

[DISCUSSION DRAFT]115TH CONGRESS
2^D SESSION**H. R.** _____

To reform the requirements regarding the amount families living in public and federally assisted housing pay toward rent, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

Mr. Ross introduced the following bill; which was referred to the Committee on _____

A BILL

To reform the requirements regarding the amount families living in public and federally assisted housing pay toward rent, and for other purposes.

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.**

4 This Act may be cited as the “Promoting Resident
5 Opportunity through Rent Reform Act of 2018”.

1 **SEC. 2. PHA OPTIONS FOR RENT DETERMINATION METH-**
2 **OD.**

3 (a) IN GENERAL.—Subsection (a) of section 3 of the
4 United States Housing Act of 1937 (42 U.S.C. 1437a(a))
5 is amended—

6 (1) in the second sentence of paragraph (1)—

7 (A) by striking “paragraph (2)” and in-
8 sserting “paragraph (8)”;

9 (B) by striking “(other than a family as-
10 sisted under section 8(o) or (y) or paying rent
11 under section 8(c)(3)(B))”;

12 (2) in paragraph (2)—

13 (A) in the paragraph heading, by striking
14 “RENTAL PAYMENTS” and inserting “FLAT
15 AND INCOME-BASED RENTAL PAYMENT OP-
16 TIONS”;

17 (B) in subparagraph (A)(i)—

18 (i) in the first sentence, by striking
19 “A family residing in a public housing
20 dwelling” and inserting “If, pursuant to
21 paragraph (8), a public housing agency se-
22 lects the rent determination option under
23 this paragraph with respect to public hous-
24 ing, a family residing in a public housing
25 dwelling unit owned, assisted, or operated
26 by the agency”;

1 (ii) in the second sentence, by insert-
2 ing “selecting the rent determination op-
3 tion under this paragraph” after “Each
4 public housing agency”; and

5 (C) in subparagraph (B)(i), in the matter
6 preceding subclause (I), by inserting “selecting
7 the rent determination option under this para-
8 graph” after “Each public housing agency”;
9 (3) in paragraph (3)(A)—

10 (A) by inserting “or (8)” after “Notwith-
11 standing paragraph (1)” ; and

12 (B) by striking “the method for rent deter-
13 mination elected pursuant to paragraph (2)(A)
14 of this subsection by a family residing in public
15 housing,”; and

16 (4) by adding at the end the following new
17 paragraph:

18 “(8) SELECTION OF RENT DETERMINATION OP-
19 TIONS.—

20 “(A) COVERED HOUSING ASSISTANCE.—

21 For purposes of this paragraph, the term ‘cov-
22 ered housing assistance’ means, with respect to
23 a public housing agency—

1 “(i) assistance under this Act pro-
2 vided for public housing owned or operated
3 by the agency;

4 “(ii) rental assistance provided by the
5 agency under housing choice voucher pro-
6 gram under section 8(o), including project-
7 based voucher assistance under section
8 8(o)(13);

9 “(iii) homeownership assistance pro-
10 vided by the agency under homeownership
11 voucher program under section 8(y); and

12 “(iv) project-based assistance provided
13 under section 8(e), but only to the extent
14 that such assistance is provided pursuant
15 to conversion of assistance for a dwelling
16 unit under the Rental Assistance Dem-
17 onstration authorized under the heading
18 ‘Rental Assistance Demonstration’ in the
19 Department of Housing and Urban Devel-
20 opment Appropriations Act, 2012 (Public
21 Law 112–55; 125 Stat. 673) and subse-
22 quent provisions of law.

23 “(B) RENT DETERMINED BY OPTION SE-
24 LECTED.—Subject to the requirement under
25 paragraph (3), a family residing in housing for

1 which covered housing assistance is provided
2 shall pay as rent for the dwelling unit for which
3 such assistance is provided the amount of rent
4 determined under the rent determination option
5 selected pursuant to this paragraph by the pub-
6 lic housing agency with respect to the project,
7 or covered housing assistance program for the
8 housing, in which the family resides, as applica-
9 ble pursuant to subparagraph (C).

10 “(C) LOCAL SELECTION.—

11 “(i) IN GENERAL.—Except as pro-
12 vided in clause (iii), the Secretary shall
13 provide for each public housing agency
14 that provides covered housing assistance
15 under this Act to select a rent determina-
16 tion option under subparagraph (E) with
17 respect to each program for covered hous-
18 ing assistance administered by the agency.

19 “(ii) SELECTION BY PROGRAM.—Sub-
20 ject to clause (iii), an agency may select
21 different rent determination options with
22 respect to different covered housing assist-
23 ance programs administered by the agency.

24 “(iii) SELECTION BY PROJECT.—In
25 the case of covered housing assistance re-

1 ferred to in clauses (i) and (iv) of subpara-
2 graph (A), and project-based voucher as-
3 sistance referred to in clause (ii) of such
4 subparagraph, an agency may select dif-
5 ferent rent determination options with re-
6 spect to different projects that receive such
7 assistance administered by the agency.

8 “(D) CHANGING SELECTION.—A selection
9 of a rent determination option under this para-
10 graph by an agency shall remain in effect until
11 notice of a change in such selection is made in
12 the public housing agency plan for the agency
13 pursuant to subsection (d)(4) or (g) of section
14 5A.

15 “(E) RENT DETERMINATION OPTIONS.—
16 The rent determination options under this sub-
17 paragraph are as follows:

18 “(i) FLAT- AND INCOME-BASED
19 RENTS.—A public housing agency may
20 provide that each family residing in a pub-
21 lic housing dwelling unit shall pay as
22 monthly rent for the unit the amount de-
23 termined under rent determination option
24 under paragraph (2) (regarding choice of
25 flat and income-based rents).

1 “(ii) 30 PERCENT OF ADJUSTED IN-
2 COME.—A public housing agency may pro-
3 vide that a family shall pay as rent for a
4 dwelling unit assisted under a covered
5 housing assistance program the highest of
6 the following amounts, rounded to the
7 nearest dollar:

8 “(I) 30 percent of the family’s
9 monthly adjusted income.

10 “(II) 10 percent of the family’s
11 monthly income.

12 “(III) If the family is receiving
13 payments for welfare assistance from
14 a public agency and a part of such
15 payments, adjusted in accordance with
16 the family’s actual housing costs, is
17 specifically designated by such agency
18 to meet the family’s housing costs, the
19 portion of such payments which is so
20 designated.

21 With respect to families paying rent under
22 the option under this clause, paragraph
23 (6)(A)(ii) shall be applied by substituting
24 ‘biennially’ for ‘annually’.

1 “(iii) TIERED RENTS BY INCOME
2 BRACKET.—A public housing agency may
3 provide that a family shall pay as rent for
4 a dwelling unit assisted under a covered
5 housing assistance program a single
6 amount that is established by the agency
7 and is based on the monthly adjusted in-
8 come of the family, as follows:

9 “(I) In the case of all extremely
10 low-income families, an amount that
11 does not exceed the greater of—

12 “(aa) 30 percent of the pov-
13 erty line (as such term is defined
14 in section 673 of the Omnibus
15 Budget Reconciliation Act of
16 1981 (42 U.S.C. 9902), including
17 any revision required by such
18 section) applicable to a family of
19 the size involved; or

20 “(bb) 30 percent of the in-
21 come of a family whose annual
22 income equals 30 percent of the
23 median income for the geographic
24 area, as determined by the Sec-

1 retary, with adjustments for the
2 number of bedrooms in the unit.

3 “(II) In the case of all very low-
4 income families that are not extremely
5 low-income families, an amount that
6 does not exceed the lesser of—

7 “(aa) 30 percent of the ad-
8 justed income of a family whose
9 annual income equals 50 percent
10 of the median income for the
11 area, as determined by the Sec-
12 retary, with adjustments for
13 number of bedrooms in the unit;
14 or

15 “(bb) the maximum low rent
16 determined by the Secretary for a
17 very low-income family residing
18 in unit in the area that qualifies
19 as affordable rental housing for
20 purposes of section 215(a)(1)(B)
21 of the HOME Investment Part-
22 nerships Act (42 U.S.C.
23 12745(a)(1)(B)).

24 “(III) In the case of all low-in-
25 come families that are not very low-in-

1 come families, an amount that does
2 not exceed the lesser of—

3 “(aa) 30 percent of the an-
4 nual income of a family whose in-
5 come equals 65 percent of the
6 median income for the area, as
7 determined by HUD, with adjust-
8 ments for smaller and larger
9 families; or

10 “(bb) the maximum rent de-
11 termined by the Secretary for a
12 low-income family residing in
13 unit in the area that qualifies as
14 affordable rental housing for pur-
15 poses of section 215(a)(1)(A) of
16 the HOME Investment Partner-
17 ships Act (42 U.S.C.
18 12745(a)(1)(A)).

19 “(iv) STEPPED RENTS BASED ON TEN-
20 URE.—

21 “(I) IN GENERAL.—A public
22 housing agency may provide that a
23 family shall pay as rent for a dwelling
24 unit assisted under a covered housing
25 assistance program a percentage of

1 the applicable fair market rental es-
2 tablished under section 8(c) for the
3 housing area in which the dwelling
4 unit is located based on the family's
5 tenure in housing assisted by the
6 agency, as follows:

7 “(aa) In the case of any
8 family whose tenure in such
9 housing does not exceed 24
10 months, the amount that is equal
11 to 20 percent of the applicable
12 fair market rental established
13 under section 8(c) for the hous-
14 ing area in which the dwelling
15 unit is located.

16 “(bb) In the case of any
17 family whose tenure in such
18 housing exceeds 24 months, but
19 does not exceed 48 months, the
20 amount that is equal to 40 per-
21 cent of the applicable fair market
22 rental established under section
23 8(c) for the housing area in
24 which the dwelling unit is lo-
25 cated.

1 “(cc) In the case of any
2 family whose tenure in such
3 housing exceeds 48 months, but
4 does not exceed 72 months, the
5 amount that is equal to 60 per-
6 cent of the applicable fair market
7 rental established under section
8 8(e) for the housing area in
9 which the dwelling unit is lo-
10 cated.

11 “(dd) In the case of any
12 family whose tenure in such
13 housing exceeds 72 months, but
14 does not exceed 96 months, the
15 amount that is equal to 80 per-
16 cent of the applicable fair market
17 rental established under section
18 8(e) for the housing area in
19 which the dwelling unit is lo-
20 cated.

21 “(ee) In the case of any
22 family whose tenure in such
23 housing exceeds 96 months, but
24 does not exceed 120 months, the
25 amount that is equal to 100 per-

1 cent of the applicable fair market
2 rental established under section
3 8(c) for the housing area in
4 which the dwelling unit is lo-
5 cated.

6 “(II) BIENNIAL INCOME RE-
7 VIEWS.—With respect to families pay-
8 ing rent under the option under this
9 clause, paragraph (6)(A)(ii) shall be
10 applied by substituting ‘biennially’ for
11 ‘annually’.

12 “(III) HARDSHIP EXEMPTION.—

13 “(aa) IN GENERAL.—A pub-
14 lic housing agency that provides
15 for assisted families to pay rent
16 under this option under this
17 clause shall provide for an ex-
18 emption to the application of the
19 rent requirements under sub-
20 clause (I) in same manner and
21 for the same circumstances that
22 a hardship exemption under
23 paragraph (3)(B) is provided for
24 the application of the minimum

1 rent requirements under para-
2 graph (3)(A).

3 “(bb) SAFE HARBOR.—Any
4 public housing agency that pro-
5 vides for a hardship exemption
6 under item (aa) by applying such
7 an exemption that has previously
8 been approved for purposes of
9 the Moving to Work Demonstra-
10 tion Program under section 204
11 of the Departments of Veterans
12 Affairs and Housing and Urban
13 Development, and Independent
14 Agencies Appropriations Act,
15 1996 (42 U.S.C. 1437f note)
16 shall be considered in compliance
17 with item (aa).

18 “(IV) TENURE.—The Secretary
19 shall, by regulation, establish stand-
20 ards and guidelines to govern how
21 changes in the membership of a fam-
22 ily or household affect tenure in hous-
23 ing for purposes of this clause.

24 “(v) RENT BASED ON GROSS IN-
25 COME.—A public housing agency may pro-

1 vide that a family shall pay as rent for a
2 dwelling unit assisted under a covered
3 housing assistance program 30 percent of
4 the family’s gross monthly income, round-
5 ed to the nearest dollar, except that with
6 respect to families paying rent under the
7 option under this clause—

8 “(I) paragraph (6)(A)(ii) shall be
9 applied by substituting ‘biennially’ for
10 ‘annually’;

11 “(II) paragraph (6)(A)(iv) shall
12 not apply;

13 “(III) paragraph (3)(A) shall be
14 applied by substituting ‘\$75 (except
15 that such amount, as it may have
16 been previously adjusted, shall be ad-
17 justed for inflation annually by the
18 Secretary in accordance with an infla-
19 tionary index selected by the Sec-
20 retary)’ for ‘\$50’; and

21 “(IV) in the case of a family who
22 has income for a month that is attrib-
23 utable to more than one member of
24 the family, the gross monthly income
25 of the family shall include only 10

1 percent of the income from the family
2 member who contributes the second-
3 most income for that month to the
4 family's gross income.

5 “(vi) PHA-DESIGNED RENTS.—

6 “(I) IN GENERAL.—A public
7 housing agency may provide that a
8 family shall pay as rent for a dwelling
9 unit assisted under a covered housing
10 assistance program the amount deter-
11 mined under a rent determination op-
12 tion designed by the agency and ap-
13 proved by the Secretary under this
14 clause for implementation.

15 “(II) GOALS.—The Secretary
16 may approve a rent determination op-
17 tion for implementation pursuant to
18 this clause only if the Secretary deter-
19 mines that implementation will fur-
20 ther any three or more of the fol-
21 lowing goals:

22 “(aa) Encouraging increased
23 earned income of assisted fami-
24 lies and economic self-sufficiency
25 of such families.

1 “(bb) Maintaining intact
2 families.

3 “(cc) Maintaining afford-
4 ability of housing.

5 “(dd) Simplification of fam-
6 ily income and rent determina-
7 tions.

8 “(ee) Providing housing for
9 more families.

10 “(III) TIMING.—Any proposal for
11 a rent determination option received
12 by the Secretary shall be considered
13 approved by the Secretary for pur-
14 poses of this clause if the Secretary
15 does not approve or disapprove such
16 option for implementation before the
17 expiration of the 90-day period begin-
18 ning upon such receipt of such pro-
19 posal by the Secretary.

20 “(F) RENTS FOR ELDERLY PERSONS AND
21 PERSONS WITH DISABILITIES BASED ON GROSS
22 INCOME.—

23 “(i) IN GENERAL.—Notwithstanding
24 any other provision of this paragraph, an
25 elderly family or a disabled family shall

1 pay as rent for a dwelling unit assisted
2 under this Act the amount that is equal
3 to—

4 “(I) the amount determined
5 under subparagraph (E)(ii); or

6 “(II) a percentage of the gross
7 monthly income of the family, round-
8 ed to the nearest dollar, which per-
9 centage shall be established by the
10 Secretary, by regulation, except that
11 such percentage may not be estab-
12 lished in an amount that reduces the
13 amount of income received by a public
14 housing agency compared to the
15 amount received pursuant to rents
16 charged under subclause (I).

17 “(ii) INCOME REVIEWS.—In the case
18 of an elderly family or a disabled family—

19 “(I) paragraph (6)(A)(ii) shall be
20 applied by substituting ‘every 3 years’
21 for ‘annually’; and

22 “(II) paragraph (6)(A)(iv) shall
23 not apply.”.

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

4 (1) in paragraph (2)—

5 (A) in subparagraph (A), by striking “the
6 greatest of the following amounts” and all that
7 follows through the end of clause (iii) and in-
8 serting “the amount of rent determined under
9 the rent determination option selected pursuant
10 to section 3(a)(8) by the public housing agency
11 with respect to the tenant-based rental assist-
12 ance program under this subsection.”;

13 (B) in subparagraph (B), by striking “the
14 greatest of amounts under clauses (i), (ii), and
15 (iii) of subparagraph (A)” and inserting “the
16 amount of rent determined under the rent de-
17 termination option selected pursuant to section
18 3(a)(8) by the public housing agency with re-
19 spect to the tenant-based rental assistance pro-
20 gram under this subsection”; and

21 (C) in subparagraph (C)—

22 (i) by striking “section 3(a)(1)” and
23 inserting “section 3(a)(8)”; and

24 (ii) by striking “accordance with sub-
25 section (c)(3) of this section” and inserting

1 “the same manner as under subparagraphs
2 (A) and (B) of this paragraph”;

3 (2) by striking paragraph (3); and

4 (3) in paragraph (5)(A), by striking “and (7)”
5 and inserting “(7), and (8)”.

6 (c) HOMEOWNERSHIP VOUCHER ASSISTANCE.—

7 Paragraph (2) of section 8(y) of the United States Hous-
8 ing Act of 1937 (42 U.S.C. 1437f(y)(2)) is amended—

9 (1) in subparagraph (A), by striking “the high-
10 est of the following amounts” and all that follows
11 through the end of clause (iii) and inserting “the
12 amount of rent determined under the rent deter-
13 mination option selected pursuant to section 3(a)(8)
14 by the public housing agency with respect to the
15 homeownership assistance program under this sub-
16 section.”; and

17 (2) in subparagraph (B), by striking “the high-
18 est of the amounts under clauses (i), (ii), and (iii)
19 of subparagraph (A)” and inserting “the amount of
20 rent determined under the rent determination option
21 selected pursuant to section 3(a)(8) by the public
22 housing agency with respect to the tenant-based
23 rental assistance program under this subsection”

1 (d) PUBLIC HOUSING AGENCY PLANS.—Section 5A
2 of the United States Housing Act of 1937 (42 U.S.C.
3 1437c–1) is amended—

4 (1) in subsection (d), by striking paragraph (4)
5 and inserting the following new paragraph:

6 “(4) RENT DETERMINATION.—A statement of
7 the rent determination methods selected by the pub-
8 lic housing agency pursuant to section 3(a)(8) for
9 each program for covered housing assistance (as
10 such term is defined in section 3(a)(8)(A)) or for
11 each assisted project for which a method is selected
12 pursuant to section 3(a)(8)(C)(iii).”; and

13 (2) in subsection (i)(2), by inserting “(4),”
14 after “(3)(B),”.

15 (e) CONFORMING AMENDMENT.—Paragraph (3) of
16 section 8(c) of the United States Housing Act of 1937
17 (42 U.S.C. 1437f(c)(3)) is amended by striking “section
18 3(a)” and inserting “section 3(a)(1)”.

19 **SEC. 3. SHALLOW-SUBSIDY HOUSING CHOICE VOUCHER OP-**
20 **TION.**

21 Subsection (o) of section 8 of the United States
22 Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended
23 by adding at the end the following new paragraph:

24 “(21) SHALLOW SUBSIDY VOUCHERS.—Not-
25 withstanding any other provision of this Act, a pub-

1 lic housing agency may, for any fiscal year, use not
2 more than 40 percent of the amounts made available
3 to the agency by the Secretary for tenant-based
4 rental assistance under this subsection to provide
5 such assistance in accordance with this paragraph,
6 under which assistance is made available in the same
7 manner and subject to the same terms and require-
8 ments as otherwise provided under this subsection,
9 except that—

10 “(A) the public housing agency shall select
11 a percentage of the applicable payment stand-
12 ard established under paragraph (1), that is
13 greater than 20 percent and less than 40 per-
14 cent of such payment standard, for the purpose
15 of providing assistance in accordance with this
16 paragraph;

17 “(B) for purposes of determining the
18 amount of the monthly assistance payment for
19 a family—

20 “(i) paragraph (2) shall be applied—

21 “(I) by substituting ‘amount that
22 is equal to the percentage of the appli-
23 cable payment standard that is se-
24 lected by the public housing agency
25 pursuant to paragraph (21)(A)’ for

1 ‘applicable payment standard estab-
2 lished under paragraph (1)’ each place
3 such term appears; and

4 “(II) by substituting ‘amount
5 that is equal to such percentage of the
6 applicable payment standard exceeds’
7 for ‘applicable payment standard ex-
8 ceeds’;

9 “(ii) paragraph (3) shall not apply;
10 and

11 “(C) assistance in accordance with this
12 paragraph shall be made available by a public
13 housing agency to families in accordance with
14 the agency’s waiting list for tenant-based assist-
15 ance under this subsection and refusal of assist-
16 ance made available in accordance with this
17 paragraph shall not affect a family’s status or
18 position on such waiting list.”.

19 **SEC. 4. PROTECTION AGAINST REDUCTION IN PHA REVE-**
20 **NUES.**

21 (a) ADJUSTMENTS.—If the Secretary of Housing and
22 Urban Development determines that the application of the
23 amendments made by sections 2 and 3 of this Act would
24 result in any significant adverse funding impacts for a
25 public housing agency during any of the first three years

1 occurring after full implementation of such amendments,
2 the Secretary may make appropriate adjustments for such
3 year in the formula income for such agency and the sec-
4 tion 8 housing choice voucher annual renewal funding allo-
5 cation and administrative fee eligibility determinations for
6 such agency, as appropriate to avoid such impacts, upon
7 request by and in consultation with such agency and sup-
8 ported by documentation as required by the Secretary that
9 demonstrates the need for the adjustments.

10 (b) HUD REPORTS ON REVENUE AND COST IM-
11 PACT.—In each of the first two years after the first year
12 in which the amendments made by sections 2 and 3 are
13 implemented, the Secretary of Housing and Urban Devel-
14 opment shall submit a report to Congress identifying and
15 calculating the impact of changes made by such amend-
16 ments on the revenues and costs of each of the covered
17 housing assistance programs (as such term is defined in
18 section 3(a)(8) of the United States Housing Act of 1937
19 (42 U.S.C. 1437f(a)(8)), as added by the amendment
20 made by section 2(a)(4) of this Act). If such report identi-
21 fies a material reduction in the net income of public hous-
22 ing agencies nationwide or a material increase in the costs
23 of funding any covered housing assistance program, the
24 Secretary shall include in such report recommendations

1 for legislative changes to reduce or eliminate such a reduc-
2 tion or increase.