of 1937  
20 (42 U.S.C. 1437n) is amended by inserting after sub-  
21 section (d) the following new subsection:

22 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-  
23 SETS.—

24 “(1) LIMITATION ON ASSETS.—Subject to para-  
25 graph (3) and notwithstanding any other provision



1 of this Act, a dwelling unit assisted under this Act  
2 may not be rented and assistance under this Act  
3 may not be provided, either initially or at each recer-  
4 tification of family income, to any family—

5 “(A) whose net family assets exceed  
6 \$100,000, as such amount is adjusted annually  
7 by applying an inflationary factor as the Sec-  
8 retary considers appropriate; or

9 “(B) who has a present ownership interest  
10 in, a legal right to reside in, and the effective  
11 legal authority to sell, real property that is suit-  
12 able for occupancy by the family as a residence,  
13 except that the prohibition under this subpara-  
14 graph shall not apply to—

15 “(i) any property for which the family  
16 is receiving assistance under subsection (y)  
17 or (o)(12) of section 8 of this Act;

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

20 “(iii) any family that is offering such  
21 property for sale.

22 “(2) NET FAMILY ASSETS.—

23 “(A) IN GENERAL.—For purposes of this  
24 subsection, the term ‘net family assets’ means,  
25 for all members of the household, the net cash

1 value of all assets after deducting reasonable  
2 costs that would be incurred in disposing of real  
3 property, savings, stocks, bonds, and other  
4 forms of capital investment. Such term does not  
5 include interests in Indian trust land, equity in  
6 property for which the family is receiving assist-  
7 ance under subsection (y) or (o)(12) of section  
8 8, equity accounts in homeownership programs  
9 of the Department of Housing and Urban De-  
10 velopment, or Family Self Sufficiency accounts.

11 “(B) EXCLUSIONS.—Such term does not  
12 include—

13 “(i) the value of personal property, ex-  
14 cept for items of personal property of sig-  
15 nificant value, as the Secretary may estab-  
16 lish or the public housing agency may de-  
17 termine;

18 “(ii) the value of any retirement ac-  
19 count;

20 “(iii) real property for which the fam-  
21 ily does not have the effective legal author-  
22 ity necessary to sell such property;

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

1 of duty owed to a member of the family  
2 and arising out of law, that resulted in a  
3 member of the family being disabled;

4 “(v) the value of any Coverdell edu-  
5 cation savings account under section 530  
6 of the Internal Revenue Code of 1986 or  
7 any qualified tuition program under sec-  
8 tion 529 of such Code; and

9 “(vi) such other exclusions as the Sec-  
10 retary may establish.

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

22 “(3) SELF-CERTIFICATION.—

23 “(A) NET FAMILY ASSETS.—A public  
24 housing agency or owner may determine the net  
25 assets of a family, for purposes of this section,

1 based on a certification by the family that the  
2 net assets of such family do not exceed  
3 \$50,000.

4 “(B) NO CURRENT REAL PROPERTY OWN-  
5 ERSHIP.—A public housing agency or owner  
6 may determine compliance with paragraph  
7 (1)(B) based on a certification by the family  
8 that such family does not have any current  
9 ownership interest in any real property at the  
10 time the agency or owner reviews the family’s  
11 income.

12 “(C) STANDARDIZED FORMS.—The Sec-  
13 retary may develop standardized forms for the  
14 certifications referred to in subparagraphs (A)  
15 and (B).

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

24 “(5) ENFORCEMENT.—When recertifying the  
25 income of a family residing in a dwelling unit as-



1 follows through “low family incomes” and inserting “ex-  
2 tremely low-income families”.

3 (b) PUBLIC HOUSING.—Section 16(a)(2)(A) of the  
4 United States Housing Act of 1937 (42 U.S.C.  
5 1437n(a)(2)(A)) is amended by striking “families whose  
6 incomes” and all that follows through “low family in-  
7 comes” and inserting “extremely low-income families”.

8 (c) PROJECT-BASED SECTION 8 ASSISTANCE.—Sec-  
9 tion 16(c)(3) of the United States Housing Act of 1937  
10 (42 U.S.C. 1437n(c)(3)) is amended by striking “families  
11 whose incomes” and all that follows through “low family  
12 incomes” and inserting: “extremely low-income families”.

13 (d) DEFINITION.—Section 3(b)(2) of the United  
14 States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is  
15 amended by inserting after the period at the end of the  
16 second sentence the following new sentence: “The term  
17 ‘extremely low-income families’ means very low-income  
18 families whose incomes do not exceed the higher of (A)  
19 the poverty guidelines updated periodically by the Depart-  
20 ment of Health and Human Services under the authority  
21 of section 673(2) of the Omnibus Budget Reconciliation  
22 Act of 1981 (42 U.S.C. 9902(2)) applicable to a family  
23 of the size involved, or (B) 30 percent of the median fam-  
24 ily income for the area, as determined by the Secretary  
25 with adjustments for smaller and larger families, except

1 that the Secretary may establish income ceilings higher  
2 or lower than 30 percent of the median for the area on  
3 the basis of the Secretary's findings that such variations  
4 are necessary because of unusually high or low family in-  
5 comes, and except that clause (A) of this sentence shall  
6 not apply in the case of public housing agencies or projects  
7 located in Puerto Rico or any other territory or possession  
8 of the United States.”.

9 (e) EFFECTIVE DATE.—The Secretary of Housing  
10 and Urban Development shall issue a notice to implement  
11 the amendments made by this section and such amend-  
12 ments shall take effect upon such issuance.

13 **SEC. 105. USE OF VOUCHER FUNDS.**

14 Subsection (dd) of section 8 of the United States  
15 Housing Act of 1937 (42 U.S.C. 1437f(dd)) is amended—

16 (1) by striking “(dd) TENANT-BASED CON-  
17 TRACT RENEWALS.—Subject” and inserting the fol-  
18 lowing;;

19 “(dd) TENANT-BASED CONTRACT RENEWALS.—

20 “(1) IN GENERAL.—Subject”; and

21 (2) by adding at the end the following new  
22 paragraphs:

23 “(2) LEASING RATE.—For purposes of deter-  
24 mining annual allocations of voucher funding for  
25 agencies, for 2012 and thereafter, the leasing rate

1       calculated for an agency for the prior calendar year  
2       shall include vouchers that exceed the agency’s au-  
3       thorized voucher level only if they are funded  
4       through the allocation for the agency for the prior  
5       year, including adjustments for incremental and new  
6       tenant protection and enhanced vouchers.

7               “(3) RESERVES.—For 2012 and each calendar  
8       year thereafter, each public housing agency shall be  
9       allowed to retain as reserves an amount that is not  
10      less than 6 percent of the amount allocated to such  
11      agency in such calendar year prior to proration. The  
12      sources of such reserves may include all allocated  
13      amounts from such year plus reserves carried over  
14      from previous years. Reserves may be used for over-  
15      leasing in any year, regardless of whether such use  
16      is eligible for renewal funding in the subsequent cal-  
17      endar year.”.

18   **SEC. 106. PHA PROJECT-BASED ASSISTANCE.**

19       Paragraph (13) of section 8(o) of the United States  
20   Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) is amend-  
21   ed—

22               (1) by striking “structure” each place such  
23      term appears and inserting “project”;

24               (2) by striking “structures” each place such  
25      term appears and inserting “projects”;



1           (3) by striking subparagraph (B) and inserting  
2           the following new subparagraph:

3           “(B) PERCENTAGE LIMITATION.—

4                   “(i) IN GENERAL.—Subject to clause  
5                   (ii), a public housing agency may use for  
6                   project-based assistance under this para-  
7                   graph not more than 20 percent of the au-  
8                   thorized units for the agency.

9                   “(ii) EXCEPTION.—A public housing  
10                   agency may use up to an additional 5 per-  
11                   cent of the authorized units for the agency  
12                   for project-based assistance under this  
13                   paragraph, to provide units that house in-  
14                   dividuals and families that meet the defini-  
15                   tion of homeless under section 103 of the  
16                   McKinney-Vento Homeless Assistance Act  
17                   (42 U.S.C. 11302), that house families  
18                   with veterans, that provide supportive  
19                   housing to persons with disabilities or el-  
20                   derly persons, or that are located in areas  
21                   where vouchers under this subsection are  
22                   difficult to use, as specified in subpara-  
23                   graph (D)(ii)(II). The Secretary may, by  
24                   regulation, establish additional categories  
25                   for the exception under this clause.”;

1           (4) by striking subparagraph (D) and inserting  
2           the following new subparagraph:

3                   “(D) INCOME-MIXING REQUIREMENT.—

4                           “(i) IN GENERAL.—Except as pro-  
5                           vided in clause (ii), not more than the  
6                           greater of 25 dwelling units or 25 percent  
7                           of the dwelling units in any project may be  
8                           assisted under a housing assistance pay-  
9                           ment contract for project-based assistance  
10                           pursuant to this paragraph. For purposes  
11                           of this subparagraph, the term ‘project’  
12                           means a single building, multiple contig-  
13                           uous buildings, or multiple buildings on  
14                           contiguous parcels of land.

15                           “(ii) EXCEPTIONS.—

16                                   “(I) CERTAIN HOUSING.—The  
17                                   limitation under clause (i) shall not  
18                                   apply to dwelling units assisted under  
19                                   a contract that are exclusively made  
20                                   available to elderly families or to  
21                                   households eligible for supportive serv-  
22                                   ices that are made available to resi-  
23                                   dents of the project, according to  
24                                   standards for such services as are es-  
25                                   tablished by the Secretary. The Sec-

1           retary may establish additional re-  
2           quirements for monitoring and over-  
3           sight of projects in which more than  
4           40 percent of the dwelling units are  
5           assisted.

6                   “(II) CERTAIN AREAS.—With re-  
7           spect to areas in which tenant-based  
8           vouchers for assistance under this  
9           subsection are difficult to use, as de-  
10          termined by the Secretary, and with  
11          respect to census tracts with a poverty  
12          rate of 20 percent or less, clause (i)  
13          shall be applied by substituting ‘40  
14          percent’ for ‘25 percent’, and the Sec-  
15          retary may, by regulation, establish  
16          additional conditions.

17                   “(III) CERTAIN CONTRACTS.—  
18          The limitation under clause (i) shall  
19          not apply with respect to contracts or  
20          renewal of contracts under which a  
21          greater percentage of the dwelling  
22          units in a project were assisted under  
23          a housing assistance payment contract  
24          for project-based assistance pursuant  
25          to this paragraph on the effective date

1 of the Affordable Housing and Self-  
2 Sufficiency Improvement Act of  
3 2012.”;

4 (5) by striking subparagraph (F) and inserting  
5 the following new subparagraph:

6 “(F) CONTRACT TERM.—A housing assist-  
7 ance payment contract pursuant to this para-  
8 graph between a public housing agency and the  
9 owner of a project may have a term of up to  
10 20 years, subject to—

11 “(i) the availability of sufficient ap-  
12 propriated funds for the purpose of renew-  
13 ing expiring contracts for assistance pay-  
14 ments, as provided in appropriation Acts  
15 and in the agency’s annual contributions  
16 contract with the Secretary, provided that  
17 in the event of insufficient appropriated  
18 funds, payments due under contracts  
19 under this paragraph shall take priority if  
20 other cost-saving measures that do not re-  
21 quire the termination of an existing con-  
22 tract are available to the agency; and

23 “(ii) annual compliance with the in-  
24 spection requirements under paragraph  
25 (8), except that the agency shall not be re-

1           required to make annual inspections of each  
2           assisted unit in the development.

3           The contract may specify additional conditions,  
4           including with respect to continuation, termi-  
5           nation, or expiration.”;

6           (6) in subparagraph (G), by striking “15 years”  
7           and inserting “20 years”; and

8           (7) in subparagraph (J)—

9                 (A) by striking “shall” in the first sentence  
10                and inserting “may”; and

11               (B) by striking the fifth and sixth sen-  
12                tences and inserting the following: “A public  
13                housing agency may establish and utilize proce-  
14                dures for owner-maintained site-based waiting  
15                lists, under which applicant may apply at, or  
16                otherwise designate to the public housing agen-  
17                cy, the project or projects in which they seek to  
18                reside, except that all eligible applicants on the  
19                waiting list of an agency for assistance under  
20                this subsection shall be permitted to place their  
21                names on such separate list, subject to policies  
22                and procedures established by the Secretary. All  
23                such procedures shall comply with title VI of  
24                the Civil Rights Act of 1964, the Fair Housing  
25                Act, section 504 of the Rehabilitation Act of

1           1973, and other applicable civil rights laws. The  
2           owner or manager of a project assisted under  
3           this paragraph shall not admit any family to a  
4           dwelling unit assisted under a contract pursu-  
5           ant to this paragraph other than a family re-  
6           ferred by the public housing agency from its  
7           waiting list, or a family on a site-based waiting  
8           list that complies with the requirements of this  
9           subparagraph. A public housing agency shall  
10          disclose to each applicant all other options in  
11          the selection of a project in which to reside that  
12          are provided by the public housing agency and  
13          are available to the applicant.”;

14 **SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

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

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

20           (2) by striking the fourth, seventh, eighth, and  
21          ninth sentences; and

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

23          “(B) Fair market rentals for an area shall be pub-  
24          lished not less than annually by the Secretary on the site  
25          of the Department on the World Wide Web and in any

1 other manner specified by the Secretary. Notice that such  
2 fair market rentals are being published shall be published  
3 in the Federal Register, and such fair market rentals shall  
4 become effective no earlier than 30 days after the date  
5 of such publication. The Secretary shall establish a proce-  
6 dure for public housing agencies and other interested par-  
7 ties to comment on such fair market rentals and to re-  
8 quest, within a time specified by the Secretary, reevalua-  
9 tion of the fair market rentals in a jurisdiction before such  
10 rentals become effective. The Secretary shall cause to be  
11 published for comment in the Federal Register notices of  
12 proposed material changes in the methodology for esti-  
13 mating fair market rentals and notices specifying the final  
14 decisions regarding such proposed substantial methodo-  
15 logical changes and responses to public comments.”.

16 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-  
17 tion 8(o)(1) of the United States Housing Act of 1937  
18 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-  
19 fore the period at the end the following: “, except that  
20 no public housing agency shall be required as a result of  
21 a reduction in the fair market rental to reduce the pay-  
22 ment standard applied to a family continuing to reside in  
23 a unit for which the family was receiving assistance under  
24 this section at the time the fair market rental was reduced.  
25 The Secretary shall allow public housing agencies to re-

1 quest exception payment standards within fair market  
2 rental areas subject to criteria and procedures established  
3 by the Secretary”.

4 (c) EFFECTIVE DATE.—The amendments made by  
5 this section shall take effect upon the date of the enact-  
6 ment of this Act.

7 **SEC. 108. SCREENING OF APPLICANTS.**

8 (a) IN GENERAL.—Subparagraph (B) of section  
9 8(o)(6) of the United States Housing Act of 1937  
10 (1437f(o)(6)(B)) is amended—

11 (1) by striking “(B) SELECTION OF TEN-  
12 ANTS.—Each” and inserting the following:

13 “(B) SELECTION OF TENANTS.—

14 “(i) FUNCTION OF OWNER.—Each”;

15 (2) in the first sentence, by striking “unit)”  
16 and inserting “unit”;

17 (3) by striking “In addition” and inserting the  
18 following:

19 “(ii) SCREENING.—In addition”;

20 (4) by inserting after “establish.” the following:

21 “A public housing agency’s elective screening shall  
22 be limited to criteria that are directly related to an  
23 applicant’s ability to fulfill the obligations of an as-  
24 sisted lease and shall consider mitigating cir-  
25 cumstances presented by such applicant. The re-



1        requirements of the preceding sentence shall not limit  
2        the ability of a public housing agency to deny assist-  
3        ance based on an applicant’s criminal background or  
4        any other permissible grounds for denial under sub-  
5        title F of title V of the Quality Housing and Work  
6        Responsibility Act of 1998 (42 U.S.C. 13661 et seq.;  
7        relating to safety and security in public and assisted  
8        housing), subject to the procedural requirements of  
9        this section. Any applicant or participant determined  
10       to be ineligible for admission or continued participa-  
11       tion to the program shall be notified of the basis for  
12       such determination and provided, within a reason-  
13       able time after the determination, an opportunity for  
14       an informal hearing on such determination at which  
15       mitigating circumstances presented by the applicant,  
16       including remedial conduct subsequent to the con-  
17       duct that is the basis of such determination, shall be  
18       considered.”; and

19                (5) by adding at the end the following:

20                        “(iii)    EXISTING    ASSISTED    FAMI-  
21                        LIES.—Families being provided enhanced  
22                        vouchers pursuant to subsection (t), fami-  
23                        lies receiving assistance under this Act  
24                        that are subsequently provided tenant-  
25                        based assistance pursuant to subsection

1 (dd)(1)(B), and families residing in multi-  
2 family housing subject to a mortgage in-  
3 sured under the National Housing Act that  
4 are provided tenant-based assistance pur-  
5 suant to subsection (dd)(1)(B)(xiv) of this  
6 section shall not be considered new appli-  
7 cants under this paragraph and shall not  
8 be subject to elective re-screening by a  
9 public housing agency.”.

10 (b) LEASES AND TENANCY.—Subparagraph (E) of  
11 section 8(o)(7) of the United States Housing Act of 1937  
12 (42 U.S.C. 1437f(o)(7)(E)) is amended by inserting “ter-  
13 mination or” after “any” the last place such term appears.

14 (c) REMOVAL OF SEX OFFENDERS.—Section 578 of  
15 the Quality Housing and Work Responsibility Act of 1998  
16 (42 U.S.C. 13663) is amended by striking subsection (a)  
17 and inserting the following new subsection:

18 “(a) IN GENERAL.—Notwithstanding any other pro-  
19 vision of law, an owner of federally assisted housing—

20 “(1) shall prohibit admission to such housing  
21 for any household that includes an individual who is  
22 subject to a lifetime registration requirement under  
23 a State sex offender registration program; and

24 “(2) shall terminate assistance to, and any  
25 lease or right to occupancy of such housing by, any

1 household that includes any individual who is subject  
2 to a lifetime registration requirement under a State  
3 sex offender registration program.”.

4 **SEC. 109. UTILITY DATA.**

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

9 “(22) UTILITY DATA.—

10 “(A) PUBLICATION.—The Secretary shall,  
11 to the extent that data can be collected cost ef-  
12 fectively, regularly publish such data regarding  
13 utility consumption and costs in local areas as  
14 the Secretary determines will be useful for the  
15 establishment of allowances for tenant-paid util-  
16 ities for families assisted under this subsection.

17 “(B) USE OF DATA.—The Secretary shall  
18 provide such data in a manner that—

19 “(i) avoids unnecessary administrative  
20 burdens for public housing agencies and  
21 owners; and

22 “(ii) protects families in various unit  
23 sizes and building types, and using various  
24 utilities, from high rent and utility cost  
25 burdens relative to income.”.

1 **SEC. 110. FLEXIBILITY OF CAPITAL AND OPERATING FUND**  
2 **AMOUNTS.**

3 Subsection (g) of section 9 of the United States  
4 Housing Act of 1937 (42 U.S.C. 1437g(g)) is amended—

5 (1) by striking paragraphs (1) and (2) and in-  
6 serting the following new paragraph:

7 “(1) **FULL FLEXIBILITY OF CAPITAL AND OP-**  
8 **ERATING FUND AMOUNTS.**—Of any amounts allo-  
9 cated for any fiscal year from the funds under sub-  
10 sections (d) and (e) for any public housing agency  
11 that is not designated pursuant to section 6(j)(2) as  
12 a troubled public housing agency and that, in the de-  
13 termination of the Secretary is operating and main-  
14 taining its public housing in a safe, clean, and  
15 healthy condition, the agency may use any such  
16 amounts for any eligible activities under subsections  
17 (d)(1) and (e)(1), regardless of the fund from which  
18 the amounts were allocated and provided, but only  
19 to the extent provided for such use by the public  
20 housing agency plan under section 5A for the agen-  
21 cy.”; and

22 (2) by redesignating paragraph (3) as para-  
23 graph (2).

1 **SEC. 111. STUDY REGARDING OCCUPANCY OF ASSISTED**  
2 **HOUSING BY BOTH ELDERLY PERSONS AND**  
3 **PERSONS WITH DISABILITIES.**

4 (a) IN GENERAL.—The Secretary of Housing and  
5 Urban Development shall conduct a study on the impact  
6 that providing public and assisted housing projects des-  
7 igned for occupancy both by elderly persons and persons  
8 with disabilities (as such terms are defined under section  
9 3(b) of the United States Housing Act of 1937 (42 U.S.C.  
10 1437a(b))), including specifically persons with disabilities  
11 who are recovering from drug or alcohol abuse, has on  
12 the effectiveness of providing an appropriate living envi-  
13 ronment for such elderly persons.

14 (b) REPORT.—Not later than the expiration of the  
15 12-month period beginning on the date of the enactment  
16 of this Act, the Secretary shall submit a report to the Con-  
17 gress setting forth the findings and conclusions of the  
18 study conducted pursuant to subsection (a).

19 **SEC. 112. STUDY AND GUIDANCE ON LEGACY VOUCHERS.**

20 (a) STUDY.—Not later than the expiration of the 12-  
21 month period beginning on the date of the enactment of  
22 this Act, the Secretary of Housing and Urban Develop-  
23 ment shall conduct and complete a study regarding the  
24 legacy use of rental assistance vouchers under section 8(o)  
25 of the United States Housing Act of 1937 (42 U.S.C.  
26 1437f(o)) to determine the extent of such use and to iden-

1 tify and analyze any issues and problems relating to such  
2 use, including issues relating to screening for eligibility for  
3 such assistance of members of households benefitting from  
4 such use.

5 (b) GUIDANCE.—Not later than the expiration of the  
6 12-month period beginning on the date of the enactment  
7 of this Act, the Secretary shall issue guidance regarding  
8 the legacy use of such rental assistance vouchers, which  
9 guidance shall take into consideration the housing needs  
10 of members of households benefitting from such use who  
11 are minors, elderly persons, or persons with disabilities.  
12 The Secretary make the proposed guidance publicly avail-  
13 able and shall provide an opportunity for interested per-  
14 sons to comment on such proposed guidance before  
15 issuance. Such guidance shall not take effect before the  
16 expiration of the 30-day period beginning upon such  
17 issuance.

18 (c) LEGACY VOUCHERS.—For purposes of this sec-  
19 tion, the term “legacy use” means, with respect to a rental  
20 assistance voucher described in subsection (a), use of the  
21 voucher by any member of the household of the person  
22 to whom the voucher was originally issued for rental of  
23 a dwelling that is not occupied by such issuee as a primary  
24 residence, other than pursuant to issuance of such voucher  
25 to such member by a public housing agency in accordance

1 with a determination of such member's eligibility for such  
2 assistance and the waiting list for such assistance of such  
3 agency.

4 **SEC. 113. HOUSING ASSISTANCE CRITERIA SIMPLIFICA-**  
5 **TION.**

6 The policies and standards issued by the Secretary  
7 of Housing and Urban Development, in effect with respect  
8 to public housing projects on the date of the enactment  
9 of this Act, relating to the flexibility of the criteria that  
10 may be used to establish local preferences, the use of wait-  
11 ing list management tools, and the inclusion of certain ac-  
12 tivities in house rules and lease provisions shall, at the  
13 discretion of the public housing authority or owner, also  
14 apply to the programs for rental assistance under section  
15 8 of the United States Housing Act of 1937 (42 U.S.C.  
16 1437f).

17 **TITLE II—RENTAL ASSISTANCE**  
18 **DEMONSTRATION AND CON-**  
19 **TRACT CONVERSIONS**

20 **SEC. 201. DEMONSTRATION TO EXPAND ROLE OF PRIVATE**  
21 **CAPITAL IN AFFORDABLE HOUSING.**

22 (a) **PURPOSE AND AUTHORIZATION.**—To dem-  
23 onstrate the potential for preserving and improving low-  
24 income housing through conversion of assistance for public  
25 housing and moderate rehabilitation properties to long-

1 term rental assistance under section 8 of the United  
2 States Housing Act of 1937 (42 U.S.C. 1437 et seq.), (in  
3 this section referred to as the “Act”), the Secretary of  
4 Housing and Urban Development (in this section referred  
5 to as the “Secretary”) may undertake a demonstration of  
6 conversion of assistance under section 9 of the Act or the  
7 moderate rehabilitation program under section 8(e)(2) of  
8 the Act (except for funds allocated under such section for  
9 single-room occupancy dwellings as authorized by title IV  
10 of the McKinney-Vento Homeless Assistance Act) to as-  
11 sistance under a project-based subsidy contract under sec-  
12 tion 8 of the Act that shall be eligible for renewal under  
13 section 524 of the Multifamily Assisted Housing Reform  
14 and Affordability of 1997 (42 U.S.C. 1437f note) or under  
15 section 8(o)(13) of the Act.

16 (b) SELECTION AND TERMS.—

17 (1) SELECTION.—The Secretary shall select  
18 properties for conversion of assistance and award  
19 funds for assistance, including administrative fees,  
20 through a competitive process or such other means  
21 as the Secretary determines to be fair and necessary  
22 to promote the purposes of the demonstration.

23 (2) TERMS.—The demonstration—

24 (A) shall provide for the conversion of as-  
25 sistance for properties with varying characteris-



1           tics, assisted by public housing agencies of var-  
2           ious sizes in a broad range of locations and  
3           markets;

4           (B) may provide for application of various  
5           policies covering contract rents and terms and  
6           resident choices to move with tenant-based  
7           rental assistance under section 8 of the Act;  
8           and

9           (C) shall, with respect to at least 90 per-  
10          cent of the total number of assisted units in all  
11          properties participating in the demonstration,  
12          test options to provide all assisted residents the  
13          choice, in accordance with policies established  
14          under such options, to move with tenant-based  
15          continuing rental assistance under section 8 of  
16          the Act within a reasonable time.

17          (3) **AUTHORITY.**—The Secretary may provide  
18          for the conversion of assistance through the con-  
19          tracts and transactional infrastructure of the au-  
20          thorized programs administered by the Office of Af-  
21          fordable Housing Preservation of the Department of  
22          Housing and Urban Development.

23          (4) **PUBLIC COMMENT.**—The Secretary shall  
24          provide an opportunity for public comment on draft  
25          eligibility and selection criteria and procedures that

1 will apply to the selection of properties that will par-  
2 ticipate in the demonstration, including reasonable  
3 requirements for consultation with the residents of  
4 properties to be proposed for participation in the  
5 demonstration and with the resident advisory boards  
6 of public housing agencies responsible for such prop-  
7 erties.

8 (5) REQUIRED NOTICE.—The demonstration  
9 may proceed after the Secretary publishes notice of  
10 its terms in the Federal Register.

11 (c) REQUIREMENTS FOR PROPERTIES CONVERTING  
12 ASSISTANCE.—

13 (1) PUBLIC HOUSING.—In the case of a prop-  
14 erty with assistance converted under the demonstra-  
15 tion from assistance under section 9 of the Act—

16 (A) the assistance made available under  
17 the demonstration shall not be terminated, in-  
18 cluding in instances of foreclosure or bank-  
19 ruptcy, except for termination and transfer by  
20 the Secretary for a material violation or a sub-  
21 stantial default, or due to the unavailability of  
22 funds; and

23 (B) the Secretary—

24 (i) shall require ownership or control  
25 of assisted units by a public or non-profit

1 entity, except as determined by the Sec-  
2 retary to be necessary pursuant to fore-  
3 closure, bankruptcy, or termination and  
4 transfer of assistance for material viola-  
5 tions or substantial default, in which cases  
6 the priority for ownership or control shall  
7 be provided to a capable public entity, then  
8 a capable nonprofit entity, and if such en-  
9 tities are not available, to a capable other  
10 entity;

11 (ii) shall require long-term renewable  
12 use and affordability restrictions for as-  
13 sisted units;

14 (iii) may permit transfer of assistance  
15 at or after conversion under the dem-  
16 onstration to replacement units subject to  
17 the requirements in clauses (i) and (ii);

18 (iv) shall offer, subject to the require-  
19 ments in clauses (i) and (ii) and the avail-  
20 ability of sufficient amounts, and the  
21 owner shall accept, a renewal of each ex-  
22 piring contract of assistance;

23 (v) shall require that applicants for,  
24 and tenants of, assisted units in such prop-  
25 erties shall have procedural rights that are

1 equivalent to the rights provided under  
2 section 6 of the Act; and

3 (vi) may allow ownership to be trans-  
4 ferred to a for-profit entity to facilitate the  
5 use of tax credits only if the public housing  
6 agency preserves its interest in the prop-  
7 erty in a manner approved by the Sec-  
8 retary.

9 (2) TENANT PROTECTIONS.—Notwithstanding  
10 sections 3 and 16 of the Act, the conversion of as-  
11 sistance under the demonstration shall not be the  
12 basis for re-screening or termination of assistance or  
13 eviction of any tenant family in a property partici-  
14 pating in the demonstration, and such a family shall  
15 not be considered a new admission for any purpose,  
16 including compliance with income targeting require-  
17 ments.

18 (3) PARTICIPATION IN TENANT ORGANIZA-  
19 TIONS.—The Secretary shall ensure that assisted  
20 residents of all properties with converted assistance  
21 have the right to participate in a legitimate tenant  
22 organization if one is formed or exists that rep-  
23 resents tenants at the property, which shall be rec-  
24 ognized by the owner of the property.

1           (4) REQUIREMENTS.—The Secretary may pro-  
2           vide the requirements for converted assistance under  
3           the demonstration through contracts, use agree-  
4           ments, regulations, or other means.

5           (d) DEMONSTRATION FLEXIBILITY.—

6           (1) AUTHORITY.—The Secretary may waive, or  
7           specify alternative requirements for, any provision of  
8           section 8(o)(13) of the Act (but not in a manner  
9           that adversely would affect requirements related to  
10          fair housing, nondiscrimination, labor standards,  
11          and the environment), or any provision in any ap-  
12          propriations Act that governs the type of assistance  
13          that is converted under the demonstration or funds  
14          made available under the headings of “Public Hous-  
15          ing Capital Fund,” “Public Housing Operating  
16          Fund,” and “Project-Based Rental Assistance,” or  
17          equivalent headings, for properties with assistance  
18          converted under the demonstration, upon a finding  
19          by the Secretary that any such waivers or alternative  
20          requirements are necessary for the effective conver-  
21          sion of assistance under the demonstration and not  
22          inconsistent with the requirements of this section,  
23          provided that the Secretary shall publish by notice  
24          in the Federal Register any waivers or alternative

1 requirements pursuant to this subsection not later  
2 than 10 days before the effective date of such notice.

3 (2) INAPPLICABILITY OF DEMOLITION AND DIS-  
4 POSITION PROVISIONS.—Section 18 of the Act shall  
5 not apply to a project converting assistance under  
6 the demonstration for all or substantially all of its  
7 units.

8 (e) EVALUATION.—The Secretary shall conduct an  
9 evaluation to assess the impact of the conversion of assist-  
10 ance under the demonstration under this section on the  
11 properties' physical and financial sustainability, includ-  
12 ing—

13 (1) the amount of private funding leveraged;

14 (2) the cost of preserving the properties;

15 (3) the financial and programmatic impact of  
16 providing the choice to move, with continuing rental  
17 assistance, from properties with assistance converted  
18 under the demonstration;

19 (4) the impact of conversion on residents' con-  
20 tinuing receipt of rental assistance;

21 (5) the access of eligible families to diverse  
22 communities of their choice;

23 (6) the amount of low-income housing tax cred-  
24 its under section 42 of the Internal Revenue Code  
25 of 1986 used to finance the demonstration prop-

1       erties, including a State-by-State report on the  
2       amount of credit authority allocated for purposes of  
3       demonstration projects and the extent to which allo-  
4       cating agencies provide preferences for such pur-  
5       poses. and

6               (7) such other aspects of the demonstration as  
7       the Secretary deems appropriate.

8       The Secretary shall submit a report setting forth the find-  
9       ings of the evaluation to the Committee on Financial Serv-  
10      ices of the House of Representatives and the Committee  
11      on Banking, Housing, and Urban Affairs of the Senate  
12      and shall make such report publicly available. The Sec-  
13      retary shall solicit public comments on the findings of the  
14      evaluation before any reauthorization, extension, or expan-  
15      sion of the demonstration under this section.

16      (f) AUTHORIZATION OF APPROPRIATIONS.—There  
17      are authorized to be appropriated \$30,000,000 for each  
18      of fiscal years 2012, 2013, 2014, 2015, and 2016 to carry  
19      out the demonstration under this section, including for  
20      supplemental costs of the first year of assistance, evalua-  
21      tion, technical assistance to public housing agencies and  
22      legitimate tenant organizations, and other appropriate  
23      purposes.

1 **SEC. 202. RENT SUPPLEMENT AND RENTAL ASSISTANCE**  
2 **PROGRAM CONTRACT CONVERSIONS.**

3 (a) RENT SUPPLEMENT AND RENTAL ASSISTANCE  
4 PROGRAM CONTRACT RENEWALS.—At the request of own-  
5 ers of properties assisted under the rent supplement pro-  
6 gram under section 101 of the Housing and Urban Devel-  
7 opment Act of 1965 (12 U.S.C. 1701s) or the rental as-  
8 sistance program under section 236(f)(2) of the National  
9 Housing Act (12 U.S.C. 1715z–1(f)(2) and with the ap-  
10 proval of the Secretary of Housing and Urban Develop-  
11 ment, rent supplement or rental assistance program as-  
12 sistance may be converted to project-based subsidy con-  
13 tracts under section 8 of the United States Housing Act  
14 of 1937 (42 U.S.C. 1437f) under the terms of section 524  
15 of the Multifamily Assisted Housing Reform and Afford-  
16 ability Act of 1997 (42 U.S.C. 1437f note) and such con-  
17 tracts shall be considered renewal contracts. There are au-  
18 thorized to be appropriated \$10,000,000 for each of fiscal  
19 years 2012, 2013, 2014, 2015, and 2016 for the costs as-  
20 sociated with conversions under this subsection, and the  
21 Secretary is further authorized to use recaptured assisted  
22 housing program funds for the costs of such conversions.

23 (b) PROPERTY-BASED PRESERVATION CONTRACTS.—  
24 Owners of properties assisted by the Secretary of Housing  
25 and Urban Development other than under section 9 of the  
26 United States Housing Act of 1937 (42 U.S.C. 1437g),



1 for which an event causing the cessation of rental assist-  
2 ance has resulted or will result in eligibility for tenant pro-  
3 tection vouchers under section 8(o) of such Act, shall be  
4 eligible for, subject to requirements established by the Sec-  
5 retary and in lieu of issuance or continuation of such  
6 vouchers, conversion of assistance available for such  
7 vouchers to assistance under section 8(o)(13) of such Act,  
8 except that, only with respect to such conversions, the Sec-  
9 retary may alter or waive the provisions of subparagraphs  
10 (B), (C), and (D) of such section 8(o)(13).

11 **TITLE III—FAMILY SELF-**  
12 **SUFFICIENCY PROGRAM**

13 **SEC. 301. REFORMS TO FAMILY SELF-SUFFICIENCY PRO-**  
14 **GRAM.**

15 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
16 that public housing agencies have an important role to  
17 play not only in the provision of shelter, but also in the  
18 larger effort to help families achieve economic independ-  
19 ence and serve the most vulnerable populations.

20 (b) AMENDMENTS TO FAMILY SELF-SUFFICIENCY  
21 PROGRAM.—Section 23 of the United States Housing Act  
22 of 1937 (42 U.S.C. 1437u) is amended—

23 (1) in subsection (a)—

24 (A) by striking “public housing and”; and

1 (B) by striking “the certificate and vouch-  
2 er programs under section 8” and inserting  
3 “sections 8 and 9 of this title”;

4 (2) by striking subsection (b) and inserting the  
5 following new subsection:

6 “(b) REQUIREMENT TO CARRY OUT PROGRAM AND  
7 MINIMUM PROGRAM SIZE.—

8 “(1) REQUIRED PROGRAM.—Subject to para-  
9 graph (2), each housing agency that administers 500  
10 or more units shall carry out a local Family Self-  
11 Sufficiency Program under this section or as other-  
12 wise determined by the Secretary, to the extent re-  
13 quired in paragraph (5) of this subsection.

14 “(2) CONTINUATION OF PRIOR MANDATORY  
15 PROGRAMS.—Each public housing agency that was  
16 required, as of the date of enactment of the Assisted  
17 Housing and Self-Sufficiency Improvement Act of  
18 2012, to administer a mandatory local Family Self-  
19 Sufficiency program, shall be required to operate  
20 such a local program to the extent provided under  
21 this section, as in effect immediately before such  
22 date of enactment.

23 “(3) SHARED PROGRAMS.—A public housing  
24 agency required by paragraph (1) or (2) to carry out  
25 a local Self-Sufficiency Program under this section

1       may comply with such requirement by carrying out  
2       a local program in conjunction or partnership with  
3       another public housing agency or public housing  
4       agencies.

5               “(4) OPTIONAL PROGRAM.—Any public housing  
6       agency not required by paragraph (1) or (2) to carry  
7       out a local Self-Sufficiency Program under this sec-  
8       tion may carry out such a program, at the discretion  
9       of the agency.

10              “(5) SCOPE.—The local Family Self-Sufficiency  
11       program carried out by a public housing agency that  
12       is required under this subsection to carry out such  
13       a program shall be carried out with respect to the  
14       following number of assisted families:

15              “(A) For any fiscal year that the amount  
16       provided to the agency for administrative fees  
17       under subsection (i) is sufficient to provide for  
18       the filling of 1 full-time family self-sufficiency  
19       coordinator position, not less than 25 assisted  
20       families.

21              “(B) For any fiscal year that the amount  
22       provided to the agency for administrative fees  
23       under subsection (i) exceeds the amount speci-  
24       fied in subparagraph (A), in addition to the as-  
25       sisted families required under subsection (a),

1 not less than 50 additional assisted families for  
2 each additional full-time family self-sufficiency  
3 coordinator position that such additional  
4 amount provides sufficient amounts for filling.

5 “(6) DETERMINATION OF PHA SIZE.—For pur-  
6 poses of this subsection, the number of units admin-  
7 istered by a public housing agency shall be the sum  
8 of—

9 “(A) the number of vouchers for rental  
10 housing assistance under section 8 administered  
11 by the agency; and

12 “(B) the number of public housing dwell-  
13 ing units administered by the agency that are  
14 not specifically designated pursuant to section 7  
15 for occupancy by only elderly families, only dis-  
16 abled families, or elderly and disabled fami-  
17 lies.”;

18 (3) by striking subsections (h) and (i);

19 (4) by redesignating subsections (c), (d), (e),  
20 (f), and (g) as subsections (d), (e), (f), (g), and (h)  
21 respectively;

22 (5) by inserting after subsection (b), as pre-  
23 viously amended, the following:

24 “(c) ELIGIBILITY.—

1           “(1) ELIGIBLE FAMILIES.—A family shall be el-  
2           igible to participate in a local Family Self-Suffi-  
3           ciency program under this section if—

4                   “(A) at least 1 adult family member seeks  
5                   to become and remain employed in suitable em-  
6                   ployment or to increase earnings; and

7                   “(B) the family resides in a unit assisted  
8                   under section 8 or 9.

9           “(2) ELIGIBLE ENTITIES.—The following enti-  
10           ties shall be eligible to administer a local Family  
11           Self-Sufficiency program under this section:

12                   “(A) A public housing agency admin-  
13                   istering housing assistance to an eligible family  
14                   under section 8 or 9.

15                   “(B) The owner or sponsor of a multi-  
16                   family property receiving rental assistance  
17                   under section 8, in accordance with the require-  
18                   ments under subsection (l).

19                   “(C) Any other eligible entity approved to  
20                   administer a local Family Self-Sufficiency pro-  
21                   gram, as determined by the Secretary.”;

22           (6) in subsection (d), as so redesignated by  
23           paragraph (4) of this subsection—

24                   (A) in paragraph (1)—

1 (i) by striking “public housing agen-  
2 cy” the first place such term appears and  
3 inserting “eligible entity”;

4 (ii) in the first sentence, by striking  
5 “the certificate and voucher programs of  
6 the public housing agency under section 8  
7 or residing in public housing administered  
8 by the agency” and inserting “section 8 or  
9 9”; and

10 (iii) by striking the third sentence and  
11 inserting the following: “Housing assist-  
12 ance may not be terminated as a con-  
13 sequence of either successful completion of  
14 the contract of participation or failure to  
15 complete such contract.”;

16 (B) in paragraph (2)—

17 (i) in the matter preceding subpara-  
18 graph (A)—

19 (I) in the first sentence, by strik-  
20 ing “provide” and inserting “coordi-  
21 nate the provision of”; and

22 (II) in the second sentence—

23 (aa) by striking “provided  
24 during” and inserting “for”;

1 (bb) by striking “section 8  
2 or residing in public housing”  
3 and inserting “section 8 or 9”;  
4 and

5 (cc) by inserting “, but is  
6 not limited to” after “may in-  
7 clude”;

8 (ii) in subparagraph (D), by inserting  
9 “or attainment of a graduate equivalency  
10 diploma” after “high school”;

11 (iii) by striking subparagraph (G);

12 (iv) by redesignating subparagraphs  
13 (E), (F), and (J) as subparagraphs (F),  
14 (G), and (K) respectively;

15 (v) by inserting after subparagraph  
16 (D) the following new subparagraph:

17 “(E) education in pursuit of a post-sec-  
18 ondary degree or certification;”;

19 (vi) in subparagraph (H), by inserting  
20 “financial literacy and” after “training  
21 in”;

22 (vii) in subparagraph (I), by striking  
23 “and” at the end; and

24 (viii) by inserting after subparagraph  
25 (I) the following new subparagraph:

1           “(J) homeownership education and assist-  
2           ance; and”;

3           (C) in paragraph (3), in the second sen-  
4           tence—

5           (i) by striking “public housing agen-  
6           cy” and inserting “eligible entity”; and

7           (ii) by striking “of the agency”;

8           (D) by striking paragraph (4) and insert-  
9           ing the following new paragraph:

10          “(4) EMPLOYMENT.—The contract of participa-  
11          tion shall require participants to seek and maintain  
12          suitable employment.”; and

13          (E) by adding at the end the following:

14          “(5) NONPARTICIPATION.—Assistance under  
15          section 8 or 9 for a family that elects not to partici-  
16          pate in a local program shall not be delayed by rea-  
17          son of such election.”;

18          (7) in subsection (e), as so redesignated by  
19          paragraph (4) of this subsection—

20          (A) in paragraph (1), by striking “whose  
21          monthly adjusted income does not exceed 50  
22          percent” and all that follows through the period  
23          at the end of the third sentence, and inserting  
24          “shall be calculated under the rental provisions  
25          of section 3 or section 8(o), as applicable.”;



1 (B) by striking paragraphs (2) and (3) and  
2 inserting the following new paragraph:

3 “(2) ESCROW SAVINGS ACCOUNTS.—

4 “(A) ESTABLISHMENT.—Each eligible en-  
5 tity administering a local Family Self-Suffi-  
6 ciency program under this section shall estab-  
7 lish an interest-bearing escrow account on be-  
8 half of each family participating in the local  
9 program. For each participating family, any in-  
10 crease in the amount of rent paid by the family  
11 in accordance with the provisions of section 3 or  
12 section 8(o), as applicable, that is attributable  
13 to increases in earned income by the partici-  
14 pating family, shall be placed in the escrow ac-  
15 count established by the eligible entity on behalf  
16 of the participating family. The Secretary shall  
17 not escrow any amounts for any family whose  
18 adjusted income exceeds 80 percent of the area  
19 median income.

20 “(B) WITHDRAWAL OF AMOUNTS.—

21 “(i) IN GENERAL.—Amounts in the  
22 escrow account for a participating family  
23 may be withdrawn by the participating  
24 family—

25 “(I) after the family—

1                   “(aa) ceases to receive in-  
2                   come assistance under Federal or  
3                   State welfare programs; and

4                   “(bb) successfully performs  
5                   its obligations under the contract  
6                   of participation entered into by  
7                   the family under subsection (d),  
8                   as determined according to the  
9                   specific goals and terms included  
10                  in the contract; or

11                  “(II) under other circumstances  
12                  in which the Secretary determines an  
13                  exception for good cause is warranted.

14                  “(ii) DURING PARTICIPATION.— An  
15                  eligible entity establishing such escrow ac-  
16                  counts may make certain amounts in the  
17                  accounts available to the participating fam-  
18                  ilies before full performance of the contract  
19                  obligations based on compliance with, and  
20                  completion of, specific interim goals in-  
21                  cluded in the contract; except that any  
22                  such amounts shall be used by the partici-  
23                  pating families for purposes consistent  
24                  with the contracts of participation, as de-  
25                  termined by such eligible entity.

1           “(C) USE OF AMOUNTS.—Amounts in the  
2           escrow account for a family who has success-  
3           fully performed the obligations of the family  
4           under its contract of participation may be used  
5           as follows:

6                   “(i) RESIDENTS OF ASSISTED HOUS-  
7                   ING.—If the family resides in housing as-  
8                   sisted under section 8 or 9, only for the  
9                   following activities:

10                           “(I) Purchasing a home through  
11                           a homeownership program of a public  
12                           housing agency.

13                           “(II) Paying for formal education  
14                           or job training.

15                           “(III) Starting or investing in a  
16                           small business.

17                           “(IV) Buying or repairing an  
18                           automobile.

19                           “(V) Paying down debt as part of  
20                           a credit repair program.

21                           “(VI) Investing in a retirement  
22                           savings vehicle.

23                           “(VII) Investing in a qualified  
24                           educational savings plan.

25                           “(VIII) Purchasing a computer.

1                   “(IX) For any other uses as the  
2                   Secretary may specify.

3                   “(ii) NOT RESIDENTS OF ASSISTED  
4                   HOUSING.—If the family does not reside  
5                   in housing assisted under section 8 or 9,  
6                   as determined by the family without re-  
7                   striction.

8                   “(iii) RESERVING AMOUNTS.—A fam-  
9                   ily who has successfully performed the obli-  
10                  gations of the family under its contract of  
11                  participation may use a portion of the  
12                  amounts in their escrow account while re-  
13                  siding in housing assisted under section 8  
14                  or 9 in accordance with clause (i) and re-  
15                  serve a portion of such amounts for use in  
16                  accordance with clause (ii) after leaving  
17                  such assisted housing.

18                  “(D) FORFEIT OF ESCROW.—Any amount  
19                  placed in an escrow account established by an  
20                  eligible entity for a participating family as re-  
21                  quired under subparagraph (A), that exists  
22                  after the end of a contract of participation by  
23                  a participant that does not qualify to receive  
24                  the escrow, shall be used for the purposes of

1           this section in accordance with the regulations  
2           promulgated by the Secretary.”;

3           (8) in subsection (f), as so redesignated by  
4           paragraph (4) of this subsection, by striking “, un-  
5           less the income of the family equals or exceeds 80  
6           percent of the median income of the area (as deter-  
7           mined by the Secretary with adjustments for smaller  
8           and larger families)”;

9           (9) in subsection (g), as so redesignated by  
10          paragraph (4) of this subsection—

11           (A) in paragraph (1)—

12           (i) by striking “public housing agen-  
13           cy” and inserting “eligible entity”;

14           (ii) by striking “the public housing  
15           agency” and inserting “such eligible enti-  
16           ty”; and

17           (iii) by striking “subsection (g)” and  
18           inserting “subsection (h)”;

19           (B) in paragraph (2)—

20           (i) by striking “public housing agen-  
21           cy” and inserting “eligible entity” each  
22           place such term appears; and

23           (ii) in the first sentence—

24           (I) by striking “or the Job Op-  
25           portunities and Basic Skills Training

1 Program under part F of title IV of  
2 the Social Security Act”;

3 (II) by inserting “primary, sec-  
4 ondary, and post-secondary” after  
5 “public and private”; and

6 (III) by inserting “tenants served  
7 by the program,” after “the unit of  
8 general local government,”;

9 (10) in subsection (h), as so redesignated by  
10 paragraph (4) of this subsection—

11 (A) in paragraph (1)—

12 (i) by striking “public housing agen-  
13 cy” and inserting “eligible entity”;

14 (ii) by striking “to the Secretary, for  
15 approval by the Secretary,”; and

16 (iii) by striking “participating in the”  
17 and inserting “carrying out a local”;

18 (B) in paragraph (2)—

19 (i) by striking “public housing agen-  
20 cy” and inserting “eligible entity”;

21 (ii) by striking “subsection (f)” and  
22 inserting “subsection (g)”;

23 (iii) by striking “residents of the pub-  
24 lic housing” and inserting “the current

1 and prospective participants of the pro-  
2 gram”; and

3 (iv) by striking “or the Job Opportu-  
4 nities and Basic Skills Training Program  
5 under part F of title IV of the Social Secu-  
6 rity Act”; and

7 (C) in paragraph (3)—

8 (i) in subparagraph (C)—

9 (I) by striking “subsection  
10 (c)(2)” and inserting “subsection  
11 (d)(2)”;

12 (II) by striking “provided to”  
13 and inserting “coordinated on behalf  
14 of participating”; and

15 (III) by striking “the section 8  
16 and public housing programs” and in-  
17 serting “sections 8 and 9”;

18 (ii) in subparagraph (D)—

19 (I) by striking “subsection (d)”  
20 and inserting “subsection (e)”; and

21 (II) by striking “public housing  
22 agency” and inserting “eligible enti-  
23 ty”;

24 (iii) in subparagraph (E), by striking  
25 “deliver” and inserting “coordinate”;

1 (iv) in subparagraph (H), by striking  
2 “the Job Opportunities and Basic Skills  
3 Training Program under part F of title IV  
4 of the Social Security Act and”; and

5 (v) in subparagraph (I), by striking  
6 “public housing or section 8” and inserting  
7 “sections 8 or 9”;

8 (11) by inserting after subsection (h), as so re-  
9 designated by paragraph (4) of this subsection, the  
10 following new subsection:

11 “(i) FAMILY SELF-SUFFICIENCY FEES.—

12 “(1) IN GENERAL.—The Secretary shall estab-  
13 lish a fee to be awarded by formula or as otherwise  
14 determined by the Secretary, for the costs incurred  
15 by an eligible entity in administering a local Family  
16 Self-Sufficiency program under this section, which  
17 fee shall be provided to eligible entities to the extent  
18 amounts for such fees are made available in appro-  
19 priation Acts.

20 “(2) ELIGIBILITY FOR FEE.—The fee estab-  
21 lished under paragraph (1) shall provide funding for  
22 family self-sufficiency coordinators as follows:

23 “(A) BASE FEE.—An eligible entity serv-  
24 ing 25 or more participants in the Family Self-  
25 Sufficiency program under this section shall be



1 eligible to receive a fee equal to the costs, as de-  
2 termined by the Secretary, of one full-time fam-  
3 ily self-sufficiency coordinator position. The  
4 Secretary may, by regulation or notice, deter-  
5 mine the policy concerning the fee for an eligi-  
6 ble entity serving fewer than 25 such partici-  
7 pants, including allowing such entities to com-  
8 bine their programs under this section for pur-  
9 poses of employing a coordinator.

10 “(B) ADDITIONAL FEE.—An eligible entity  
11 that meets performance standards set by the  
12 Secretary shall be eligible to receive an addi-  
13 tional fee sufficient to cover the costs of filling  
14 a second family self-sufficiency coordinator po-  
15 sition if such entity has 75 or more partici-  
16 pating families, and an additional coordinator  
17 for each additional 50 participating families, or  
18 such other ratio as may be established by the  
19 Secretary based on the fee allocation evaluation  
20 under subparagraph (G).

21 “(C) PREVIOUSLY FUNDED SELECT FSS  
22 PROGRAMS.—A public housing agency that re-  
23 ceived funding from the Department of Housing  
24 and Urban Development for more than 3 family  
25 self-sufficiency coordinators that was appro-

1           priated in any of fiscal years 2006 through  
2           2010 shall be eligible for funding for the high-  
3           est number of coordinators funded in a single  
4           fiscal year during that period, provided such  
5           agency meets applicable size and performance  
6           standards set by the Secretary, and subject to  
7           the availability of appropriations for such fees.

8           “(D) INITIAL YEAR.—For the first year in  
9           which an eligible entity implements a Family  
10          Self-Sufficiency program under this section for  
11          its residents, such entity shall be eligible for  
12          funding to cover the costs of up to one family  
13          self-sufficiency coordinator, based on the size  
14          specified in its action plan for such program in  
15          accordance with subparagraph (A).

16          “(E) STATE AND REGIONAL AGENCIES.—  
17          For purposes of calculating the family self-suffi-  
18          ciency portion of the administrative fee under  
19          this paragraph, each administratively distinct  
20          part of a State or regional eligible entity may  
21          be treated as a separate agency.

22          “(F) DETERMINATION OF NUMBER OF CO-  
23          ORDINATORS.—In determining whether an eligi-  
24          ble entity meets a specific threshold for funding  
25          pursuant to this paragraph, the Secretary shall

1 consider the number of participants enrolled by  
2 the eligible entity in its Family Self-Sufficiency  
3 program as well as other criteria determined by  
4 the Secretary.

5 “(G) FEE ALLOCATION EVALUATION.—The  
6 Secretary shall submit to the Congress a report  
7 evaluating the fee allocation under this sub-  
8 section, and make recommendations based on  
9 such evaluation and other related findings to  
10 modify such allocation within 4 years after the  
11 date of enactment of the Assisted Housing and  
12 Self-Sufficiency Improvement Act of 2012, and  
13 not less frequently than every 4 years there-  
14 after. The report requirement under this sub-  
15 paragraph shall terminate after the Secretary  
16 has submitted 2 such reports to the Congress.

17 “(3) ALLOCATION.—Funds allocated by the  
18 Secretary under this subsection shall be allocated in  
19 the following order of priority:

20 “(A) FIRST PRIORITY.—If insufficient  
21 funds exist to provide the full cost of all coordi-  
22 nators in the previous fiscal year at each eligi-  
23 ble entity with an existing local Family Self-  
24 Sufficiency program that meets applicable size  
25 and performance standards set by the Secretary

1 funding under this subparagraph, the Secretary  
2 may prorate such funding for each eligible coordinator,  
3 but only if each eligible entity that has  
4 received funding in the prior fiscal year is provided  
5 sufficient funding for at least 1 coordinator  
6 as part of any such proration.

7 “(B) SECOND PRIORITY.—Renewal of the  
8 full cost of all coordinators in the previous year  
9 at each eligible entity with an existing Family  
10 Self-Sufficiency program that meets applicable  
11 size and performance standards set by the Secretary.  
12

13 “(C) THIRD PRIORITY.—New or incremental  
14 coordinator funding authorized under  
15 this section, up to 3 coordinators per eligible  
16 entity.

17 “(D) FINAL PRIORITY.—Any other new or  
18 incremental coordinator funding authorized  
19 under this section.

20 As the Secretary determines appropriate, consideration  
21 may be given to individual program performance,  
22 and the Secretary may supplement or prorate  
23 fees provided under this subsection accordingly.

1           “(4) USE.—Amounts from fees provided under  
2 this subsection to an eligible entity shall be used as  
3 follows:

4           “(A) ELIGIBLE USES.— Such amounts  
5 may be used only to fund costs of personnel  
6 (which may include staff of a public housing  
7 agency or outside contractors) for time associ-  
8 ated with—

9           “(i) developing, monitoring, and exe-  
10 cuting the procedures for the local Family  
11 Self-Sufficiency program of the eligible en-  
12 tity, including providing case management  
13 or coaching for participating families;

14           “(ii) building and maintaining part-  
15 nerships with outside public and private  
16 organizations to facilitate additional access  
17 to services for participants in the local pro-  
18 gram

19           “(B) LIMIT ON TRAINING.—Not more than  
20 10 percent of the amounts provided to an eligi-  
21 ble entity for any fiscal year for fees under this  
22 subsection may be used for costs of training for  
23 staff or contractors of a local program.

24           “(5) RECAPTURE OR OFFSET.—Any fees allo-  
25 cated under this subsection by the Secretary in a fis-

1 cal year that have not been expended by the end of  
2 the subsequent fiscal year or such other time period  
3 as determined by the Secretary may be recaptured  
4 by the Secretary and shall be available for providing  
5 additional fees pursuant to paragraph (2)(B), or  
6 may be offset as determined by the Secretary.

7 “(6) PERFORMANCE REPORTING.—The Sec-  
8 retary shall require eligible entities to report the  
9 number of families enrolled and graduated, the num-  
10 ber of established escrow accounts and positive es-  
11 crow balances, and any other information that the  
12 Secretary may require. Program performance shall  
13 be reviewed periodically as determined by the Sec-  
14 retary.

15 “(7) INCENTIVES FOR INNOVATION AND HIGH  
16 PERFORMANCE.—The Secretary may reserve up to 5  
17 percent of the amounts made available for adminis-  
18 trative fees under this subsection to provide support  
19 to or reward local Family Self-Sufficiency programs  
20 based on the rate of successful completion, increased  
21 earned income, or other factors as may be estab-  
22 lished by the Secretary.”;

23 (12) in subsection (j)—

24 (A) by striking “public housing agency”  
25 and inserting “eligible entity”;

1 (B) by striking “public housing” before  
2 “units”;

3 (C) by striking “in public housing projects  
4 administered by the agency”;

5 (D) by inserting “or coordination” before  
6 “of supportive services”; and

7 (E) by striking the last sentence;

8 (13) in subsection (k), by striking “public hous-  
9 ing agencies” and inserting “eligible entities”;

10 (14) by striking subsections (n) and (o);

11 (15) by redesignating subsections (l) and (m) as  
12 subsections (n) and (o), respectively;

13 (16) by inserting after subsection (k), the fol-  
14 lowing new subsections:

15 “(l) PROGRAMS FOR TENANTS IN PRIVATELY-OWNED  
16 PROPERTIES WITH PROJECT-BASED ASSISTANCE.—

17 “(1) VOLUNTARY AVAILABILITY OF FSS PRO-  
18 GRAM.—The owner of a privately-owned property  
19 may voluntarily make a local Family Self-Sufficiency  
20 program available to the tenants of such property by  
21 entering into a cooperative agreement with a local  
22 public housing agency that administers a Family  
23 Self-Sufficiency program.

24 “(2) COOPERATIVE AGREEMENT.—Any coopera-  
25 tive agreement entered into pursuant to paragraph

1 (1) shall require the public housing agency to open  
2 its Family Self-Sufficiency program waiting list to  
3 any eligible family residing in the owner's property  
4 for which project-based assistance is provided under  
5 section 8.

6 “(3) TREATMENT OF FAMILIES ASSISTED  
7 UNDER THIS SUBSECTION.—A public housing agency  
8 that enters into a cooperative agreement pursuant to  
9 paragraph (1) may count any family participating in  
10 its Family Self-Sufficiency program as a result of  
11 such agreement as part of the calculation of the ad-  
12 ministrative fee under subsection (i).

13 “(4) ESCROW.—As part of any cooperative  
14 agreement entered into pursuant to paragraph (1),  
15 the owner of the property shall agree to calculate,  
16 track, and upon request of the public housing agen-  
17 cy, make available escrow for participating residents,  
18 in accordance with subsection (e)(2), residing in  
19 units assisted under section 8.

20 “(5) NO EXISTING LOCAL PROGRAM OPTION.—  
21 If there is no existing local Family Self-Sufficiency  
22 program or public housing agency willing and able  
23 to enter into a cooperative agreement with an owner  
24 pursuant to paragraph (1), such owner may admin-  
25 ister a Family Self-Sufficiency program under this



1 section without being eligible for funding under sub-  
2 section (i). If such owner administers a program  
3 that serves at least 25 participants, that owner shall  
4 be eligible for funding under subsection (i).

5 “(6) EXCEPTION.—This subsection shall not  
6 apply to properties assisted under section 8(o)(13).

7 “(7) SUSPENSION OF ENROLLMENT.—In any  
8 year, the Secretary may suspend the enrollment of  
9 new families in Family Self-Sufficiency programs  
10 under this subsection based on a determination that  
11 insufficient funding is available for this purpose.

12 “(m) TECHNICAL ASSISTANCE.—The Secretary shall,  
13 on an ongoing basis, take such actions as may be nec-  
14 essary to strengthen the quality and size of local Family  
15 Self-Sufficiency programs of public housing agencies  
16 through the provision of technical assistance, capacity  
17 building, training, identification and dissemination of ef-  
18 fective or otherwise promising practices, and such other  
19 actions as may be necessary and appropriate.”; and

20 (17) in subsection (n), as so redesignated by  
21 paragraph (15) of this subsection—

22 (A) in paragraph (1), by striking “The re-  
23 port shall” and inserting “The contents of the  
24 report shall be determined by the Secretary and  
25 may”;

1 (B) by striking paragraph (2) and insert-  
2 ing the following new paragraph:

3 “(2) HUD ANNUAL REPORTS.—The Secretary  
4 shall submit to the Congress annually a report de-  
5 tailing the performance of the Family Self-Suffi-  
6 ciency Program, under this section, which shall in-  
7 clude—

8 “(A) effective and otherwise promising  
9 practices as identified by the Secretary;

10 “(B) any recommendations of the Sec-  
11 retary for improving the effectiveness of the  
12 self-sufficiency program under this section;

13 “(C) identification of any public housing  
14 agencies that have cooperation agreements for  
15 economic self-sufficiency activities in place with  
16 State, local , or other welfare agencies (as de-  
17 scribed in section 12(d)(7) (42 U.S.C.  
18 1437j(d)(7))); and

19 “(D) identification of any agreements be-  
20 tween public housing agencies and private, non-  
21 profit, or public agencies involved in providing  
22 workforce training, educational services, or  
23 other supportive services related to economic se-  
24 curity.”.

1 (c) PUBLIC HOUSING MANAGEMENT ASSESSMENT  
2 SYSTEM.—The Secretary of Housing and Urban Develop-  
3 ment shall, by regulations issued not later than the expira-  
4 tion of the 12-month period beginning on the date of the  
5 enactment of this Act, modify the public housing manage-  
6 ment assessment program under section 6(j) of the United  
7 States Housing Act of 1937 (42 U.S.C. 1437d(j)) and the  
8 management assessment program for rental assistance  
9 section 8 of such Act (41 U.S.C. 1437f) to provide incen-  
10 tives for public housing agencies to increase the scope and  
11 size of their local Family Self-Sufficiency programs con-  
12 ducted pursuant to section 23 of such Act (42 U.S.C.  
13 1437u).

14 (d) EFFECTIVE DATE.—This section, and any  
15 amendments made by this section, shall take effect on  
16 publication in the Federal Register of a notice by the Sec-  
17 retary of Housing and Urban Development to implement  
18 such amendments.

19 **SEC. 302. RESEARCH DEMONSTRATION TO EVALUATE OP-**  
20 **TIONS FOR TAKING ECONOMIC SECURITY INI-**  
21 **TIATIVES TO SCALE IN SUBSIDIZED HOUSING.**

22 (a) ESTABLISHMENT AND GOAL.—The Secretary of  
23 Housing and Urban Development (in this section referred  
24 to as the “Secretary”) shall carry out a demonstration de-  
25 signed to rigorously evaluate options for helping to in-

1 crease the economic security of families residing in hous-  
2 ing assisted by the Department who are neither elderly  
3 families nor disabled families. The goal of the demonstra-  
4 tion shall be to identify one or more methods that are ef-  
5 fective in increasing the economic security of such families  
6 and could be made available for all families in subsidized  
7 housing in a cost-effective manner.

8 (b) SCOPE.—Subject to the limitations specified in  
9 subsection (g)(2), the Secretary may, at the sole discretion  
10 of the Secretary, limit the number of public housing agen-  
11 cies or families that participate in the demonstration.

12 (c) PERFORMANCE MEASURES.—The demonstration  
13 under this section shall evaluate competing methods of  
14 achieving the goal under subsection (a) according to the  
15 following performance measures:

16 (1) Effectiveness in boosting earnings of par-  
17 ticipating families.

18 (2) Effectiveness in increasing the hours of em-  
19 ployment among participating families.

20 (3) Effectiveness in increasing the assets of  
21 participating families or helping families make stra-  
22 tegic asset purchases that may contribute to their  
23 long-term economic security, or both.

1           (4) Effectiveness in reducing reliance on income  
2 supports under the program for temporary assist-  
3 ance for needy families.

4           (5) Effectiveness in preparing families to pur-  
5 chase homes or afford the rents of housing units  
6 that are not subsidized under section 8 or 9 of the  
7 United States Housing Act of 1937.

8           (6) Effectiveness in families achieving exits  
9 from housing assisted by the Department that lead  
10 to housing situations that are both stable and af-  
11 fordable.

12           (7) Effectiveness in reducing per-unit subsidy  
13 costs for participating families that continue to re-  
14 ceive housing assistance under section 8 or 9 of the  
15 United States Housing Act of 1937.

16           (8) Effectiveness in minimizing hardship among  
17 participating families and the children of such fami-  
18 lies.

19           (9) Effectiveness in improving the credit scores  
20 and financial literacy of, and access to affordably  
21 priced financial services for, participating families.

22           (10) Cost-effectiveness in relation to existing  
23 programs and laws and to other options.

24           (11) Ease of implementation and cost of admin-  
25 istration

1 (d) EVALUATION.—For each of the performance  
2 measures specified in subsection (c), the demonstration  
3 under this section shall evaluate impacts and other out-  
4 comes for the entire group of participating families and  
5 for specific subgroups of such families, including the fol-  
6 lowing groups:

7 (1) Families whose heads of household are un-  
8 employed as of the commencement of the demonstra-  
9 tion.

10 (2) Families whose heads of household are em-  
11 ployed as of the commencement of the demonstra-  
12 tion.

13 (3) Families whose participating member or  
14 household resident has a high school diploma as of  
15 the commencement of the demonstration.

16 (4) Families whose participating member or  
17 household resident does not have a high school di-  
18 ploma as of the commencement of the demonstra-  
19 tion.

20 (5) Families residing in markets with high  
21 housing rental costs.

22 (6) Families residing in markets with low hous-  
23 ing rental costs.

24 (e) INTERVENTIONS.—The demonstration under this  
25 section shall analyze and evaluate different clusters of

1 interventions in a manner that provides results and out-  
2 comes that can be compared across each of the clusters.  
3 Such clusters shall include at least the following:

4 (1) COMPARISON OF DIFFERENT FINANCIAL IN-  
5 CENTIVES FOR INCREASED EARNINGS.—A cluster of  
6 different forms of providing financial incentives for  
7 increased earnings of participating families, which  
8 can be compared against each other and one or more  
9 control groups, including at least the following fi-  
10 nancial incentives:

11 (A) Flat rents.

12 (B) Ceiling rents.

13 (C) Conditional cash transfers that imme-  
14 diately reward families for achieving certain  
15 goals, such as full-time work.

16 (D) Rental assistance asset accounts.

17 (2) WORK REQUIREMENTS.—A cluster of dif-  
18 ferent combinations of work requirements, good  
19 cause exceptions, and child care subsidies for partici-  
20 pating families, which shall be evaluated both with  
21 and without the availability of service coordination  
22 and financial coaching.

23 (3) OTHER.—Such other clusters of interven-  
24 tions as the Secretary determines are appropriate to

1 be analyzed and evaluated taking into consideration  
2 the goals of the demonstration under this section.

3 (f) PUBLIC INPUT.—

4 (1) IN GENERAL.—The Secretary shall solicit  
5 and consider input from public housing agencies,  
6 tenant representatives, policy experts, and others in  
7 designing the demonstration under this section.

8 (2) EVALUATION.—The Secretary shall design  
9 the standards and procedures for evaluating the  
10 methods of achieving the goals of the demonstration  
11 under this section so that public housing agencies  
12 may propose interventions to be considered for eval-  
13 uation under the demonstration, in addition to the  
14 interventions identified for evaluation by the Sec-  
15 retary.

16 (g) WAIVER AUTHORITY.—

17 (1) IN GENERAL.—Subject to paragraph (2),  
18 the Secretary may waive, or specify alternative re-  
19 quirements for, any provision of any statute or regu-  
20 lation that the Secretary administers to the extent  
21 determined by the Secretary to be necessary to carry  
22 out the demonstration under this section (except for  
23 requirements related to fair housing, nondiscrimina-  
24 tion, labor standards, and the environment).



1           (2) LIMITATION.—The number of families re-  
2           quired to pay more in rent, or assume additional re-  
3           sponsibilities, than required under the laws in effect  
4           upon the commencement of the demonstration under  
5           this section shall be limited to the number reason-  
6           ably necessary to conduct an effective, rigorous eval-  
7           uation under the demonstration.

## 8           **TITLE IV—REFORM OF MOVING** 9           **TO WORK PROGRAM**

### 10          **SEC. 401. REFORM OF MOVING TO WORK PROGRAM.**

11           (a) PROGRAM REFORMS.—Section 204 of the Depart-  
12          ments of Veterans Affairs and Housing and Urban Devel-  
13          opment, and Independent Agencies Appropriations Act,  
14          1996 (42 U.S.C. 1437f note) is amended—

15           (1) in the section heading, by striking “DEM-  
16          ONSTRATION” and inserting “PROGRAM”; and

17           (2) by striking the section designation and all  
18          that follows through the end of subsection (a) and  
19          inserting the following:

20          “SEC. 204. (a) PURPOSES.—The purposes of the pro-  
21          gram under this section are as follows:

22           “(1) ECONOMIC INDEPENDENCE.—To de-  
23          velop measures to promote economic independ-  
24          ence for families with children whose head of  
25          household is working, seeking work, or pre-

1           paring for work to obtain employment and be-  
2           come economically independent, by participating  
3           in job training, educational programs, or other  
4           supportive services and programs that assist in  
5           meeting such goal.

6           “(2) FLEXIBILITY AND COST-EFFECTIVE-  
7           NESS.—To give public housing agencies and the  
8           Secretary of Housing and Urban Development  
9           the flexibility to design and implement various  
10          approaches for providing and administering  
11          housing assistance that: reduce cost and achieve  
12          greater cost effectiveness in Federal expendi-  
13          tures.

14          “(3) HOUSING CHOICE.—To increase hous-  
15          ing choices for low-income families.”;

16          (3) in subsection (b)—

17                (A) by striking “(b) PROGRAM AUTHOR-  
18                ITY.—The Secretary” and inserting the fol-  
19                lowing:

20          “(b) PROGRAM AUTHORITY.—

21                “(1) IN GENERAL.—The Secretary”;

22                (B) in the first sentence, by striking “con-  
23                duct a demonstration program” and all that fol-  
24                lows through “Indian housing program and”  
25                and inserting “carry out a program under this

1 section under which public housing agencies ad-  
2 ministering the public housing program or”;  
3 and

4 (C) by inserting after the first sentence the  
5 following: “There shall be no limitation on the  
6 number of public housing agencies that may  
7 participate in the program under this section.”;

8 (D) by striking “The Secretary shall” and  
9 all that follows through “demonstration.” and  
10 inserting the following:

11 “(2) IDENTIFICATION OF REPLICABLE MOD-  
12 ELS.—The Secretary shall provide training and tech-  
13 nical assistance under the program and conduct de-  
14 tailed evaluations of various agencies to identify  
15 replicable program models promoting the purposes  
16 of the program.”;

17 (E) by striking “Under the demonstration”  
18 and inserting the following:

19 “(3) COMBINATION OF ASSISTANCE.—Under  
20 the program under this section”; and

21 (F) by striking “operating assistance pro-  
22 vided under section 9 of the United States  
23 Housing Act of 1937, modernization assistance  
24 provided under section 14” and inserting  
25 “amounts provided to the agency from the Op-

1 erating Fund under section 9(e) of the United  
2 States Housing Act of 1937, amounts provided  
3 to the agency from the Capital Fund under sec-  
4 tion 9(d)”.

5 (4) in subsection (c)—

6 (A) in the matter preceding paragraph (1),  
7 by striking “demonstration” and inserting “pro-  
8 gram under this section”;

9 (B) in paragraph (1), by striking “9, and  
10 14” and inserting “9(d), and 9(e)”;

11 (C) in paragraph (3)—

12 (i) in subparagraph (A), by striking  
13 “demonstration”;

14 (ii) in subparagraph (B)—

15 (I) by striking “self-sufficiency”  
16 and inserting “economic independ-  
17 ence”;

18 (II) by striking “purpose of this  
19 demonstration” and inserting “pur-  
20 pose of the program under subsection  
21 (a)(1)”;

22 (iii) in subparagraph (D), by striking  
23 “demonstration” and inserting “program  
24 under this section”;

1 (iv) in subparagraph (E), by striking  
2 “demonstration program” and inserting  
3 “program under this section”;

4 (v) by redesignating subparagraphs  
5 (A), (B), (C), (D), and (E) as subpara-  
6 graphs ((B), (C), (D), (F), and (G), re-  
7 spectively;

8 (vi) by inserting before subparagraph  
9 (B) (as so redesignated by clause (v) of  
10 this subparagraph) the following new para-  
11 graph:

12 “(A) actions to be taken under the pro-  
13 posed program to achieve the purposes of the  
14 program under paragraphs (1), (2), and (3) of  
15 subsection (a);” and

16 (vii) by inserting after subparagraph  
17 (D) (as so redesignated by clause (v) of  
18 this subparagraph) the following new sub-  
19 paragraph:

20 “(E) providing assisted families and partici-  
21 pants in the program operated by the agency with  
22 an informal administrative hearing or grievance  
23 process, prior to any eviction or termination of as-  
24 sistance;” and

1 (D) in paragraph (4), by striking “dem-  
2 onstration” and inserting “proposed program”;  
3 (5) in subsection (d)—

4 (A) by striking “(d) SELECTION.—In se-  
5 lecting among applications, the Secretary shall  
6 take into account the” and inserting the fol-  
7 lowing:

8 “(d) APPLICATIONS FOR PARTICIPATION.—

9 “(1) SUBMISSION.—The Secretary shall provide  
10 for public housing agencies to submit applications  
11 for participation in the program under this section  
12 and shall establish standards and requirements for  
13 such applications.

14 “(2) REVIEW AND DETERMINATION.—Upon re-  
15 ceipt of an application for participation in the pro-  
16 gram under this section, the Secretary shall prompt-  
17 ly—

18 “(A) review such application;

19 “(B) make a determination of whether to  
20 approve such agency for participation in the  
21 program under this section, based on the cri-  
22 teria under paragraph (3); and

23 “(C) notify the public housing agency of  
24 such determination.

1           “(3) CRITERIA.—The Secretary shall establish  
2           criteria for approval of applications of public housing  
3           agencies for participation in the program under this  
4           section, which shall provide for approval of applica-  
5           tions that are reasonably designed to carry out the  
6           purposes of the program under subsection (a). Such  
7           criteria shall take into consideration the capacity  
8           and”;

9                   (B) by striking “each” and inserting  
10                  “the”;

11                   (C) by striking “a program under the dem-  
12                  onstration” and inserting “the proposed pro-  
13                  gram in the application”; and

14                   (D) by striking “an agency” and inserting  
15                  “the agency”;

16           (6) in subsection (e)—

17                   (A) in paragraph (1), by striking “this  
18                  demonstration” and inserting “the program  
19                  under this section”; and

20                   (B) in paragraph (2) , by striking “dem-  
21                  onstration” and inserting “program under this  
22                  section”;

23           (7) in subsection (f), by striking “section 9, or  
24           pursuant to section 14 by a public housing agency  
25           participating in the demonstration under this part”

1 and inserting “of the United States Housing Act of  
2 1937, or provided from the Operating Fund under  
3 section 9(e) or from the Capital Fund under section  
4 9(d) of such Act, by a public housing agency partici-  
5 pating in the program under this section”;

6 (8) in subsection (g)—

7 (A) in paragraph (1), by inserting “, in-  
8 cluding performance in achieving each of the  
9 purposes of the program specified in subsection  
10 (a)”;

11 (B) in paragraph (2)—

12 (i) in the first sentence, by inserting  
13 “, but not less often than annually” before  
14 the period at the end;

15 (ii) by striking subparagraph (C) and  
16 inserting the following:

17 “(C) describe and analyze the effects of  
18 the program of the agency and the assisted ac-  
19 tivities under such program in addressing and  
20 achieving the objectives of the program under  
21 this section and each of the purposes specified  
22 in subsection (a), including the effects of the  
23 program on—

24 “(i) the number of families that have  
25 achieved economic independence from



1 housing assistance that is administered by  
2 the agency, including vouchers for rental  
3 assistance under section 8(o) of the United  
4 States Housing Act of 1937 and dwelling  
5 units in public housing and in housing as-  
6 sisted with project-based section 8 assist-  
7 ance;

8 “(ii) the number of new families the  
9 agency has been able to assist from the  
10 waiting lists for housing assistance re-  
11 ferred to in clause (i) that is administered  
12 by the agency, as a result of the flexibility  
13 of funds and achievement of economic  
14 independence;

15 “(iii) the cost and annual change, per  
16 family participating in the program, of  
17 providing housing assistance referred to in  
18 clause (i) that is administered by the agen-  
19 cy; and

20 “(iv) the household incomes, and  
21 changes in such incomes, of families par-  
22 ticipating in the program; and

23 “(v) such other factors as the Sec-  
24 retary considers appropriate.”;

25 (9) in subsection (h)—

1 (A) in paragraph (1), by striking “dem-  
2 onstration” and inserting “program under this  
3 section”; and

4 (B) by striking paragraph (2) and insert-  
5 ing the following:

6 “(2) REVIEW.—The Secretary shall annually  
7 review the activities of each public housing agency  
8 participating in the program under this section and,  
9 based on such review and the reports of the agency  
10 submitted pursuant to subsection (g)(2), deter-  
11 mine—

12 “(A) the impact and effectiveness of the  
13 agency’s program and activities in achieving  
14 each of the purposes of the program specified  
15 in subsection (a);

16 “(B) the extent of compliance by the agen-  
17 cy with the requirements of the program under  
18 this section and, in determining such extent of  
19 compliance, shall take into consideration the  
20 unique characteristics of the agency.

21 “(3) CONTINUED PARTICIPATION.—The Sec-  
22 retary shall not terminate the participation of any  
23 public housing agency in the program under this  
24 section unless the Secretary finds that the agency—

1           “(A) is in material default of the condi-  
2           tions and obligations under the agreement en-  
3           tered into between the agency and the Secretary  
4           providing for such participation;

5           “(B) has misused or misappropriated  
6           funds;

7           “(C) has failed to make a good faith effort  
8           to carry out the purposes of the program speci-  
9           fied in subsection (a); or

10           “(D) has failed to cure a material defi-  
11           ciency in performance after notice and an op-  
12           portunity to correct the deficiency.

13           “(4) ANNUAL REPORTS TO CONGRESS.—The  
14           Secretary shall submit a report to the Congress on  
15           an annual basis regarding the program under this  
16           section and the results of the reviews conducted  
17           under paragraph (2), which shall evaluate the pro-  
18           grams carried out by public housing agencies partici-  
19           pating in the program, including with respect to  
20           each of the purposes specified in subsection (a), and  
21           shall include findings and recommendations for ap-  
22           propriate legislative changes to the program.”;

23           (10) in subsection (i)—

24           (A) in the matter preceding paragraph (1),  
25           by striking “section 14 of the United States

1           Housing Act of 1937 for fiscal years 1996,  
2           1997, and 1998” and inserting “the Capital  
3           Fund under section 9(d) of the United States  
4           Housing Act of 1937 in each fiscal year”; and

5                   (B) in paragraph (1)(B), by striking “up  
6           to 10”; and

7           (11) by striking subsection (j).

8           (b) TREATMENT OF PARTICIPATING AGENCIES.—

9                   (1) CONTINUATION OF PARTICIPATION.—This  
10           title and the amendments made by this title shall  
11           not affect the status of any public housing agency  
12           that, as of the date of the enactment of this Act, is  
13           participating in the Moving to Work Program under  
14           section 204 of the Departments of Veterans Affairs  
15           and Housing and Urban Development, and Inde-  
16           pendent Agencies Appropriations Act, 1996, as such  
17           a participating agency.

18                   (2) ELECTION.—Any public housing agency re-  
19           ferred to in paragraph (1) may elect—

20                           (A) to continue participation in the Pro-  
21                           gram under such section 204 under the terms  
22                           of the agreement entered into between the  
23                           agency and the Secretary providing for such  
24                           participation until the date of the expiration of  
25                           such agreement; or

1 (B) at any time before date of the expira-  
2 tion of such agreement, to transition to partici-  
3 pation under the program under such section  
4 204, as amended by this title.

5 (3) CONVERSION TO REFORMED PROGRAM.—

6 (A) IN GENERAL.—Except as provided in  
7 subparagraph (B) of this paragraph, any public  
8 housing agency that elects pursuant to para-  
9 graph (2)(A) of this subsection to continue par-  
10 ticipation in the Program under such section  
11 204 shall, upon the expiration of the agreement  
12 referred to in such paragraph, be considered to  
13 have been approved for participation in the Pro-  
14 gram under such section 204, as amended by  
15 this title, and the Secretary of Housing and  
16 Urban Development shall provide for the transi-  
17 tion of the agency to participation under the  
18 Program under such section as so amended.

19 (B) INAPPLICABILITY.—Subparagraph (A)  
20 shall not apply to any public housing agency  
21 that is determined by the Secretary to be in  
22 material default, upon the expiration of the  
23 agreement referred to in paragraph (2)(A), of  
24 the conditions and obligations under such  
25 agreement.

1           **TITLE V—ACCESS TO HUD**  
2                           **PROGRAMS**

3   **SEC. 501. ACCESS TO HUD PROGRAMS FOR PERSONS WITH**  
4                           **LIMITED ENGLISH PROFICIENCY.**

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

11           (1) TASK FORCE.—Within 90 days after the en-  
12   actment of this Act, convene a task force comprised  
13   of appropriate industry groups, recipients of funds  
14   from the Department of Housing and Urban Devel-  
15   opment (in this section referred to as the “Depart-  
16   ment”), community-based organizations that serve  
17   individuals with limited English proficiency, civil  
18   rights groups, and stakeholders, which shall periodi-  
19   cally identify a list of vital documents, including De-  
20   partment and certain property and other documents,  
21   to be competently translated to improve access to  
22   federally conducted and federally assisted programs  
23   and activities for individuals with limited English  
24   proficiency. Such lists shall identify priorities per-  
25   taining to translation of such vital documents, con-

1       sistent with the Department’s Guidance to Federal  
2       Financial Assistance Recipients Regarding Title VI  
3       Prohibition Against National Origin Discrimination  
4       Affecting Limited English Proficient Persons. The  
5       task force shall meet not less frequently than twice  
6       per year.

7               (2) TRANSLATIONS.—Within 6 months after  
8       identification of documents pursuant to paragraph  
9       (1), produce translations of such documents in lan-  
10      guages identified by the task force, in coordination  
11      with the Department, and make such translations  
12      available as part of the library of forms available on  
13      the website of the Department and as part of the  
14      clearinghouse developed pursuant to paragraph (4).

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

21              (4) HOUSING INFORMATION RESOURCE CEN-  
22      TER.—Develop and maintain a housing information  
23      resource center to facilitate the provision of lan-  
24      guage services by recipients of funds of the Depart-  
25      ment to individuals with limited English proficiency.

1 Information provided by such center shall be made  
2 available in printed form and through the Internet.  
3 The resources provided by the center shall include  
4 the following:

5 (A) TRANSLATION OF WRITTEN MATE-  
6 RIALS.—The center may provide, directly or  
7 through contract, translations of vital docu-  
8 ments from competent translation services for  
9 recipients of funds of the Department.

10 (B) INTERPRETATION SERVICES TELE-  
11 PHONE LINE.—

12 (i) REQUIREMENT.—The center shall  
13 provide a 24-hour interpretation services  
14 telephone line, by which recipients of funds  
15 of the Department and individuals with  
16 limited English proficiency can jointly ac-  
17 cess such line in order to receive interpre-  
18 tation services with respect to housing ac-  
19 cess and receipt of assistance under pro-  
20 grams funded by the Department. Such  
21 telephone line shall supplement resources  
22 in the community identified by the plan  
23 pursuant to paragraph (3).

24 (ii) FEE.—The Secretary may estab-  
25 lish and collect a reasonable fee, to the ex-



1 tent provided in advance in an appropria-  
2 tions Act, to cover the actual cost of the  
3 service provided pursuant to clause (i),  
4 which shall be payable by the recipient of  
5 the Department's funds using the service.  
6 Such fees and other expenses incurred to  
7 provide language services to persons with  
8 limited English proficiency paid by recipi-  
9 ents of the Department's funds shall be  
10 permitted to be payable from funds avail-  
11 able for implementing affirmative mar-  
12 keting strategies and from funds available  
13 for administration of rental assistance, in-  
14 cluding funds under section 9(e) of the  
15 United States Housing Act of 1937 (42  
16 U.S.C. 1437g(e)). Recipients of the De-  
17 partment's funds may not seek reimburse-  
18 ment for such fees and other expenses  
19 from families being assisted by or appli-  
20 cants for federal financial assistance from  
21 the Department's funds.

22 (C) DOCUMENT CLEARINGHOUSE.—The  
23 center shall collect and evaluate for accuracy or  
24 develop, and make available, templates and doc-  
25 uments that are necessary for consumers, rel-

1           evant industry representatives, and other stake-  
2           holders of the Department, to access, make  
3           educated decisions, and communicate effectively  
4           about their housing, including—

5                   (i) administrative and property docu-  
6                   ments;

7                   (ii) legally binding documents;

8                   (iii) consumer education and outreach  
9                   materials;

10                   (iv) documents regarding rights and  
11                   responsibilities of any party; and

12                   (v) remedies available to consumers.

13           (b) SAVINGS CLAUSE.—Nothing in this section shall  
14           be construed as to limit the meaning or applicability of  
15           title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
16           et seq.), executive orders, or of lawfully promulgated rules,  
17           regulations, guidance, or orders of general applicability  
18           issued by the Department to effectuate such title VI.