

103^D CONGRESS
2^D SESSION

H. R. 3838

To amend and extend certain laws relating to housing and community development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 10, 1994

Mr. GONZALEZ (for himself, Mrs. ROUKEMA, Mr. NEAL of North Carolina, Mr. LAFALCE, Mr. VENTO, Mr. FRANK of Massachusetts, Mr. KANJORSKI, Mr. KENNEDY, Mr. FLAKE, Mr. MFUME, Ms. WATERS, Mr. BACCHUS of Florida, Mr. KLEIN, Mr. DEUTSCH, Mr. GUTIERREZ, Mr. RUSH, Ms. VELÁZQUEZ, Mr. WYNN, Mr. FIELDS of Louisiana, Mr. WATT, Mr. HINCHEY, and Ms. Furse) introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

APRIL 25, 1994

Additional sponsors: Mr. NEAL of Massachusetts, Mr. FOGLIETTA, and Mr. SANDERS

A BILL

To amend and extend certain laws relating to housing and community development, 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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Housing and Community Development Act of 1994”.

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

- Sec. 1. Short title and table of contents.
- Sec. 2. Effective date.

TITLE I—HOUSING ASSISTANCE

Subtitle A—General Provisions

- Sec. 101. Low-income housing authorization.
- Sec. 102. Definition of “families”.
- Sec. 103. Family self-sufficiency program.

Subtitle B—Public and Indian Housing

- Sec. 111. Disallowance of earned income for residents who obtain employment.
- Sec. 112. Ceiling rents.
- Sec. 113. Major reconstruction of obsolete projects.
- Sec. 114. New construction of projects for disabled families.
- Sec. 115. Public housing operating subsidies.
- Sec. 116. Elimination of requirement to identify CIAP replacement needs.
- Sec. 117. Public housing vacancy reduction.
- Sec. 118. Replacement housing for demolished or disposed public housing.
- Sec. 119. Public housing resident management.
- Sec. 120. Public housing family investment centers.
- Sec. 121. Revitalization of severely distressed public housing.
- Sec. 122. Applicability of public housing amendments to Indian housing.
- Sec. 123. Public housing early childhood development services.
- Sec. 124. Indian housing childhood development services.
- Sec. 125. Public housing one-stop perinatal services demonstration.

Subtitle C—Section 8 Assistance

- Sec. 141. Moving to opportunity for fair housing.
- Sec. 142. Community investment demonstration program.
- Sec. 143. Restatement and revision of section 8 rental assistance program.

Subtitle D—Homeownership Programs

- Sec. 151. HOPE homeownership programs.
- Sec. 152. National Homeownership Trust.
- Sec. 153. Section 235 mortgage refinancing.

Subtitle E—Other Programs

- Sec. 161. Community partnerships against crime.
- Sec. 162. Public housing youth sports programs.
- Sec. 163. Low-income housing preservation.
- Sec. 164. Flexible subsidy program.
- Sec. 165. Housing counseling.
- Sec. 166. Preventing mortgage defaults on multifamily housing projects.
- Sec. 167. Youthbuild program.

TITLE II—HOME INVESTMENT PARTNERSHIPS

- Sec. 201. Authorization of appropriations.

- Sec. 202. Participation by State agencies or instrumentalities.
- Sec. 203. Simplification of program-wide income targeting for rental housing.
- Sec. 204. Homeownership units.
- Sec. 205. Comprehensive affordable housing strategy.
- Sec. 206. Simplification of matching requirements.
- Sec. 207. Repeal of separate audit requirement.
- Sec. 208. Environmental review requirements.
- Sec. 209. Use of CDBG funds for HOME program expenses.
- Sec. 210. GAO study of use of HOME program funds.
- Sec. 211. Capacity building for community development and affordable housing.
- Sec. 212. Applicability and regulations.

TITLE III—SUPPORTIVE HOUSING PROGRAMS

- Sec. 301. Funding for supportive housing for the elderly and for persons with disabilities.
- Sec. 302. Elder cottage housing demonstration program.
- Sec. 303. Revised congregate services.
- Sec. 304. Elderly independence demonstration.
- Sec. 305. Housing opportunities for persons with AIDS.
- Sec. 306. Service coordinators.

TITLE IV—MORTGAGE INSURANCE AND SECONDARY MORTGAGE MARKET

Subtitle A—Mortgage Insurance and Loan Guarantee Programs

- Sec. 401. Limitation on insurance authority.
- Sec. 402. Federal Housing Administration Advisory Board.
- Sec. 403. Home equity conversion mortgages for elderly homeowners.
- Sec. 404. Multifamily housing financing programs.
- Sec. 405. Indian housing loan guarantees.

Subtitle B—Multifamily Housing Property Disposition

- Sec. 431. Short title.
- Sec. 432. Disposition of multifamily housing projects owned by HUD.
- Sec. 433. Clarification of public housing preferences.
- Sec. 434. Amendment to National Housing Act.
- Sec. 435. Effective date.

Subtitle C—Secondary Mortgage Market Programs

- Sec. 451. Limitation on GNMA guarantees of mortgage-backed securities.

Subtitle D—Emergency Mortgage Relief

- Sec. 471. Amendments to Emergency Homeowners' Relief Act.

TITLE V—RURAL HOUSING

- Sec. 501. Program authorizations.
- Sec. 502. Section 502 homeownership loans.
- Sec. 503. Prepayment of rural rental housing loans.
- Sec. 504. Designation of underserved areas and reservation of assistance.
- Sec. 505. Administrative appeals.
- Sec. 506. Section 515 rural rental housing.
- Sec. 507. Rental assistance payments.

- Sec. 508. Rural housing assistance targeting report.
- Sec. 509. Priority for rural housing voucher assistance.
- Sec. 510. Native American rural housing capacity demonstration program.
- Sec. 511. Rural community development initiative.
- Sec. 512. Rural housing loan delegated processing demonstration.

TITLE VI—COMMUNITY DEVELOPMENT

Subtitle A—Community Development Block Grant Program

- Sec. 601. Authorization of appropriations and guarantee authority.
- Sec. 602. Economic development grants.
- Sec. 603. Guarantee of obligations backed by section 108 loans.
- Sec. 604. Section 108 loan guarantees for colonias.
- Sec. 605. Assistance for colonias.

Subtitle B—Other Community Development Programs

- Sec. 631. Neighborhood Reinvestment Corporation.
- Sec. 632. John Heinz neighborhood development program.

TITLE VII—REGULATORY AND MISCELLANEOUS PROGRAMS

- Sec. 701. Fair housing initiatives program.
- Sec. 702. HUD program monitoring and research.
- Sec. 703. HUD salaries and expenses.
- Sec. 704. Subsidy layering review.
- Sec. 705. HUD research and development.
- Sec. 706. National Institute of Building Sciences.
- Sec. 707. Residential lead-based paint hazard reduction.
- Sec. 708. New towns demonstration program for emergency relief of Los Angeles.
- Sec. 709. Solar assistance financing entity.
- Sec. 710. National American Indian Housing Council.
- Sec. 711. Housing Assistance Council.

TITLE VIII—HOUSING PROGRAMS UNDER STEWART B. MCKINNEY HOMELESS ASSISTANCE ACT

- Sec. 801. Short title.

Subtitle A—Housing Assistance

- Sec. 811. Emergency shelter grants program.
- Sec. 812. Supportive housing program.
- Sec. 813. Safe havens for homeless individuals demonstration program.
- Sec. 814. Section 8 assistance for single room occupancy dwellings.
- Sec. 815. Shelter plus care program.
- Sec. 816. Rural homelessness grant program.
- Sec. 817. Strategy to eliminate unfit transient facilities.
- Sec. 818. Innovative homeless initiatives demonstration program.

Subtitle B—Interagency Council on the Homeless

- Sec. 831. Authorization of appropriations.
- Sec. 832. Extension.

Subtitle C—Federal Emergency Management Food and Shelter Program

Sec. 851. Authorization of appropriations.

1 **SEC. 2. EFFECTIVE DATE.**

2 The provisions of this Act and the amendments made
3 by this Act shall take effect and shall apply upon the date
4 of the enactment of this Act, unless such provisions or
5 amendments specifically provide for effectiveness or appli-
6 cability upon another date certain.

7 **TITLE I—HOUSING ASSISTANCE**

8 **Subtitle A—General Provisions**

9 **SEC. 101. LOW-INCOME HOUSING AUTHORIZATION.**

10 (a) **AGGREGATE BUDGET AUTHORITY.**—Section
11 5(c)(6) of the United States Housing Act of 1937 (42
12 U.S.C. 1437c(c)(6)) is amended by adding at the end the
13 following new sentence: “The aggregate amount of budget
14 authority that may be obligated for assistance referred to
15 in paragraph (7) is increased (to the extent approved in
16 appropriation Acts) by \$8,603,634,603 on October 1,
17 1994, and by \$8,860,274,842 on October 1, 1995.”.

18 (b) **UTILIZATION OF BUDGET AUTHORITY.**—Section
19 5(c)(7) of the United States Housing Act of 1937 (42
20 U.S.C. 1437c(c)(7)) is amended by striking the paragraph
21 designation and all that follows through the end of sub-
22 paragraph (B) and inserting the following:

23 “(7)(A) Using the additional budget authority pro-
24 vided under paragraph (6) and the balances of budget au-
25 thority that become available during fiscal year 1995, the

1 Secretary shall, to the extent approved in appropriation
2 Acts, reserve authority to enter into obligations aggregat-
3 ing—

4 “(i) for public housing grants under subsection
5 (a)(2), not more than \$891,772,592, of which
6 amount not more than \$276,171,263 shall be avail-
7 able for Indian housing;

8 “(ii) for assistance under section 8, not more
9 than \$2,122,546,291, of which \$20,000,000 shall be
10 available for 15-year contracts for project-based as-
11 sistance to be used for a multicultural tenant
12 empowerment and homeownership project located in
13 the District of Columbia;

14 “(iii) for assistance under section 5(j)(2) for
15 substantial redesign, reconstruction, and redevelop-
16 ment of existing obsolete public housing projects and
17 buildings, not more than \$122,776,000;

18 “(iv) for comprehensive improvement assistance
19 grants under section 14(k), not more than
20 \$3,327,106,000;

21 “(v) for assistance under section 8 for family
22 unification under subsection (q)(3) of such section,
23 not more than \$107,326,000;

1 “(vi) for assistance under section 8(o)(4) for
2 families utilizing the portability of assistance under
3 section 8, \$100,000,000;

4 “(vii) for assistance under section 8 for prop-
5 erty disposition, not more than \$571,650,000;

6 “(viii) for assistance under section 8 for loan
7 management, not more than \$216,798,520;

8 “(ix) for extensions of contracts expiring under
9 section 8, such sums as may be necessary, which
10 shall be for 5-year contracts for assistance under
11 section 8 and vouchers under section 8(o) (as in ef-
12 fect before the date of the enactment of this Act)
13 and for loan management assistance under such sec-
14 tion;

15 “(x) for amendments to contracts under section
16 8, such sums as may be necessary;

17 “(xi) for adjustments to annual contributions
18 contracts for public housing and section 8 assistance
19 for the costs of providing service coordinators under
20 sections 9(a)(1)(B)(ii), 8(i)(4), and 8(n)(3), not
21 more than \$93,112,000;

22 “(xii) for public housing lease adjustments and
23 amendments, such sums as may be necessary;

24 “(xiii) for assistance under section 18(e) for re-
25 placement housing for units demolished or disposed

1 of under section 18, not more than \$200,000,000, of
2 which not more than 75 percent shall be available
3 for providing public housing units and not more
4 than 25 percent shall be available for providing as-
5 sistance under section 8;

6 “(xiv) for conversions from leased housing con-
7 tracts under section 23 of this Act (as in effect im-
8 mediately before the enactment of the Housing and
9 Community Development Act of 1974) to assistance
10 under section 8, not more than \$3,960,000; and

11 “(xv) for grants under section 24 for revitaliza-
12 tion of severely distressed public housing, not more
13 than \$801,587,200.

14 “(B) Using the additional budget authority provided
15 under paragraph (6) and the balances of budget authority
16 that become available during fiscal year 1996, the Sec-
17 retary shall, to the extent approved in appropriation Acts,
18 reserve authority to enter into obligations aggregating—

19 “(i) for public housing grants under subsection
20 (a)(2), not more than \$918,525,770, of which
21 amount not more than \$284,456,401 shall be avail-
22 able for Indian housing;

23 “(ii) for assistance under section 8, not more
24 than \$2,186,222,680, of which \$20,000,000 shall be
25 available for 15-year contracts for project-based as-

1 sistance to be used for a multicultural tenant
2 empowerment and homeownership project located in
3 the District of Columbia;

4 “(iii) for assistance under section 5(j)(2) for
5 substantial redesign, reconstruction, and redevelopment
6 of existing obsolete public housing projects and
7 buildings, not more than \$126,459,280;

8 “(iv) for comprehensive improvement assistance
9 grants under section 14(k), not more than
10 \$3,426,919,180;

11 “(v) for assistance under section 8 for family
12 unification under subsection (q)(3) of such section,
13 not more than \$110,545,780;

14 “(vi) for assistance under section 8(o)(4) for
15 families utilizing the portability of assistance under
16 section 8, \$103,000,000;

17 “(vii) for assistance under section 8 for prop-
18 erty disposition, not more than \$588,799,500;

19 “(viii) for assistance under section 8 for loan
20 management, not more than \$223,302,476;

21 “(ix) for extensions of contracts expiring under
22 section 8, such sums as may be necessary, which
23 shall be for 5-year contracts for assistance under
24 section 8 and vouchers under section 8(o) (as in ef-
25 fect before the date of the enactment of this Act)

1 and for loan management assistance under such sec-
2 tion;

3 “(x) for amendments to contracts under section
4 8, such sums as may be necessary;

5 “(xi) for adjustments to annual contributions
6 contracts for public housing and section 8 assistance
7 for the costs of providing service coordinators under
8 sections 9(a)(1)(B)(ii), 8(i)(4), and 8(n)(3), not
9 more than \$95,905,360;

10 “(xii) for public housing lease adjustments and
11 amendments, such sums as may be necessary;

12 “(xiii) for assistance under section 18(e) for re-
13 placement housing for units demolished or disposed
14 of under section 18, not more than \$206,000,000, of
15 which not more than 75 percent shall be available
16 for providing public housing units and not more
17 than 25 percent shall be available for providing as-
18 sistance under section 8;

19 “(xiv) for conversions from leased housing con-
20 tracts under section 23 of this Act (as in effect im-
21 mediately before the enactment of the Housing and
22 Community Development Act of 1974) to assistance
23 under section 8, not more than \$3,960,000; and

1 “(xv) for grants under section 24 for revitaliza-
2 tion of severely distressed public housing, not more
3 than \$825,634,816.”.

4 **SEC. 102. DEFINITION OF “FAMILIES”.**

5 The first sentence of section 3(b)(3)(B) of the United
6 States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(B))
7 is amended by striking “means families with children” and
8 inserting “includes families with children and”.

9 **SEC. 103. FAMILY SELF-SUFFICIENCY PROGRAM.**

10 (a) **FUNDING.**—The last sentence of section 23(h)(2)
11 of the United States Housing Act of 1937 (42 U.S.C.
12 1437u(h)(2)) is amended to read as follows: “There are
13 authorized to be appropriated for costs under this para-
14 graph \$26,677,000 for fiscal year 1995 and \$27,477,310
15 for fiscal year 1996.”.

16 (b) **VOLUNTARY ESCROW SAVINGS ACCOUNT.**—Sec-
17 tion 23(d) of the United States Housing Act of 1937 (42
18 U.S.C. 1437u(d)) is amended—

19 (1) in paragraph (2)—

20 (A) in the 1st sentence, by striking “shall”
21 and inserting “may”;

22 (B) in the 2nd sentence, by inserting after
23 “area median income” the following: “that
24 choose to escrow amounts under this para-
25 graph”;

1 (C) by striking the 3rd and 4th sentences
2 and inserting the following new sentence:
3 “Amounts in the escrow account may be with-
4 drawn by the participating family upon the suc-
5 cessful performance of the obligations of the
6 family under the contract of participation en-
7 tered into by the family under subsection (c), as
8 determined according to the specific goals and
9 terms included in the contract, and under other
10 circumstances, as determined by the public
11 housing agency with the approval of the Sec-
12 retary.”; and

13 (2) by striking the 2d sentence of paragraph
14 (3) and inserting the following new sentence: “The
15 plan may require the establishment of escrow sav-
16 ings accounts under paragraph (2), a description of
17 the procedures for release of escrowed amounts, and
18 any other incentives designed by the public housing
19 agency.”.

20 (c) REPEAL OF INCENTIVE AWARD ALLOCATION.—
21 Section 23 of the United States Housing Act of 1937 (42
22 U.S.C. 1437u) is amended—

23 (1) by striking subsection (i); and

24 (2) by redesignating subsections (j) through (o)
25 as subsections (i) through (n), respectively.

1 **Subtitle B—Public and Indian**
2 **Housing**

3 **SEC. 111. DISALLOWANCE OF EARNED INCOME FOR RESI-**
4 **DENTS WHO OBTAIN EMPLOYMENT.**

5 (a) IN GENERAL.—Section 3 of the United States
6 Housing Act of 1937 (42 U.S.C. 1437a) is amended by
7 striking the undesignated paragraph at the end of sub-
8 section (c)(3) (as added by section 515(b) of the Cranston-
9 Gonzalez National Affordable Housing Act) and inserting
10 the following new subsection:

11 “(d) DISALLOWANCE OF EARNED INCOME FROM
12 PUBLIC HOUSING RENT DETERMINATIONS.—

13 “(1) IN GENERAL.—Subject only to paragraph
14 (2), the rent payable under subsection (a) for any
15 public housing unit by a family whose income in-
16 creases as a result of employment of a member of
17 the family who was previously unemployed for one or
18 more years may not be increased for a period of 18
19 months (beginning upon the commencement of em-
20 ployment) as a result of the increased income due to
21 such employment.

22 “(2) BUDGET COMPLIANCE.—To the extent
23 that paragraph (1) results in additional costs under
24 this Act, the provisions of such paragraph shall be
25 effective only to the extent that amounts to cover

1 such additional costs are provided in advance in ap-
2 propriation Acts.”.

3 (b) APPLICABILITY OF AMENDMENT.—Notwithstand-
4 ing the amendment made by subsection (a), any resident
5 of public housing participating in the program under the
6 authority contained in the undesignated paragraph at the
7 end of section 3(c)(3) of the United States Housing Act
8 of 1937 (as such paragraph existed before the date of en-
9 actment of this subsection) shall continue to be governed
10 by such authority.

11 (c) CONFORMING AMENDMENT.—Section 957(a) of
12 the Cranston-Gonzalez National Affordable Housing Act
13 (42 U.S.C. 12714(a)) is amended by striking “Notwith-
14 standing any other law and subject” and inserting “Sub-
15 ject only to the provisions of section 3(d) of the United
16 States Housing Act of 1937 and”.

17 **SEC. 112. CEILING RENTS.**

18 (a) DETERMINATION BASED UPON REASONABLE
19 RENTAL VALUE.—Section 3(a)(2)(A)(iii) of the United
20 States Housing Act of 1937 (42 U.S.C.
21 1437a(a)(2)(A)(iii)) is amended to read as follows:

22 “(iii) is not less than the reasonable rental
23 value of the unit, as determined by the Secretary.”.

1 (b) LIMITATION OF BENEFIT DERIVED.—Section
2 3(a)(2) of the United States Housing Act of 1937 is
3 amended—

4 (1) in subparagraph (A), by striking “Any” and
5 inserting “Except as provided in subparagraph (B),
6 any”;

7 (2) by redesignating subparagraph (B) as sub-
8 paragraph (C); and

9 (3) by inserting after subparagraph (A) the fol-
10 lowing new subparagraph:

11 “(B) A public housing agency may not determine the
12 monthly rent under subparagraph (A) for any family re-
13 siding in a public housing project of the agency who, for
14 the entire duration of a period of 36 consecutive months
15 (such period beginning after the date of the enactment of
16 the Housing and Community Development Act of 1994),
17 has (i) had an income exceeding the income of a low-
18 income family, and (ii) has paid as monthly rent for a
19 dwelling unit in any project administered by the agency
20 an amount determined pursuant to subparagraph (A). The
21 monthly rent for a dwelling unit in public housing for such
22 a family shall be the amount determined under paragraph
23 (1).”.

24 (c) REGULATIONS.—The Secretary shall, by notice
25 published in the Federal Register, establish such require-

1 ments as may be necessary to carry out the provisions of
 2 subparagraphs (A) and (B) of section 3(a)(2) of the
 3 United States Housing Act of 1937, as amended by this
 4 section. The Secretary shall issue final regulations to carry
 5 out the provisions of such section, based on such notice,
 6 after providing opportunity for public comment on the no-
 7 tice.

8 **SEC. 113. MAJOR RECONSTRUCTION OF OBSOLETE**
 9 **PROJECTS.**

10 (a) ASSISTANCE FOR RECONSTRUCTION.—Section
 11 5(j)(2) of the United States Housing Act of 1937 (42
 12 U.S.C. 1437c(j)(2)) is amended—

13 (1) in subparagraph (A), by striking “Notwith-
 14 standing” and all that follows through “fiscal year”
 15 and inserting the following: “The Secretary may
 16 provide assistance under this paragraph”;

17 (2) in subparagraph (C), by striking “reserved”
 18 and inserting “made available for assistance”;

19 (3) in subparagraph (F)(i), by striking “re-
 20 served or”; and

21 (4) in subparagraph (G)(i), by striking “re-
 22 served under subparagraph (A)” and inserting
 23 “made available for use under this paragraph”.

24 (b) SET-ASIDE FOR DISABLED FAMILIES.—Section
 25 5(j)(2)(G)(i) of the United States Housing Act of 1937

1 (42 U.S.C. 1437c(j)(2)(G)(i)) is amended by striking “fis-
2 cal years 1993 and 1994” and inserting “fiscal years 1995
3 and 1996”.

4 **SEC. 114. NEW CONSTRUCTION OF PROJECTS FOR DIS-**
5 **ABLED FAMILIES.**

6 Section 5(j)(3)(A) of the United States Housing Act
7 of 1937 (42 U.S.C. 1437c(j)(3)(A)) is amended by strik-
8 ing “fiscal years 1993 and 1994” and inserting “fiscal
9 years 1995 and 1996”.

10 **SEC. 115. PUBLIC HOUSING OPERATING SUBSIDIES.**

11 Section 9(c) of the United States Housing Act of
12 1937 (42 U.S.C. 1437g(c)) is amended—

13 (1) in paragraph (1), by striking “There” and
14 all that follows and inserting the following new sen-
15 tence: “There are authorized to be appropriated for
16 purposes of providing annual contributions under
17 this section \$2,750,000,000 for fiscal year 1995 and
18 \$2,832,500,000 for fiscal year 1996.”.

19 (2) in paragraph (2), by striking “1993 and
20 1994” and inserting “1995 and 1996”; and

21 (3) in paragraph (3), by striking “1993 and
22 1994” and inserting “1995 and 1996”.

1 **SEC. 116. ELIMINATION OF REQUIREMENT TO IDENTIFY**
2 **CIAP REPLACEMENT NEEDS.**

3 Section 14 of the United States Housing Act of 1937
4 (42 U.S.C. 1437l) is amended—

5 (1) in subsection (d)—

6 (A) by striking paragraph (2);

7 (B) in paragraph (4), in the matter pre-
8 ceding subparagraph (A)—

9 (i) by striking “and replacements,”;

10 and

11 (ii) by striking “(1), (2), and (3)” and
12 inserting “(1) and (2)”; and

13 (C) by redesignating paragraphs (3) and
14 (4) as paragraphs (2) and (3), respectively; and
15 (2) in subsection (f)(1)—

16 (A) in subparagraph (A), by striking
17 “(d)(4)(A)” and inserting “(d)(3)(A)”;

18 (B) by striking subparagraph (B);

19 (C) in subparagraph (C), by striking
20 “(d)(4)” and inserting “(d)(3)”; and

21 (D) in subparagraph (D)—

22 (i) by striking “(1), (2), and (3)” and
23 inserting “(1) and (2)”; and

24 (ii) by striking “(d)(4)” and inserting
25 “(d)(3)”;

1 (3) in subsection (g), by striking “(d)(4)” and
2 inserting “(d)(3)”; and
3 (4) in subsection (h)(2), by striking “(d)(4)”
4 and inserting “(d)(3)”.

5 **SEC. 117. PUBLIC HOUSING VACANCY REDUCTION.**

6 Section 14(p)(6)(A) of the United States Housing
7 Act of 1937 (42 U.S.C. 1437l(p)(6)(A)) is amended by
8 striking “fiscal years 1993 and 1994” and inserting “fis-
9 cal years 1995 and 1996”.

10 **SEC. 118. REPLACEMENT HOUSING FOR DEMOLISHED OR**
11 **DISPOSED PUBLIC HOUSING.**

12 Section 18(e) of the United States Housing Act of
13 1937 (42 U.S.C. 1437p) is amended to read as follows:

14 “(e) ASSISTANCE FOR REPLACEMENT HOUSING.—
15 The Secretary may provide assistance under this sub-
16 section for—

17 “(1) providing replacement public housing units
18 pursuant to subsection (b)(3)(A) for units demol-
19 ished or disposed of pursuant to this section; and

20 “(2) providing assistance under section 8 for
21 replacement housing pursuant to subsection
22 (b)(3)(A) for units demolished or disposed of pursu-
23 ant to this section.”.

1 **SEC. 119. PUBLIC HOUSING RESIDENT MANAGEMENT.**

2 Section 20(f)(3) of the United States Housing Act
3 of 1937 (42 U.S.C. 1437r(f)(3)) is amended to read as
4 follows:

5 “(3) AUTHORIZATION OF APPROPRIATIONS.—

6 There are authorized to be appropriated to carry out
7 this subsection \$5,000,000 for fiscal year 1995 and
8 \$5,000,000 for fiscal year 1996.”.

9 **SEC. 120. PUBLIC HOUSING FAMILY INVESTMENT CENTERS.**

10 Section 22(k) of the United States Housing Act of
11 1937 (42 U.S.C. 1437t(k)) is amended to read as follows:

12 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
13 are authorized to be appropriated to carry out this section
14 \$26,831,500 for fiscal year 1995 and \$27,636,445 for fis-
15 cal year 1996.”.

16 **SEC. 121. REVITALIZATION OF SEVERELY DISTRESSED PUB-**
17 **LIC HOUSING.**

18 (a) PLANNING GRANTS.—Subsection (c) of section 24
19 of the United States Housing Act of 1937 (42 U.S.C.
20 1437v(c)) is amended—

21 (1) in paragraph (2) by striking “\$200,000”
22 and inserting “\$500,000”;

23 (2) in paragraph (3)—

24 (A) by redesignating subparagraphs (E)
25 through (I) as subparagraphs (F) through (J),
26 respectively; and

1 (B) by inserting after subparagraph (D)
2 the following new subparagraph:

3 “(E) planning for community service ac-
4 tivities to be carried out by residents, other
5 members of the community, and other persons
6 willing to contribute to the social, economic, or
7 physical improvement of the community;” and
8 (3) in paragraph (4)—

9 (A) by redesignating subparagraphs (D)
10 and (E) as subparagraphs (E) and (F), respec-
11 tively; and

12 (B) by inserting after subparagraph (C)
13 the following new subparagraph:

14 “(D) to the extent the applicant is request-
15 ing amounts for community service activities, a
16 description of the planning activities for com-
17 munity service to be carried out by residents,
18 other members of the community, and other
19 persons willing to contribute to the social, eco-
20 nomic, or physical improvement of the commu-
21 nity;”.

22 (b) IMPLEMENTATION GRANTS.—Subsection (d) of
23 section 24 of the United States Housing Act of 1937 is
24 amended—

25 (1) in paragraph (2)—

1 (A) in subparagraph (I), by striking “ex-
2 cept that” and all that follows and inserting the
3 following: “except that—

4 “(i) not more than 20 percent of any
5 grant under this subsection may be used
6 for such purpose; and

7 “(ii) an amount equal to 15 percent of
8 the amount of any grant under this sub-
9 section used for such purposes shall be
10 contributed from non-Federal sources, and
11 may be in the form of cash, administrative
12 costs, and the reasonable value of in-kind
13 contributions, and may include funding
14 under title I of the Housing and Commu-
15 nity Development Act of 1974.”;

16 (B) by redesignating subparagraphs (E)
17 through (I) (as so amended) as subparagraphs
18 (F) through (J), respectively; and

19 (C) by inserting after subparagraph (D)
20 the following new subparagraph:

21 “(E) community service activities to be
22 carried out by residents, other members of the
23 community, and other persons willing to con-
24 tribute to the social, economic, or physical im-
25 provement of the community;”;

1 (2) in paragraph (3)—

2 (A) by redesignating subparagraphs (D)
3 and (E) as subparagraphs (E) and (F), respec-
4 tively; and

5 (B) by inserting after subparagraph (C)
6 the following new subparagraph:

7 “(D) to the extent the applicant is request-
8 ing amounts for community service activities, a
9 description of the community service activities
10 to be carried out by residents, other members
11 of the community, and other persons willing to
12 contribute to the social, economic, or physical
13 improvement of the community;”; and

14 (3) in paragraph (4)(D), by striking “the po-
15 tential of the applicant for developing a successful
16 and affordable” and inserting “the quality of the
17 proposed”.

18 (c) DEFINITIONS.—Subsection (h) of section 24 of
19 the United States Housing Act of 1937 is amended—

20 (1) by striking paragraph (5) and inserting the
21 following new paragraphs:

22 “(6) SEVERELY DISTRESSED PUBLIC HOUS-
23 ING.—The term ‘severely distressed public housing’
24 means a public housing project or building in a
25 project that—

1 “(A) requires major redesign, reconstruc-
2 tion, or redevelopment, or partial or total demo-
3 lition, to correct serious deficiencies in the
4 original design (including inappropriately high
5 population density), deferred maintenance,
6 physical deterioration or obsolescence or major
7 systems, and other deficiencies in the physical
8 plant of the project;

9 “(B) is—

10 “(i)(I) occupied predominantly by
11 families with children which have extremely
12 low incomes, high rates of unemployment,
13 and extensive dependency on various forms
14 of public assistance; and

15 “(II) has high rates of vandalism and
16 criminal activity (including drug-related
17 criminal activity); or

18 “(ii) has a vacancy rate, as deter-
19 mined by the Secretary, of 50 percent or
20 more;

21 “(C) can not be revitalized through assist-
22 ance under other programs, such as the pro-
23 grams under sections 9 and 14, or through
24 other administrative means because of the inad-
25 equacy of available amounts; and

1 “(D) in the case of an individual building,
2 the building is (in the determination of the Sec-
3 retary) sufficiently separable from the remain-
4 der of the project of which the building is part
5 to make use of the building feasible for pur-
6 poses of this section.

7 “(7) SUPPORT SERVICES.—The term ‘support
8 services’ includes all activities which will promote
9 upward mobility, self-sufficiency, and improved qual-
10 ity of life for the residents of the public housing
11 project involved, and shall include literacy training,
12 job training, day care, and economic development ac-
13 tivities. Support services may be provided to resi-
14 dents of the neighborhood in which the public hous-
15 ing project involved is located.”;

16 (2) by redesignating paragraphs (2) through
17 (4) as paragraphs (3) through (5), respectively; and
18 (3) by inserting after paragraph (1) the follow-
19 ing new paragraph:

20 “(2) COMMUNITY SERVICE.—The term ‘commu-
21 nity service’ means services provided on a volunteer
22 or limited stipend basis for the social, economic, or
23 physical improvement of the community to be
24 served, including opportunity for the upward mobil-
25 ity of participants providing the community service,

1 through completion of education requirements, job
2 training, or alternative methods of developing skills
3 and job readiness.”.

4 **SEC. 122. APPLICABILITY OF PUBLIC HOUSING AMEND-**
5 **MENTS TO INDIAN HOUSING.**

6 (a) AMENDMENT.—Section 201(b) of the United
7 States Housing Act of 1937 (42 U.S.C. 1437aa(b)) is
8 amended to read as follows:

9 “(b) APPLICABILITY OF TITLE I.—Except as other-
10 wise provided by law, the provisions of title I shall apply
11 to low-income housing developed or operated pursuant to
12 a contract between the Secretary and an Indian housing
13 authority.”.

14 (b) APPLICABILITY OF AMENDMENT.—The amend-
15 ment made by subsection (a) shall not affect provisions
16 of the United States Housing Act of 1937 that were made
17 applicable to public housing developed or operated pursu-
18 ant to a contract between the Secretary and an Indian
19 housing authority in accordance with section 201(b)(2) of
20 such Act, as such section existed before the effective date
21 of this section.

22 (c) APPLICABILITY OF HOUSING AND COMMUNITY
23 DEVELOPMENT ACT OF 1992.—Sections 103(a)(1), 112,
24 114, 116, 118, 903, and 927 of the Housing and Commu-
25 nity Development Act of 1992 shall apply to public hous-

1 ing developed or operated pursuant to a contract between
2 the Secretary and an Indian housing authority.

3 **SEC. 123. PUBLIC HOUSING EARLY CHILDHOOD DEVELOP-**
4 **MENT SERVICES.**

5 Section 222(g) of the Housing and Urban-Rural Re-
6 covery Act of 1983 (12 U.S.C. 1701z–6 note) is amended
7 to read as follows:

8 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated to carry out this section
10 \$15,000,000 for fiscal year 1995 and \$15,450,000 for fis-
11 cal year 1996. Any amounts appropriated to carry out this
12 section shall remain available until expended.”.

13 **SEC. 124. INDIAN HOUSING CHILDHOOD DEVELOPMENT**
14 **SERVICES.**

15 (a) FUNDING.—Section 518(a) of the Cranston-Gon-
16 zalez National Affordable Housing Act (12 U.S.C. 1701z–
17 6 note) is amended by striking the first and second sen-
18 tences and inserting the following new sentence: “There
19 are authorized to be appropriated to carry out the dem-
20 onstration program under this section \$5,580,540 for fis-
21 cal year 1995 and \$5,747,956 for fiscal year 1996.”.

1 **SEC. 125. PUBLIC HOUSING ONE-STOP PERINATAL SERV-**
 2 **ICES DEMONSTRATION.**

3 Section 521(g) of the Cranston-Gonzalez National
 4 Affordable Housing Act (42 U.S.C. 1437t note) is amend-
 5 ed to read as follows:

6 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
 7 are authorized to be appropriated for carrying out the
 8 demonstration program under this section \$214,652 for
 9 fiscal year 1995 and \$221,092 for fiscal year 1996.”.

10 **Subtitle C—Section 8 Assistance**

11 **SEC. 141. MOVING TO OPPORTUNITY FOR FAIR HOUSING.**

12 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
 13 152(e) of the Housing and Community Development Act
 14 of 1992 (42 U.S.C. 1437f note) is amended by striking
 15 the first sentence and inserting the following new sen-
 16 tence: “The budget authority available under section 5(c)
 17 of the United States Housing Act of 1937 for tenant-
 18 based assistance under section 8 of such Act is authorized
 19 to be increased by \$176,387,500, on or after October 1,
 20 1994, and by \$181,679,125, on or after October 1, 1995,
 21 to carry out the demonstration under this section.”.

22 (b) COUNSELING.—The second sentence of section
 23 106(a)(3) of the Housing and Urban Development Act of
 24 1968 (12 U.S.C. 1701x(a)(3)) is amended to read as fol-
 25 lows: “Of the amounts appropriated for purposes of this
 26 subsection for each of fiscal years 1995 and 1996, up to

1 \$500,000 shall be available for use for counseling and
2 other activities in connection with the demonstration pro-
3 gram under section 152 of the Housing and Community
4 Development Act of 1992.”.

5 **SEC. 142. COMMUNITY INVESTMENT DEMONSTRATION PRO-**
6 **GRAM.**

7 Section 6(j) of the HUD Demonstration Act of 1993
8 (42 U.S.C. 1437f note) is amended to read as follows:

9 “(j) AUTHORIZATION OF APPROPRIATIONS.—There
10 are authorized to be appropriated to carry out this section
11 \$103,000,000 for fiscal year 1995 and \$106,090,000 for
12 fiscal year 1996.”.

13 **SEC. 143. RESTATEMENT AND REVISION OF SECTION 8**
14 **RENTAL ASSISTANCE PROGRAM.**

15 (a) IN GENERAL.—Section 8 of the United States
16 Housing Act of 1937 (42 U.S.C. 1437f) is amended to
17 read as follows:

18 “RENTAL HOUSING ASSISTANCE FOR LOW-INCOME
19 FAMILIES

20 “SEC. 8. (a) AUTHORITY AND PURPOSE.—

21 “(1) IN GENERAL.—For the purposes of aiding
22 low-income families in obtaining a decent place to
23 live and promoting economically mixed housing, the
24 Secretary may provide assistance payments with re-
25 spect to existing housing in accordance with the pro-
26 visions of this section.

1 “(2) ELDERLY HOUSING.—Notwithstanding any
2 other provision of this Act, assistance payments
3 under this section may be provided, in accordance
4 with regulations prescribed by the Secretary, with
5 respect to some or all of the units in any project ap-
6 proved pursuant to section 202 of the Housing Act
7 of 1959 (as in effect before October 1, 1991).

8 “(b) ANNUAL CONTRIBUTIONS CONTRACTS FOR
9 RENTAL ASSISTANCE.—

10 “(1) IN GENERAL.—The Secretary may enter
11 into annual contributions contracts under this sub-
12 section with public housing agencies to provide rent-
13 al housing assistance under this section for low-in-
14 come families. The Secretary shall enter into a sepa-
15 rate annual contributions contract with each public
16 housing agency to obligate the authority approved
17 each year. Each such annual contributions contract
18 shall bind the Secretary to make such authority, and
19 any amendments increasing such authority, available
20 to the public housing agency for a specified period.

21 “(2) SECRETARY ACTING AS PHA.—In areas
22 where no public housing agency has been organized
23 or where the Secretary determines that a public
24 housing agency is unable to implement the provi-
25 sions of this section, the Secretary may enter into

1 such contracts and perform the other functions as-
2 signed to a public housing agency by this section.

3 “(3) TREATMENT OF ASSISTANCE FOR SUP-
4 PORTIVE HOUSING FOR THE DISABLED.—The Sec-
5 retary may not consider the receipt by a public hous-
6 ing agency of assistance under section 811(b)(1) of
7 the Cranston-Gonzalez National Affordable Housing
8 Act, or the amount received, in approving assistance
9 under this section for the agency or in determining
10 the amount of such assistance to be provided to the
11 agency.

12 “(c) ASSISTANCE CONTRACTS.—

13 “(1) IN GENERAL.—Each public housing agen-
14 cy that receives amounts under an annual contribu-
15 tions contract may enter into assistance contracts to
16 make rental assistance payments to owners of exist-
17 ing dwelling units in accordance with the provisions
18 of this section.

19 “(2) PHA ACTING AS OWNER.—A public hous-
20 ing agency may contract to make rental assistance
21 payments under this section to itself (or any agency
22 or instrumentality thereof) as the owner of dwelling
23 units, and the agency shall be subject to the same
24 program requirements as are applied to other own-

1 ers. In such cases, the Secretary may establish ini-
2 tial rents within applicable limits.

3 “(3) INAPPLICABLE PROVISIONS.—Sections 5(e)
4 and 6 and any other provisions of this Act that are
5 inconsistent with the provisions of this section shall
6 not apply to assistance contracts entered into pursu-
7 ant to this section.

8 “(d) MAXIMUM MONTHLY RENT.—

9 “(1) IN GENERAL.—Each assistance contract
10 entered into pursuant to this section shall establish
11 the maximum monthly rent (including utilities and
12 all maintenance and management charges) that the
13 owner is entitled to receive for each dwelling unit for
14 which rental assistance payments are to be made
15 under the contract. Except as provided in paragraph
16 (2), the maximum monthly rent shall not exceed by
17 more than 10 percent the fair market rental under
18 subsection (e) for the market area in which the
19 dwelling unit is located. If units assisted under this
20 section are exempt from local rent control while they
21 are so assisted or otherwise, the maximum monthly
22 rent for such units shall be reasonable in comparison
23 with other units in the market area that are exempt
24 from local rent control.

1 “(2) EXCEPTION.—The maximum monthly rent
2 may exceed the fair market rental by more than 10
3 but not more than 20 percent, but only if the Sec-
4 retary determines that special circumstances warrant
5 such higher maximum rent or that such higher rent
6 is necessary to the implementation of a comprehen-
7 sive housing affordability strategy under section 105
8 of the Cranston-Gonzalez National Affordable Hous-
9 ing Act.

10 “(3) ANNUAL ADJUSTMENTS.—Each assistance
11 contract shall provide for adjustment in the maxi-
12 mum monthly rents for units covered by the contract
13 not less than annually to reflect changes in the fair
14 market rentals established under subsection (e) for
15 the housing area for similar types and sizes of dwell-
16 ing units or, if the Secretary determines, on the
17 basis of a reasonable formula.

18 “(4) ADJUSTMENTS DUE TO EXPENSES.—Each
19 assistance contract shall further provide for the Sec-
20 retary to make additional adjustments in the maxi-
21 mum monthly rent for units assisted under the con-
22 tract to the extent the Secretary determines such ad-
23 justments are necessary to reflect increases in the
24 actual and necessary expenses of owning and main-
25 taining the units that have resulted from substantial

1 general increases in real property taxes, utility rates,
2 or similar costs that are not adequately compensated
3 for by the adjustment in the maximum monthly rent
4 authorized by paragraph (3). The Secretary shall
5 make additional adjustments in the maximum
6 monthly rent for units under contract (subject to the
7 availability of appropriations for contract amend-
8 ments) to the extent the Secretary determines such
9 adjustments are necessary to reflect increases in the
10 actual and necessary expenses of owning and main-
11 taining the units that have resulted from the expira-
12 tion of a real property tax exemption.

13 “(5) ADJUSTMENTS DUE TO CRIMINAL ACTIV-
14 ITY.—If the Secretary determines that a project as-
15 sisted under this section is located in a community
16 where criminal activity is generally prevalent and the
17 operating, maintenance, and capital repair expenses
18 for the project have been substantially increased pri-
19 marily as a result of the prevalence of such activity,
20 the Secretary may (at the discretion of the Secretary
21 and subject to the availability of appropriations for
22 contract amendments for this purpose), on a project-
23 by-project basis, provide adjustments to the maxi-
24 mum monthly rents, to a level not exceeding 120
25 percent of the project rents, to cover the costs of

1 maintenance, security, capital repairs, and reserves
2 required for the owner to carry out a strategy ac-
3 ceptable to the Secretary for addressing the problem
4 of criminal activity. The Secretary may waive the
5 applicability of any rent comparability standard re-
6 quired under this subsection to implement this para-
7 graph.

8 “(6) ADJUSTMENTS DUE TO LEAD-BASED
9 PAINT REDUCTION FOR HOUSING RECEIVING
10 PROJECT-BASED ASSISTANCE.—The Secretary may
11 (at the discretion of the Secretary and subject to the
12 availability of appropriations for contract amend-
13 ments), on a project-by-project basis for projects re-
14 ceiving project-based assistance, provide adjustments
15 to the maximum monthly rents to cover the costs of
16 evaluating and reducing lead-based paint hazards, as
17 defined in section 1004 of the Residential Lead-
18 Based Paint Hazard Reduction Act of 1992.

19 “(7) LIMITATIONS ON ADJUSTMENTS.—

20 “(A) GENERAL COMPARABILITY RULE.—
21 Adjustments in the maximum rents under para-
22 graphs (3) through (6) shall not result in mate-
23 rial differences between the rents charged for
24 assisted units and unassisted units of similar

1 quality, type, and age in the same market area,
2 as determined by the Secretary.

3 “(B) COMPARABILITY STUDIES.—

4 “(i) To carry out subparagraph (A),
5 the Secretary shall issue regulations to
6 provide for conducting comparability stud-
7 ies for projects where the Secretary has
8 reason to believe that the application of the
9 formula adjustments under paragraph (3)
10 would result in such material differences.
11 The Secretary shall conduct such studies
12 upon the request of any owner of any
13 project, or as the Secretary determines to
14 be appropriate by establishing, to the ex-
15 tent practicable, a modified annual adjust-
16 ment factor for such market area, as the
17 Secretary shall designate, that is geo-
18 graphically smaller than the applicable
19 housing area used for the establishment of
20 the annual adjustment factor under para-
21 graph (3). The Secretary shall establish
22 such modified annual adjustment factor on
23 the basis of the results of a study con-
24 ducted by the Secretary of the rents
25 charged, and any change in such rents

1 over the previous year, for assisted units
2 and unassisted units of similar quality,
3 type, and age in the smaller market area.
4 Where the Secretary determines that such
5 modified annual adjustment factor cannot
6 be established or that such factor when ap-
7 plied to a particular project would result in
8 material differences between the rents
9 charged for assisted units and unassisted
10 units of similar quality, type, and age in
11 the same market area, the Secretary may
12 apply an alternative methodology for con-
13 ducting comparability studies in order to
14 establish rents that are not materially dif-
15 ferent from rents charged for comparable
16 unassisted units.

17 “(ii) If the Secretary or appropriate
18 State agency does not complete and submit
19 to the project owner a comparability study
20 not later than 60 days before the anniver-
21 sary date of the assistance contract under
22 this section, the automatic annual adjust-
23 ment factor shall be applied. The Secretary
24 may not reduce the contract rents in effect
25 on or after April 15, 1987, for newly con-

1 structed, substantially rehabilitated, or
2 moderately rehabilitated projects assisted
3 under this section (including projects as-
4 sisted under this section as in effect prior
5 to November 30, 1983), unless the project
6 has been refinanced in a manner that re-
7 duces the periodic payments of the owner.
8 Any maximum monthly rent that has been
9 reduced by the Secretary after April 14,
10 1987, and prior to November 7, 1988,
11 shall be restored to the maximum monthly
12 rent in effect on April 15, 1987.

13 “(iii) For any project which has had
14 its maximum monthly rents reduced after
15 April 14, 1987, the Secretary shall make
16 assistance payments (from amounts re-
17 served for the original contract) to the
18 owner of such project in an amount equal
19 to the difference between the maximum
20 monthly rents in effect on April 15, 1987,
21 and the reduced maximum monthly rents,
22 multiplied by the number of months that
23 the reduced maximum monthly rents were
24 in effect.

25 “(e) FAIR MARKET RENTALS.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish fair market rentals under this subsection peri-
3 odically, but not less than annually, for existing
4 rental dwelling units suitable for occupancy by low-
5 income families assisted under this section. The Sec-
6 retary shall establish the fair market rental by mar-
7 ket area for various sizes and types of dwelling
8 units.

9 “(2) EFFECTIVENESS AND ADJUSTMENT.—The
10 Secretary shall publish proposed fair market rentals
11 for each area in the Federal Register with reason-
12 able time for public comment, and such fair market
13 rentals shall become effective upon the date of publi-
14 cation in final form in the Federal Register. Each
15 fair market rental in effect under this subsection
16 shall be adjusted to be effective on October 1 of each
17 year to reflect changes, based on the most recent
18 available data trended so the rentals will be current
19 for the year to which they apply, of rents for exist-
20 ing rental dwelling units, as the case may be, of var-
21 ious sizes and types in the market area suitable for
22 occupancy by families assisted under this section.

23 “(3) CERTAIN AREAS.—The Secretary shall es-
24 tablish separate fair market rentals under this sub-
25 section for Westchester County in the State of New

1 York. The Secretary shall also establish separate fair
2 market rentals under this paragraph for Monroe
3 County in the Commonwealth of Pennsylvania. In
4 establishing fair market rentals for the remaining
5 portion of the market areas in which Monroe County
6 is located, the Secretary shall establish the fair mar-
7 ket rentals as if such portion included Monroe
8 County.

9 “(f) AMOUNT OF MONTHLY ASSISTANCE PAY-
10 MENT.—

11 “(1) IN GENERAL.—The amount of the monthly
12 assistance payment under this section with respect
13 to any dwelling unit shall be the difference between
14 the maximum monthly rent that the contract pro-
15 vides that the owner is to receive for the unit and
16 the rent the family is required to pay under section
17 3(a).

18 “(2) INCREASES IN ASSISTANCE PAYMENTS.—
19 The Secretary shall take any action necessary, in-
20 cluding making contracts for assistance payments in
21 amounts exceeding the amounts required upon the
22 initial renting of dwelling units, reserving annual
23 contributions authority for the purpose of amending
24 assistance contracts, or allocating a portion of new
25 authorizations for the purpose of amending assist-

1 ance contracts, to ensure that assistance payments
2 are increased on a timely basis to cover increases in
3 maximum monthly rents or decreases in family in-
4 comes.

5 “(3) REVIEWS OF FAMILY INCOMES.—

6 “(A) IN GENERAL.—Reviews of family in-
7 comes for purposes of this section shall be made
8 annually and shall be subject to the provisions
9 of section 904(e) of the Stewart B. McKinney
10 Homeless Assistance Amendments Act of 1988.
11 Any other reviews of family incomes under this
12 paragraph may be used only for the purpose of
13 ensuring that a family does not pay as rent for
14 a dwelling unit assisted under this section more
15 than the amount required under section 3(a).

16 “(B) PROCEDURES.—The Secretary shall
17 establish procedures that are appropriate and
18 necessary to ensure that income data provided
19 to public housing agencies and owners by fami-
20 lies applying for or receiving assistance under
21 this section is complete and accurate. In estab-
22 lishing such procedures, the Secretary shall an-
23 nually select a random sample of families to au-
24 thorize the Secretary to obtain information on
25 the families for the purpose of income verifica-

tion, or to allow the families to provide such information themselves. Such information may include data concerning unemployment compensation and Federal income taxation and data relating to benefits made available under the Social Security Act, the Food Stamp Act of 1977, or title 38, United States Code.

“(C) CONFIDENTIALITY.—Any income information received pursuant to this paragraph shall remain confidential and shall be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits (and the amount of such benefits, if any) under this section.

“(g) ELIGIBILITY OF UNITS FOR ASSISTANCE.—Each assistance contract shall provide that assistance payments may be made only with respect to the following dwelling units:

“(1) OCCUPIED UNITS.—A dwelling unit under lease for occupancy by a family determined to be a low-income family at the time it initially occupies the dwelling unit or by a family that qualifies to receive assistance under this section pursuant to section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

1 “(2) UNOCCUPIED UNITS.—An unoccupied
2 dwelling unit, but only if—

3 “(A)(i) a family vacates the dwelling unit
4 before the expiration date of the lease for occu-
5 pancy, or (ii) a good faith effort is being made
6 to fill the unoccupied unit; and

7 “(B) the costs of such vacancy are not
8 charged to or paid by the family vacating the
9 dwelling unit.

10 Payments for units referred to in this paragraph
11 may be made only for a period not exceeding 60
12 days, except that such payments may be made, in
13 the case of a newly constructed or substantially re-
14 habilitated project, after the expiration of such 60-
15 day period in an amount equal to the debt service
16 attributable to such an unoccupied dwelling unit for
17 a period not to exceed one year, if a good faith effort
18 is being made to fill the unit and the unit provides
19 decent, safe, and sanitary housing. No such payment
20 may be made after the expiration of such 60-day pe-
21 riod if the Secretary determines that the dwelling
22 unit is in a project which provides the owner with
23 revenues exceeding the costs incurred by such owner
24 with respect to such project.

1 “(h) OTHER PROVISIONS OF ASSISTANCE CON-
2 TRACTS.—Contracts to make assistance payments entered
3 into by any public housing agency (or by the Secretary)
4 with an owner of existing housing units shall meet the
5 following requirements:

6 “(1) CONTRACT TERM.—Each assistance con-
7 tract shall have a term of not less than one month
8 nor more than 180 months. The Secretary shall per-
9 mit public housing agencies to enter into assistance
10 contracts having terms of less than 12 months to the
11 extent necessary to avoid disruption in assistance to
12 eligible families if the annual contributions contract
13 for the agency under subsection (b) will expire with-
14 in 1 year.

15 “(2) PREFERENCES.—Each assistance contract
16 shall provide that, in making assistance available
17 pursuant to the contract—

18 “(A) for not less than 70 percent of the
19 families who initially receive project-based as-
20 sistance, and

21 “(B) for not less than 90 percent of the
22 families who initially receive tenant-based as-
23 sistance in any 1-year period,
24 preference shall be given to families that (i) occupy
25 substandard housing (including families that are

1 homeless or living in a shelter for homeless families),
2 (ii) are paying more than 50 percent of family in-
3 come for rent, (iii) are involuntarily displaced (in-
4 cluding displacement because of disposition of a mul-
5 tifamily housing project under section 203 of the
6 Housing and Community Development Amendments
7 of 1978) at the time they are seeking assistance
8 under this section, or (iv) are residing in public
9 housing.

10 “(3) SECONDARY PREFERENCES.—Each assist-
11 ance contract shall provide that, for any assistance
12 remaining in any 1-year period after assistance is
13 made available pursuant to paragraph (2), pref-
14 erence for such assistance shall be given to families
15 who qualify under a system of local preferences es-
16 tablished by the public housing agency in writing
17 and after public hearing to respond to local housing
18 needs and priorities, which may include—

19 “(A) assisting very low-income families
20 who either reside in transitional housing as-
21 sisted under title IV of the Stewart B. McKin-
22 ney Homeless Assistance Act or participate in
23 a program designed to provide public assistance
24 recipients with greater access to employment
25 and educational opportunities;

1 “(B) assisting families in accordance with
2 subsection (q)(1)(B);

3 “(C) assisting families identified by local
4 public agencies involved in providing for the
5 welfare of children as having a lack of adequate
6 housing that is a primary factor in the immi-
7 nent placement of a child in foster care, or in
8 preventing the discharge of a child from foster
9 care and reunification with his or her family;

10 “(D) assisting youth, upon discharge from
11 foster care, in cases in which return to the fam-
12 ily or extended family or adoption is not avail-
13 able;

14 “(E) assisting veterans who are eligible
15 and have applied for assistance, will use the as-
16 sistance for a dwelling unit designed for the
17 handicapped, and, upon discharge or eligibility
18 for discharge from a hospital or nursing home,
19 have physical disability which, because of the
20 configuration of their homes, prevents them
21 from access to or use of their homes; and

22 “(F) achieving other objectives of national
23 housing policy as established by law.

24 “(4) TENANT SELECTION.—Each assistance
25 contract shall provide that the selection of tenants

1 for such dwelling units shall be the function of the
2 owner, subject to any provisions of the annual con-
3 tributions contract between the Secretary and the
4 agency. The owner shall use tenant selection criteria,
5 which shall provide as follows:

6 “(A) PROHIBITION OF PERSONS ENGAGED
7 IN DRUG ACTIVITY.—The criteria shall prohibit
8 any individual or family evicted from housing
9 assisted under this Act by reason of drug-relat-
10 ed criminal activity from having a preference
11 under any provision of this paragraph for 3
12 years unless the evicted tenant successfully
13 completes a rehabilitation program approved by
14 the agency or owner. The agency or the owner
15 may waive the application of the preceding sen-
16 tence under standards established by the Sec-
17 retary, which shall provide for such waiver for
18 any member of a family of an individual prohib-
19 ited from tenancy under this subparagraph who
20 the agency or owner determines clearly did not
21 participate in and had no knowledge of such
22 criminal activity or when circumstances leading
23 to eviction no longer exist.

24 “(B) OTHER REQUIREMENTS FOR
25 PROJECT-BASED ASSISTANCE.—With respect

1 only to project-based assistance, the criteria
2 shall—

3 “(i) be consistent with the purpose of
4 improving housing opportunities for very
5 low-income families;

6 “(ii) be reasonably related to program
7 eligibility and an applicant’s ability to per-
8 form the obligations of the assisted lease;

9 “(iii) be established in writing; and

10 “(iv) provide for the owner to prompt-
11 ly provide to any rejected applicant (I)
12 written notice of the grounds for the rejec-
13 tion, and (II) an opportunity to meet with
14 the decision maker to evaluate the validity
15 of the reasons for rejection and rectify any
16 erroneous decisions.

17 “(5) LEASE PROVISIONS.—Each assistance con-
18 tract shall provide that the lease between the tenant
19 of any unit and the owner shall be for at least one
20 year or the term of such assistance contract, which-
21 ever is shorter, and that the lease shall contain other
22 terms and conditions specified by the Secretary, in-
23 cluding provisions meeting the requirements of para-
24 graphs (6), (7), and (8).

1 “(6) GENERAL GROUNDS FOR TERMINATION OF
2 TENANCY.—Each assistance contract shall provide
3 that the owner shall not terminate the tenancy of
4 the tenant of any unit except for serious or repeated
5 violation of the terms and conditions of the lease, for
6 violation of applicable Federal, State, or local law, or
7 for other good cause.

8 “(7) TERMINATION FOR CRIMINAL ACTIVITY.—
9 Each assistance contract shall provide that any
10 criminal activity that threatens the health, safety, or
11 right to peaceful enjoyment of the premises by other
12 tenants, any criminal activity that threatens the
13 health, safety, or right to peaceful enjoyment of
14 their residences by persons residing in the immediate
15 vicinity of the premises, or any drug-related criminal
16 activity on or near such premises, engaged in by a
17 tenant of any unit, any member of the tenant’s
18 household, or any guest or other person under the
19 tenant’s control, shall be cause for termination of
20 tenancy.

21 “(8) NOTICE OF TERMINATION OF TENANCY.—
22 Each assistance contract shall provide that before
23 terminating the tenancy of any tenant, the owner
24 shall provide written notice to the tenant specifying
25 the legal and factual grounds for such action. Such

1 notice shall be provided to the tenant not less than
2 30 days before termination, except that in cases of
3 termination for nonpayment of rent such notice shall
4 be provided not less than 14 days before termi-
5 nation.

6 “(9) MAINTENANCE AND REPLACEMENT.—

7 Each assistance contract shall provide that mainte-
8 nance and replacement (including redecoration) shall
9 be performed in accordance with the standard prac-
10 tice for the building concerned as established by the
11 owner and agreed to by the agency (or the Sec-
12 retary). With the approval of the Secretary, the pub-
13 lic housing agency administering a contract under
14 this section with respect to existing housing units
15 may exercise all management and maintenance re-
16 sponsibilities with respect to the units pursuant to a
17 contract between such agency and the owner of such
18 units. Each assistance contract shall also provide
19 that, if the agency (or the Secretary) determines
20 that a unit assisted under this section fails to com-
21 ply in any material respect with standards for hous-
22 ing quality for units so assisted, the agency (or the
23 Secretary) may withhold some or all of the assist-
24 ance amounts under this section with respect to such
25 unit and promptly—

1 “(A) use such amounts to make necessary
2 repairs or contract to have such repairs made;

3 “(B) release any withheld amounts to the
4 owner after repairs are made by the owner, in
5 an amount not exceeding the cost of the re-
6 pairs;

7 “(C) release any withheld amounts to the
8 applicable State or local housing agency after
9 repairs are made by such agency, in an amount
10 not exceeding the cost of the repairs; or

11 “(D) upon the request of the tenant, re-
12 lease any withheld amounts to—

13 “(i) the tenant to reimburse the ten-
14 ant for the reasonable cost of any nec-
15 essary repairs performed or paid for by the
16 tenant; or

17 “(ii) such person secured by the ten-
18 ant and approved by the agency (or the
19 Secretary) to make such necessary repairs.

20 If an agency (or the Secretary) withholds any assist-
21 ance amounts pursuant to the preceding sentence,
22 the agency (or the Secretary) may not terminate the
23 assistance contract unless and until the tenant has
24 relocated to decent, safe, and sanitary housing.

1 “(10) STANDARDS AND OBLIGATIONS OF RESI-
2 DENCY IN HOUSING RECEIVING PROJECT-BASED AS-
3 SISTANCE.—Each assistance contract for project-
4 based assistance under subsection (i) shall provide
5 that the owner shall ensure and maintain compliance
6 with subtitle C of title VI of the Housing and Com-
7 munity Development Act of 1992 and any regula-
8 tions issued under such subtitle.

9 “(11) OTHER.—Each assistance contract shall
10 provide that the agency and the owner shall carry
11 out such other appropriate terms and conditions as
12 may be mutually agreed to by the agency and owner.

13 “(i) PROJECT-BASED ASSISTANCE.—

14 “(1) AUTHORITY.—Pursuant to an annual con-
15 tributions contract entered into under subsection
16 (b), a public housing agency may enter into a assist-
17 ance contract providing for assistance payments
18 under this section that are attached to a structure.

19 “(2) REQUIREMENTS.—Any public housing
20 agency may approve project-based assistance under
21 this subsection with respect to any or all of the as-
22 sistance provided by the public housing agency if—

23 “(A) the owner agrees to rehabilitate the
24 structure other than with assistance under this

1 Act and the owner otherwise complies with the
2 requirements of this section; and

3 “(B) in the case of any newly constructed
4 structure, the owner or prospective owner
5 agrees to construct the structure other than
6 with assistance under this Act and otherwise
7 complies with the requirements of this section.

8 “(3) LONG-TERM AFFORDABILITY.—

9 “(A) IN GENERAL.—In the case of an as-
10 sistance contract for project-based assistance
11 under this subsection, a public housing agency
12 shall enter into a contract with an owner, con-
13 tingent upon the future availability of appro-
14 priations for the purpose of renewing expiring
15 contracts for assistance payments as provided
16 in appropriations Acts, to extend the term of
17 the underlying assistance contract for such pe-
18 riod or periods as the Secretary determines to
19 be appropriate to achieve long-term afford-
20 ability of the housing. The contract shall obli-
21 gate the owner to have the extensions of the as-
22 sistance contract accepted by the owner and the
23 owner’s successors in interest.

24 “(B) TERM OF ASSISTANCE FOR LOW-IN-
25 COME HOUSING PRESERVATION.—The contract

1 for assistance may, at the option of the public
2 housing agency, have an initial term not exceed-
3 ing 15 years for any assistance that is at-
4 tached—

5 “(i) to projects assisted under a State
6 program that permits the owner of the
7 projects to prepay a State assisted or sub-
8 sidized mortgage on the structure; and

9 “(ii) for the purpose of providing in-
10 centives to owners to preserve such
11 projects for occupancy by low- and mod-
12 erate-income families (for the period that
13 assistance under this subparagraph is
14 available) and assisting low-income tenants
15 to afford any increases in rent that may be
16 required to induce the owner to maintain
17 occupancy in the project by low- and mod-
18 erate-income tenants.

19 Any assistance provided to low-income tenants
20 in the manner described in this subparagraph
21 shall not be considered for purposes of the limi-
22 tation under subsection (h)(2) regarding the
23 percentage of families that may receive assist-
24 ance under this section who do not qualify for
25 preferences under such subsection.

1 “(4) SERVICE COORDINATORS.—In determining
2 the amount of assistance provided under an assist-
3 ance contract for project-based assistance under this
4 paragraph or a contract for assistance for housing
5 constructed or substantially rehabilitated pursuant
6 to assistance provided under section 8(b)(2) of this
7 Act (as such section existed before October 1, 1983),
8 the Secretary may, to the extent amounts are pro-
9 vided under section 5(c), increase the amount annu-
10 ally provided with respect to such project to provide
11 for the costs of employing or otherwise retaining the
12 services of one or more service coordinators under
13 section 671 of the Housing and Community Devel-
14 opment Act of 1992 to coordinate the provision of
15 any services within the project for residents of the
16 project who are elderly or disabled families.

17 “(j) TERMINATION OF ASSISTANCE CONTRACTS.—

18 “(1) NOTICE BY OWNER.—Any owner terminat-
19 ing any assistance contract shall provide written no-
20 tice to the Secretary and the tenants involved of the
21 proposed termination not less than one year before
22 the termination of the contract (but not less than 90
23 days in the case of tenant-based assistance). The no-
24 tice shall specify the date of the termination and the
25 reasons for the termination, with detail sufficient to

1 enable the Secretary to evaluate whether the termi-
2 nation is lawful and whether additional actions can
3 be taken by the Secretary to avoid the termination.
4 The notice shall include a statement that the owner
5 and the Secretary may agree to a renewal of the
6 contract, thus avoiding the termination.

7 “(2) REVIEW OF NOTICE BY SECRETARY.—The
8 Secretary shall review the notice, shall consider
9 whether additional actions can be taken by the Sec-
10 retary to avoid the termination, and shall ensure a
11 proper adjustment of the contract rents for the
12 project in compliance with the requirements of sub-
13 section (d) and paragraph (3) of this subsection.
14 The Secretary shall issue a written finding of the le-
15 gality of the termination and the reasons for the ter-
16 mination, including the actions considered or taken
17 to avoid the termination. Within 30 days after issu-
18 ance of the findings, the owner shall provide written
19 notice to each tenant of the decision, together with
20 the written findings of the Secretary regarding the
21 termination. In the case of project-based assistance,
22 the Secretary and the owner shall complete the ac-
23 tions under this paragraph not later than the expira-
24 tion of the 9-month period beginning upon the date

1 that the owner provides written notice of termination
2 under paragraph (1).

3 “(3) ADJUSTMENT OF CONTRACT RENT.—If an
4 owner provides notice of proposed termination under
5 paragraph (1) and the contract rent is less than the
6 maximum monthly rent for units assisted under this
7 section, the Secretary shall adjust the contract rent
8 based on the maximum monthly rent for units as-
9 sisted under this section and the value of the low-
10 income housing.

11 “(4) NOTICE OF RENT INCREASES.—Each as-
12 sistance contract for project-based assistance under
13 this section shall require the owner to notify tenants
14 at least 90 days before the expiration of the contract
15 of any rent increase which may occur as a result of
16 the expiration of such contract.

17 “(5) DEFINITION OF TERMINATION.—For pur-
18 poses of this subsection, the term ‘termination’
19 means the expiration of the assistance contract or
20 the refusal of the owner to renew an assistance con-
21 tract, which shall include the termination of tenancy
22 by an owner for business reasons.

23 “(k) RENTAL ASSISTANCE FOR MANUFACTURED
24 HOUSING.—

1 “(1) IN GENERAL.—The Secretary may enter
2 into contracts to make assistance payments under
3 this subsection to assist low-income families by mak-
4 ing rental assistance payments on behalf of any such
5 family that utilizes a manufactured home as its prin-
6 cipal place of residence. In carrying out this sub-
7 section, the Secretary may—

8 “(A) enter into annual contributions con-
9 tracts with public housing agencies pursuant to
10 which such agencies may enter into assistance
11 contracts to make such assistance payments to
12 the owners of such real property; or

13 “(B) enter into such contracts directly
14 with the owners of such real property.

15 “(2) USE OF ASSISTANCE.—Rental assistance
16 payments under this subsection may be made with
17 respect to the rental of the real property on which
18 is located a manufactured home that is owned by a
19 low-income family or with respect to the rental by
20 such a family of a manufactured home and the real
21 property on which it is located.

22 “(3) ASSISTANCE FOR RENTAL OF MANUFAC-
23 TURED HOME SITE.—

24 “(A) MAXIMUM MONTHLY RENT.—A con-
25 tract entered into pursuant to this paragraph

1 shall establish the maximum monthly rent (in-
2 cluding maintenance and management charges)
3 that the owner is entitled to receive for the
4 space on which a manufactured home is located
5 and with respect to which assistance payments
6 are to be made. The maximum monthly rent
7 shall not exceed by more than 10 percent the
8 fair market rental established by the Secretary
9 periodically (but not less than annually) with
10 respect to the market area for the rental of real
11 property suitable for occupancy by families as-
12 sisted under this paragraph.

13 “(B) AMOUNT OF MONTHLY ASSISTANCE
14 PAYMENT.—The amount of any monthly assist-
15 ance payment with respect to any family that
16 rents real property that is assisted under this
17 paragraph, and on which is located a manufac-
18 tured home that is owned by such family shall
19 be the difference between the rent the family is
20 required to pay under section 3(a) and the sum
21 of—

22 “(i) the monthly payment made by
23 such family to amortize the cost of pur-
24 chasing the manufactured home;

1 “(ii) the monthly utility payments
2 made by such family, subject to reasonable
3 limitations prescribed by the Secretary;
4 and

5 “(iii) the maximum monthly rent per-
6 mitted with respect to the real property
7 which is rented by such family for the pur-
8 pose of locating its manufactured home;
9 except that in no case may such assistance ex-
10 ceed the total amount of such maximum month-
11 ly rent.

12 “(4) ASSISTANCE FOR RENTAL OF MANUFAC-
13 TURED HOME AND SITE.—

14 “(A) MAXIMUM MONTHLY RENT.—Con-
15 tracts entered into pursuant to this paragraph
16 shall establish the maximum monthly rent per-
17 mitted with respect to the manufactured home
18 and the real property on which it is located and
19 with respect to which assistance payments are
20 to be made. The maximum monthly rent shall
21 not exceed by more than 10 percent the fair
22 market rental established by the Secretary peri-
23 odically (but not less than annually) with re-
24 spect to the market area for the rental of a
25 manufactured home and the real property on

1 which it is located suitable for occupancy by
2 families assisted under this paragraph; except
3 that the maximum monthly rent may exceed the
4 fair market rental by more than 10 but not
5 more than 20 percent if the Secretary deter-
6 mines that special circumstances warrant such
7 higher maximum rent.

8 “(B) AMOUNT OF MONTHLY ASSISTANCE
9 PAYMENT.—The amount of any monthly assist-
10 ance payment with respect to any family that
11 rents a manufactured home and the real prop-
12 erty on which it is located and that is assisted
13 under this paragraph shall be the difference be-
14 tween the rent the family is required to pay
15 under section 3(a) and the sum of—

16 “(i) the monthly utility payments
17 made by such family, subject to reasonable
18 limitations prescribed by the Secretary;
19 and

20 “(ii) the maximum monthly rent per-
21 mitted with respect to the manufactured
22 home and real property on which it is lo-
23 cated.

24 “(5) ADJUSTMENT OF MAXIMUM MONTHLY
25 RENTS.—The provisions of paragraphs (3) through

1 (7) of subsection (d) shall apply to the adjustments
2 of maximum monthly rents under this subsection.

3 “(6) CONTRACT TERM.—Each contract entered
4 into under the subsection shall be for a term of not
5 less than one month and not more than 180 months;
6 except that in any case in which the manufactured
7 home park is substantially rehabilitated or newly
8 constructed, such term may not be less than 240
9 months, nor more than the maximum term for a
10 manufactured home loan permitted under section
11 2(b) of the National Housing Act.

12 “(7) APPLICABILITY.—The Secretary may carry
13 out this subsection without regard to whether the
14 manufactured home park is existing, substantially
15 rehabilitated, or newly constructed.

16 “(8) LIMITATION ON SUBSTANTIALLY REHA-
17 BILITATED AND NEWLY CONSTRUCTED MANUFAC-
18 TURED HOME PARKS.—In the case of any substan-
19 tially rehabilitated or newly constructed manufac-
20 tured home park containing spaces with respect to
21 which assistance is made under this subsection, the
22 principal amount of the mortgage attributable to the
23 rental spaces within the park may not exceed an
24 amount established by the Secretary which is equal
25 to or less than the limitation for manufactured home

1 parks described in section 207(c)(3) of the National
2 Housing Act, and the Secretary may increase such
3 limitation in high cost areas in the manner described
4 in such section.

5 “(9) OTHER REQUIREMENTS.—The Secretary
6 may prescribe other terms and conditions necessary
7 for the purpose of carrying out this subsection and
8 that are consistent with the purposes of this sub-
9 section.

10 “(I) SINGLE ROOM OCCUPANCY FACILITIES.—

11 “(1) AUTHORITY.—In making assistance avail-
12 able under this section and assistance under section
13 441 and part V of subtitle F of title IV of the Stew-
14 art B. McKinney Homeless Assistance Act, the Sec-
15 retary may provide assistance with respect to resi-
16 dential properties in which some or all of the dwell-
17 ing units do not contain bathroom or kitchen facili-
18 ties, if—

19 “(A) the property is located in an area in
20 which there is a significant demand for such
21 units, as determined by the Secretary;

22 “(B) the unit of general local government
23 in which the property is located and the local
24 public housing agency approve of such units
25 being utilized for such purpose; and

1 “(C) the unit of general local government
2 in which the property is located and the local
3 public housing agency certify to the Secretary
4 that the property complies with local health and
5 safety standards.

6 “(2) WAIVER OF LIMITATIONS ON ASSISTANCE
7 FOR SINGLE PERSONS.—The Secretary may waive,
8 in appropriate cases, the limitation and preference in
9 section 3(b)(3)(A) with respect to the assistance
10 made available under this subsection.

11 “(m) HOUSING FOR ELDERLY AND DISABLED FAMI-
12 LIES.—

13 “(1) SHARED HOUSING.—To assist elderly fam-
14 ilies and disabled families (as defined in section
15 3(b)) who elect to live in a shared housing arrange-
16 ment in which they benefit as a result of sharing the
17 facilities of a dwelling with others in a manner that
18 effectively and efficiently meets their housing needs
19 and thereby reduces their costs of housing, the Sec-
20 retary shall permit assistance provided under this
21 section to be used by such families in such arrange-
22 ments. In carrying out this subsection, the Secretary
23 shall issue minimum habitability standards for the
24 purpose of ensuring decent, safe, and sanitary hous-

1 ing for such families while taking into account the
2 special circumstances of shared housing.

3 “(2) PRIORITY FOR NONELDERLY DISABLED
4 FAMILIES.—In allocating assistance under this sec-
5 tion, a public housing agency that serves more than
6 one unit of general local government may, at the dis-
7 cretion of the agency, give priority to disabled fami-
8 lies that are not elderly families.

9 “(3) AUTHORITY TO PROVIDE PREFERENCES
10 FOR THE ELDERLY AND RESERVE UNITS FOR THE
11 DISABLED.—Notwithstanding subsection (h)(2) or
12 (3), an owner of a covered section 8 housing project
13 (as such term is defined in section 659 of the Hous-
14 ing and Community Development Act of 1992) may
15 give preference for occupancy of dwelling units in
16 the project, and reserve units for occupancy, in ac-
17 cordance with subtitle D of title VI of the Housing
18 and Community Development Act of 1992.

19 “(n) ADMINISTRATIVE FEES.—

20 “(1) BASIC FEE FOR TENANT-BASED RENTAL
21 PROGRAM.—The Secretary shall establish a fee for
22 the costs incurred by a public housing agency in ad-
23 ministering the program for rental assistance under
24 this section, which shall be, together with other fees
25 authorized under this subsection, included in any

1 amounts provided to the public housing agency
2 under the annual contributions contract for the
3 agency. The amount of the fee for each month for
4 which a dwelling unit is covered by an assistance
5 contract shall be 8.2 percent of the fair market rent-
6 al established under subsection (e) for a 2-bedroom
7 existing rental dwelling unit in the market area of
8 the public housing agency. The Secretary may in-
9 crease the fee if necessary to reflect the higher costs
10 of administering small programs and programs oper-
11 ating over large geographic areas.

12 “(2) OTHER FEES.—The Secretary shall also
13 establish reasonable fees (as determined by the Sec-
14 retary) for—

15 “(A) the costs of preliminary expenses that
16 a public housing agency documents it has in-
17 curred in connection with new allocations of as-
18 sistance under the program for rental assist-
19 ance under this section, which shall not exceed
20 \$275 per unit assisted;

21 “(B) the costs incurred in assisting fami-
22 lies who experience difficulty (as determined by
23 the Secretary) in obtaining appropriate housing
24 under the program;

1 “(C) the costs incurred in administering
2 the provision of rental assistance under this
3 section through the self-sufficiency program
4 under section 23; and

5 “(D) extraordinary costs approved by the
6 Secretary.

7 “(3) AUTHORITY TO INCLUDE COSTS OF SERV-
8 ICE COORDINATORS IN FEES.—

9 “(A) IN GENERAL.—Fees under this sub-
10 section may be used for the costs of employing
11 or otherwise retaining the services of one or
12 more service coordinators under section 671 of
13 the Housing and Community Development Act
14 of 1992 to coordinate the provision of support-
15 ive services for elderly families and disabled
16 families on whose behalf tenant-based assist-
17 ance is provided under this section or section
18 811(b)(1). Such service coordinators shall have
19 the same responsibilities with respect to such
20 families as service coordinators of covered fed-
21 erally assisted housing projects have under sec-
22 tion 671 of such Act with respect to residents
23 of such projects.

24 “(B) REQUIREMENT.—To the extent
25 amounts are provided in appropriation Acts

1 under section 5(c) for use under this para-
2 graph, the Secretary shall increase fees under
3 this subsection to provide for the costs of such
4 service coordinators for public housing agencies.

5 “(4) BUDGET COMPLIANCE.—The Secretary
6 may establish or increase a fee in accordance with
7 this subsection only to such extent or in such
8 amounts as are provided in appropriation Acts.

9 “(5) FEES FOR 1995 AND 1996.—Notwithstand-
10 ing any other provision of this subsection, the fee for
11 the costs incurred by a public housing agency in ad-
12 ministering the program for rental assistance under
13 this section during fiscal years 1995 and 1996 shall
14 be equal to the fee determined for fiscal year 1994
15 under section 11(a) of the HUD Demonstration Act
16 of 1993.

17 “(o) PORTABILITY OF ASSISTANCE.—

18 “(1) AUTHORITY.—Except as provided in para-
19 graph (3), any family on behalf of whom is provided
20 tenant-based rental assistance under this section and
21 who moves to an eligible dwelling unit located within
22 the same State, or the same or a contiguous metro-
23 politan statistical area, as the metropolitan statis-
24 tical area within which is located the area of juris-
25 diction of the public housing agency approving the

1 assistance for the family, may use such assistance to
2 rent such eligible dwelling unit.

3 “(2) ADMINISTRATION.—The public housing
4 agency having authority with respect to the dwelling
5 unit to which a family moves under this subsection
6 shall have the responsibility of carrying out the pro-
7 visions of this section with respect to the family. If
8 no public housing agency has authority with respect
9 to the dwelling unit to which a family moves under
10 this subsection, the public housing agency approving
11 the assistance shall have such responsibility.

12 “(3) LOCAL OPTION TO ENSURE MINIMUM AREA
13 RESIDENCY.—

14 “(A) AUTHORITY.—At the discretion of a
15 public housing agency and to the extent pro-
16 vided in subparagraph (B), the agency may pro-
17 vide that a family may use tenant-based rental
18 assistance under this section to rent an eligible
19 dwelling unit that is not located within the area
20 of jurisdiction of the agency approving the as-
21 sistance only if, before such use, the family has
22 rented and occupied an eligible dwelling unit
23 within such jurisdiction for not less than 12
24 consecutive months using assistance provided
25 by such agency.

1 “(B) LIMITATION.—If a public housing
2 agency elects to restrict the use of tenant-based
3 rental assistance pursuant to subparagraph (A)
4 and provides such assistance on behalf of more
5 than 300 families, the agency may not restrict
6 the use of such assistance with respect to as-
7 sistance provided on behalf of 10 percent of the
8 number of families receiving such assistance
9 that exceeds 300.

10 “(4) PROVISION OF RENTAL ASSISTANCE FOR
11 PORTABILITY PURPOSES.—

12 “(A) AMOUNT.—To the extent budget au-
13 thority for use under this paragraph is made
14 available in appropriation Acts, the Secretary
15 shall provide rental assistance under this sec-
16 tion in accordance with this paragraph.

17 “(B) USE.—Amounts provided for use
18 under this paragraph shall be used only to pro-
19 vide a public housing agency with additional
20 amounts (as determined under subparagraph
21 (D)) to provide assistance for families on behalf
22 of whom assistance is provided under this sec-
23 tion by another public housing agency and who
24 move into an eligible dwelling unit located with-

1 in the area of jurisdiction of the agency to re-
2 ceive assistance under this paragraph.

3 “(C) REQUIREMENT.—Amounts provided
4 for use under this paragraph may be made
5 available to a public housing agency only if the
6 agency has provided assistance pursuant to the
7 first sentence of paragraph (2) on behalf of
8 families who have moved into eligible dwelling
9 units located within the area of jurisdiction of
10 the agency in an amount not less than the less-
11 er of (i) 5 percent of the total amount received
12 by the agency for assistance under this section
13 for the fiscal year, or (ii) the amount necessary
14 to assist 25 percent of average annual number
15 of families previously assisted by the agency
16 who relinquish such assistance in a year (based
17 on the preceding 3 calendar years).

18 “(p) PROHIBITION OF DISCRIMINATION.—

19 “(1) BASED ON RESIDENCY IN PUBLIC HOUS-
20 ING.—In selecting families for the provision of as-
21 sistance under this section, a public housing agency
22 may not exclude or penalize a family solely because
23 the family resides in a public housing project.

24 “(2) BASED ON RECEIPT OF ASSISTANCE.—An
25 owner who has entered into an assistance contract

1 under this section on behalf of any tenant in a mul-
2 tifamily housing project shall not refuse to lease any
3 available dwelling unit in any multifamily housing
4 project of such owner that rents for an amount not
5 greater than the fair market rental for a comparable
6 unit (as determined by the Secretary under sub-
7 section (e)) to a family who has been approved by
8 a public housing agency for rental assistance under
9 this section and is in possession of evidence of such
10 approval, a proximate cause of which is the status
11 of such prospective tenant as such an assisted fam-
12 ily, and to enter into an assistance contract respect-
13 ing such unit.

14 “(3) DEFINITION.—For purposes of this sub-
15 section, the term ‘multifamily housing project’
16 means a residential building containing more than 4
17 dwelling units.

18 “(q) SPECIAL USES OF RENTAL ASSISTANCE.—

19 “(1) ASSISTANCE FOR RESIDENTS OF REHA-
20 BILITATED PROJECTS.—In the case of low-income
21 families living in rental projects rehabilitated under
22 section 17 of this Act or section 533 of the Housing
23 Act of 1949 before rehabilitation—

24 “(A) tenant-based rental assistance under
25 this section shall be provided for families who

1 are required to move out of their dwelling units
2 because of the physical rehabilitation activities
3 or because of overcrowding;

4 “(B) at the discretion of each public hous-
5 ing agency, tenant-based rental assistance
6 under this section may be provided for families
7 who would have to pay more than 30 percent of
8 their adjusted income for rent after rehabilita-
9 tion whether they choose to remain in, or to
10 move from, the project; and

11 “(C) the Secretary shall allocate tenant-
12 based rental assistance provided under this sec-
13 tion to ensure that sufficient resources are
14 available to address the physical or economic
15 displacement, or potential economic displace-
16 ment, of existing tenants pursuant to subpara-
17 graphs (A) and (B).

18 “(2) LOAN MANAGEMENT ASSISTANCE.—

19 “(A) IN GENERAL.—The Secretary may
20 provide assistance under this section through a
21 loan management program to assist financially
22 troubled multifamily residential housing
23 projects (i) subject to mortgages that are in-
24 sured under the National Housing Act or mort-
25 gages that have been assigned to the Secretary,

1 (ii) that were held by the Secretary and have
2 been sold, and (iii) that were assisted under
3 section 202 of the Housing Act of 1959.

4 “(B) ELIGIBILITY.—The eligibility of a
5 multifamily residential project for loan manage-
6 ment assistance under this paragraph shall be
7 determined without regard to whether the
8 project is subsidized or unsubsidized.

9 “(C) EXTENSION OF CONTRACT.—The
10 Secretary shall extend any expiring contract en-
11 tered into under this section for loan manage-
12 ment assistance or execute a new contract for
13 project-based loan management assistance, if
14 the owner agrees to continue providing housing
15 for low-income families during the term of the
16 contract.

17 “(3) ASSISTANCE FOR FAMILY UNIFICATION.—

18 “(A) IN GENERAL.—The Secretary may
19 provide assistance under this section to be used
20 only in connection with tenant-based assistance
21 under this section on behalf of any family (i)
22 who is otherwise eligible for such assistance,
23 and (ii) who the public child welfare agency for
24 the jurisdiction has certified is a family for
25 whom the lack of adequate housing is a primary

1 factor in the imminent placement of the fami-
2 ly's child or children in out-of-home care or the
3 delayed discharge of a child or children to the
4 family from out-of-home care.

5 “(B) ALLOCATION.—Any amounts made
6 available under this paragraph shall be allo-
7 cated by the Secretary through a national com-
8 petition among applicants based on dem-
9 onstrated need for assistance under this para-
10 graph. To be considered for assistance, an ap-
11 plicant shall submit to the Secretary a written
12 proposal containing a report from the public
13 child welfare agency serving the jurisdiction of
14 the applicant that describes how a lack of ade-
15 quate housing in the jurisdiction is resulting in
16 the initial or prolonged separation of children
17 from their families, and how the applicant will
18 coordinate with the public child welfare agency
19 to identify eligible families and provide the fam-
20 ilies with assistance under this paragraph.

21 “(D) DEFINITIONS.—For purposes of this
22 paragraph:

23 “(i) APPLICANT.—The term ‘appli-
24 cant’ means a public housing agency.

1 “(ii) PUBLIC CHILD WELFARE AGEN-
2 CY.—The term ‘public child welfare agen-
3 cy’ means the public agency responsible
4 under applicable State law for determining
5 that a child is at imminent risk of place-
6 ment in out-of-home care or that a child in
7 out-of-home care under the supervision of
8 the public agency may be returned to his
9 or her family.

10 “(r) RENEWAL OF EXPIRING CONTRACTS.—Not later
11 than 30 days after the beginning of each fiscal year, the
12 Secretary shall publish in the Federal Register a plan for
13 reducing, to the extent feasible, year-to-year fluctuations
14 in the levels of budget authority that will be required over
15 the succeeding 5-year period to renew expiring assistance
16 contracts entered into under this section after the enact-
17 ment of the Housing and Community Development Act
18 of 1974. To the extent necessary to carry out such plan
19 and to the extent approved in appropriations Acts, the
20 Secretary is authorized to enter into annual contributions
21 contracts with terms of less than 60 months.

22 “(s) GENERAL PROVISIONS.—

23 “(1) PROHIBITION OF HIGH-RISE PROJECTS
24 FOR FAMILIES WITH CHILDREN.—Notwithstanding
25 any other provision of this section, after the date of

1 enactment of the Housing and Community Develop-
2 ment Act of 1977, the Secretary shall prohibit high-
3 rise elevator projects for families with children un-
4 less the Secretary determines that there is no prac-
5 tical alternative.

6 “(2) PLEDGING ASSISTANCE CONTRACTS AS SE-
7 CURITY.—An owner may pledge, or offer as security
8 for any loan or obligation, an assistance contract en-
9 tered into pursuant to this section, but only if such
10 security is in connection with a project constructed
11 or rehabilitated pursuant to authority under this
12 section and the terms of the financing or any refi-
13 nancing have been approved by the Secretary.

14 “(3) ASSISTANCE IN FINDING UNITS.—Each
15 public housing agency that provides rental housing
16 assistance under this section on behalf of low-income
17 families shall make available, to such families, coun-
18 seling and assistance regarding housing opportuni-
19 ties in the area of jurisdiction of the agency, includ-
20 ing assistance in obtaining new rental residences.

21 “(t) HOMEOWNERSHIP OPTION.—

22 “(1) USE OF ASSISTANCE FOR HOMEOWNER-
23 SHIP.—A family receiving tenant-based assistance
24 under this section may receive assistance for occu-

1 pancy of a dwelling owned by one or more members
2 of the family if the family—

3 “(A) is a first-time homeowner;

4 “(B)(i) participates in the family self-suffi-
5 ciency program under section 23 of the public
6 housing agency providing the assistance; or

7 “(ii) demonstrates that the family has in-
8 come from employment or other sources (other
9 than public assistance), as determined in ac-
10 cordance with requirements of the Secretary,
11 that is not less than twice the payment stand-
12 ard established by the public housing agency
13 (or such other amount as may be established by
14 the Secretary);

15 “(C) except as provided by the Secretary,
16 demonstrates at the time the family initially re-
17 ceives tenant-based assistance under this sub-
18 section that one or more adult members of the
19 family have achieved employment for the period
20 as the Secretary shall require;

21 “(D) participates in a homeownership and
22 housing counseling program provided by the
23 agency; and

24 “(E) meets any other initial or continuing
25 requirements established by the public housing

1 agency in accordance with requirements estab-
2 lished by the Secretary.

3 “(2) MONTHLY ASSISTANCE PAYMENT.—

4 “(A) IN GENERAL.—Notwithstanding any
5 other provisions of this section governing deter-
6 mination of the amount of assistance payments
7 under this section on behalf of a family, the
8 monthly assistance payment for any family as-
9 sisted under this subsection shall be the amount
10 by which the fair market rental for the area es-
11 tablished under subsection (e)(1) exceeds 30
12 percent of the family’s monthly adjusted in-
13 come; except that the monthly assistance pay-
14 ment shall not exceed the amount by which the
15 monthly homeownership expenses, as deter-
16 mined in accordance with requirements estab-
17 lished by the Secretary, exceeds 10 percent of
18 the family’s monthly income.

19 “(B) EXCLUSION OF EQUITY FROM IN-
20 COME.—For purposes of determining the
21 monthly assistance payment for a family, the
22 Secretary shall not include in family income an
23 amount imputed from the equity of the family
24 in a dwelling occupied by the family with assist-
25 ance under this subsection.

1 “(3) RECAPTURE OF CERTAIN AMOUNTS.—

2 Upon sale of the dwelling by the family, the Sec-
3 retary shall recapture from any net proceeds the
4 amount of additional assistance (as determined in
5 accordance with requirements established by the
6 Secretary) paid to or on behalf of the eligible family
7 as a result of paragraph (2)(B).

8 “(4) DOWNPAYMENT REQUIREMENT.—Each

9 public housing agency providing assistance under
10 this subsection shall ensure that each family assisted
11 shall provide from its own resources not less than 80
12 percent of any downpayment in connection with a
13 loan made for the purchase of a dwelling. Such re-
14 sources may include amounts from any escrow ac-
15 count for the family established under section 23(d).
16 Not more than 20 percent of the downpayment may
17 be provided from other sources, such as from non-
18 profit entities and programs of States and units of
19 general local government.

20 “(5) INELIGIBILITY UNDER OTHER PRO-

21 GRAMS.—A family may not receive assistance under
22 this subsection during any period when assistance is
23 being provided for the family under other Federal
24 homeownership assistance programs, as determined
25 by the Secretary, which shall include assistance

1 under the HOME Investment Partnerships Act, the
2 Homeownership and Opportunity Through HOPE
3 Act, title II of the Housing and Community Devel-
4 opment Act of 1987, and section 502 of the Housing
5 Act of 1949.

6 “(6) INAPPLICABILITY OF CERTAIN PROVI-
7 SIONS.—Assistance under this subsection shall not
8 be subject to the requirements of the following provi-
9 sions:

10 “(A) Subsection (h)(3) of this section.

11 “(B) Any other provisions of this section
12 governing maximum amounts payable to owners
13 and amounts payable by assisted families.

14 “(C) Any other provisions of this section
15 concerning contracts between public housing
16 agencies and owners.

17 “(E) Any other provisions of this Act
18 that are inconsistent with the provisions of this
19 subsection.

20 “(7) REVERSION TO RENTAL STATUS.—

21 “(A) FHA-INSURED MORTGAGES.—If a
22 family receiving assistance under this sub-
23 section for occupancy of a dwelling defaults
24 under a mortgage for the dwelling insured by
25 the Secretary under the National Housing Act,

1 the family may not continue to receive rental
2 assistance under this section unless the family
3 (i) transfers to the Secretary marketable title to
4 the dwelling, (ii) moves from the dwelling with-
5 in the period established or approved by the
6 Secretary, and (iii) agrees that any amounts
7 the family is required to pay to reimburse the
8 escrow account under section 23(d)(3) may be
9 deducted by the public housing agency from the
10 assistance payment otherwise payable on behalf
11 of the family.

12 “(B) OTHER MORTGAGES.—If a family re-
13 ceiving assistance under this subsection defaults
14 under a mortgage not insured under the Na-
15 tional Housing Act, the family may not con-
16 tinue to receive rental assistance under this sec-
17 tion unless it complies with requirements estab-
18 lished by the Secretary.

19 “(C) ALL MORTGAGES.—A family receiving
20 assistance under this subsection that defaults
21 under a mortgage may not receive assistance
22 under this subsection for occupancy of another
23 dwelling owned by one or more members of the
24 family.

1 “(8) DEFINITION OF FIRST-TIME HOME-
2 OWNER.—For purposes of this subsection, the term
3 ‘first-time homeowner’ means—

4 “(A) a family, no member of which has
5 had a present ownership interest in a principal
6 residence during the 3 years preceding the date
7 on which the family initially receives assistance
8 for homeownership under this subsection; and

9 “(B) any other family, as the Secretary
10 may prescribe.

11 “(u) DEFINITIONS.—For purposes of this section:

12 “(1) ANNUAL CONTRIBUTIONS CONTRACT.—
13 The term ‘annual contributions contract’ means a
14 contract under subsection (b) between the Secretary
15 and a public housing agency to provide amounts for
16 rental assistance payments under this section to the
17 public housing agency.

18 “(2) ASSISTANCE CONTRACT.—The term ‘as-
19 sistance contract’ means a contract under subsection
20 (c) between a public housing agency (or the Sec-
21 retary) and an owner to make rental assistance pay-
22 ments under this section to the owner.

23 “(3) DEBT SERVICE.—The term ‘debt service’
24 means the required payments for principal and in-

1 terest made with respect to a mortgage secured by
2 housing assisted under this Act.

3 “(4) DRUG-RELATED CRIMINAL ACTIVITY.—The
4 term ‘drug-related criminal activity’ means the ille-
5 gal manufacture, sale, distribution, use, or posses-
6 sion with intent to manufacture, sell, distribute, or
7 use, of a controlled substance (as such term is de-
8 fined in section 102 of the Controlled Substances
9 Act).

10 “(5) OWNER.—The term ‘owner’ means any
11 private person or entity, including a cooperative, an
12 agency of the Federal Government, or a public hous-
13 ing agency, having the legal right to lease or sub-
14 lease dwelling units, and such term shall include any
15 principals, general partners, primary shareholders,
16 and other similar participants in any entity owning
17 a multifamily housing project (as such term is de-
18 fined in subsection (p)(3)), as well as the entity it-
19 self.

20 “(6) PARTICIPATING JURISDICTION.—The term
21 ‘participating jurisdiction’ means a State or unit of
22 general local government designated by the Sec-
23 retary to be a participating jurisdiction under title
24 II of the Cranston-Gonzalez National Affordable
25 Housing Act.

1 “(7) PROJECT-BASED ASSISTANCE.—The term
2 ‘project-based assistance’ means rental assistance
3 under this section that is attached to a structure
4 pursuant to subsection (i).

5 “(8) RENT.—The terms ‘rent’ and ‘rental’ in-
6 clude, with respect to members of a cooperative, the
7 charges under the occupancy agreements between
8 such members and the cooperative.

9 “(9) RENTAL ASSISTANCE.—The term ‘rental
10 assistance’ means assistance provided under this sec-
11 tion on behalf of low-income families for the rental
12 of a dwelling unit.

13 “(10) TENANT-BASED ASSISTANCE.—The term
14 ‘tenant-based assistance’ means rental assistance
15 under this section that is not project-based assist-
16 ance.”.

17 (b) TRANSITION.—

18 (1) APPLICABILITY.—The amendment made by
19 subsection (a) shall apply only to assistance under
20 section 8 of the United States Housing Act of 1937
21 provided pursuant to an assistance contract entered
22 into or renewed during fiscal year 1995 or there-
23 after. Any such assistance provided pursuant to an
24 assistance contract entered into before the com-
25 mencement of fiscal year 1995 shall be subject to

1 the provisions of such section 8 as in effect imme-
2 diately before the enactment of this Act or otherwise
3 applicable to such assistance.

4 (2) CONTINUATION OF ASSISTANCE.—The Sec-
5 retary of Housing and Urban Development shall
6 take any action necessary to ensure that the provi-
7 sion of assistance under section 8 of the United
8 States Housing Act of 1937 to families receiving as-
9 sistance under such section on the date of the enact-
10 ment of this Act is not interrupted because of the
11 amendment made by subsection (a).

12 (c) CONFORMING AMENDMENTS.—

13 (1) UNITED STATES HOUSING ACT OF 1937.—
14 The United States Housing Act of 1937 is amend-
15 ed—

16 (A) in section 3(a)(1) (42 U.S.C.
17 1437a(a)(1)), by striking “(other than a family
18 assisted under section 8(o) or (y) or paying rent
19 under section 8(c)(3)(B))” and inserting
20 “(other than a family assisted under section
21 8(t))”;

22 (B) in section 5 (42 U.S.C. 1737c)—

23 (i) in subsection (c)(7)(C), by striking
24 “section 8(b)(1)” each place it appears and
25 inserting “section 8”;

1 (ii) in subsection (j)(1)(B)(i), by strik-
2 ing “section 8(o)(6)” and inserting “sec-
3 tion 8”; and

4 (iii) in subsection (j)(1)(D), by strik-
5 ing “subsection (b) or (o) of”;

6 (C) in section 6(p)(1)(B) (42 U.S.C.
7 1437d(p)(1)(B)), by striking “holding certifi-
8 cates and vouchers” and inserting “eligible and
9 approved for assistance”;

10 (D) in section 18(b)(3) (42 U.S.C.
11 1437p(b)(3))—

12 (i) in subparagraph (A)(iv), by strik-
13 ing “section 8(b)(1)” and inserting “sec-
14 tion 8”;

15 (ii) in subparagraph (A)(v), by strik-
16 ing “(excluding vouchers under section
17 8(o))” each place it appears;

18 (iii) in subparagraph (B)—

19 (I) in the matter preceding clause
20 (i), by striking “(notwithstanding the
21 limitation under section 8(d)(2)(A) on
22 the amount of project-based assist-
23 ance provided by an agency)”; and

1 (II) in clause (ii), by striking
2 “(excluding vouchers under section
3 8(o))”; and

4 (iv) in subparagraph (C), by striking
5 “certificates and vouchers available” and
6 inserting “families receiving tenant-based
7 assistance”;

8 (E) in section 21(b)(3)—

9 (i) by striking “a certificate under
10 section 8(b)(1) or a housing voucher under
11 section 8(o)” and inserting “tenant-based
12 assistance under section 8”; and

13 (ii) by striking “such certificate” and
14 inserting “such assistance”;

15 (F) in section 23—

16 (i) in subsection (a), by striking “as-
17 sistance under the certificate and voucher
18 programs” and inserting “tenant-based as-
19 sistance”;

20 (ii) in subsection (b)—

21 (I) in paragraph (1), by striking
22 “assistance under subsection (b) or
23 (o) of” and inserting “tenant-based
24 assistance under”;

1 (II) in paragraph (3)(A), by
2 striking “Certificate and voucher as-
3 sistance under section 8(b) and (o)”
4 and inserting “Tenant-based assist-
5 ance under section 8”; and

6 (III) in paragraph (4), by strik-
7 ing “Assistance under the certificate
8 or voucher programs” and inserting
9 “Tenant-based assistance”;

10 (iii) in subsection (c)(1), by striking
11 “assistance under the certificate and
12 voucher programs of” and inserting “ten-
13 ant-based assistance from”;

14 (iv) in subsection (d)(3) (as added by
15 section 185(b) of the Housing and Com-
16 munity Development Act of 1992 (Public
17 Law 102–550; 106 Stat. 3747)), by strik-
18 ing “section 8(y)” and inserting “section
19 8(t)”; and

20 (v) in subsection (h)(1)—

21 (I) by striking “section 8(q) for
22 the costs incurred in administering
23 the provision of certificate and vouch-
24 er” and inserting “section 8(n) for the

1 costs incurred in administering the
2 provision of tenant-based”; and

3 (II) by striking “section
4 8(q)(2)(A)(i)” and inserting “section
5 8(n)(2)(A)”; and

6 (G) in section 304(g)(3) (42 U.S.C.
7 1437aaa–3(g)(3)), by striking “section 8(b)(2)
8 and section 8(o)(9)” and inserting “section 8”.

9 (2) ELDERLY INDEPENDENCE.—Section 803 of
10 the Cranston-Gonzalez National Affordable Housing
11 Act (42 U.S.C. 8012) is amended—

12 (A) in subsection (a), by striking “housing
13 certificates and vouchers” and inserting “assist-
14 ance under section 8 of the United States
15 Housing Act of 1937”; and

16 (B) in subsection (b)—

17 (i) in the 1st sentence, by striking
18 “not more than 1500 incremental vouchers
19 and certificates under sections 8(b) and
20 8(o) of the United States Housing Act of
21 1937” and inserting “incremental assist-
22 ance under section 8 of the United States
23 Housing Act of 1937 on behalf of not more
24 than 1,500 frail elderly persons”;

1 (ii) in the 3rd sentence, by striking
2 “the housing certificate or voucher pro-
3 gram of the agency” and inserting “the
4 agency’s program for assistance under
5 such section 8”; and

6 (iii) in the last sentence, by striking
7 “sections 8(b) and 8(o)” and inserting
8 “section 8”.

9 (3) MCKINNEY ACT.—Section 441(b) of the
10 Stewart B. McKinney Homeless Assistance Act (42
11 U.S.C. 11401(b)) is amended—

12 (A) by striking “section 8(n)” and insert-
13 ing “section 8(l)”; and

14 (B) by adding at the end the following new
15 sentence: “Moderate rehabilitation under this
16 section shall be carried out in the manner pro-
17 vided under the provisions of section 8(e) of the
18 United States Housing Act of 1937, as such
19 section was in effect immediately before the en-
20 actment of the Housing and Community Devel-
21 opment Act of 1994.”.

22 (4) NATIONAL HOUSING ACT.—Section 203(v)
23 of the National Housing Act (12 U.S.C. 1709(v)), as
24 added by section 185(c)(1)(B) of the Housing and
25 Community Development Act of 1992, is amended

1 by striking “section 8(y)” and inserting “section
2 8(t)”.

3 **Subtitle D—Homeownership**
4 **Programs**

5 **SEC. 151. HOPE HOMEOWNERSHIP PROGRAMS.**

6 (a) AUTHORIZATION OF APPROPRIATIONS AND
7 TECHNICAL ASSISTANCE.—

8 (1) IN GENERAL.—Section 402 of the Cran-
9 ston-Gonzalez National Affordable Housing Act (42
10 U.S.C. 12870) is amended by striking subsections
11 (a) and (b) and inserting the following new sub-
12 section:

13 “(a) HOMEOWNERSHIP PROGRAMS.—There are au-
14 thorized to be appropriated for grants under this title
15 \$100,000,000 for fiscal year 1995 and \$100,000,000 for
16 fiscal year 1996, which shall be available for activities au-
17 thorized under subtitles B and C. Any amounts appro-
18 priated pursuant to this subsection shall remain available
19 until expended.”.

20 (b) MATCHING REQUIREMENTS.—

21 (1) HOPE II.—Section 423(c) of the Cranston-
22 Gonzalez National Affordable Housing Act (42
23 U.S.C. 12873(c)) is amended by striking “33 per-
24 cent” and inserting “25 percent”.

1 (2) HOPE III.—Section 443(c)(1) of the Cran-
2 ston-Gonzalez National Affordable Housing Act (42
3 U.S.C. 12893(c)(1)) is amended by striking “33 per-
4 cent” and inserting “25 percent”.

5 **SEC. 152. NATIONAL HOMEOWNERSHIP TRUST.**

6 (a) EXTENSION OF TRUST.—Section 310 of the
7 Cranston-Gonzalez National Affordable Housing Act (42
8 U.S.C. 12859) is amended by striking “The” and all that
9 follows and inserting the following: “The Trust shall ter-
10 minate at the end of September 30, 1996.”.

11 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
12 308 of the Cranston-Gonzalez National Affordable Hous-
13 ing Act (42 U.S.C. 12857) is amended to read as follows:
14 **“SEC. 308. AUTHORIZATION OF APPROPRIATIONS.**

15 “There are authorized to be appropriated for assist-
16 ance payments under this subtitle \$558,809,562 for fiscal
17 year 1995 and \$575,573,849 for fiscal year 1996, of
18 which such sums as may be necessary shall be available
19 in each such fiscal year for use under section 303(e). Any
20 amount appropriated under this section shall be deposited
21 in the Fund and shall remain available until expended,
22 subject to the provisions of section 309.”.

23 **SEC. 153. SECTION 235 MORTGAGE REFINANCING.**

24 Section 235(r) of the National Housing Act (12
25 U.S.C. 1715z(r)) is amended—

1 (1) in paragraph (2)(C), by inserting after “re-
2 financed” the following: “, plus the costs incurred in
3 connection with the refinancing as described in para-
4 graph (4)(B) to the extent that the amount for those
5 costs is not otherwise included in the interest rate
6 as permitted by subparagraph (E) or paid by the
7 Secretary as authorized by paragraph (4)(B)”;

8 (2) in paragraph (4)—

9 (A) in the matter preceding subparagraph
10 (A), by inserting after “otherwise)” the follow-
11 ing: “and the mortgagee (with respect to the
12 amount described in subparagraph (A))”; and

13 (B) in subparagraph (A), by inserting after
14 “mortgagor” the following: “and the mortga-
15 gee”; and

16 (3) by amending paragraph (5) to read as fol-
17 lows:

18 “(5) The Secretary shall use amounts of budget au-
19 thority recaptured from assistance payments contracts re-
20 lating to mortgages that are being refinanced for assist-
21 ance payments contracts with respect to mortgages in-
22 sured under this subsection. The Secretary may also make
23 such recaptured amounts available for incentives under
24 paragraph (4)(A) and the costs incurred in connection
25 with the refinancing under paragraph (4)(B). For pur-

1 poses of subsection (c)(3)(A), the amount of recaptured
 2 budget authority that the Secretary commits for assist-
 3 ance payments contracts relating to mortgages insured
 4 under this subsection and for amounts paid under para-
 5 graph (4) shall not be construed as unused.”.

6 **Subtitle E—Other Programs**

7 **SEC. 161. COMMUNITY PARTNERSHIPS AGAINST CRIME.**

8 (a) SHORT TITLE, PURPOSES, AND AUTHORITY TO
 9 MAKE GRANTS.—Sections 5121, 5122, and 5123 of the
 10 Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 note,
 11 11901, 11902) are amended to read as follows:

12 **“SEC. 5121. SHORT TITLE.**

13 “‘This chapter may be cited as the ‘Community Part-
 14 nerships Against Crime Act of 1994’.

15 **“SEC. 5122. PURPOSES.**

16 “‘The purposes of this chapter are to—

17 “(1) substantially expand and enhance the Fed-
 18 eral Government’s commitment to eliminating crime
 19 in and around public housing and other federally as-
 20 sisted housing projects;

21 “(2) broaden the scope of the Public and As-
 22 sisted Housing Drug Elimination Act of 1990 to
 23 apply to all types of crime and not simply crime that
 24 is drug-related;

1 “(3) target opportunities for long-term commit-
2 ments of funding primarily to public housing agen-
3 cies with serious crime problems;

4 “(4) encourage the involvement of a broad
5 range of community-based groups, and residents of
6 neighboring housing that is owned or assisted by the
7 Secretary, in the development and implementation of
8 anti-crime plans;

9 “(5) reduce crime and disorder in and around
10 public housing through the expansion of community-
11 oriented policing activities and problem solving;

12 “(6) provide training, information services, and
13 other technical assistance to program participants;
14 and

15 “(7) establish a standardized assessment sys-
16 tem to evaluate need among public housing agencies,
17 and to measure progress in reaching crime reduction
18 goals.

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

20 “(a) IN GENERAL.—The Secretary of Housing and
21 Urban Development, in accordance with the provisions of
22 this chapter, may make grants, for use in eliminating
23 crime in and around public and other federally assisted
24 low-income housing projects to public housing agencies
25 (including Indian housing authorities) and private, for-

1 profit and nonprofit owners of federally assisted low-in-
2 come housing, pursuant to applications submitted and ap-
3 proved under section 5125. In designing the program
4 under this chapter, the Secretary shall consult with the
5 Attorney General.

6 “(b) GRANT PERIOD.—Except as provided in sub-
7 section (c), a grant under this chapter shall be made to
8 cover a period of up to 2 years, as determined by the Sec-
9 retary, taking into consideration the period for which the
10 grant is requested as stated in the application under sec-
11 tion 5125.

12 “(c) GRANT PERIOD FOR PHA’S HAVING SEVERE
13 CRIME PROBLEMS.—In carrying out this chapter, the Sec-
14 retary may make grants to public housing agencies having
15 especially severe crime problems that cover a period of 1
16 year and that shall be renewed annually for each of the
17 succeeding 4 years, subject to—

18 “(1) the availability of amounts provided in ap-
19 propriation Acts, and

20 “(2) a finding by the Secretary, after an annual
21 or more frequent performance review, that the public
22 housing agency is performing under the terms of the
23 grant and applicable laws in a satisfactory manner,
24 a need for such assistance continues to exist, and

1 the agency meets such other requirements as the
2 Secretary may prescribe.

3 The Secretary shall, by regulations issued after notice and
4 opportunity for public comment, set forth criteria for de-
5 termining public housing agencies that have especially se-
6 vere crime problems.”.

7 (b) ELIGIBLE ACTIVITIES.—Section 5124 of the
8 Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903) is
9 amended—

10 (1) in subsection (a)—

11 (A) in the matter preceding paragraph (1),
12 by inserting “and around” after “used in”;

13 (B) in paragraph (3), by inserting before
14 the semicolon the following: “, such as fencing,
15 lighting, locking, and surveillance systems”;

16 (C) by striking paragraph (4)(A) and in-
17 serting the following new subparagraph:

18 “(A) to investigate crime; and”;

19 (D) in paragraph (6)—

20 (i) by striking “in and around public
21 or other federally assisted low-income
22 housing projects”; and

23 (ii) by striking “and” after the semi-
24 colon; and

1 (E) by striking paragraph (7) and insert-
2 ing the following new paragraphs:

3 “(7) providing funding to nonprofit public hous-
4 ing resident management corporations and resident
5 councils to develop security and crime prevention
6 programs involving site residents;

7 “(8) the employment or utilization of 1 or more
8 individuals, including law enforcement officers, made
9 available by contract or other cooperative arrange-
10 ment with State or local law enforcement agencies,
11 to engage in community- and problem-oriented polic-
12 ing involving interaction with members of the com-
13 munity on proactive crime control and prevention;

14 “(9) programs and activities for or involving
15 youth, including activities involving training, edu-
16 cation, after school programs, cultural programs,
17 recreation and sports, career planning, and entrepre-
18 neurship and employment; and

19 “(10) service programs for residents that ad-
20 dress the contributing factors of crime, including
21 programs for job training, education, and other ap-
22 propriate social services.”.

23 (2) in subsection (b)—

24 (A) in the matter preceding paragraph

25 (1)—

1 (i) by striking “drug-related crime in”
2 and inserting “crime in and around”; and

3 (ii) by striking “paragraphs (1)
4 through (7)” and inserting “paragraphs
5 (1) through (10)”;

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

8 “(1) the housing is located in—

9 “(A) an area that has a severe crime prob-
10 lem, as determined by the Secretary; or

11 “(B) a high intensity drug trafficking area
12 designated pursuant to section 1005 of this
13 Act; and”; and

14 (C) in paragraph (2), by striking “drug-re-
15 lated” and inserting “criminal”.

16 (c) APPLICATIONS.—Section 5125 of the Anti-Drug
17 Abuse Act of 1988 (42 U.S.C. 11904) is amended—

18 (1) in subsection (a)—

19 (A) in the first sentence, by striking “, a
20 public housing resident management corpora-
21 tion,”;

22 (B) in the second sentence (i) by striking
23 “drug-related crime on the premises of” and in-
24 serting the following: “crime in and around”;
25 and

1 (C) by inserting before the period at the
2 end the following: “and the period during which
3 any grant amounts received pursuant to the ap-
4 plication are to be used”;

5 (2) in subsection (b)—

6 (A) in paragraph (1), by striking “drug-re-
7 lated crime problem in” and inserting in lieu
8 thereof the following: “crime problem in and
9 around”;

10 (B) in paragraph (2), by inserting “and
11 around” after “crime problem in”; and

12 (C) in paragraph (4), by inserting after
13 “local government” the following: “, local com-
14 munity-based non-profit organizations, local
15 resident organizations that represent the resi-
16 dents of neighboring projects that are owned or
17 assisted by the Secretary,”;

18 (3) in subsection (c)(2), by striking “drug-relat-
19 ed” each place it appears;

20 (4) in subsection (d)—

21 (A) by striking “drug-related”; and

22 (B) by redesignating such subsection as
23 subsection (e); and

24 (5) by inserting after subsection (c) the follow-
25 ing new subsection:

1 “(d) PREFERENCES.—In selecting applicants to re-
2 ceive grants under this chapter (not including grants pur-
3 suant to section 5123(c)), the Secretary may give pref-
4 erence to an applicant for a grant that is to be used to
5 continue or expand activities assisted under a grant pre-
6 viously made under this chapter, but only if the Secretary
7 finds that the program carried out by the applicant under
8 the previous grant is being managed soundly and dem-
9 onstrates success, and a need for such assistance contin-
10 ues to exist.”.

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

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

14 (2) by redesignating paragraphs (3) and (4) as
15 paragraphs (1) and (2), respectively.

16 (e) IMPLEMENTATION.—Section 5127 of the Anti-
17 Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended
18 by striking “Cranston-Gonzalez National Affordable
19 Housing Act” and inserting “Housing and Community
20 Development Act of 1994”.

21 (f) REPORTS.—Section 5128 of the Anti-Drug Abuse
22 Act of 1988 (42 U.S.C. 11907) is amended by striking
23 “drug-related crime in” and inserting “crime in and
24 around”.

1 (g) AUTHORIZATION OF APPROPRIATIONS.—Section
2 5130 of the Anti-Drug Abuse Act of 1988 (42 U.S.C.
3 11909) is amended—

4 (1) in subsection (a), by striking the first sen-
5 tence and inserting the following new sentence:

6 “There are authorized to be appropriated to carry
7 out this chapter \$272,950,000 for fiscal year 1995
8 and \$281,138,500 for fiscal year 1996.”;

9 (2) by striking the second sentence of sub-
10 section (b); and

11 (3) by striking subsection (c).

12 (h) TECHNICAL ASSISTANCE.—Chapter 2 of subtitle
13 C of title V of the Anti-Drug Abuse Act of 1988 (42
14 U.S.C. 11901 et seq.) is amended—

15 (1) by redesignating section 5130 as section
16 5131; and

17 (2) by inserting after section 5129 the following
18 new section:

19 “**SEC. 5130. TECHNICAL ASSISTANCE.**

20 “(a) **AUTHORITY.**—Of the amounts appropriated an-
21 nually for each of fiscal years 1995 and 1996 to carry
22 out this chapter, the Secretary may use an amount not
23 exceeding \$10,000,000, directly or indirectly, under
24 grants, contracts, cooperative agreements, or otherwise, to
25 provide training, information services, and other technical

1 assistance to public housing agencies and other entities
 2 with respect to their participation in the program author-
 3 ized by this chapter.

4 “(b) USE.—Such technical assistance may include—

5 “(1) the establishment and operation of the
 6 clearinghouse on drug abuse in public housing and
 7 the regional training program on drug abuse in pub-
 8 lic housing under sections 5143 and 5144 of this
 9 Act; and

10 “(2) obtaining assistance in establishing and
 11 managing assessment and evaluation criteria and
 12 specifications under this chapter, and obtaining the
 13 opinions of experts in relevant fields.”.

14 (i) CONFORMING AMENDMENTS.—The Anti-Drug
 15 Abuse Act of 1988 is amended—

16 (1) by striking the heading for chapter 2 of
 17 subtitle C of title V and inserting the following new
 18 heading:

19 **“CHAPTER 2—COMMUNITY PARTNERSHIPS**
 20 **AGAINST CRIME”;**

21 and

22 (2) in the table of contents in section 5001
 23 (Public Law 100–690; 102 Stat. 4295)—

1 (A) by striking the item relating to the
 2 heading for chapter 2 of subtitle C and insert-
 3 ing the following new item:

“CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME”;

4 (B) by striking the item relating to section
 5 5122 and inserting the following new item:

“Sec. 5122. Purposes.”;

6 and

7 (C) by striking the item relating to section
 8 5130 and inserting the following new items:

“Sec. 5130. Authorization of appropriations.

“Sec. 5131. Technical assistance.”.

9 **SEC. 162. PUBLIC HOUSING YOUTH SPORTS PROGRAMS.**

10 Section 520 of the Cranston-Gonzalez National Af-
 11 fordable Housing Act (42 U.S.C. 11903a) is amended—

12 (1) in subsection (a), by striking “provided for
 13 public and assisted housing drug elimination grants
 14 under section 5130(a) of the Anti-Drug Abuse Act
 15 of 1988” and inserting “made available under sub-
 16 section (k)”;

17 (2) by striking subsection (k) and inserting the
 18 following new subsection:

19 “(k) AUTHORIZATION OF APPROPRIATIONS.—There
 20 are authorized to be appropriated for grants under this
 21 section \$13,647,000 for fiscal year 1995 and \$14,056,925
 22 for fiscal year 1996.”.

1 **SEC. 163. LOW-INCOME HOUSING PRESERVATION.**

2 (a) ASSISTANCE AND INCENTIVES.—Section 234 of
3 the Housing and Community Development Act of 1987
4 (12 U.S.C. 4124) is amended to read as follows:

5 **“SEC. 234. AUTHORIZATION OF APPROPRIATIONS.**

6 “(a) IN GENERAL.—There are authorized to be ap-
7 propriated for assistance and incentives authorized under
8 this subtitle \$685,011,183 for fiscal year 1995 and
9 \$705,561,518 for fiscal year 1996.

10 “(b) GRANTS.—Subject to approval in appropriation
11 Acts, not more than \$50,000,000 of the amounts made
12 available under subsection (a) for fiscal year 1995, and
13 not more than \$50,000,000 of the amounts made available
14 under subsection (a) for fiscal year 1996, shall be available
15 for grants under section 221(d)(2).”.

16 (b) TECHNICAL ASSISTANCE AND CAPACITY BUILD-
17 ING.—The first sentence of section 257 of the Housing
18 and Community Development Act of 1987 (12 U.S.C.
19 4147) is amended to read as follows: “The Secretary shall
20 use not more than \$25,000,000 of the amounts made
21 available under section 234(a) for fiscal year 1995, and
22 not more than \$25,000,000 of the amounts made available
23 under section 234(a) for fiscal year 1996, to carry out
24 this subtitle.”.

1 **SEC. 164. FLEXIBLE SUBSIDY PROGRAM.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
3 201(j)(5) of the Housing and Community Development
4 Amendments of 1978 (12 U.S.C. 1715z–1a(j)(5)) is
5 amended to read as follows:

6 “(5) There are authorized to be appropriated for as-
7 sistance under the flexible subsidy fund not to exceed
8 \$56,024,172 for fiscal year 1995 and \$57,704,897 for fis-
9 cal year 1996.”.

10 (b) USE OF SECTION 236 RENTAL ASSISTANCE
11 FUND AMOUNTS.—Section 236(f)(3) of the National
12 Housing Act (12 U.S.C. 1715z–1(f)(3)) is amended by
13 striking “September 30, 1994” and inserting “September
14 30, 1996”.

15 **SEC. 165. HOUSING COUNSELING.**

16 (a) COUNSELING SERVICES.—The first sentence of
17 section 106(a)(3) of the Housing and Urban Development
18 Act of 1968 (12 U.S.C. 1701x(a)(3)) is amended by strik-
19 ing “except that” and all that follows through the period
20 at the end and inserting the following: “except that for
21 such purposes there are authorized to be appropriated
22 \$50,000,000 for fiscal year 1995 and \$51,500,000 for fis-
23 cal year 1996.”.

24 (b) EMERGENCY HOMEOWNERSHIP COUNSELING.—

25 (1) AUTHORIZATION OF APPROPRIATIONS.—

26 The first sentence of section 106(c)(8) of the Hous-

1 ing and Urban Development Act of 1968 (12 U.S.C.
2 1701x(c)(8)) is amended to read as follows: “There
3 are authorized to be appropriated to carry out this
4 section \$7,512,820 for fiscal year 1995 and
5 \$7,738,205 for fiscal year 1995, of which amounts
6 \$1,000,000 shall be available in each such fiscal year
7 to carry out paragraph (5)(D).”.

8 (2) EXTENSION OF PROGRAM.—Section
9 106(c)(9) of the Housing and Urban Development
10 Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by
11 striking “September 30, 1994” and inserting “Sep-
12 tember 30, 1996”.

13 (c) PREPURCHASE AND FORECLOSURE-PREVENTION
14 COUNSELING DEMONSTRATION.—

15 (1) AUTHORIZATION OF APPROPRIATIONS.—
16 Section 106(d)(12) of the Housing and Urban De-
17 velopment Act of 1968 (12 U.S.C. 1701x(d)(12)) is
18 amended to read as follows:

19 “(12) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated to carry out
21 this subsection \$391,740 for fiscal year 1995 and
22 \$403,492 for fiscal year 1996.”.

23 (2) EXTENSION OF PROGRAM.—Section
24 106(d)(13) of the Housing and Urban Development
25 Act of 1968 (12 U.S.C. 1701x(d)(13)) is amended

1 by striking “fiscal year 1994” and inserting “fiscal
2 year 1996”.

3 (d) COUNSELOR TRAINING AND CERTIFICATION PRO-
4 GRAM.—Section 106(f)(7) of the Housing and Urban De-
5 velopment Act of 1968 (12 U.S.C. 1701x(f)(7)) is amend-
6 ed to read as follows:

7 “(7) AUTHORIZATION OF APPROPRIATIONS.—
8 There are authorized to be appropriated to carry out
9 this subsection \$2,146,520 for fiscal year 1995 and
10 \$2,210,916 for fiscal year 1996.”.

11 **SEC. 166. PREVENTING MORTGAGE DEFAULTS ON MULTI-**
12 **FAMILY HOUSING PROJECTS.**

13 (a) MULTIFAMILY HOUSING PLANNING AND INVEST-
14 MENT STRATEGIES.—

15 (1) PREPARATION OF ASSESSMENTS FOR INDE-
16 PENDENT ENTITIES.—Section 402(a) of the Housing
17 and Community Development Act of 1992 (12
18 U.S.C. 1715–1a note) is amended by adding at the
19 end the following new sentence: “The assessment
20 shall be prepared by an entity that does not have an
21 identity of interest with the owner.”.

22 (2) TIMING OF SUBMISSION OF NEEDS ASSESS-
23 MENTS.—Section 402(b) of the Housing and Com-
24 munity Development Act of 1992 (12 U.S.C. 17152–
25 1a note) is amended to read as follows:

1 “(b) TIMING.—To ensure that assessments for all
2 covered multifamily housing properties will be submitted
3 on or before the conclusion of fiscal year 1997, the Sec-
4 retary shall require the owners of such properties, includ-
5 ing covered multifamily housing properties for the elderly,
6 to submit the assessments for the properties in accordance
7 with the following schedule:

8 “(1) For fiscal year 1994, 10 percent of the ag-
9 gregate number of such properties.

10 “(2) For each of fiscal years 1995, 1996, and
11 1997, an additional 30 percent of the aggregate
12 number of such properties.”.

13 (3) REVIEW OF COMPREHENSIVE NEEDS AS-
14 SESSMENTS.—Section 404(d) of the Housing and
15 Community Development Act of 1992 (12 U.S.C.
16 1715–1a note) is amended to read as follows:

17 “(d) REVIEW.—

18 “(1) IN GENERAL.—The Secretary shall review
19 each comprehensive needs assessment for complete-
20 ness and adequacy before the expiration of the 90-
21 day period beginning on the receipt of the assess-
22 ment and shall notify the owner of the property for
23 which the assessment was submitted of the findings
24 of such review.

1 “(2) INCOMPLETE OR INADEQUATE ASSESS-
2 MENTS.—If the Secretary determines that the as-
3 sessment is substantially incomplete or inadequate,
4 the Secretary shall—

5 “(A) notify the owner of the portion or
6 portions of the assessment requiring completion
7 or other revision; and

8 “(B) require the owner to submit an
9 amended assessment to the Secretary not later
10 than 30 days after such notification.”.

11 (4) REPEAL OF NOTICE PROVISION.—Section
12 404 of the Housing and Community Development
13 Act of 1992 (12 U.S.C. 1715–1a note) is amend-
14 ed—

15 (A) by striking subsection (f); and

16 (B) by redesignating subsection (g) as sub-
17 section (f).

18 (5) FUNDING.—Title IV of the Housing and
19 Community Development Act of 1992 (12 U.S.C.
20 1715z–1a note) is amended by adding at the end the
21 following new section:

22 **“SEC. 409. FUNDING.**

23 “(a) ALLOCATION OF ASSISTANCE.—Based upon
24 needs identified in comprehensive needs assessments, and
25 subject to otherwise applicable program requirements, in-

1 cluding selection criteria, the Secretary may allocate the
2 following assistance to owners of covered multifamily
3 housing projects and may provide such assistance on a
4 noncompetitive basis:

5 “(1) Operating assistance and capital improve-
6 ment assistance for troubled multifamily housing
7 projects pursuant to section 201 of the Housing and
8 Community Development Amendments of 1978, ex-
9 cept for assistance set aside under section 201(n)(1).

10 “(2) Loan management assistance available
11 pursuant to section 8 of the United States Housing
12 Act of 1937.

13 “(b) OPERATING ASSISTANCE AND CAPITAL IM-
14 PROVEMENT ASSISTANCE.—In providing assistance under
15 subsection (a) the Secretary shall use the selection criteria
16 set forth in section 201(n) of the Housing and Community
17 Development Amendments of 1978.

18 “(c) AMOUNT OF ASSISTANCE.—The Secretary may
19 fund all or only a portion of the needs identified in the
20 capital needs assessment of an owner selected to receive
21 assistance under this section.”.

22 (b) FLEXIBLE SUBSIDY PROGRAM.—

23 (1) DELETION OF UTILITY COST REQUIRE-
24 MENTS.—Section 201(i) of the Housing and Com-

1 munity Development Amendments of 1978 (12
2 U.S.C. 1715z–1a(i)) is hereby repealed.

3 (2) REPEAL OF MANDATORY CONTRIBUTION
4 FROM OWNER.—Section 201(k)(2) of the Housing
5 and Community Development Amendments of 1978
6 (12 U.S.C. 1715z–1a(k)(2)) is amended by striking
7 “, except that” and all that follows and inserting a
8 period.

9 (3) FUNDING.—Section 201(n) of the Housing
10 and Community Development Amendments of 1978
11 (42 U.S.C. 1715z–1a(n)) is amended to read as
12 follows:

13 “(n) ALLOCATION OF ASSISTANCE.—

14 “(1) SET-ASIDE.—In providing, and contracting
15 to provide, assistance for capital improvements
16 under this section, in each fiscal year the Secretary
17 shall set aside an amount, as determined by the Sec-
18 retary, for projects that are eligible for incentives
19 under section 224(b) of the Emergency Low Income
20 Housing Preservation Act of 1987, as such section
21 existed before the date of enactment of the Cran-
22 ston-Gonzalez National Affordable Housing Act. The
23 Secretary may make such assistance available on a
24 noncompetitive basis.

1 “(2) GENERAL RULES FOR ALLOCATION.—Ex-
2 cept as provided in paragraph (3), with respect to
3 assistance under this section not set aside for
4 projects under paragraph (1), the Secretary—

5 “(A) may award assistance on a non-
6 competitive basis; and

7 “(B) shall award assistance to eligible
8 projects on the basis of—

9 “(i) the extent to which the project is
10 physically or financially troubled, as evi-
11 denced by the comprehensive needs assess-
12 ment submitted in accordance with title IV
13 of the Housing and Community Develop-
14 ment Act of 1992; and

15 “(ii) the extent to which such assist-
16 ance is necessary and reasonable to pre-
17 vent the default of federally insured mort-
18 gages.

19 “(3) EXCEPTIONS.—The Secretary may make
20 exceptions to selection criteria set forth in paragraph
21 (2) to permit the provision of assistance to eligible
22 projects based upon—

23 “(A) the extent to which such assistance is
24 necessary to prevent the imminent foreclosure
25 or default of a project whose owner has not

1 submitted a comprehensive needs assessment
2 pursuant to title IV of the Housing and Com-
3 munity Development Act of 1992;

4 “(B) the extent to which the project pre-
5 sents an imminent threat to the life, health,
6 and safety of project residents; or

7 “(C) such other criteria as the Secretary
8 may specify by regulation or by notice printed
9 in the Federal Register.

10 “(4) CONSIDERATIONS.—In providing assist-
11 ance under this section, the Secretary shall take into
12 consideration—

13 “(A) the extent to which there is evidence
14 that there will be significant opportunities for
15 residents (including a resident council or resi-
16 dent management corporation, as appropriate)
17 to be involved in the management of the project
18 (except that this paragraph shall have no appli-
19 cation to projects that are owned as coopera-
20 tives); and

21 “(B) the extent to which there is evidence
22 that the project owner has provided competent
23 management and complied with all regulatory
24 and administrative handbooks (including such
25 handbooks with respect to the comprehensive

1 servicing of multifamily projects as the Sec-
2 retary may issue).”.

3 (4) REPEAL.—Section 201 of the Housing and
4 Community Development Amendments of 1978 (12
5 U.S.C. 1715z–1a) is amended—

6 (A) by striking subsection (o); and

7 (B) by redesignating subsection (p) as sub-
8 section (o).

9 (c) IMPLEMENTATION AND EFFECTIVE DATE FOR
10 SUBSECTIONS (a) AND (b).—The Secretary shall, by no-
11 tice published in the Federal Register, which shall take
12 effect upon publication, establish such requirements as
13 may be necessary to implement the amendments made by
14 subsections (a) and (b). The notice shall invite public com-
15 ments and, not later than 12 months after the date on
16 which the notice is published, the Secretary shall issue
17 final regulations based on the initial notice, taking into
18 account any public comments received.

19 (d) STREAMLINED REFINANCING.—As soon as prac-
20 ticable, the Secretary shall implement a streamlined refi-
21 nancing program under the authority provided in section
22 223 of the National Housing Act to prevent the default
23 of mortgages insured by the FHA which cover multifamily
24 housing projects, as defined in section 203(b) of the Hous-
25 ing and Community Development Amendments of 1978.

1 (e) GAO STUDY ON PREVENTION OF DEFAULT.—

2 (1) IN GENERAL.—Not later than September 1,
3 1995, the Comptroller General of the United States
4 shall submit to the Committee on Banking, Finance
5 and Urban Affairs of the House of Representatives
6 and the Committee on Banking, Housing, and
7 Urban Affairs of the Senate a report that evaluates
8 the adequacy of loan loss reserves in the General In-
9 surance and Special Risk Insurance Funds and pre-
10 sents recommendations for the Secretary to prevent
11 losses from occurring.

12 (2) CONTENTS.—The report submitted under
13 paragraph (1) shall—

14 (A) evaluate the factors considered in ar-
15 riving at loss estimates and determine whether
16 other factors should be considered;

17 (B) determine the relative benefit of creat-
18 ing a new, actuarially sound insurance fund for
19 all new multifamily housing insurance commit-
20 ments; and

21 (C) recommend alternatives to the Sec-
22 retary's current procedures for preventing the
23 future default of multifamily housing project
24 mortgages insured under title II of the National
25 Housing Act.

1 **SEC. 167. YOUTHBUILD PROGRAM.**

2 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
3 402 of the Cranston-Gonzalez National Affordable Hous-
4 ing Act (42 U.S.C. 12870), as amended by the preceding
5 provisions of this title, is amended by inserting after sub-
6 section (a) the following new subsection:

7 “(b) YOUTHBUILD PROGRAM.—There are authorized
8 to be appropriated for activities under subtitle D
9 \$50,000,000 for fiscal year 1995 and \$51,500,000 for fis-
10 cal year 1996. Any amounts appropriated pursuant to this
11 subsection shall remain available until expended.”.

12 (b) PROGRAM NAME.—The heading for subtitle D of
13 title IV of the Cranston-Gonzalez National Affordable
14 Housing Act (42 U.S.C. 12899 et seq.) is amended to read
15 as follows:

16 **“Subtitle D—Youthbuild”.**

17 **TITLE II—HOME INVESTMENT**
18 **PARTNERSHIPS**

19 **SEC. 201. AUTHORIZATION OF APPROPRIATIONS.**

20 Section 205 of the Cranston-Gonzalez National Af-
21 fordable Housing Act (42 U.S.C. 12724) is amended to
22 read as follows:

23 **“SEC. 205. AUTHORIZATION.**

24 “There are authorized to be appropriated to carry out
25 this title \$2,238,820,360 for fiscal year 1995, and
26 \$2,305,984,971 for fiscal year 1996, of which—

1 “(1) not more than \$25,000,000 for fiscal year
2 1995, and \$25,000,000 for fiscal year 1996, shall be
3 for community housing partnership activities author-
4 ized under section 233; and

5 “(2) not more than \$22,000,000 for fiscal year
6 1995, and \$22,000,000 for fiscal year 1996, shall be
7 for activities in support of State and local housing
8 strategies authorized under subtitle C.”.

9 **SEC. 202. PARTICIPATION BY STATE AGENCIES OR INSTRU-**
10 **MENTALITIES.**

11 Section 104(2) of the Cranston-Gonzalez National
12 Affordable Housing Act (42 U.S.C. 12704(2)) is amended
13 by inserting before the period at the end the following:
14 “, and any agency or instrumentality thereof that is estab-
15 lished pursuant to legislation and designated by the chief
16 executive to act on behalf of the State with regard to the
17 provisions of this Act”.

18 **SEC. 203. SIMPLIFICATION OF PROGRAM-WIDE INCOME**
19 **TARGETING FOR RENTAL HOUSING.**

20 Section 214(1) of the Cranston-Gonzalez National
21 Affordable Housing Act (42 U.S.C. 12744(1)) is amend-
22 ed—

23 (1) in subparagraph (A)—

24 (A) by striking “such funds are invested
25 with respect to dwelling units that are occupied

1 by” and inserting “(i) the families receiving
2 such rental assistance are”; and

3 (B) by striking “, and” and inserting “or
4 (ii) the dwelling units assisted with such funds
5 are occupied by families having such incomes;
6 and”; and

7 (2) in subparagraph (B)—

8 (A) by striking “such funds are invested
9 with respect to dwelling units that are occupied
10 by” and inserting “(i) the families receiving
11 such rental assistance are”; and

12 (B) by inserting before the semicolon at
13 the end the following: “, or (ii) the dwelling
14 units assisted with such funds are occupied by
15 such households”.

16 **SEC. 204. HOMEOWNERSHIP UNITS.**

17 (a) REMOVAL OF FIRST-TIME HOMEBUYER RE-
18 QUIREMENT.—Section 215(b) of the Cranston-Gonzalez
19 National Affordable Housing Act (42 U.S.C. 12745(b)) is
20 amended—

21 (1) by striking paragraph (3); and

22 (2) by redesignating paragraphs (4) and (5) as
23 paragraphs (3) and (4), respectively.

24 (b) SIMPLIFICATION OF RESALE PROVISIONS.—Sec-
25 tion 215(b)(4)(B) of the Cranston-Gonzalez National Af-

1 affordable Housing Act (42 U.S.C. 12745(b)(4)(B)), as re-
2 designated by subsection (a) of this section, is amended
3 by striking “subsection” and inserting “title”.

4 **SEC. 205. COMPREHENSIVE AFFORDABLE HOUSING STRAT-**
5 **EGY.**

6 Section 218(d) of the Cranston-Gonzalez National
7 Affordable Housing Act (42 U.S.C. 12748(d)) is amended
8 in the first sentence, by inserting “that it is complying
9 with a current housing affordability strategy that has been
10 approved by the Secretary in accordance with section 105,
11 and” after “certification”.

12 **SEC. 206. SIMPLIFICATION OF MATCHING REQUIREMENTS.**

13 Section 220(a) of the Cranston-Gonzalez National
14 Affordable Housing Act (42 U.S.C. 12750(a)) is amended
15 to read as follows:

16 “(a) CONTRIBUTION.—Each participating jurisdic-
17 tion shall make contributions to housing that qualifies as
18 affordable housing under this title that total, throughout
19 a fiscal year, not less than 25 percent of the funds drawn
20 from the jurisdiction’s HOME Investment Trust Fund in
21 such fiscal year. Such contributions shall be in addition
22 to any amounts made available under section
23 216(3)(A)(ii).”.

1 **SEC. 207. REPEAL OF SEPARATE AUDIT REQUIREMENT.**

2 Section 283 of the Cranston-Gonzalez National Af-
3 fordable Housing Act (42 U.S.C. 12833) is amended—

4 (1) by striking the section designation and
5 heading and inserting the following:

6 **“SEC. 283. AUDITS BY COMPTROLLER GENERAL.”;**

7 (2) by striking subsection (a);

8 (3) in subsection (b)—

9 (A) by striking “(b) AUDITS BY THE
10 COMPTROLLER GENERAL.—”;

11 (B) by redesignating paragraphs (1) and
12 (2) as subsections (a) and (b), respectively; and

13 (C) by moving subsections (a) and (b), as
14 redesignated by subparagraph (B), 2 ems to the
15 left so that such subsections are flush with the
16 left margin; and

17 (4) in subsection (a), as redesignated by para-
18 graph (3)(B), by striking the second sentence.

19 **SEC. 208. ENVIRONMENTAL REVIEW REQUIREMENTS.**

20 Section 288 of the Cranston-Gonzalez National Af-
21 fordable Housing Act (42 U.S.C. 12838) is amended—

22 (1) in subsection (a)—

23 (A) in the first sentence, by striking “par-
24 ticipating jurisdictions” and inserting “jurisdic-
25 tions, Indian tribes, or insular areas”; and

1 (B) by adding at the end the following new
2 sentences: “The regulations shall provide—

3 “(1) for the monitoring of the performance of
4 environmental reviews under this section;

5 “(2) in the discretion of the Secretary, for the
6 provision or facilitation of training for the perform-
7 ance of such reviews; and

8 “(3) for the suspension or termination of the
9 assumption under this section.

10 The Secretary’s duty under the preceding sentence shall
11 not be construed to limit or reduce any responsibility as-
12 sumed by a State or unit of general local government with
13 respect to any particular release of funds.”;

14 (2) in the first sentence of subsection (b), by
15 striking “participating jurisdiction” and inserting
16 “jurisdiction, Indian tribe, or insular area”;

17 (3) in subsection (c)(4)(B), by striking “parti-
18 cipating jurisdiction” and inserting “jurisdiction, In-
19 dian tribe, or insular area”; and

20 (4) in subsection (d), by striking “ASSISTANCE
21 TO A STATE.—In the case of assistance to States”
22 and inserting the following: “ASSISTANCE TO UNITS
23 OF GENERAL LOCAL GOVERNMENT FROM A
24 STATE.—In the case of assistance to units of gen-
25 eral local government from a State”.

1 **SEC. 209. USE OF CDBG FUNDS FOR HOME PROGRAM EX-**
2 **PENSES.**

3 (a) ADMINISTRATIVE EXPENSES.—Section
4 105(a)(13) of the Housing and Community Development
5 Act of 1974 (42 U.S.C. 5305(a)(13)) is amended by in-
6 serting after “charges related to” the following: “(A) ad-
7 ministering the HOME program under title II of the
8 Cranston-Gonzalez National Affordable Housing Act; and
9 (B)”.

10 (b) PROJECT DELIVERY COSTS.—Section 105(a)(21)
11 of the Housing and Community Development Act of 1974
12 (42 U.S.C. 5305(a)(21)) is amended—

13 (1) by inserting “in connection with tenant-
14 based rental assistance and affordable housing
15 projects assisted under title II of the Cranston-Gon-
16 zalez National Affordable Housing Act” after “hous-
17 ing counseling”; and

18 (2) by striking “authorized” and all that follows
19 through “any law” and inserting “assisted under
20 title II of the Cranston-Gonzalez National Afford-
21 able Housing Act”.

22 **SEC. 210. GAO STUDY OF USE OF HOME PROGRAM FUNDS.**

23 The Comptroller General of the United States shall
24 conduct a study of the use of amounts provided under title
25 II of the Cranston-Gonzalez National Affordable Housing
26 Act to participating jurisdictions for each of fiscal years

1 1992, 1993, and 1994, and the activities undertaken with
2 such amounts. The study shall determine, for the amounts
3 provided for each such fiscal year—

4 (1) the amount expended for single family hous-
5 ing and the types and number of units provided;

6 (2) the amount expended for multifamily rental
7 housing and the types and number of units provided;

8 (3) the amount expended for new construction
9 of housing and the types and number of units pro-
10 vided;

11 (4) the amount expended for rehabilitation of
12 housing and the types and number of units provided;
13 and

14 (5) the amount expended pursuant to sections
15 231 and 232 of the Cranston-Gonzalez National Af-
16 fordable Housing Act for activities of community
17 housing development organizations, including—

18 (A) the amount expended for providing
19 housing, the types of assistance provided, and
20 types and number of units provided; and

21 (B) the amount expended for technical and
22 other assistance and the types of assistance
23 provided.

1 Not later than March 31, 1995, the Comptroller General
2 shall submit to the Congress a report containing the re-
3 sults of the study conducted under this section.

4 **SEC. 211. CAPACITY BUILDING FOR COMMUNITY DEVELOP-**
5 **MENT AND AFFORDABLE HOUSING.**

6 Section 4(e) of the HUD Demonstration Act of 1993
7 (42 U.S.C. 9816 note) is amended to read as follows:

8 “(e) FUNDING.—From any amounts appropriated to
9 carry out title II of the Cranston-Gonzalez National Af-
10 fordable Housing Act for fiscal years 1995 and 1996,
11 \$25,000,000 shall be available in each such fiscal year to
12 carry out this section.”.

13 **SEC. 212. APPLICABILITY AND REGULATIONS.**

14 The amendments made by this title shall apply with
15 respect to any amounts made available to carry out title
16 II of the Cranston-Gonzalez National Affordable Housing
17 Act after the date of the enactment of this Act and any
18 amounts made available to carry out such title before such
19 date of enactment that remain unobligated on such date.
20 The Secretary shall issue any regulations necessary to
21 carry out the amendments made by this title not later than
22 the expiration of the 45-day period beginning on the date
23 of the enactment of this Act.

**TITLE III—SUPPORTIVE
HOUSING PROGRAMS**

**SEC. 301. FUNDING FOR SUPPORTIVE HOUSING FOR THE
ELDERLY AND FOR PERSONS WITH DISABILITIES.**

Section 601 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3802) is amended by striking subsection (a) and inserting the following new subsection:

“(a) AGGREGATE FUNDING.—There are authorized to be appropriated for the purpose of providing assistance in accordance with section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act, \$1,591,350,000 for fiscal year 1995 and \$1,639,090,500 for fiscal year 1996.”.

SEC. 302. ELDER COTTAGE HOUSING DEMONSTRATION PROGRAM.

(a) FUNDING.—The first sentence of section 806(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701q note) is amended to read as follows: “Notwithstanding any other law, the Secretary shall reserve from any amounts available for capital advances and project rental assistance under section 202 of the Housing Act of 1959, amounts sufficient in each of fiscal years 1995 and 1996 to provide not less than 100

1 units under the demonstration under this subsection in
2 connection with each such section.”.

3 (b) REPORT.—Section 806(b)(3) of the Cranston-
4 Gonzalez National Affordable Housing Act (12 U.S.C.
5 1701q note) is amended by striking “January 1, 1994,
6 the Secretary shall submit a” and inserting “January 1,
7 1995, the Secretary shall submit an interim”.

8 **SEC. 303. REVISED CONGREGATE SERVICES.**

9 Section 802(n)(1) of the Cranston-Gonzalez National
10 Affordable Housing Act (42 U.S.C. 8011(n)(1)) is amend-
11 ed by striking the matter preceding subparagraph (A) and
12 inserting the following:

13 “(1) AUTHORIZATION AND USE.—There are au-
14 thorized to be appropriated to carry out this section
15 \$25,750,000 for fiscal year 1995, and \$26,522,500
16 for fiscal year 1996, of which not more than—”.

17 **SEC. 304. ELDERLY INDEPENDENCE DEMONSTRATION.**

18 (a) SECTION 8 ASSISTANCE.—The first sentence of
19 section 803(j) of the Cranston-Gonzalez National Afford-
20 able Housing Act (42 U.S.C. 8012(j)) is amended to read
21 as follows: “The budget authority available under section
22 5(c) of the United States Housing Act of 1937 for assist-
23 ance under section 8 of such Act is authorized to be in-
24 creased by \$41,092,979 on or after October 1, 1994, and
25 by \$42,325,768 on or after October 1, 1995.”.

1 (b) SUPPORTIVE SERVICES AUTHORIZATION.—The
2 first sentence of section 803(k) of the Cranston-Gonzalez
3 National Affordable Housing Act (42 U.S.C. 8012(k)) is
4 amended to read as follows: “There are authorized to be
5 appropriated for the Secretary to carry out the responsibil-
6 ities for supportive services under the demonstrations
7 under this section \$10,732,600 to become available in fis-
8 cal year 1995, and \$11,054,578 to become available in fis-
9 cal year 1996.”.

10 (c) AMENDMENT TO HEADING.—Section 803(k) of
11 the Cranston-Gonzalez National Affordable Housing Act
12 (42 U.S.C.8012) is amended by striking the section des-
13 ignation and heading and inserting the following:

14 “**SEC. 803. ELDERLY INDEPENDENCE DEMONSTRATION.**”
15 **SEC. 305. HOUSING OPPORTUNITIES FOR PERSONS WITH**
16 **AIDS.**

17 (a) AUTHORIZATION OF APPROPRIATIONS.—Section
18 863 of the Cranston-Gonzalez National Affordable Hous-
19 ing Act (42 U.S.C. 12912) is amended to read as follows:
20 “**SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

21 “There are authorized to be appropriated to carry out
22 this subtitle \$250,000,000 for fiscal year 1995 and
23 \$257,500,000 for fiscal year 1996.”.

1 (b) TECHNICAL ASSISTANCE.—Section 854(c)(3) of
2 the Cranston-Gonzalez National Affordable Housing Act
3 (42 U.S.C. 12903(c)(3)) is amended—

4 (1) in subparagraph (A)—

5 (A) in clause (i), by striking “and” at the
6 end;

7 (B) in clause (ii), by striking the period at
8 the end and inserting “; and”; and

9 (C) by adding at the end the following new
10 clause:

11 “(iii) nonprofit organizations that pro-
12 vide technical assistance on a national, re-
13 gional, or State-wide basis to nonprofit or-
14 ganizations carrying out eligible activities
15 under section 855 for eligible persons, to
16 provide such technical assistance, except
17 that not more than 2 percent of the
18 amounts available in any fiscal year for al-
19 location under this paragraph shall be used
20 as provided in this clause.”; and

21 (2) in subparagraph (B), by striking “this para-
22 graph” and inserting “clauses (i) and (ii) of sub-
23 paragraph (A)”.

24 (c) COOPERATION.—

1 (1) IN GENERAL.—Section 856(c) of the Cran-
2 ston-Gonzalez National Affordable Housing Act (42
3 U.S.C. 12905(c)) is amended by striking “The recip-
4 ient” and all that follows and inserting the following:
5 “The recipient shall establish and implement a proc-
6 ess for ensuring coordination and community input
7 in planning for and providing services assisted with
8 amounts provided under this subtitle. The planning
9 process shall include consultation and coordination
10 with the agencies of the relevant State and local gov-
11 ernments responsible for services for eligible persons
12 in the area served by the applicant and with other
13 public and private organizations and agencies pro-
14 viding services for such eligible persons (including
15 individuals with human immunodeficiency virus dis-
16 ease), including community-based and AIDS service
17 organizations, providers of social services, providers
18 of mental health care, providers of substance abuse
19 treatment services, nonprofit providers of housing
20 for eligible persons, and affected communities.”.

21 (2) APPLICATION.—Section 854(d) of the Cran-
22 ston-Gonzalez National Affordable Housing Act (42
23 U.S.C. 12903(d)) is amended—

24 (1) in paragraph (5), by striking “and” at the
25 end;

1 (2) by redesignating paragraph (6) as para-
2 graph (7); and

3 (3) by inserting after paragraph (5) the follow-
4 ing new paragraph:

5 “(6) a description of the activities to be under-
6 taken in fulfilling the requirements under section
7 856(c); and”.

8 (d) ADMINISTRATIVE EXPENSES.—Section 856(g)(2)
9 of the Cranston-Gonzalez National Affordable Housing
10 Act (42 U.S.C. 12905(g)(2)) is amended—

11 (1) by striking “title” and inserting “subtitle”;
12 and

13 (2) by striking “, including the costs of staff
14 necessary to carry out eligible activities”.

15 **SEC. 306. SERVICE COORDINATORS.**

16 (a) PUBLIC HOUSING.—Section 9 of the United
17 States Housing Act of 1937 (42 U.S.C. 1437g) is amend-
18 ed—

19 (1) in subsection (a)(1)(B)(ii)—

20 (A) in the 1st sentence, by striking “An-
21 nual” and all that follows through “such
22 project,” and inserting “To the extent amounts
23 are made available pursuant to section 5(c) for
24 carrying out this clause, the Secretary may in-
25 crease the annual contributions provided under

1 this section to any public housing agency for
2 any project to provide”; and

3 (B) by striking the last 2 sentences.

4 (b) OTHER FEDERALLY ASSISTED MULTIFAMILY
5 HOUSING.—Section 676(c) of the Housing and Commu-
6 nity Development Act of 1992 (42 U.S.C. 13632(c)) is
7 amended to read as follows:

8 “(c) AUTHORIZATION OF APPROPRIATIONS.—There
9 are authorized to be appropriated for grants under this
10 section such sums as may be necessary for each of fiscal
11 years 1995 and 1996.”.

12 **TITLE IV—MORTGAGE INSUR-**
13 **ANCE AND SECONDARY**
14 **MORTGAGE MARKET**

15 **Subtitle A—Mortgage Insurance**
16 **and Loan Guarantee Programs**

17 **SEC. 401. LIMITATION ON INSURANCE AUTHORITY.**

18 Section 531(b) of the National Housing Act (12
19 U.S.C. 1735f–9(b)) is amended to read as follows:

20 “(b) Notwithstanding any other provision of law and
21 subject only to the absence of qualified requests for insur-
22 ance, to the authority provided in this Act, and to the limi-
23 tation in subsection (a), the Secretary shall enter into
24 commitments to insure mortgages under this Act with an
25 aggregate principal amount of \$105,000,000,000 during

1 fiscal year 1995 and \$105,000,000,000 during fiscal year
2 1996.”.

3 **SEC. 402. FEDERAL HOUSING ADMINISTRATION ADVISORY**
4 **BOARD.**

5 Section 202(b)(11) of the National Housing Act (12
6 U.S.C. 1708(b)(11)) is amended by striking “January 1,
7 1995.” and inserting “January 1, 1997.”.

8 **SEC. 403. HOME EQUITY CONVERSION MORTGAGES FOR EL-**
9 **DERLY HOMEOWNERS.**

10 The 1st sentence of section 255(g) of the National
11 Housing Act (12 U.S.C. 1715z–20(g)) is amended by
12 striking “September 30, 1995” and inserting “September
13 30, 1996”.

14 **SEC. 404. MULTIFAMILY HOUSING FINANCING PROGRAMS.**

15 (a) FUNDING.—

16 (1) RISK-SHARING PILOT PROGRAM.—Section
17 542(b)(5) of the Housing and Community Develop-
18 ment Act of 1992 (12 U.S.C. 1707 note) is amended
19 by striking “fiscal years 1993 and 1994” and insert-
20 ing “fiscal years 1995 and 1996”.

21 (2) HOUSING FINANCE AGENCY PILOT PRO-
22 GRAM.—Section 542(c)(4) of the Housing and Com-
23 munity Development Act of 1992 (12 U.S.C. 1707
24 note) is amended by striking “30,000 units over fis-

1 cal years 1993, 1994, and 1995” and inserting
2 “10,000 units in fiscal year 1996”.

3 (b) AMENDMENTS TO RISK-SHARING PILOT PRO-
4 GRAM.—Section 542(b) of the Housing and Community
5 Development Act of 1992 (12 U.S.C. 1707 note) is
6 amended—

7 (1) by striking paragraphs (1) and (2) and in-
8 serting the following new paragraphs:

9 “(1) IN GENERAL.—The Secretary shall carry
10 out a pilot program in conjunction with qualified
11 participating entities to determine the effectiveness
12 of Federal credit enhancement for loans for afford-
13 able multifamily housing through a system of risk-
14 sharing agreements with such entitled.

15 “(2) PROGRAM REQUIREMENTS.—

16 “(A) IN GENERAL.—In carrying out the
17 pilot program under this subsection, the Sec-
18 retary shall enter into risk-sharing agreements
19 with qualified participating entities.

20 “(B) MORTGAGE INSURANCE AND REIN-
21 SURANCE.—Agreements under subparagraph
22 (A) may provide for (i) insurance through the
23 Federal Housing Administration of loans for af-
24 fordable multifamily housing originated by or
25 through, or purchased by, qualified participat-

1 ing entities, and (ii) reinsurance, including rein-
2 surance of pools of loans, on affordable multi-
3 family housing. In entering into risk-sharing
4 agreements under this subsection covering
5 mortgages, the Secretary may give preference to
6 mortgages that are not already in the portfolios
7 of qualified participating entities.

8 “(C) RISK APPORTIONMENT.—Agreements
9 entered into under this subsection between the
10 Secretary and a qualified participating entity
11 shall specify the percentage of loss that each of
12 the parties to the agreement will assume in the
13 event of default of the insured or reinsured
14 multifamily mortgage. Such agreements shall
15 specify that the qualified participating entity
16 and the Secretary shall share any loss in ac-
17 cordance with the risk-sharing agreement.

18 “(D) REIMBURSEMENT CAPACITY.—Agree-
19 ments entered into under this subsection be-
20 tween the Secretary and a qualified participat-
21 ing entity shall provide evidence acceptable to
22 the Secretary of the capacity of such entity to
23 fulfill any reimbursement obligations made pur-
24 suant to this subsection. Evidence of such ca-

1 capacity which may be considered by the Sec-
2 retary may include—

3 “(i) a pledge of the full faith and
4 credit of a qualified participating entity to
5 fulfill any obligations entered into by the
6 entity;

7 “(ii) reserves pledged or otherwise re-
8 stricted by the qualified participating en-
9 tity in an amount equal to an agreed upon
10 percentage of the loss assumed by the en-
11 tity under subparagraph (C);

12 “(iii) funds pledged through a State
13 or local guarantee fund; or

14 “(iv) any other form of evidence mu-
15 tually agreed upon by the Secretary and
16 the qualified participating entity.

17 “(E) UNDERWRITING STANDARDS.—The
18 Secretary shall allow any qualified participating
19 entity to use its own underwriting standards
20 and loan terms and conditions for purposes of
21 underwriting loans to be insured under this
22 subsection, except as provided in this section,
23 without further review by the Secretary, except
24 that the Secretary may impose additional un-
25 derwriting criteria and loan terms and condi-

1 tions for contractual agreements where the Sec-
2 retary retains more than 50 percent of the risk
3 of loss. Any financing permitted on property in-
4 sured under this subsection other than the first
5 mortgage shall be expressly subordinate to the
6 insured mortgage.

7 “(F) AUTHORITY OF SECRETARY.—The
8 Secretary, upon request of a qualified partici-
9 pating entity, may insure or reinsure and make
10 commitments to insure or reinsure under this
11 section any mortgage, advance, loan, or pool of
12 mortgages otherwise eligible under this section,
13 pursuant to a risk-sharing agreement providing
14 that the qualified participating entity will carry
15 out (under a delegation or otherwise, and with
16 or without compensation, but subject to audit,
17 exception, or review requirements) such credit
18 approval, appraisal, inspection, issuance of com-
19 mitments, approval of insurance of advances,
20 cost certification, servicing, property disposi-
21 tion, or other functions as the Secretary shall
22 approve as consistent with the purpose of this
23 section. All appraisals of property for mortgage
24 insurance under this section shall be completed
25 by a Certified General Appraiser in accordance

1 with the Uniform Standards of Professional Ap-
2 praisal Practice.

3 “(G) DISCLOSURE OF RECORDS.—Quali-
4 fied participating entities shall make available
5 to the Secretary or the Secretary’s designee, at
6 the Secretary’s request, such financial and
7 other records as the Secretary deems necessary
8 for purposes of review and monitoring for the
9 program under this section.

10 “(H) INELIGIBILITY OF HOUSING FOR
11 TRANSIENT OR HOTEL PURPOSES.—Notwith-
12 standing any other provision of this section, no
13 new, existing, or rehabilitated multifamily hous-
14 ing with respect to which a mortgage is insured
15 or reinsured under this subsection shall be op-
16 erated for transient or hotel purposes. For pur-
17 poses of this paragraph, the term ‘rental for
18 transient or hotel purposes’ shall have such
19 meaning as prescribed by the Secretary, except
20 that rental for any period less than 30 days
21 shall constitute rental for such purposes.”;

22 (2) in paragraph (4), by striking “financial in-
23 stitutions and entities to be eligible to enter into re-
24 insurance agreements” and inserting “eligibility

1 under this subsection of qualified participating enti-
2 ties”;

3 (3) in the first sentence of paragraph (5), by
4 striking “1993 and 1994” and inserting “1995 and
5 1996”;

6 (4) by striking paragraph (8) and inserting the
7 following new paragraph:

8 “(11) IMPLEMENTATION.—The Secretary shall
9 take any administrative actions necessary to initiate
10 the pilot program under this subsection.”; and

11 (5) by inserting after paragraph (7) the follow-
12 ing new paragraphs:

13 “(8) PROHIBITION ON GINNIE MAE
14 SECURITIZATION.—The Government National Mort-
15 gage Association shall not securitize any multifamily
16 loans insured or reinsured under this subsection.

17 “(9) QUALIFICATION AS AFFORDABLE HOUS-
18 ING.—Multifamily housing securing loans insured or
19 reinsured under this subsection shall qualify as af-
20 fordable only if the housing is occupied by families
21 and bears rents not greater than the gross rent for
22 rent-restricted residential units as determined under
23 section 42(g) of the Internal Revenue Code of 1986.

24 “(10) CERTIFICATION OF SUBSIDY LAYERING
25 COMPLIANCE.—In the case of projects allocated a

1 low-income housing tax credit pursuant to section 42
2 of the Internal Revenue Code of 1986, the require-
3 ments of section 102(d) of the Department of Hous-
4 ing and Urban Development Reform Act of 1989
5 may be satisfied in connection with a commitment to
6 insure a mortgage under this subsection by a certifi-
7 cation by a housing credit agency (including an en-
8 tity established by a State that provides mortgage
9 insurance) to the Secretary that the combination of
10 assistance within the jurisdiction of the Secretary
11 and other government assistance provided in connec-
12 tion with a property for which a mortgage is to be
13 insured shall not be any greater than is necessary to
14 provide affordable housing.”.

15 (c) AMENDMENTS TO HOUSING FINANCE AGENCY
16 PILOT PROGRAM.—Section 542(c) of the Housing and
17 Community Development Act of 1992 (12 U.S.C. 1707
18 note) is amended—

19 (1) in paragraph (1), by inserting after “quali-
20 fied housing finance agencies” the following: “(in-
21 cluding entities established by States that provide
22 mortgage insurance)”;

23 (2) in paragraph (2)—

24 (A) in subparagraph (C), by striking the
25 last sentence and inserting the following: “Such

1 agreements shall specify that the qualified
2 housing finance agency and the Secretary shall
3 share any loss in accordance with the risk-shar-
4 ing agreement.”;

5 (B) in subparagraph (E), by adding at the
6 end the following new sentence: “Any financing
7 permitted on property insured under this sub-
8 section other than the first mortgage shall be
9 expressly subordinate to the insured mort-
10 gage.”; and

11 (C) by adding at the end the following new
12 subparagraph:

13 “(F) DISCLOSURE OF RECORDS.—Quali-
14 fied housing finance agencies shall make avail-
15 able to the Secretary such financial and other
16 records as the Secretary deems necessary for
17 program review and monitoring purposes.”;

18 (3) in paragraph (7)—

19 (A) by striking “very low-income”; and

20 (B) by striking “42(g)(2)” and inserting
21 “42(g)”;

22 (4) by redesignating paragraph (8) as para-
23 graph (9); and

24 (5) by inserting after paragraph (7) the follow-
25 ing new paragraph:

1 “(8) ENVIRONMENTAL AND OTHER REVIEWS.—

2 “(A) ENVIRONMENTAL REVIEWS.—

3 “(i) IN GENERAL.—(I) In order to en-
4 sure that the policies of the National Envi-
5 ronmental Policy Act of 1969 and other
6 provisions of law which further the pur-
7 poses of such Act (as specified in regula-
8 tions issued by the Secretary) are most ef-
9 fectively implemented in connection with
10 the insurance of mortgages under para-
11 graph (2) and to assure to the public
12 undiminished protection of the environ-
13 ment, the Secretary, in lieu of the environ-
14 mental protection procedures otherwise ap-
15 plicable, may under such regulations pro-
16 vide for agreements to endorse for insur-
17 ance mortgages under paragraph (2) upon
18 the request of a qualified housing finance
19 agency under this subsection if the State
20 or unit of general local government, as des-
21 ignated by the Secretary in accordance
22 with regulations, assumes all of the respon-
23 sibilities for environmental review, deci-
24 sionmaking, and action pursuant to such
25 Act, and such other provisions of law as

1 the regulations of the Secretary specify,
2 that would otherwise apply to the Sec-
3 retary with respect to the insurance of
4 mortgages on particular properties.

5 “(II) The Secretary shall issue regula-
6 tions to carry out this subparagraph only
7 after consultation with the Council on En-
8 vironmental Quality. Such regulations
9 shall, among other matters, provide (aa)
10 for the monitoring of the performance of
11 environmental reviews under this subpara-
12 graph, (bb) in the discretion of the Sec-
13 retary, for the provision or facilitation of
14 training for the performance of such re-
15 views, and (cc) in the discretion of the Sec-
16 retary, for the suspension or termination of
17 the assumption under subclause (I). The
18 Secretary’s duty under the preceding sen-
19 tence shall not be construed to limit or re-
20 duce any responsibility assumed by a State
21 or unit of general local government with
22 respect to any particular property under
23 subclause (I).

24 “(ii) PROCEDURE.—Where the provi-
25 sions authorized by this paragraph apply,

1 the Secretary shall approve a mortgage for
2 the provision of mortgage insurance only if
3 the qualified housing finance agency sub-
4 mits to the Secretary a request for such
5 approval—

6 “(I) not less than 15 days prior
7 to such approval;

8 “(II) prior to any approval, com-
9 mitment, or endorsement of mortgage
10 insurance on the property on behalf of
11 the Secretary; and

12 “(III) prior to any commitment
13 by the qualified housing finance agen-
14 cy to provide financing under the risk-
15 sharing agreement with respect to the
16 property.

17 The request for approval shall be accom-
18 panied by a certification of the State or
19 unit of general local government that
20 meets the requirements of clause (iii). Ap-
21 proval by the Secretary of any such certifi-
22 cation shall be deemed to satisfy the Sec-
23 retary’s responsibilities under the National
24 Environmental Policy Act of 1969 and
25 such other provisions of law as the regula-

1 tions of the Secretary specify insofar as
2 such responsibilities relate to the provision
3 of mortgage insurance on the property that
4 is covered by such certification.

5 “(iii) CERTIFICATION.—A certification
6 under the procedures authorized by this
7 paragraph shall—

8 “(I) be in a form acceptable to
9 the Secretary;

10 “(II) be executed by the chief ex-
11 ecutive officer or other officer of the
12 State or unit of general local govern-
13 ment who qualifies under regulations
14 of the Secretary;

15 “(III) specify that the State or
16 unit of general local government
17 under this section has fully carried
18 out its responsibilities as described
19 under clause (i); and

20 “(IV) specify that the certifying
21 officer consents to assume the status
22 of a responsible Federal official under
23 the National Environmental Policy
24 Act of 1969 and each provision of law
25 specified in regulations issued by the

1 Secretary insofar as the provisions of
2 such Act or other such provision of
3 law apply pursuant to clause (i), and
4 is authorized and consents on behalf
5 of the State or unit of general local
6 government and himself or herself to
7 accept the jurisdiction of the Federal
8 courts for the purpose of enforcement
9 of the responsibilities as such an offi-
10 cial.

11 “(iv) APPROVAL BY STATES.—In
12 cases where a unit of general local govern-
13 ment carries out the responsibilities de-
14 scribed under clause (i), the Secretary may
15 permit the State to perform those actions
16 of the Secretary described in clause (ii)
17 and the performance of such actions by the
18 State, where permitted by the Secretary,
19 shall be deemed to satisfy the Secretary’s
20 responsibilities referred to in the third sen-
21 tence of clause (ii).

22 “(B) LEAD-BASED PAINT POISONING PRE-
23 VENTION.—In carrying out the requirements of
24 section 302 of the Lead-Based Paint Poisoning
25 Prevention Act, the Secretary may provide by

1 regulation for the assumption of all or part of
2 the Secretary's duties under such Act by quali-
3 fied housing finance agencies, for purposes of
4 this section.

5 “(C) CERTIFICATION OF SUBSIDY
6 LAYERING COMPLIANCE.—In the case of
7 projects allocated a low-income housing tax
8 credit pursuant to section 42 of the Internal
9 Revenue Code of 1986, the requirements of sec-
10 tion 102(d) of the Department of Housing and
11 Urban Development Reform Act of 1989 may
12 be satisfied in connection with a commitment to
13 insure a mortgage under this subsection by a
14 certification by a housing credit agency (includ-
15 ing an entity established by a State that pro-
16 vides mortgage insurance) to the Secretary that
17 the combination of assistance within the juris-
18 diction of the Secretary and other government
19 assistance provided in connection with a prop-
20 erty for which a mortgage is to be insured shall
21 not be any greater than is necessary to provide
22 affordable housing.”.

23 (d) DEFINITIONS.—Section 544 of the Housing and
24 Community Development Act of 1992 (12 U.S.C. 1707
25 note) is amended—

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

3 “(1) The term ‘multifamily housing’ means
4 housing accommodations on the mortgaged property
5 that are designed principally for residential use, con-
6 form to standards satisfactory to the Secretary, and
7 consist of not less than 5 rental units on 1 site.
8 Such units may be detached, semidetached, row
9 house, or multifamily structures.”;

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

13 (3) by inserting before paragraph (3) (as so re-
14 designated) the following new paragraphs:

15 “(1) The term ‘first mortgage’ means a single
16 first lien that is given to secure advances on, or the
17 unpaid purchase price of, real estate, under the laws
18 of the State in which the real estate is located, to-
19 gether with the credit instrument, if any, secured
20 thereby.

21 “(2) The term ‘mortgage’ means a first mort-
22 gage on real estate that is—

23 “(A) owned in fee simple; or

24 “(B) on a leasehold—

1 “(i) under a lease for not less than 99
2 years that is renewable; or

3 “(ii) under a lease having a period of
4 not less than 10 years to run beyond the
5 maturity of the mortgage.”;

6 (4) by inserting after paragraph (4) (as so re-
7 designated) the following new paragraph:

8 “(5) The term ‘qualified participating entity’
9 means an entity approved by the Secretary for par-
10 ticipation in the pilot program under this subsection,
11 which may include—

12 “(A) the Federal National Mortgage Asso-
13 ciation;

14 “(B) the Federal Home Loan Mortgage
15 Corporation;

16 “(C) housing finance agencies; and

17 “(D) the Federal Housing Finance
18 Board.”; and

19 (5) by adding at the end the following new
20 paragraph:

21 “(8) The terms ‘unit of general local govern-
22 ment’ and ‘State’ have the meanings given such
23 terms in section 102(a) of the Housing and Commu-
24 nity Development Act of 1974.”.

1 (e) NATIONAL INTERAGENCY TASK FORCE ON MUL-
2 TIFAMILY HOUSING.—The first sentence of section 543(h)
3 of the Housing and Community Development Act of 1992
4 (12 U.S.C. 1707 note) is amended to read as follows:
5 “There are authorized to be appropriated to carry out this
6 section \$6,439,560 for fiscal year 1995 and \$6,632,747
7 for fiscal year 1996.”.

8 **SEC. 405. INDIAN HOUSING LOAN GUARANTEES.**

9 (a) LIMITATION ON OUTSTANDING AGGREGATE
10 PRINCIPAL AMOUNT.—Section 184(i)(5)(C) of the Hous-
11 ing and Community Development Act of 1992 (12 U.S.C.
12 1515z–13a(i)(C)(5)) is amended by striking “fiscal years
13 1993 and 1994” and inserting “fiscal years 1995 and
14 1996”.

15 (b) AUTHORIZATION OF APPROPRIATIONS FOR GUAR-
16 ANTEE FUND.—Section 184(i)(7) of the Housing and
17 Community Development Act of 1992 (12 U.S.C. 1515z–
18 13a(i)(7)) is amended to read as follows:

19 “(7) AUTHORIZATION OF APPROPRIATIONS.—
20 There are authorized to be appropriated to the
21 Guarantee Fund to carry out this section
22 \$50,000,000 for fiscal year 1995 and \$50,000,000
23 for fiscal year 1996.”.

1 **Subtitle B—Multifamily Housing**
2 **Property Disposition**

3 **SEC. 431. SHORT TITLE.**

4 This subtitle may be cited as the “Multifamily Hous-
5 ing Property Disposition Reform Act”.

6 **SEC. 432. DISPOSITION OF MULTIFAMILY HOUSING**
7 **PROJECTS OWNED BY HUD.**

8 (a) CONGRESSIONAL FINDINGS.—The Congress finds
9 that—

10 (1) the portfolio of multifamily housing project
11 mortgages insured by the FHA is severely troubled
12 and at risk of default, requiring the Secretary to in-
13 crease loss reserves from \$5,500,000,000 in 1991 to
14 \$11,900,000,000 in 1992 to cover estimated future
15 losses;

16 (2) the inventory of multifamily housing
17 projects owned by the Secretary has more than tri-
18 pled since 1989;

19 (3) the cost to the Federal Government of own-
20 ing and maintaining multifamily housing projects es-
21 calated to approximately \$250,000,000 in fiscal year
22 1992;

23 (4) the inventory of multifamily housing
24 projects subject to mortgages held by the Secretary
25 has increased dramatically, to more than 2,400

1 mortgages, and approximately half of these mort-
2 gages, with over 230,000 units, are delinquent;

3 (5) the inventory of insured and formerly in-
4 sured multifamily housing projects is rapidly deterio-
5 rating, endangering tenants and neighborhoods;

6 (6) many of the more than 5 million families
7 having a critical need for housing that is affordable
8 and habitable could benefit from the disposition of
9 projects in the inventory owned by the Secretary;
10 and

11 (7) the current statutory framework governing
12 the disposition of multifamily housing projects effec-
13 tively impedes the Government's ability to dispose of
14 projects, protect tenants, and ensure that projects
15 are maintained over time.

16 (b) MANAGEMENT AND DISPOSITION OF MULTIFAM-
17 ILY HOUSING PROJECTS.—Section 203 of the Housing
18 and Community Development Amendments of 1978 (12
19 U.S.C. 1701z–11) is amended to read as follows:

20 **“SEC. 203. MANAGEMENT AND DISPOSITION OF MULTIFAM-**
21 **ILY HOUSING PROJECTS.**

22 **“(a) GOALS.—**The Secretary of Housing and Urban
23 Development shall manage or dispose of multifamily hous-
24 ing projects that are owned by the Secretary or that are

1 subject to a mortgage held by the Secretary in a manner
2 consistent with this section that—

3 “(1) is consistent with the National Housing
4 Act;

5 “(2) will, in the least costly fashion among rea-
6 sonable available alternatives, preserve the housing
7 as available to and affordable by low-income fami-
8 lies;

9 “(3) will protect the financial interests of the
10 Federal Government; and

11 “(4) will, in the least costly fashion among rea-
12 sonable available alternatives, further the goals of—

13 “(A) preserving and revitalizing residential
14 neighborhoods;

15 “(B) maintaining existing housing stock in
16 a decent, safe, and sanitary condition;

17 “(C) minimizing the involuntary displace-
18 ment of tenants;

19 “(D) maintaining housing for the purpose
20 of providing rental housing, cooperative hous-
21 ing, and homeownership opportunities for low-
22 income persons; and

23 “(E) minimizing the need to demolish mul-
24 tifamily housing projects.

1 The Secretary, in determining the manner in which a
2 project is to be managed or disposed of, may balance com-
3 peting goals relating to individual projects in a manner
4 that will further the purposes of this section.

5 “(b) DEFINITIONS.—For purposes of this section:

6 “(1) MULTIFAMILY HOUSING PROJECT.—The
7 term ‘multifamily housing project’ means any multi-
8 family rental housing project which is, or prior to
9 acquisition by the Secretary was, assisted or insured
10 under the National Housing Act, or was subject to
11 a loan under section 202 of the Housing Act of
12 1959.

13 “(2) ASSISTED PROJECT.—The term ‘assisted
14 project’ means a multifamily housing project that,
15 immediately prior to the assignment of the mortgage
16 on such project to, or the acquisition of such mort-
17 gage by, the Secretary, was receiving any of the fol-
18 lowing types of assistance:

19 “(A) Rent supplement payments under sec-
20 tion 101 of the Housing and Urban Develop-
21 ment Act of 1965.

22 “(B) Additional assistance payments under
23 section 236(f)(2) of the National Housing Act.

24 “(C) Housing assistance payments made
25 under section 23 of the United States Housing

1 Act of 1937 (as in effect before January 1,
2 1975).

3 “(D) Housing assistance payments made
4 under section 8 of the United States Housing
5 Act of 1937 (excluding payments made for ten-
6 ant-based assistance under section 8).

7 “(3) AFFORDABLE.—A unit shall be considered
8 affordable if—

9 “(A) for units occupied—

10 “(i) by very low-income families, the
11 rent does not exceed 30 percent of 50 per-
12 cent of the area median income, as deter-
13 mined by the Secretary, with adjustments
14 for smaller and larger families, except that
15 the Secretary may establish the rent based
16 on an amount higher or lower than 50 per-
17 cent of the median for the area on the
18 basis of the Secretary’s findings that such
19 variation is necessary because of prevailing
20 levels of construction costs or fair market
21 rents, or unusually high or low family in-
22 comes; and

23 “(ii) by low-income families other
24 than very low-income families, the rent
25 does not exceed 30 percent of 80 percent

1 of the area median income, as determined
2 by the Secretary, except that the Secretary
3 may establish the rent based on an amount
4 higher or lower than 80 percent of the me-
5 dian for the area on the basis of the Sec-
6 retary's findings that such variation is nec-
7 essary because of prevailing levels of con-
8 struction costs or fair market rents, or un-
9 usually high or low family incomes; or

10 “(B) assistance is provided under section 8
11 of the United States Housing Act of 1937 for
12 the unit or on behalf of the family residing in
13 the unit.

14 “(4) DATE OF DISPOSITION.—The term ‘date of
15 disposition’ means, with respect to a multifamily
16 housing project acquired pursuant to this section by
17 a purchaser other than the Secretary at foreclosure
18 or after sale by the Secretary, the date on which the
19 project is acquired by the purchaser.

20 “(5) LOW-INCOME FAMILIES AND VERY LOW-IN-
21 COME FAMILIES.—The terms ‘low-income families’
22 and ‘very low-income families’ shall have the mean-
23 ings given the terms in section 3(b) of the United
24 States Housing Act of 1937.

1 “(6) PREEXISTING TENANT.—The term ‘pre-
2 existing tenant’ means, with respect to a multifamily
3 housing project acquired pursuant to this section by
4 a purchaser other than the Secretary at foreclosure
5 or after sale by the Secretary, a family that resides
6 in a unit in the project immediately before the date
7 of disposition of the project.

8 “(7) MARKET AREA.—The term ‘market area’
9 means a market area determined by the Secretary
10 for purposes of establishing fair market rentals
11 under section 8(e) of the United States Housing Act
12 of 1937.

13 “(8) SECRETARY.—The term ‘Secretary’ means
14 the Secretary of Housing and Urban Development.

15 “(c) MANAGEMENT OR DISPOSITION OF
16 PROJECTS.—

17 “(1) DISPOSITION TO PURCHASERS.—The Sec-
18 retary may, in carrying out this section, dispose of
19 a multifamily housing project owned by the Sec-
20 retary on a negotiated, competitive bid, or other
21 basis, on such terms as the Secretary deems appro-
22 priate considering the low-income character of the
23 project and the market area in which the project is
24 located and the requirements of this section, to a

1 purchaser determined by the Secretary to be capable
2 of—

3 “(A) satisfying the conditions of the dis-
4 position;

5 “(B) implementing a sound financial and
6 physical management program that is designed
7 to enable the project to meet anticipated oper-
8 ating and repair expenses to ensure that the
9 project will remain in decent, safe, and sanitary
10 condition;

11 “(C) responding to the needs of the ten-
12 ants and working cooperatively with tenant or-
13 ganizations;

14 “(D) providing adequate organizational,
15 staff, and financial resources to the project; and

16 “(E) meeting such other requirements as
17 the Secretary may determine.

18 “(2) CONTRACTING FOR MANAGEMENT SERV-
19 ICES.—The Secretary may, in carrying out this sec-
20 tion—

21 “(A) contract for management services for
22 a multifamily housing project that is owned by
23 the Secretary (or for which the Secretary is
24 mortgagee in possession), on a negotiated, com-
25 petitive bid, or other basis at a price deter-

1 mined by the Secretary to be reasonable, with
2 a manager the Secretary has determined is ca-
3 pable of—

4 “(i) implementing a sound financial
5 and physical management program that is
6 designed to enable the project to meet an-
7 ticipated operating and maintenance ex-
8 penses to ensure that the project will re-
9 main in decent, safe, and sanitary condi-
10 tion;

11 “(ii) responding to the needs of the
12 tenants and working cooperatively with
13 tenant organizations;

14 “(iii) providing adequate organiza-
15 tional, staff, and other resources to imple-
16 ment a management program determined
17 by the Secretary; and

18 “(iv) meeting such other requirements
19 as the Secretary may determine;

20 “(B) require the owner of a multifamily
21 housing project that is subject to a mortgage
22 held by the Secretary to contract for manage-
23 ment services for the project in the manner de-
24 scribed in subparagraph (A); and

1 “(C) contract for management of such
2 projects with nonprofit organizations and public
3 agencies, including public housing authorities.

4 “(d) MAINTENANCE OF HOUSING PROJECTS.—

5 “(1) HOUSING PROJECTS OWNED BY THE SEC-
6 RETARY.—In the case of multifamily housing
7 projects that are owned by the Secretary (or for
8 which the Secretary is mortgagee in possession), the
9 Secretary shall—

10 “(A) to the greatest extent possible, main-
11 tain all such occupied projects in a decent, safe,
12 and sanitary condition;

13 “(B) to the greatest extent possible, main-
14 tain full occupancy in all such projects; and

15 “(C) maintain all such projects for pur-
16 poses of providing rental or cooperative hous-
17 ing.

18 “(2) HOUSING PROJECTS SUBJECT TO A MORT-
19 GAGE HELD BY SECRETARY.—In the case of any
20 multifamily housing project that is subject to a
21 mortgage held by the Secretary, the Secretary shall
22 require the owner of the project to carry out the re-
23 quirements of paragraph (1).

24 “(3) HOUSING STANDARDS.—In disposing of
25 any multifamily housing project under this section,

1 the Secretary shall enter into an agreement with the
2 purchaser under which the purchaser agrees that the
3 project will be rehabilitated so that it is in compli-
4 ance with, and will be maintained in compliance
5 with, any standards under applicable State or local
6 laws, rules, ordinances, or regulations relating to the
7 physical condition of the housing and any such
8 standards established by the Secretary.

9 “(e) REQUIRED DISPOSITION ASSISTANCE FOR AS-
10 SISTED PROJECTS.—Except as provided in subsection (f),
11 in disposing of any assisted project to a purchaser other
12 than the Secretary at foreclosure or after sale by the Sec-
13 retary, the Secretary shall enter into a contract under sec-
14 tion 8 of the United States Housing Act of 1937 (to the
15 extent budget authority is available) with the owner of the
16 assisted project to provide project-based assistance under
17 such section for the project, subject to the following re-
18 quirements:

19 “(1) NUMBER OF UNITS ASSISTED.—The con-
20 tract shall be sufficient to assist at least all units in
21 the assisted project covered by an assistance con-
22 tract under any of the authorities referred to in sub-
23 section (b)(2) immediately before the date of disposi-
24 tion of the project.

1 “(2) VACANCIES.—The contract shall provide
2 that, when a vacancy occurs in any unit in the as-
3 sisted project requiring project-based rental assist-
4 ance pursuant to this subsection that is occupied by
5 a family who is not eligible for assistance under such
6 section 8, the owner shall lease the available unit to
7 a family eligible for assistance under such section 8.

8 “(f) OPTION TO SUBSTITUTE TENANT-BASED DIS-
9 POSITION ASSISTANCE FOR ASSISTED PROJECTS IN SOFT
10 MARKETS.—

11 “(1) AUTHORITY.—In disposing of any assisted
12 project that is located in a market area in which, in
13 the determination of the Secretary, an adequate sup-
14 ply of habitable, affordable housing for very low-in-
15 come families and other low-income families is avail-
16 able, the Secretary may, for any unit in the assisted
17 project otherwise required to receive assistance pur-
18 suant to subsection (e), provide tenant-based assist-
19 ance under section 8 of the United States Housing
20 Act of 1937 on behalf of one low-income family in-
21 stead of providing project-based assistance for the
22 unit.

23 “(2) FAMILY ASSISTED.—Notwithstanding any
24 other provision of law, the tenant-based assistance
25 provided under this subsection to replace project-

1 based assistance otherwise required for a unit in an
2 assisted project shall be used on behalf of the family
3 that is the preexisting tenant of such unit, during
4 the period beginning upon the availability of such
5 assistance and ending upon the earlier of (A) the ex-
6 piration of the term of the assistance contract for
7 the tenant-based assistance, or (B) the time at
8 which such family first fails to qualify for such as-
9 sistance. If, pursuant to the preceding sentence,
10 such assistance ceases to be used on behalf of the
11 preexisting tenant family of the unit, the public
12 housing agency administering such assistance may
13 make the assistance available to another family
14 qualified to receive such assistance from the agency.

15 “(3) ASSISTANCE CONTRACT.—Tenant-based
16 assistance under this subsection shall be provided
17 pursuant to an annual contribution contract entered
18 into by the Secretary and the appropriate public
19 housing agency.

20 “(4) APPLICABILITY OF AVAILABILITY AND AF-
21 FORDABILITY RESTRICTIONS.—The requirements of
22 subsection (g) shall apply to any unit in an assisted
23 project for which project-based assistance otherwise
24 required under subsection (e) has been replaced pur-

1 suant to this subsection by providing tenant-based
2 assistance.

3 “(g) REQUIRED AVAILABILITY AND AFFORDABILITY
4 RESTRICTIONS FOR UNASSISTED UNITS.—

5 “(1) IN GENERAL.—In disposing of any multi-
6 family housing project to a purchaser other than the
7 Secretary at foreclosure or after sale by the Sec-
8 retary, the Secretary shall require the purchaser of
9 the project to establish use or rent restrictions for
10 the project to ensure compliance, during the remain-
11 ing useful life of the project (as defined by the Sec-
12 retary), with the following requirements:

13 “(A) LOW-INCOME USE.—Subject to sub-
14 paragraph (B), any unit in the project that
15 does not receive project-based assistance under
16 subsection (e) shall be made available to only
17 low-income families and shall be affordable to
18 such families.

19 “(B) VERY LOW-INCOME UNITS.—In the
20 project, not less than 40 percent of the units
21 referred to in subparagraph (A) shall be made
22 available to only very low-income families and
23 shall be affordable to such families.

24 “(C) RENT RESTRICTIONS FOR UNAS-
25 SISTED VERY LOW-INCOME FAMILIES.—Any un-

1 assisted very low-income family who is a pre-
2 existing tenant of the project may not pay as
3 rent for a unit in the project an amount in ex-
4 cess of 30 percent of the adjusted income of the
5 family at any time during the period beginning
6 upon the date of disposition of the project and
7 ending upon the time at which the family first
8 fails to qualify as a very low-income family.

9 “(D) PHASE-IN OF RENT INCREASES.—If
10 the disposition under this section of any multi-
11 family housing project results in any rent in-
12 crease for any unassisted very low-income fam-
13 ily who is a preexisting tenant of the project
14 and is paying less than 30 percent of the ad-
15 justed income of the family for rent, such rent
16 increases shall be phased in equally over a pe-
17 riod of not less than 3 years.

18 “(2) ASSISTANCE FOR VERY LOW-INCOME TEN-
19 ANTS.—If, as a result of actions taken pursuant to
20 this subsection, the rent charged to any very low-in-
21 come family residing in a unit in the project for
22 which project-based assistance under subsection (e)
23 is not provided exceeds the amount payable as rent
24 under paragraph (1)(C), the Secretary shall provide

1 assistance under section 8 of such Act on behalf of
2 such family.

3 “(3) DEFINITION OF ‘UNASSISTED VERY LOW-
4 INCOME FAMILY’.—For purposes of this subsection,
5 the term ‘unassisted very low-income family’ means
6 a very low-income family who resides in a unit that
7 is not assisted with project-based assistance under
8 section 8 of the United States Housing Act of 1937
9 and on whose behalf tenant-based assistance under
10 such section is not provided.

11 “(h) DISCRETIONARY ACTIONS AND ASSISTANCE.—
12 In disposing of any multifamily housing project under this
13 section, the Secretary may take, in combination with the
14 actions required under subsections (e), (f), and (g), one
15 or more of the following actions:

16 “(1) DISCOUNTED SALES PRICE.—In accord-
17 ance with the authority provided under the National
18 Housing Act, the Secretary may reduce the selling
19 price of the project. Such reduced sales price shall
20 be reasonably related to the intended use of the
21 property after sale, any rehabilitation requirements
22 for the project, the rents for units in the project that
23 can be supported by the market, the amount of rent-
24 al assistance available for the project under section

1 8 of the United States Housing Act of 1937, and
2 the occupancy profile of the project.

3 “(2) SHORT-TERM LOANS.—The Secretary may
4 provide a short-term loan to facilitate the sale of a
5 multifamily housing project if—

6 “(A) the loan has a term of not more than
7 5 years;

8 “(B) the Secretary determines, based upon
9 documentation provided to the Secretary, that
10 the borrower has obtained a commitment of
11 permanent financing to replace the short-term
12 loan from a lender who meets standards estab-
13 lished by the Secretary; and

14 “(C) the terms of the loan are consistent
15 with prevailing practices in the marketplace or
16 the provision of the loan results in no cost to
17 the Government, as defined in section 502 of
18 the Congressional Budget Act of 1974.

19 To the extent or in such amounts as are provided in
20 appropriation Acts, during each of fiscal years 1995
21 and 1996 the Secretary may enter into loan commit-
22 ments under this paragraph and make loans under
23 this paragraph with an aggregate principal amount
24 of \$50,000,000. There are authorized to be appro-
25 priated such sums as may be necessary to cover any

1 costs (as such term is defined in section 502 of the
2 Congressional Budget Act of 1974) of loan obliga-
3 tions entered into pursuant to this paragraph.

4 “(3) UP-FRONT GRANTS AND LOANS.—

5 “(A) IN GENERAL.—The Secretary may
6 utilize the budget authority provided for con-
7 tracts issued under this section for project-
8 based assistance under section 8 of the United
9 States Housing Act of 1937 to (in addition to
10 providing project-based section 8 rental assist-
11 ance)—

12 “(i) provide up-front grants and loans
13 to nonprofit organizations or public agen-
14 cies (including public housing agencies) for
15 the necessary cost of rehabilitation and
16 other related development costs; or

17 “(ii) pay any cost to the Government,
18 as defined in section 502 of the Congres-
19 sional Budget Act of 1974, for loans made
20 pursuant to paragraph (3) of this sub-
21 section.

22 “(B) APPLICABILITY OF USE RESTRIC-
23 TIONS.—The requirements under subsection (g)
24 regarding units not receiving project-based as-
25 sistance under subsection (e) shall apply with

1 respect to any units in a project assisted under
2 this paragraph that otherwise would have re-
3 ceived project-based assistance under section 8
4 of the United States Housing Act of 1937.

5 “(C) AUTHORIZATION OF APPROPRIA-
6 TIONS.—There is authorized to be appropriated
7 for grants and loans under this paragraph
8 \$250,000,000 for each of fiscal years 1995 and
9 1996, of which such sums as may be necessary
10 shall be available in each such fiscal year for
11 the costs (as such term is defined in section
12 502 of the Congressional Budget Act of 1974)
13 of such loans.

14 “(4) ALTERNATIVE USES.—

15 “(A) IN GENERAL.—Notwithstanding any
16 other provision of law, after providing notice to
17 and an opportunity to comment by preexisting
18 tenants, the Secretary may allow not more than
19 5 percent of the total number of units in multi-
20 family housing projects that are disposed of by
21 the Secretary during any single fiscal year to be
22 made available for—

23 “(i) uses (other than rental or cooper-
24 ative uses) that benefit the tenants of the
25 project, including low-income homeowner-

1 ship opportunities, or in any particular
2 project, community space, office space for
3 tenant or housing-related service providers
4 or security programs, or small business
5 uses; or

6 “(ii) any other uses, if the Secretary
7 and the unit of general local government or
8 area-wide governing body determine that
9 such use will further fair housing, commu-
10 nity development, or neighborhood revital-
11 ization goals.

12 “(B) DISPLACEMENT PROTECTION.—The
13 Secretary may take actions under subparagraph
14 (A) only if—

15 “(i) tenant-based rental assistance
16 under section 8 of the United States Hous-
17 ing Act of 1937 is made available to each
18 eligible family residing in the project that
19 is displaced as a result of such actions; and

20 “(ii) the Secretary determines that
21 sufficient habitable, affordable rental hous-
22 ing is available in the market area in which
23 the project is located to allow use of such
24 assistance.

1 “(5) TRANSFER FOR USE UNDER OTHER PRO-
2 GRAMS OF SECRETARY.—

3 “(A) IN GENERAL.—Notwithstanding any
4 other provision of this section, the Secretary
5 may transfer a multifamily housing project—

6 “(i) to a public housing agency for use
7 of the project as public housing; or

8 “(ii) to an entity eligible to own or op-
9 erate housing assisted under section 202 of
10 the Housing Act of 1959 or under section
11 811 of the Cranston-Gonzalez National Af-
12 fordable Housing Act for use as supportive
13 housing under either of such sections.

14 “(B) REQUIREMENTS FOR AGREEMENT.—
15 An agreement providing for the transfer of a
16 project described in subparagraph (A) shall—

17 “(i) contain such terms, conditions,
18 and limitations as the Secretary deter-
19 mines appropriate, including requirements
20 to ensure use of the project as public hous-
21 ing, supportive housing under section 202
22 of the Housing Act of 1959, or supportive
23 housing under section 811 of the Cran-
24 ston-Gonzalez National Affordable Housing
25 Act, as applicable; and

1 “(ii) ensure that no tenant of the
2 project will be displaced as a result of ac-
3 tions taken under this paragraph.

4 “(i) CONTRACT REQUIREMENTS.—Contracts for
5 project-based rental assistance under section 8 of the
6 United States Housing Act of 1937 provided pursuant to
7 this section shall be subject to the following requirements:

8 “(1) CONTRACT TERM.—The contract shall
9 have a term of 15 years, except that—

10 “(A) the term may be less than 15 years
11 to the extent that the Secretary finds that,
12 based on the rental charges and financing for
13 the multifamily housing project to which the
14 contract relates, the financial viability of the
15 project can be maintained under a contract hav-
16 ing such a term;

17 “(B) to the extent that units receive
18 project-based assistance for a contract term of
19 less than 15 years, the Secretary shall require
20 that the amount of rent payable by tenants of
21 the project for such units shall not exceed the
22 amount payable for rent under section 3(a) of
23 the United States Housing Act of 1937 for a
24 period of at least 15 years; and

1 “(C) the term may be less than 15 years
2 if such assistance is provided—

3 “(i) under a contract authorized
4 under section 6 of the HUD Demonstra-
5 tion Act of 1993; and

6 “(ii) pursuant to a disposition plan
7 under this section for a project that is de-
8 termined by the Secretary to be otherwise
9 in compliance with this section.

10 “(2) CONTRACT RENT.—The Secretary shall es-
11 tablish contract rents for section 8 project-based
12 rental contracts issued under this section at levels
13 that provide sufficient amounts for the necessary
14 costs of acquiring (if any), rehabilitating, and oper-
15 ating the multifamily housing project and do not ex-
16 ceed 144 percent of the existing housing fair market
17 rentals for the market area in which the project as-
18 sisted under the contract is located.

19 “(j) DISPOSITION PLAN.—

20 “(1) IN GENERAL.—Prior to the sale of a mul-
21 tifamily housing project that is owned by the Sec-
22 retary, the Secretary shall develop an initial disposi-
23 tion plan for the project that specifies the minimum
24 terms and conditions of the Secretary for disposition
25 of the project, the initial sales price that is accept-

1 able to the Secretary, and the assistance that the
2 Secretary plans to make available to a prospective
3 purchaser in accordance with this section.

4 “(2) MARKET-WIDE PLANS.—In developing ini-
5 tial disposition plans under this subsection, the Sec-
6 retary shall coordinate the disposition of multifamily
7 housing projects located within the same market
8 area to the extent and in such manner as the Sec-
9 retary determines appropriate to carry out the goals
10 under subsection (a).

11 “(3) SALES PRICE.—The initial sales price shall
12 be reasonably related to the intended use of the
13 property after sale, any rehabilitation requirements
14 for the project, the rents for units in the project that
15 can be supported by the market, the amount of rent-
16 al assistance available for the project under section
17 8 of the United States Housing Act of 1937, and
18 the occupancy profile of the project.

19 “(4) COMMUNITY AND TENANT INPUT.—In car-
20 rying out this section, the Secretary shall develop
21 procedures—

22 “(A) to obtain appropriate and timely
23 input into disposition plans from officials of the
24 unit of general local government and any State
25 government affected, the community in which

1 the project is situated, and the tenants of the
2 project; and

3 “(B) to facilitate, where feasible and ap-
4 propriate, the sale of multifamily housing
5 projects to existing tenant organizations with
6 demonstrated capacity, to public or nonprofit
7 entities that represent or are affiliated with ex-
8 isting tenant organizations, or to other public
9 or nonprofit entities.

10 “(5) TECHNICAL ASSISTANCE.—To carry out
11 the procedures developed under paragraph (4), the
12 Secretary may provide technical assistance, directly
13 or indirectly, and may use amounts available for
14 technical assistance under the Emergency Low In-
15 come Housing Preservation Act of 1987, subtitle C
16 of the Low-Income Housing Preservation and Resi-
17 dent Homeownership Act of 1990, subtitle B of title
18 IV of the Cranston-Gonzalez National Affordable
19 Housing Act, or this section, for the provision of
20 technical assistance under this paragraph. Recipients
21 of technical assistance funding under the provisions
22 referred to in this paragraph shall be permitted to
23 provide technical assistance to the extent of such
24 funding under any of such provisions or under this

1 paragraph, notwithstanding the source of the fund-
2 ing.

3 “(k) RIGHT OF FIRST REFUSAL FOR LOCAL AND
4 STATE GOVERNMENT AGENCIES.—

5 “(1) NOTIFICATION OF ACQUISITION OF
6 TITLE.—Not later than 30 days after acquiring title
7 to a multifamily housing project, the Secretary shall
8 notify the unit of general local government (which,
9 for purposes of this subsection, shall include any
10 public housing agency) for the area in which the
11 project is located and the State agency or agencies
12 designated by the Governor of the State in which the
13 project is located of such acquisition.

14 “(2) RIGHT OF FIRST REFUSAL.—During the
15 period beginning upon acquisition of title to a multi-
16 family housing project and ending 45 days after
17 completion of notification under paragraph (1), the
18 Secretary may offer to sell and may sell the project
19 only to the unit of general local government or the
20 designated State agency.

21 “(3) EXPRESSION OF INTEREST.—The unit of
22 general local government or designated State agency
23 may submit to the Secretary a preliminary expres-
24 sion of interest in a project not later than 45 days
25 after receiving notification from the Secretary under

1 paragraph (1) regarding the project. The Secretary
2 may take such actions as may be necessary to re-
3 quire the unit of general local government or des-
4 ignated State agency to substantiate such interest.

5 “(4) TIMELY EXPRESSION OF INTEREST.—If
6 the unit of general local government or designated
7 State agency has submitted an expression of interest
8 in a project before the expiration of the 45-day pe-
9 riod referred to in paragraph (3) and has substan-
10 tiated such interest if requested, the Secretary, upon
11 approval of a disposition plan for the project, shall—

12 “(A) notify the unit of general local gov-
13 ernment and designated State agency of the
14 terms and conditions of the disposition plan;
15 and

16 “(B) provide that, for 90 days after the
17 date of such notification, only the unit of gen-
18 eral local government or designated State agen-
19 cy may make an offer to purchase the project.

20 “(5) FAILURE TO TIMELY EXPRESS INTER-
21 EST.—If the unit of general local government or des-
22 ignated State agency does not timely express and, if
23 requested, substantiate interest in a project as pro-
24 vided in paragraph (4), the Secretary may offer the

1 project for sale to any interested person or entity
2 upon approval of the disposition plan for the project.

3 “(6) ACCEPTANCE OF OFFERS.—If the unit of
4 general local government or designated State agency
5 timely expresses and, if requested, substantiates in-
6 terest in a project as provided in paragraph (4), the
7 Secretary shall accept an offer made by the unit of
8 general local government or designated State agency
9 during the 90-day period for the project under para-
10 graph (4)(B) that complies with the terms and con-
11 ditions of the disposition plan for the project. The
12 Secretary may accept an offer that does not comply
13 with the terms and conditions of the disposition plan
14 if the Secretary determines that the offer will fur-
15 ther the goals specified in subsection (a) by actions
16 that include extension of the duration of low-income
17 affordability restrictions or otherwise restructuring
18 the transaction in a manner that enhances the long-
19 term affordability for low-income persons. The Sec-
20 retary may reduce the initial sales price in exchange
21 for the extension of low-income affordability restric-
22 tions beyond the period of assistance contemplated
23 by the attachment of assistance pursuant to sub-
24 section (i)(1) and in order to facilitate affordable
25 rents.

1 “(7) FAILURE TO SELL TO LOCAL OR STATE
2 GOVERNMENT AGENCY.—If the Secretary and the
3 unit of general local government or designated State
4 agency cannot reach agreement on an offer for pur-
5 chase of a project within the 90-day period for the
6 project under paragraph (4)(B), the Secretary may
7 offer the project for sale to the general public.

8 “(8) PURCHASE BY UNIT OF GENERAL LOCAL
9 GOVERNMENT OR DESIGNATED STATE AGENCY.—
10 Notwithstanding any other provision of law, a unit
11 of general local government (including a public hous-
12 ing agency) or designated State agency may pur-
13 chase a project in accordance with this subsection.

14 “(9) APPLICABILITY.—This subsection shall
15 apply to projects that are acquired on or after the
16 effective date of this subsection. With respect to
17 projects acquired before such effective date, the Sec-
18 retary may apply—

19 “(A) the requirements of paragraphs (2)
20 and (3) of section 203(e) (as in effect imme-
21 diately before the effective date of this sub-
22 section); or

23 “(B) the requirements of paragraphs (1)
24 through (7) of this subsection, if—

1 “(i) the Secretary gives the unit of
2 general local government or designated
3 State agency 45 days to express interest in
4 the project; and

5 “(ii) the unit of general local govern-
6 ment or designated State agency expresses
7 interest in the project before the expiration
8 of the 45-day period, and substantiates
9 such interest if requested, within 90 days
10 from the date of notification of the terms
11 and conditions of the disposition plan to
12 make an offer to purchase the project.

13 “(10) TRANSFER BY LOCAL OR STATE GOVERN-
14 MENT AGENCY PURCHASERS.—The Secretary shall
15 permit units of general local government and des-
16 ignated State agencies to transfer multifamily hous-
17 ing projects acquired under the right of first refusal
18 under this subsection to a private entity, but only if
19 the local government or State agency identifies—

20 “(A) in the offer to purchase the project
21 accepted by the Secretary under this subsection,
22 whether it may transfer the project after acqui-
23 sition; and

24 “(B) before the project is transferred, the
25 date of the transfer and the transferee.

1 “(l) DISPLACEMENT OF TENANTS AND RELOCATION
2 ASSISTANCE.—

3 “(1) IN GENERAL.—Whenever tenants will be
4 displaced as a result of the disposition of, or repairs
5 to, a multifamily housing project that is owned by
6 the Secretary (or for which the Secretary is mortga-
7 gee in possession), the Secretary shall identify ten-
8 ants who will be displaced and shall notify all such
9 tenants of their pending displacement and of any re-
10 location assistance that may be available. In the case
11 of the displacement of tenants of a multifamily hous-
12 ing project that is not owned by the Secretary (and
13 for which the Secretary is not mortgagee in posses-
14 sion), the Secretary shall require the owner of the
15 project to carry out the requirements of this para-
16 graph.

17 “(2) RIGHTS OF DISPLACED TENANTS.—The
18 Secretary shall ensure for any such tenant (who con-
19 tinues to meet applicable qualification standards)
20 the right—

21 “(A) to return, whenever possible, to a re-
22 paired unit;

23 “(B) to occupy a unit in another multifam-
24 ily housing project owned by the Secretary;

1 “(C) to obtain housing assistance under
2 the United States Housing Act of 1937; or

3 “(D) to receive any other available reloca-
4 tion assistance as the Secretary determines to
5 be appropriate.

6 “(m) MORTGAGE AND PROJECT SALES.—

7 “(1) IN GENERAL.—The Secretary may not ap-
8 prove the sale of any loan or mortgage held by the
9 Secretary (including any loan or mortgage owned by
10 the Government National Mortgage Association) on
11 any subsidized project or formerly subsidized
12 project, unless such sale is made as part of a trans-
13 action that will ensure that such project will con-
14 tinue to operate at least until the maturity date of
15 such loan or mortgage, in a manner that will provide
16 rental housing on terms at least as advantageous to
17 existing and future tenants as the terms required by
18 the program under which the loan or mortgage was
19 made or insured prior to the assignment of the loan
20 or mortgage on such project to the Secretary.

21 “(2) SALE OF CERTAIN PROJECTS.—The Sec-
22 retary may not approve the sale of any subsidized
23 project—

24 “(A) that is subject to a mortgage held by
25 the Secretary; or

1 “(B) if the sale transaction involves the
2 provision of any additional subsidy funds by the
3 Secretary or a recasting of the mortgage, unless
4 such sale is made as part of a transaction that
5 will ensure that such project will continue to
6 operate at least until the maturity date of the
7 loan or mortgage, in a manner that will provide
8 rental housing on terms at least as advan-
9 tageous to existing and future tenants as the
10 terms required by the program under which the
11 loan or mortgage was made or insured prior to
12 the proposed sale of the project.

13 “(3) MORTGAGE SALES TO STATE AND LOCAL
14 GOVERNMENTS.—Notwithstanding any provision of
15 law that may require competitive sales or bidding,
16 the Secretary may carry out negotiated sales of sub-
17 sidized or formerly subsidized mortgages held by the
18 Secretary, without the competitive selection of pur-
19 chasers or intermediaries, to units of general local
20 government or State agencies, or groups of investors
21 that include at least one such unit of general local
22 government or State agency, if the negotiations are
23 conducted with such agencies, except that—

24 “(A) the terms of any such sale shall in-
25 clude the agreement of the purchasing agency

1 or unit of local government or State agency to
2 act as mortgagee or owner of a beneficial inter-
3 est in such mortgages, in a manner consistent
4 with maintaining the projects that are subject
5 to such mortgages for occupancy by the general
6 tenant group intended to be served by the appli-
7 cable mortgage insurance program, including,
8 to the extent the Secretary determines appro-
9 priate, authorizing such unit of local govern-
10 ment or State agency to enforce the provisions
11 of any regulatory agreement or other program
12 requirements applicable to the related projects;
13 and

14 “(B) the sales prices for such mortgages
15 shall be, in the determination of the Secretary,
16 the best prices that may be obtained for such
17 mortgages from a unit of general local govern-
18 ment or State agency, consistent with the ex-
19 pectation and intention that the projects fi-
20 nanced will be retained for use under the appli-
21 cable mortgage insurance program for the life
22 of the initial mortgage insurance contract.

23 “(4) SALE OF MORTGAGES COVERING
24 UNSUBSIDIZED PROJECTS.—Notwithstanding any
25 other provision of law, the Secretary may sell mort-

1 gages held on unsubsidized projects on such terms
2 and conditions as the Secretary may prescribe.

3 “(5) DEFINITIONS.—For purposes of this sub-
4 section:

5 “(A) SUBSIDIZED PROJECT.—The term
6 ‘subsidized project’ means a multifamily hous-
7 ing project that, immediately prior to the as-
8 signment of the mortgage on such project to, or
9 the acquisition of such mortgage by, the Sec-
10 retary, was receiving any of the following types
11 of assistance:

12 “(i) Below market interest rate mort-
13 gage insurance under the proviso of section
14 221(d)(5) of the National Housing Act.

15 “(ii) Interest reduction payments
16 made in connection with mortgages insured
17 under section 236 of the National Housing
18 Act.

19 “(iii) Direct loans made under section
20 202 of the Housing Act of 1959.

21 “(iv) Assistance in the form of—

22 “(I) rent supplement payments
23 under section 101 of the Housing and
24 Urban Development Act of 1965;

1 “(II) housing assistance pay-
2 ments made under section 23 of the
3 United States Housing Act of 1937
4 (as in effect before January 1, 1975);
5 or

6 “(III) housing assistance pay-
7 ments made under section 8 of the
8 United States Housing Act of 1937
9 (excluding payments made for tenant-
10 based assistance under section 8),
11 if (except for purposes of section 183(c) of
12 the Housing and Community Development
13 Act of 1987) such assistance payments are
14 made to more than 50 percent of the units
15 in the project.

16 “(B) FORMERLY SUBSIDIZED PROJECT.—
17 The term ‘formerly subsidized project’ means a
18 multifamily housing project owned by the Sec-
19 retary that was a subsidized project imme-
20 diately prior to its acquisition by the Secretary.

21 “(C) UNSUBSIDIZED PROJECT.—The term
22 ‘unsubsidized project’ means a multifamily
23 housing project owned by the Secretary that is
24 not a subsidized project or a formerly sub-
25 sidized project.

1 “(n) HUD DISPOSITION TEAM.—

2 “(1) IN GENERAL.—The Secretary shall estab-
3 lish and maintain within the Department of Housing
4 and Urban Development a multifamily housing dis-
5 position team under this subsection consisting of
6 employees of the Department. The Secretary may
7 disband the multifamily housing disposition team
8 only after determining that the inventory of multi-
9 family housing projects that are owned by the Sec-
10 retary or subject to a mortgage held by the Sec-
11 retary existing upon the date of the enactment of
12 this subsection has been eliminated or substantially
13 reduced.

14 “(2) DUTIES.—The sole responsibilities of the
15 multifamily housing disposition team shall be to fa-
16 cilitate the disposition under this section of multi-
17 family housing projects that are owned by the Sec-
18 retary or are subject to a mortgage held by the Sec-
19 retary for the purpose of eliminating the inventory
20 of such projects of the Department of Housing and
21 Urban Development.

22 “(3) ACTIVITIES.—In carrying out its respon-
23 sibilities under paragraph (2), the multifamily hous-
24 ing disposition team shall—

1 “(A) review the inventory of multifamily
2 housing projects of the Department of Housing
3 and Urban Development;

4 “(B) determine the locations having the
5 most such projects;

6 “(C) make on-site visits to area, field, and
7 other local offices of the Department to conduct
8 its responsibilities with respect to multifamily
9 housing projects located within the jurisdiction
10 of such offices, giving priority to offices in loca-
11 tions having the most such projects; and

12 “(D) assist the employees and staff of such
13 offices to establish schedules and disposition
14 plans for the disposition of multifamily housing
15 projects located within the jurisdiction of such
16 offices and to implement such schedules, plans,
17 and disposition.

18 “(4) USE OF EXISTING EMPLOYEES.—This sub-
19 section may not be construed to require or authorize
20 the Secretary to establish any employment position
21 in addition to the number of employment positions
22 of the Department of Housing and Urban Develop-
23 ment otherwise authorized in law.

24 “(o) REPORT TO CONGRESS.—Not later than June
25 1 of each year, the Secretary shall submit to the Congress

1 a report describing the status of multifamily housing
2 projects owned by or subject to mortgages held by the Sec-
3 retary. The report shall include—

4 “(1) the name, address, and size of each
5 project;

6 “(2) the nature and date of assignment of each
7 project;

8 “(3) the status of the mortgage for each
9 project;

10 “(4) the physical condition of each project;

11 “(5) for each project, an occupancy profile of
12 the project, stating the income, family size, race, and
13 ethnic origin of current residents and the rents paid
14 by such residents, to the extent such information is
15 available;

16 “(6) the proportion of units in each project that
17 are vacant;

18 “(7) the date on which the Secretary became
19 mortgagee in possession of each project, if applica-
20 ble;

21 “(8) the date and conditions of any foreclosure
22 sale for a project;

23 “(9) the date of acquisition of each project by
24 the Secretary, if applicable;

1 “(10) the date and conditions of any property
2 disposition sale for a project;

3 “(11) a description of actions undertaken pur-
4 suant to this section, including a description of the
5 effectiveness of such actions and any impediments to
6 the disposition or management of multifamily hous-
7 ing projects;

8 “(12) a description of any of the functions per-
9 formed in connection with this section that are con-
10 tracted out to public or private entities or to States;
11 and

12 “(13) a description of the activities carried out
13 under subsection (k) during the preceding year.”.

14 **SEC. 433. CLARIFICATION OF PUBLIC HOUSING PREF-**
15 **ERENCES.**

16 Section 6(c)(4)(A)(i) of the United States Housing
17 Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by
18 inserting after “displaced” the following: “(including dis-
19 placement because of disposition of a multifamily housing
20 project under section 203 of the Housing and Community
21 Development Amendments of 1978)”.

22 **SEC. 434. AMENDMENT TO NATIONAL HOUSING ACT.**

23 Title V of the National Housing Act (12 U.S.C.
24 1731a et seq.) is amended by adding at the end the follow-
25 ing new section:

14 “(1) accept partial payment of the claim under
15 the mortgage insurance contract; and

18 “(b) REPAYMENT.—As a condition to a partial claim
19 payment under this section, the mortgagor shall agree to
20 repay to the Secretary the amount of such payment and
21 such obligation shall be secured by a second mortgage on
22 the property on such terms and conditions as the Sec-
23 retary may determine.”.

1 **SEC. 435. EFFECTIVE DATE.**

2 The Secretary shall issue interim regulations nec-
3 essary to implement the amendments made by sections
4 432 and 433 not later than 90 days after the date of the
5 enactment of this Act. Such interim regulations shall take
6 effect upon issuance and invite public comment on the in-
7 terim regulations. The Secretary shall issue final regula-
8 tions to implement such amendments after opportunity for
9 such public comment, but not later than 12 months after
10 the date of issuance of such interim regulations.

11 **Subtitle C—Secondary Mortgage**
12 **Market Programs**

13 **SEC. 451. LIMITATION ON GNMA GUARANTEES OF MORT-**
14 **GAGE-BACKED SECURITIES.**

15 Section 306(g)(2) of the Federal National Mortgage
16 Association Charter Act (12 U.S.C. 1721(g)(2)) is amend-
17 ed to read as follows:

18 “(2) Notwithstanding any other provision of law and
19 subject only to the absence of qualified requests for guar-
20 antees, to the authority provided in this subsection, and
21 to the extent of or in such amounts as any funding limita-
22 tion approved in appropriation Acts, the Association shall
23 enter into commitments to issue guarantees under this
24 subsection in an aggregate amount of \$130,000,000,000
25 during fiscal year 1995 and \$130,000,000,000 during fis-
26 cal year 1996. There are authorized to be appropriated

1 to cover the costs (as such term is defined in section 502
2 of the Congressional Budget Act of 1974) of guarantees
3 issued under this Act by the Association such sums as may
4 be necessary for each of fiscal years 1995 and 1996.”.

5 **Subtitle D—Emergency Mortgage**
6 **Relief**

7 **SEC. 471. AMENDMENTS TO EMERGENCY HOMEOWNERS’**
8 **RELIEF ACT.**

9 (a) FINDINGS.—Section 102(a) of the Emergency
10 Homeowners’ Relief Act (12 U.S.C. 2701(a)) is amend-
11 ed—

12 (1) by striking paragraph (1) and inserting the
13 following new paragraph:

14 “(1) certain homeowners in the United States
15 are encountering severe economic hardships as a re-
16 sult of unemployment or a reduction in income;”;

17 (2) in paragraph (2), by striking “adverse eco-
18 nomic conditions” and inserting “economic hard-
19 ships”; and

20 (3) in paragraph (3), by striking “economic
21 conditions” and inserting “their economic condi-
22 tions”.

23 (b) MORTGAGES ELIGIBLE FOR ASSISTANCE.—Sec-
24 tion 103 of the Emergency Homeowners’ Relief Act (12
25 U.S.C. 2702) is amended—

1 (1) in paragraph (5), by striking “and” at the
2 end;

3 (2) in paragraph (6)—

4 (A) by inserting “a 1- to 4-family resi-
5 dence that is” after “is”; and

6 (B) by striking the period at the end and
7 inserting “; and”; and

8 (3) by adding at the end the following new
9 paragraph:

10 “(7) the delinquency for which the holder of the
11 mortgage intends to foreclose commenced after the
12 date of the enactment of the Housing and Commu-
13 nity Development Act of 1994.”.

14 (c) AUTHORIZATION OF APPROPRIATIONS.—Section
15 109(a) of the Emergency Homeowners’ Relief Act (12
16 U.S.C. 2708(a)) is amended by striking “, except that”
17 and all that follows through “\$500,000,000” and inserting
18 “for fiscal years 1995 and 1996”.

19 (d) EXPIRATION DATE.—Section 109(b) of the
20 Emergency Homeowners’ Relief Act (12 U.S.C. 2708(b))
21 is amended by striking “September 30, 1977” and insert-
22 ing “September 30, 1996”.

23 (e) NOTIFICATION.—Section 110 of the Emergency
24 Homeowners’ Relief Act (12 U.S.C. 2709) is amended—

25 (1) in clause (1) of the 1st sentence—

1 (A) by striking “October 1, 1977” and in-
2 serting “September 30, 1996”; and

3 (B) by inserting “single family” before
4 “residential”;

5 (2) in clause (2) of the 1st sentence, by striking
6 “until one year from the date of the enactment of
7 this title” and inserting “during fiscal years 1995
8 and 1996”; and

9 (3) in the 2d sentence, by striking “Federal
10 Home Loan Bank Board, the Federal Savings and
11 Loan Insurance Corporation” and inserting “Office
12 of Thrift Supervision”.

13 (f) REPORTS.—Section 111 of the Emergency Home-
14 owners’ Relief Act (12 U.S.C. 2710) is amended—

15 (1) by striking “Within” and all that follows
16 through “Congress on” and inserting the following:
17 “For fiscal year 1995 and each fiscal year thereafter
18 that begins before the date in section 109(b), the
19 Secretary shall submit a report under this section to
20 the Congress. The report for a fiscal year shall be
21 submitted not later than 60 days after the end of
22 the fiscal year and shall describe”;

23 (2) by striking “purposes” and inserting “pur-
24 pose”;

25 (3) by inserting “and” before “(4)”; and

1 (4) by striking “; and (5)” and all that follows
2 and inserting a period.

3 **TITLE V—RURAL HOUSING**

4 **SEC. 501. PROGRAM AUTHORIZATIONS.**

5 (a) INSURANCE AND GUARANTEE AUTHORITY.—Sec-
6 tion 513(a) of the Housing Act of 1949 (42 U.S.C.
7 1483(a)) is amended to read as follows:

8 “(a) INSURANCE AND GUARANTEE AUTHORITY.—

9 “(1) IN GENERAL.—The Secretary may, to the
10 extent approved in appropriation Acts, insure and
11 guarantee loans under this title during fiscal years
12 1995 and 1996, in aggregate amounts not to exceed
13 \$3,424,779,720 and \$3,527,523,112, respectively, as
14 follows:

15 “(A) For insured or guaranteed loans
16 under section 502 on behalf of low-income bor-
17 rowers receiving assistance under section
18 521(a)(1), \$1,802,500,000 for fiscal year 1995
19 and \$1,856,575,000 for fiscal year 1996.

20 “(B) For guaranteed loans under section
21 502(h) on behalf of low- and moderate-income
22 borrowers, \$772,500,000 for fiscal year 1995
23 and \$795,675,000 for fiscal year 1996.

1 “(C) For loans under section 504,
2 \$36,050,000 for fiscal year 1995 and
3 \$37,131,500 for fiscal year 1996.

4 “(D) For insured loans under section 514,
5 \$18,053,950 for fiscal year 1995 and
6 \$18,595,569 for fiscal year 1996.

7 “(E) For insured loans under section 515,
8 \$793,675,770 for fiscal year 1995 and
9 \$817,486,043 for fiscal year 1996.

10 “(F) For loans under section
11 523(b)(1)(B), \$1,000,000 for fiscal year 1995
12 and \$1,030,000 for fiscal year 1996.

13 “(G) For site loans under section 524,
14 \$1,000,000 for fiscal year 1995 and \$1,030,000
15 for fiscal year 1996.

16 “(2) LIMITATION ON USE.—Notwithstanding
17 any other provision of law, insured or guaranteed
18 loan authority in this title for any fiscal year shall
19 not be transferred or used for any purpose not speci-
20 fied in this title.”.

21 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
22 513(b) of the Housing Act of 1949 (42 U.S.C. 1483(b))
23 is amended to read as follows:

24 “(b) AUTHORIZATION OF APPROPRIATIONS.—There
25 are authorized to be appropriated for fiscal years 1995

1 and 1996, and to remain available until expended, the fol-
2 lowing amounts:

3 “(1) For grants under section 502(c)(5)(C)(i),
4 \$10,000,000 for fiscal year 1995, and \$10,000,000
5 for fiscal year 1996.

6 “(2) For grants under section 504,
7 \$31,000,000 for fiscal year 1995 and \$31,930,000
8 for fiscal year 1996.

9 “(3) For purposes of section 509(c),
10 \$1,000,000 for fiscal year 1995 and \$1,030,000 for
11 fiscal year 1996.

12 “(4) For project preparation grants under sec-
13 tion 509(f)(6), \$5,688,278 for fiscal year 1995 and
14 \$5,858,926 for fiscal year 1996.

15 “(5) In fiscal years 1995 and 1996, such sums
16 as may be necessary to meet payments on notes or
17 other obligations issued by the Secretary under sec-
18 tion 511 equal to—

19 “(A) the aggregate of the contributions
20 made by the Secretary in the form of credits on
21 principal due on loans made pursuant to section
22 503; and

23 “(B) the interest due on a similar sum
24 represented by notes or other obligations issued
25 by the Secretary.

1 “(6) For grants for service coordinators under
2 section 515(y), \$1,073,260 for fiscal year 1995 and
3 \$1,105,458 for fiscal year 1996.

4 “(7) For financial assistance under section
5 516—

6 “(A) for low-rent housing and related fa-
7 cilities for domestic farm labor under sub-
8 sections (a) through (j) of such section,
9 \$23,289,742 for fiscal year 1995 and
10 \$23,988,434 for fiscal year 1996; and

11 “(B) for housing for rural homeless and
12 migrant farmworkers under subsection (k) of
13 such section, \$11,269,230 for fiscal year 1995
14 and \$11,607,307 for fiscal year 1996.

15 “(8) For grants under section 523(f),
16 \$14,918,314 for fiscal year 1995 and \$15,365,863
17 for fiscal year 1996.

18 “(9) For grants under section 533,
19 \$33,056,408 for fiscal year 1993 and \$34,048,100
20 for fiscal year 1994.

21 “(10) For grants under section 538,
22 \$10,000,000 for fiscal year 1995, which shall remain
23 available until the end of fiscal year 1997.

1 “(11) For assistance under section 539,
2 \$20,000,000 for fiscal year 1995 and \$20,600,000
3 for fiscal year 1996.”.

4 (c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—
5 Section 513(c) of the Housing Act of 1949 (42 U.S.C.
6 1483(c)(1)) is amended by striking “(c)” and all that fol-
7 lows through the end of paragraph (1) and inserting the
8 following:

9 “(c) RENTAL AND OPERATING ASSISTANCE.—(1)
10 The Secretary, to the extent approved in appropriations
11 Acts for fiscal years 1995 and 1996, may enter into rental
12 assistance payment contracts under section 521(a)(2)(A)
13 and contracts for operating assistance under section
14 521(a)(5), aggregating \$454,079,620 for fiscal year 1995
15 and \$467,702,009 for fiscal year 1996.”.

16 (d) SUPPLEMENTAL RENTAL ASSISTANCE PAYMENT
17 CONTRACTS.—Section 513(d) of the Housing Act of 1949
18 (42 U.S.C. 1483(d)) is amended to read as follows:

19 “(d) SUPPLEMENTAL RENTAL ASSISTANCE CON-
20 TRACTS.—The Secretary, to the extent approved in appro-
21 priations Acts for fiscal years 1995 and 1996, may enter
22 into 5-year supplemental rental assistance contracts under
23 section 502(c)(5)(D) aggregating \$13,070,160 for fiscal
24 year 1995 and \$13,462,265 for fiscal year 1996.”.

1 (e) RURAL HOUSING VOUCHER AUTHORITY.—Sec-
2 tion 513(e) of the Housing Act of 1949 (42 U.S.C.
3 1483(e)) is amended to read as follows:

4 “(e) RURAL HOUSING VOUCHERS.—There are au-
5 thorized to be appropriated for rural housing vouchers
6 under section 542, \$144,200,000 for fiscal year 1995 and
7 \$148,526,000 for fiscal year 1996.”.

8 (f) RENTAL HOUSING LOAN AUTHORITY.—Section
9 515(b) of the Housing Act of 1949 (42 U.S.C. 1485(b))
10 is amended—

11 (1) by striking paragraph (4); and

12 (2) by redesignating paragraphs (5) and (6) as
13 paragraphs (4) and (5), respectively.

14 **SEC. 502. SECTION 502 HOMEOWNERSHIP LOANS.**

15 (a) REMOTE RURAL AREAS.—Section 502(f) of the
16 Housing Act of 1949 (42 U.S.C. 1472(f)) is amended—

17 (1) by striking paragraph (1):

18 (2) by redesignating paragraph (2) as para-
19 graph (1); and

20 (3) by adding at the end the following new
21 paragraph:

22 “(2) SECURITY.—In making a loan under this
23 section for housing located in a rural area that is a
24 remote rural area (which shall include tribal allotted
25 or Indian trust land) where the borrower resides or

1 is employed, the Secretary shall consider the actual
2 cost of the property and structure for which the loan
3 is made as adequate security for the loan required
4 under subsection (b).”.

5 (b) PERMANENT DEFERRED MORTGAGE PRO-
6 GRAM.—Section 502(g) of the Housing Act of 1949 (42
7 U.S.C. 1472(g)) is amended—

8 (1) in the subsection heading, by striking
9 “DEMONSTRATION” and inserting “PROGRAM”; and

10 (2) by striking paragraph (3).

11 (c) REAMORTIZATION AND REFINANCING.—Section
12 505 of the Housing Act of 1949 (42 U.S.C. 1475) is
13 amended—

14 (1) in the section heading, by inserting “,
15 REAMORTIZATION, AND” after “MORATORIUM”;

16 (2) in subsection (a), by inserting before the
17 last sentence the following: “The Secretary may not
18 foreclose such a mortgage securing such a loan upon
19 which a moratorium has been granted solely because
20 the borrower does not have the ability to repay the
21 loan. Upon the expiration of a moratorium, the Sec-
22 retary shall enter into an agreement with the bor-
23 rower providing to the borrower such assistance as
24 the Secretary is authorized to provide under this sec-
25 tion and may foreclose with respect to the loan only

1 if the borrower fails to make 3 monthly payments
2 required under such agreement.”;

3 (3) by redesignating subsection (b) as sub-
4 section (c); and

5 (4) by inserting after subsection (a) the follow-
6 ing new subsection:

7 “(b) REAMORTIZATION AND REFINANCING.—

8 “(1) AUTHORITY.—With respect to a loan made
9 under section 502, after a moratorium under sub-
10 section (a) of this section for the loan or at any
11 other time the Secretary considers appropriate and
12 necessary to enable the borrower under the loan to
13 retain possession of the home securing the loan, the
14 Secretary may—

15 “(A) reamortize the outstanding indebted-
16 ness, including principal and interest, under the
17 loan for a period not to exceed 38 years from
18 the date of the making of the loan, subject to
19 the provisions of paragraph (2); or

20 “(B) make a new loan under section 502
21 to the borrower, the proceeds of which shall be
22 used to liquidate such indebtedness.

23 “(2) GRADUATED REPAYMENT AGREEMENT.—

24 In reamortizing a loan pursuant to paragraph
25 (1)(A), the Secretary may establish a schedule of

1 payments under the loan that provides for payments
2 in an amount less than the amount of the payments
3 originally provided for under the loan agreement for
4 a period not exceeding 3 years.”.

5 **SEC. 503. PREPAYMENT OF RURAL RENTAL HOUSING**
6 **LOANS.**

7 (a) TECHNICAL ASSISTANCE GRANTS FOR NON-
8 PROFIT AND PUBLIC AGENCY PURCHASERS OF PREPAY-
9 MENT PROPERTIES.—Section 502(c)(5)(C)(i) of the
10 Housing Act of 1949 (42 U.S.C. 1472(c)(5)(C)(i)) is
11 amended to read as follows:

12 “(i) to the extent provided in appro-
13 priation Acts, make a grant in an amount
14 not exceeding \$50,000 to the nonprofit or-
15 ganization or public agency whose offer to
16 purchase is accepted under this paragraph
17 to cover reasonable costs, as determined by
18 the Secretary and not including the pur-
19 chase price, incurred by the organization
20 or agency in purchasing and assuming re-
21 sponsibilities for the housing and related
22 facilities involved, which may include costs
23 for pursuing acquisition, appraisals, fi-
24 nancing fees, accounting, administration,
25 consultants, legal assistance, architectural

1 assistance, engineering assistance, applica-
2 tion fees, overhead, and other expenses;”.

3 (b) EQUITY TAKEOUT LOANS.—

4 (1) AUTHORITY FOR SECTION 514 HOUSING.—

5 Section 502(c)(4)(B)(iv) of the Housing Act of 1949
6 (42 U.S.C. 1472(c)(4)(B)(iv)) is amended by insert-
7 ing before the semicolon at the end the following:
8 “or under paragraphs (1) and (2) of section 514(i)”.

9 (2) LOAN TERMS.—Section 514 of the Housing
10 Act of 1949 (42 U.S.C. 1484) is amended by adding
11 at the end the following new subsection:

12 “(i) EQUITY TAKEOUT LOANS FOR PRESERVATION
13 OF LOW-INCOME HOUSING.—With respect to a loan in-
14 sured under subsection (a), the Secretary may—

15 “(1) make or insure an equity loan in the form
16 of a supplemental loan for the purpose of equity
17 takeout to the owner of housing financed with a loan
18 insured under this section pursuant to a contract en-
19 tered into before December 15, 1989, for the pur-
20 pose of extending the affordability of the housing for
21 low-income families or persons and very low-income
22 families or persons for not less than 20 years, except
23 that such loan may not exceed 90 percent of the
24 value of the equity in the project as determined by
25 the Secretary;

1 “(2) transfer and reamortize an existing loan in
2 connection with assistance provided under paragraph
3 (1); and

4 “(3) make or insure a loan to enable a non-
5 profit organization or public agency to make a pur-
6 chase described in section 502(c)(5).”.

7 (3) TECHNICAL CORRECTION RELATING TO
8 SECTION 515 HOUSING.—Section 515(c)(1) of the
9 Housing Act of 1949 (42 U.S.C. 1485(c)(1)) is
10 amended by striking “December 21, 1979” and in-
11 serting “December 15, 1989”.

12 (c) PHASE-IN OF RENT INCREASES.—Section
13 502(c)(4)(B)(vi) of the Housing Act of 1949 (42 U.S.C.
14 1472(c)(4)(B)(vi)) is amended by inserting before the pe-
15 riod at the end the following: “, except that any such in-
16 crease in rents for current tenants (except for increases
17 made necessary by increases in operating costs) shall (I)
18 be phased in equally over a period of not less than 3 years,
19 if such increase is 30 percent or more, and (II) be limited
20 to not more than 10 percent per year if such increase is
21 more than 10 percent but less than 30 percent”.

22 (d) TREATMENT OF ACCELERATION UPON DE-
23 FAULT.—Section 502 of the Housing Act of 1949 (42
24 U.S.C. 1472) is amended—

1 (1) in subsection (b)(2), by inserting “or any
2 payment in the case of acceleration of the amount
3 due under such a loan pursuant to any default,”
4 after “515”; and

5 (2) in subsection (c)—

6 (A) in paragraph (1)(A), by inserting be-
7 fore the 1st comma the following: “, accept any
8 payment tendered in the case of acceleration of
9 the amount due pursuant to any default on”;

10 (B) in paragraph (1)(B), by inserting be-
11 fore the 1st comma the following: “, accept any
12 payment tendered in the case of acceleration of
13 the amount due pursuant to any default on”;

14 (C) in paragraph (2)—

15 (i) by inserting after “prepaid” the
16 following: “, paid in full pursuant to accel-
17 eration of the amount due resulting from
18 default,”; and

19 (ii) by inserting “, payment,” after
20 “prepayment”;

21 (D) in paragraph (4)(A), by inserting after
22 “prepay,” the following: “accepting any pay-
23 ment tendered in the case of acceleration of the
24 amount due pursuant to any default on,”; and

25 (E) in paragraph (5)—

1 (i) in subparagraph (A)(ii), by insert-
2 ing after “prepay,” the following: “accept
3 the payment tendered in the case of accel-
4 eration of the amount due pursuant to de-
5 fault on,”;

6 (ii) in the 1st sentence of subpara-
7 graph (F), by inserting after “prepay,” the
8 following: “accept payment tendered in the
9 case of acceleration of the amount due pur-
10 suant to default on,”;

11 (iii) in the 2d sentence of subpara-
12 graph (F), by inserting after “prepay,” the
13 following: “payment tendered in the case
14 of acceleration of the amount due pursuant
15 to default,”;

16 (iv) in the last sentence of subpara-
17 graph (F), by striking “offers to prepay,”
18 and inserting the following: “such offers to
19 prepay, payments in the case of accelera-
20 tion of the amount due pursuant to de-
21 fault,”; and

22 (v) in the matter in subparagraph (G)
23 that precedes clause (i), by inserting after
24 “prepay,” the following: “any payment ten-

1 dered in the case of acceleration of the
2 amount due pursuant to default on,”.

3 (e) TEST FOR ALLOWABLE PREPAYMENT.—Section
4 502(c)(5)(G)(ii) of the Housing Act of 1949 (42 U.S.C.
5 1472(c)(5)(G)(ii)) is amended to read as follows:

6 “(ii) the Secretary makes a written
7 finding that—

8 “(I) prepayment, payment in the
9 case of acceleration, or refinancing
10 will not materially increase economic
11 hardship for current tenants;

12 “(II) involuntarily displace cur-
13 rent tenants (except for good cause),
14 where comparable and affordable
15 housing is not readily available, deter-
16 mined without regard to the availabil-
17 ity of Federal housing assistance that
18 would address any such hardship or
19 involuntary displacement; and

20 “(III) the supply of vacant, com-
21 parable housing is sufficient to ensure
22 that such prepayment will not materi-
23 ally affect (a) the availability of de-
24 cent, safe, and sanitary housing af-
25 fordable to low-income and very low-

1 income families or persons in the area
2 that the housing could reasonably be
3 expected to serve, (b) the ability of
4 low-income and very low-income fami-
5 lies or persons to find affordable, de-
6 cent, safe, and sanitary housing near
7 employment opportunities, or (c) the
8 housing opportunities of minorities in
9 the community within which the hous-
10 ing is located.”.

11 **SEC. 504. DESIGNATION OF UNDERSERVED AREAS AND**
12 **RESERVATION OF ASSISTANCE.**

13 (a) REAUTHORIZATION.—Section 509(f)(4) of the
14 Housing Act of 1949 (42 U.S.C. 1479(f)(4)) is amended
15 by striking “fiscal years 1993 and 1994” and inserting
16 “each of fiscal years 1995 and 1996”.

17 (b) 2-YEAR AND 3-YEAR DESIGNATIONS.—Section
18 509(f) of the Housing Act of 1949 (42 U.S.C. 1479(f))
19 is amended—

20 (1) in paragraph (1)—

21 (A) in the 1st sentence, by striking “in
22 each fiscal year”; and

23 (B) in the 2d sentence, by striking “year
24 in” and inserting “first year for”;

25 (2) in paragraph (2)—

1 (A) in the first sentence, by striking
2 “paragraph (4)” and inserting “paragraph
3 (5)”; and

4 (B) by striking the last sentence;

5 (3) in paragraph (3)(B), by striking “para-
6 graph (2)” and inserting “paragraph (3)”;

7 (4) in paragraph (4)(A), by striking “paragraph
8 (7)” and inserting “paragraph (8)”;

9 (5) by redesignating paragraphs (2) through
10 (8) as paragraphs (3) through (9), respectively; and

11 (6) by inserting after paragraph (1) the follow-
12 ing new paragraph:

13 “(2) TIMING AND DURATION OF DESIGNA-
14 TIONS.—

15 “(A) IN GENERAL.—Except as provided in
16 subparagraph (B), the Secretary shall redesign-
17 nate the targeted underserved areas under this
18 subsection once every 2 fiscal years and such
19 designations shall remain in effect for a period
20 of 2 fiscal years. The first such 2-year designa-
21 tion shall be made for fiscal years 1995 and
22 1996.

23 “(B) DESIGNATIONS FOR INDIAN AREAS.—
24 The Secretary shall ensure that, at all times,
25 not less than 5 counties or communities that

1 contain tribal allotted or Indian trust land are
2 included among the 100 counties and commu-
3 nities designated as targeted underserved areas.
4 The Secretary shall redesignate the counties or
5 communities designated as a targeted under-
6 served area in compliance with this subpara-
7 graph once every 3 fiscal years and such des-
8 ignations shall remain in effect for 3 fiscal
9 years. The first such 3-year designation shall be
10 made for fiscal years 1995 through 1997. Upon
11 designation, the Secretary shall specify any tar-
12 geted underserved area designated in compli-
13 ance with this subparagraph.”.

14 **SEC. 505. ADMINISTRATIVE APPEALS.**

15 Section 510(g) of the Housing Act of 1949 (42
16 U.S.C. 1480(g)) is amended by inserting after “adverse
17 decision” the following: “(including an eviction), on the
18 record after opportunity for an agency hearing,”.

19 **SEC. 506. SECTION 515 RURAL RENTAL HOUSING.**

20 (a) SET-ASIDE FOR NONPROFIT ENTITIES.—The
21 first sentence of section 515(w)(1) of the Housing Act of
22 1949 (42 U.S.C. 1485(w)(1)) is amended by striking “fis-
23 cal years 1994 and 1995” and inserting “fiscal years 1995
24 and 1996.”.

1 (b) AUTHORITY FOR SEQUENTIAL TRANSFERS.—
2 Section 515 of the Housing Act of 1949 (42 U.S.C. 1485)
3 is amended by inserting after subsection (g) the following
4 new subsection:

5 “(h) AUTHORITY FOR SEQUENTIAL TRANSFERS.—
6 Notwithstanding any other provision of this title, in mak-
7 ing or insuring a loan under subsection (a) or (b), the
8 Secretary may approve the sequential transfer of the loan
9 involving more than one new transferee entity, but only
10 if the Secretary determines that such transfer would be
11 in the best interests of the tenants of the housing for
12 which the loan was made and of the Federal Govern-
13 ment.”.

14 (c) AUTHORITY FOR STREAMLINED REFINANCING.—
15 Section 515 of the Housing Act of 1949 (42 U.S.C. 1485)
16 is amended by adding at the end the following new sub-
17 section:

18 “(z) REFINANCING.—

19 “(1) PURPOSE AND AUTHORITY.—In order to
20 reduce the amount of debt service payments and op-
21 erating costs of borrowers under loans made or in-
22 sured under this section, reduce rents paid by resi-
23 dents of housing financed with such loans, and re-
24 duce the amount of rental assistance necessary for
25 such housing, the Secretary may refinance the out-

1 standing principal obligation of a loan made under
2 this subsection in accordance with the provisions ap-
3 plicable (at the time of such refinancing) to loans
4 made under this section that the Secretary deter-
5 mines are appropriate for purposes of this sub-
6 section and the terms and conditions of the original
7 loan.

8 “(2) USE OF HOUSING.—Any terms of the
9 original loan relating to use of the housing and re-
10 lated facilities for the purposes specified in this sec-
11 tion shall continue to apply to the housing in the
12 same manner as if the loan were not refinanced
13 under this subsection.

14 “(3) TREATMENT OF REFINANCING UNDER
15 PREPAYMENT RESTRICTIONS.—Any loan refinanced
16 under this subsection shall be considered a loan
17 originally made under this section, for purposes of
18 the limitations under subsection (c) on prepayment
19 and refinancing under subsection (b)(3). For pur-
20 poses of determining the financial status of the loan
21 or the housing securing the loan, the Secretary may
22 consider the terms of the refinancing.

23 “(4) TERMS.—The Secretary shall, by regula-
24 tion, establish any requirements and conditions the
25 Secretary considers appropriate to provide for refi-

1 nancing under this subsection, including any limita-
2 tions on term of the refinancing loan.

3 “(5) EXPEDITED PROCEDURE.—The Secretary
4 shall establish an expedited procedure for providing
5 refinancing under this subsection, which—

6 “(A) shall not require application under
7 the same procedures applicable to loans made
8 under subsection (a); and

9 “(B) shall take into consideration any in-
10 formation obtained by the Secretary in making
11 and servicing the loan under subsection (a) for
12 which refinancing under this subsection is re-
13 quested.”.

14 **SEC. 507. RENTAL ASSISTANCE PAYMENTS.**

15 (a) OPTIONAL CONVERSION TO OPERATING SUBSIDY
16 FOR MIGRANT FARMWORKER PROJECTS.—

17 “(1) IN GENERAL.—Section 521(a) of the
18 Housing Act of 1949 (42 U.S.C. 1490a(a)) is
19 amended by adding at the end the following new
20 paragraph:

21 “(5) OPERATING ASSISTANCE FOR MIGRANT FARM-
22 WORKER PROJECTS.—

23 “(1) AUTHORITY.—In the case of housing (and
24 related facilities) for migrant farmworkers provided
25 or assisted with a loan under section 514 or a grant

1 under section 516, the Secretary may, at the request
2 of the owner of the project, use amounts provided
3 for rental assistance payments under paragraph (2)
4 to provide assistance for the costs of operating the
5 project. Any project assisted under this paragraph
6 may not receive rental assistance under paragraph
7 (2).

8 “(2) AMOUNT.—In any fiscal year, the assist-
9 ance provided under this paragraph for any project
10 shall not exceed an amount equal to 90 percent of
11 the operating costs for the project for the year, as
12 determined by the Secretary. The amount of assist-
13 ance to be provided for a project under this para-
14 graph shall be an amount that makes units in the
15 project available to migrant farmworkers in the area
16 of the project at rates generally not exceeding 30
17 percent of the monthly adjusted incomes of such
18 farmworkers, based on the prevailing incomes of
19 such farmworkers in the area.

20 “(3) SUBMISSION OF INFORMATION.—The
21 owner of a project assisted under this paragraph
22 shall be required to provide to the Secretary, at least
23 annually, a budget of operating expenses and esti-
24 mated rental income, which the Secretary shall use

1 to determine the amount of assistance for the
2 project.

3 “(4) DEFINITIONS.—For purposes of this para-
4 graph, the following definitions shall apply:

5 “(A) The term ‘migrant farmworker’ shall
6 have the same meaning given the term in sec-
7 tion 516(k)(7).

8 “(B) The term ‘operating cost’ means ex-
9 penses incurred in operating a project, includ-
10 ing expenses for—

11 “(i) administration, maintenance, re-
12 pair, and security of the project;

13 “(ii) utilities, fuel, furnishings, and
14 equipment for the project; and

15 “(iii) maintaining adequate reserve
16 funds for the project.”.

17 “(2) CONFORMING AMENDMENTS.—Title V of
18 the Housing Act of 1949 (42 U.S.C. 1471 et seq.)
19 is amended—

20 (A) in section 502—

21 (i) in subsection (c)(1)(A)(i), by strik-
22 ing “or (a)(2)” and inserting “, (a)(2), or
23 (5)”;

24 (ii) in subsection (c)(4)(B)(ii), by in-
25 serting before the period at the end the fol-

1 lowing: “, or additional assistance or an in-
2 crease in assistance provided under section
3 521(a)(5)”;

4 (iii) in subsection (c)(4)(B)(iii), by in-
5 serting before the period at the end the fol-
6 lowing: “, or current tenants of projects
7 not assisted under section 521(a)(5)”;

8 (iv) in subsection (c)(5)(C)(iii)—

9 (I) by striking the 2d comma;

10 and

11 (II) by inserting “, or any assist-
12 ance payments received under section
13 521(a)(5),” before “with respect”;

14 (v) in subsection (c)(5)(D), by insert-
15 ing before the period at the end the follow-
16 ing: “or, in the case of housing assisted
17 under section 521(a)(5), does not exceed
18 the rents established for the project under
19 such section”;

20 (B) in the second sentence of section
21 509(f)(5) (as redesignated by the preceding
22 provisions of this title), by striking “an amount
23 of section 521 rental assistance” and inserting
24 “, from amounts available for assistance under

1 paragraphs (2) and (5) of section 521(a), an
2 amount”;

3 (C) in section 513(c)(2)—

4 (i) in the matter preceding subpara-
5 graph (A), by inserting “or contracts for
6 operating assistance under section
7 521(a)(5)” after “521(a)(2)(A)”;

8 (ii) in subparagraph (A), by inserting
9 “or operating assistance contracts” after
10 “contracts”;

11 (iii) in subparagraph (B), by striking
12 “rental” each place it appears; and

13 (iv) in subparagraph (C), by inserting
14 “or operating assistance contracts” after
15 “contracts”;

16 (D) in section 521(a)(2)(B)—

17 (i) by inserting “or paragraph (5)”
18 after “this paragraph”; and

19 (ii) by striking “which shall” and all
20 that follows through the period at the end
21 and inserting the following: “. The budget
22 (and the income, in the case of a project
23 assisted under this paragraph) shall be
24 used to determine the amount of the as-
25 sistance for each project.”;

1 (E) in section 521(c), by striking “sub-
2 section (a)(2)” and inserting “subsections
3 (a)(2) and (a)(5)”;

4 (F) in section 521(e), by inserting after
5 “recipient” the following: “or any tenant in a
6 project assisted under subsection (a)(5)”;

7 (G) in section 530, by striking “rental as-
8 sistance payments with respect to such project
9 under section 521(a)(2)(A)” and inserting “as-
10 sistance payments with respect to such project
11 under section 521(a)(2)(A) or 521(a)(5)”.

12 (b) SET-ASIDE FOR NEW CONSTRUCTION.—Section
13 521 of the Housing Act of 1949 (42 U.S.C. 1490a) is
14 amended by adding at the end the following new sub-
15 section:

16 “(f) SET-ASIDE OF RENTAL ASSISTANCE AMOUNTS
17 FOR NEW CONSTRUCTION.—

18 “(1) REQUIREMENT.—In each fiscal year, of
19 any amounts appropriated for rental assistance pay-
20 ments under subsection (a)(2)(A), the Secretary
21 shall reserve for use only for rental housing projects
22 to be newly constructed or rehabilitated with a loan
23 under section 515 and a percentage of such amounts
24 appropriated that is not less than the average deter-
25 mined under paragraph (2).

1 “(2) DETERMINATION OF AMOUNT.—The aver-
2 age determined under this paragraph shall be the
3 annual average, for the most recent 3 completed fis-
4 cal years, of the percentage of such amounts appro-
5 priated for rental assistance payments assistance
6 that was made available for use for newly con-
7 structed or rehabilitated rental housing projects pro-
8 vided with a loan under section 515.”.

9 **SEC. 508. RURAL HOUSING ASSISTANCE TARGETING RE-**
10 **PORT.**

11 Section 532(a) of the Housing Act of 1949 (42
12 U.S.C. 1490l) is amended by adding at the end the follow-
13 ing new flush material:

14 “The Secretary shall submit a report to the Congress for
15 each fiscal year describing the geographical distribution
16 of housing for which eligible loan applications for assist-
17 ance under this title are submitted in such year and for
18 which amounts are obligated in such year. The report shall
19 describe the areas in which the housing to be assisted
20 under the applications is located, the number of eligible
21 applications received for housing in such areas, the num-
22 ber of eligible applications for housing in such areas that
23 were approved and funded and the amounts of such fund-
24 ing, the extent of the rural character of such areas, and
25 any actions taken by the Secretary to comply with the re-

1 quirement under paragraph (3). The report for a fiscal
2 year shall be submitted not later than 180 days after the
3 conclusion of such fiscal year.”.

4 **SEC. 509. PRIORITY FOR RURAL HOUSING VOUCHER AS-**
5 **SISTANCE.**

6 Section 542 of the Housing Act of 1949 (42 U.S.C.
7 1490r) is amended by adding at the end the following new
8 subsection:

9 “(C) PRIORITY.—

10 “(1) REQUIREMENT.—In providing assistance
11 under this section, the Secretary shall give pref-
12 erence to providing assistance for rental housing
13 that—

14 “(A) is financed or assisted with a loan,
15 guarantee, insurance, or other assistance pro-
16 vided under this title; and

17 “(B)(i) has a significant number of units,
18 as determined by the Secretary, that have been
19 vacant for extended periods; or

20 “(ii) is occupied by a significant number of
21 families, as determined by the Secretary, who
22 pay as rent for a unit in the housing an amount
23 exceeding 30 percent of the family’s monthly
24 adjusted income.

1 “(2) PROJECT-BASED ASSISTANCE.—To provide
2 assistance according to the preference under para-
3 graph (1), the Secretary may enter into contracts
4 with owners of housing described in paragraph (1)
5 to provide voucher assistance payments that are at-
6 tached to such housing on behalf of very low-income
7 families who reside in such housing.”.

8 **SEC. 510. NATIVE AMERICAN RURAL HOUSING CAPACITY**
9 **DEMONSTRATION PROGRAM.**

10 Title V of the Housing Act of 1949 is amended by
11 inserting after section 537 (42 U.S.C. 1490p–1) the fol-
12 lowing new section:

13 **“SEC. 538. RURAL HOUSING CAPACITY DEMONSTRATION**
14 **PROGRAM FOR NATIVE AMERICANS AND**
15 **ALASKAN NATIVES.**

16 “(a) AUTHORITY.—The Secretary shall carry out a
17 program under this section to demonstrate the effective-
18 ness of assisting Native Americans and Alaskan Natives
19 in underserved areas to apply for, obtain, and use housing
20 assistance under this title.

21 “(b) GRANTS.—Under the demonstration under this
22 section, the Secretary shall make grants to technical as-
23 sistance providers selected under subsection (f) to carry
24 out activities under subsection (c) with respect to tribes
25 selected under subsection (e) (and members of the tribes)

1 in the selected areas. Of the amounts provided to a tech-
2 nical assistance provider under a grant under this section,
3 40 percent shall be disbursed to the technical assistance
4 provider in fiscal year 1995, 30 percent shall be so dis-
5 bursed in fiscal year 1996, and 30 percent shall be so dis-
6 bursed in fiscal year 1997.

7 “(c) USE OF ASSISTANCE.—

8 “(1) ELIGIBLE ACTIVITIES.—Any amounts pro-
9 vided to a technical assistance provider under a
10 grant under this section shall be used by the tech-
11 nical assistance provider only—

12 “(A) to train individuals for employment
13 as local project coordinators under paragraph
14 (2), which shall include training regarding the
15 availability, application for, and use of housing
16 assistance under this title with respect to tribes
17 and members of tribes;

18 “(B) to provide ongoing technical assist-
19 ance and training to local project coordinators;

20 “(C) to provide assistance to the tribes se-
21 lected under subsection (e) in the selected
22 areas, or to Native American or Alaskan Native
23 housing organizations serving such tribes, to
24 employ local project coordinators trained pursu-
25 ant to subparagraph (A); and

1 “(D) to establish a revolving fund to pro-
2 vide loans to tribes and members of tribes for
3 customary and reasonable costs incurred in pre-
4 paring and submitting applications for housing
5 assistance under this title to be used in the se-
6 lected areas (including costs of credit reports),
7 except that not more than \$1,500 may be pro-
8 vided for the purpose under this subparagraph
9 to any single tribe or Native American or Alas-
10 kan Native housing organization.

11 “(2) LOCAL PROJECT COORDINATOR.—For pur-
12 poses of this section, a local project coordinator shall
13 be an individual who—

14 “(A) is employed by a tribe selected under
15 subsection (e) in, or Native American or Alas-
16 kan Native housing organization serving, the
17 selected area;

18 “(B) provides advice and assistance to the
19 tribe or the tribes served by the organization
20 (and members of such tribes), regarding the
21 availability, application for, and use of housing
22 assistance under this title;

23 “(C) otherwise facilitates the use of such
24 assistance by the tribes and their members; and

1 “(D) assists the tribes and their members
2 in obtaining loans from the revolving fund es-
3 tablished under paragraph (1)(D).

4 “(d) TRIBAL CONTRIBUTIONS TO DEMONSTRATION
5 PROGRAM.—Each tribe selected under subsection (e) for
6 participation in the demonstration program under this
7 section shall enter into an agreement with the technical
8 assistance provider to provide in-kind or financial assist-
9 ance, in addition to amounts provided under this section,
10 for activities under the demonstration program, in an
11 amount determined by the tribe and the technical assist-
12 ance provider. The assistance provided pursuant to such
13 agreement may include assistance in the form of office
14 space, equipment, transportation, salary enhancement,
15 and fringe benefits, and other forms of assistance.

16 “(e) SELECTION OF TRIBES AND AREAS.—

17 “(1) ELIGIBILITY.—The Secretary shall provide
18 for the technical assistance providers receiving
19 grants under this section to select for participation
20 in the demonstration under this section not more
21 than a total of 15 tribes—

22 “(A) that are located in counties or com-
23 munities—

1 “(i) that are eligible for designation
2 as targeted underserved areas under sec-
3 tion 509(f); or

4 “(ii) that include tribal allotted or In-
5 dian trust land; and

6 “(B) that—

7 “(i) have agreed to participate in the
8 demonstration under this section by des-
9 ignating individuals for training as local
10 project coordinators under subsection (c);
11 or

12 “(ii) are located in a county or com-
13 munity within which is located a Native
14 American or Alaskan Native housing orga-
15 nization that has so agreed to participate
16 in the demonstration under this section.

17 “(2) CRITERIA FOR SELECTION.—Each tech-
18 nical assistance provider selecting tribes pursuant to
19 paragraph (1) shall make such selections according
20 to criteria that include—

21 “(A) the extent of substandard housing on
22 the reservation of the tribe;

23 “(B) the extent of the waiting list for
24 housing assistance under Federal housing pro-

1 grams in the community or community under
2 paragraph (1)(A);

3 “(C) the extent of interest in and willing-
4 ness to participate in the demonstration pro-
5 gram under this section for a 3-year period;
6 and

7 “(D) the extent of willingness to provide
8 in-kind or financial assistance in addition to
9 amounts provided under this section for activi-
10 ties under the demonstration program.

11 “(3) TREATMENT AS TARGETED UNDERSERVED
12 AREAS.—Notwithstanding the designation of coun-
13 ties and communities as targeted underserved areas
14 under section 509(f)(1) and the provisions of section
15 520, any selected area under this section shall be
16 considered a targeted underserved area for fiscal
17 years 1995, 1996, and 1997, for purposes of eligi-
18 bility for assistance with amounts reserved under
19 section 509(f)(4)(A).

20 “(f) SELECTION OF TECHNICAL ASSISTANCE PRO-
21 VIDERS.—

22 “(1) ELIGIBILITY.—The Secretary may make a
23 grant under this section only to a nonprofit organi-
24 zation having experience in providing training and
25 technical assistance regarding the use of housing as-

1 sistance under this title and in administering revolving
2 ing loan funds for costs relating to housing assist-
3 ance programs under this title.

4 “(2) APPLICATION.—The Secretary shall provide for nonprofit organizations meeting the requirements under paragraph (1) to submit applications
5 for a grant under this section during a period of not
6 more than 45 days that begins upon publication of
7 the notice of funding availability under subsection
8 (i).
9 (i).

11 “(3) SELECTION.—Not more than 30 days
12 after expiration of such period, the Secretary shall
13 select, to receive grants under this section, 1 or
14 more nonprofit organizations submitting applications
15 that are—

16 “(A) capable of carrying out the duties of
17 technical assistance providers under this section;
18 and

19 “(B) knowledgeable and experienced regarding housing needs and issues of Native
20 Americans and Alaskan Natives and housing
21 assistance programs under this title; and
22

23 “(C) agree to comply with the provisions of
24 this section.

25 “(g) REPORTS.—

1 “(1) LOCAL PROJECT COORDINATORS.—Each
2 local project coordinator trained or assisted by a
3 technical assistance provider with amounts from a
4 grant under this section shall submit a report to the
5 technical assistance provider for each of fiscal years
6 1995 through 1997, regarding the activities of the
7 coordinator. The report shall be submitted not later
8 than 30 days after the conclusion of the fiscal year
9 for which the report is made.

10 “(2) TECHNICAL ASSISTANCE PROVIDERS.—
11 Each technical assistance provider receiving a grant
12 under this section shall submit a report to the Sec-
13 retary for each of fiscal years 1995 through 1997,
14 summarizing the information submitted under para-
15 graph (1) for the fiscal year and describing the ac-
16 tivities of the technical assistance provider under the
17 demonstration under this section during the fiscal
18 year. The report shall be submitted not later than
19 60 days after the conclusion of the fiscal year for
20 which the report is made.

21 “(3) SECRETARY.—The Secretary shall submit
22 a report to the Congress for each of fiscal years
23 1995 through 1997 describing the demonstration
24 under this section and the findings of the Secretary
25 as a result of the demonstration. The report shall be

1 submitted not later than 90 days after the conclu-
2 sion of the fiscal year for which the report is made.

3 “(h) DEFINITIONS.—For purposes of this section:

4 “(1) ALASKAN NATIVE VILLAGE.—The term
5 ‘Alaskan Native Village’ has the same meaning given
6 the term ‘Native village’ in section 3 of the Alaska
7 Native Claims Settlement Act.

8 “(2) NATIVE AMERICAN OR ALASKAN NATIVE
9 HOUSING ORGANIZATION.—The term ‘Native Amer-
10 ican or Alaskan Native housing organization’ means
11 a nonprofit organization that primarily serves a tribe
12 or tribes, and includes Indian housing authorities
13 and other housing entities of a tribe.

14 “(3) NONPROFIT ORGANIZATION.—The term
15 ‘nonprofit organization’ means any private, nonprofit
16 organization that—

17 “(A) is organized or chartered under State,
18 tribal, or local laws;

19 “(B) has no part of its net earning inuring
20 to the benefit of any member, founder, contrib-
21 utor, or individual;

22 “(C) complies with standards of financial
23 accountability acceptable to the Secretary; and

24 “(D) through its articles of incorporation
25 or through resolution of the governing body of

1 a tribe, has among its purposes significant ac-
2 tivities related to the provision of decent hous-
3 ing that is affordable to low- and moderate-in-
4 come families.

5 “(4) **SELECTED AREA.**—The term ‘selected
6 area’ means, with respect to any tribe selected under
7 subsection (e), the county or community meeting the
8 requirements of subsection (e)(1) in which the tribe
9 selected is located.

10 “(5) **TECHNICAL ASSISTANCE PROVIDER.**—The
11 term ‘technical assistance provider’ means a non-
12 profit organization that is selected under subsection
13 (f) to receive a grant under this section.

14 “(6) **TRIBE.**—The term ‘tribe’ means any In-
15 dian tribe, band, group, or nation, including Alaska
16 Indians, Aleuts, and Eskimos, and any Alaskan Na-
17 tive Village, of the United States, that is considered
18 an eligible recipient under the Indian Self-Deter-
19 mination and Education Assistance Act or was con-
20 sidered an eligible recipient under chapter 67 of title
21 31, prior to the repeal of such chapter.

22 “(i) **NOTICE OF FUNDING AVAILABILITY.**—

23 “(1) **PUBLICATION.**—The Secretary shall cause
24 to be published in the Federal Register notice of the
25 availability of any amounts made available for

1 grants under this section. Such notice shall be pub-
2 lished not later than the expiration of the 90-day pe-
3 riod beginning on the date that amounts are appro-
4 priated to carry out this section.

5 “(2) CONTENTS.—The notice referred to in
6 paragraph (1) shall—

7 “(A) describe the requirements for eligi-
8 bility to receive a grant, the purposes of the
9 grant, and the permissible uses of grant
10 amounts;

11 “(B) contain an address to which requests
12 for additional information regarding the dem-
13 onstration under this section may be made; and

14 “(C) state the deadline established by the
15 Secretary pursuant to section (f)(2) for the sub-
16 mission of applications for a grant.”.

17 **SEC. 511. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

18 Title V of the Housing Act of 1949 (42 U.S.C. 1471
19 et seq.) is amended by inserting after section 538 (as
20 added by the preceding provisions of this title) the follow-
21 ing new section:

22 **“SEC. 539. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

23 “(a) IN GENERAL.—The Secretary is authorized to
24 provide assistance to develop the capacity and ability of
25 community development corporations, community housing

1 development organizations, and other nonprofit organiza-
2 tions to undertake community development and affordable
3 housing projects and programs in rural areas.

4 “(b) FORM OF ASSISTANCE.—Assistance under this
5 section may be used for—

6 “(1) training, education, support, and advice to
7 enhance the technical and administrative capabilities
8 of community development corporations, community
9 housing development organizations, and nonprofit
10 organizations in rural areas;

11 “(2) loans, grants, or predevelopment assistance
12 to community development corporations, community
13 housing development organizations, and nonprofit
14 organizations to carry out community development
15 and affordable housing activities that benefit low-in-
16 come families in rural areas; and

17 “(3) such other activities for rural areas as may
18 be determined by the Secretary.

19 “(c) MATCHING REQUIREMENT.—Assistance pro-
20 vided under this section shall be matched from private
21 sources in an amount equal to 3 times the amount made
22 available under this section.

23 “(d) IMPLEMENTATION.—The Secretary shall by no-
24 tice establish such requirements as may be necessary to

1 carry out the provisions of this section. The notice shall
2 take effect upon issuance.”.

3 **SEC. 512. RURAL HOUSING LOAN DELEGATED PROCESSING**
4 **DEMONSTRATION.**

5 (a) **AUTHORITY.**—Not later than the expiration of
6 the 180-day period beginning on the date of enactment
7 of this Act, the Secretary of Agriculture shall implement
8 a system for making, processing, and servicing loans
9 under section 502 of the Housing Act of 1949 that dele-
10 gates such functions to nonprofit organizations approved
11 by the Secretary of Agriculture. Under the system, the
12 Secretary shall retain the authority to approve loan
13 amounts and interest credit agreements and to execute
14 binding loan commitments and credit agreements.

15 (b) **USE IN TARGETED UNDERSERVED AREAS.**—The
16 Secretary of Agriculture shall carry out the delegated
17 processing system under subsection (a) only with respect
18 to loans for housing located in, and amounts reserved for
19 use in, areas for which a designation under section 509(f)
20 is in effect.

21 (c) **REPORT.**—The Secretary of Agriculture shall sub-
22 mit an interim report to the Congress not later than 12
23 months after the date of the initial implementation of the
24 delegated processing system under this section describing

1 the activities taken under the system and evaluating the
2 effectiveness of the system.

3 (d) TERMINATION OF AUTHORITY.—The Secretary of
4 Agriculture may not carry out the delegated processing
5 system under this section after September 30, 1996.

6 **TITLE VI—COMMUNITY** 7 **DEVELOPMENT**

8 **Subtitle A—Community** 9 **Development Block Grant Program**

10 **SEC. 601. AUTHORIZATION OF APPROPRIATIONS AND** 11 **GUARANTEE AUTHORITY.**

12 (a) COMMUNITY DEVELOPMENT BLOCK GRANTS.—
13 The second sentence of section 103 of the Housing and
14 Community Development Act of 1974 (42 U.S.C. 5303)
15 is amended to read as follows: “For purposes of assistance
16 under section 106, there are authorized to be appropriated
17 \$4,532,000,000 for fiscal year 1995 and \$4,667,960,000
18 for fiscal year 1996.”.

19 (b) LIMITATION ON LOAN GUARANTEES.—The fifth
20 sentence of section 108(a) of the Housing and Community
21 Development Act of 1974 (42 U.S.C. 5308(a)) is amended
22 to read as follows: “Notwithstanding any other provision
23 of law and subject only to the absence of qualified appli-
24 cants or proposed activities and to the authority provided
25 in this section, to the extent approved or provided in ap-

1 appropriation Acts, the Secretary shall enter into commit-
2 ments to guarantee notes and obligations under this sec-
3 tion with an aggregate principal amount of
4 \$2,115,620,000 for fiscal year 1995 and \$2,179,088,600
5 for fiscal year 1996.”.

6 (c) SPECIAL PURPOSE GRANTS.—Section 107 of the
7 Housing and Community Development Act of 1974 (42
8 U.S.C. 5307(a)) is amended—

9 (1) by striking “SEC. 107” and all that follows
10 through the end of paragraph (1) and inserting the
11 following:

12 “SEC. 107. (a) AUTHORIZATION OF APPROPRIA-
13 TIONS.—

14 “(1) IN GENERAL.—There are authorized to be
15 appropriated for each of fiscal years 1995 and 1996,
16 \$60,000,000, for grants under subsection (b). Of
17 such amounts—

18 “(A) \$7,000,000 shall be available in each
19 such year for grants under subsection (b)(1);

20 “(B) \$6,500,000 shall be available in each
21 such year for grants under subsection (b)(3);

22 “(C) \$6,000,000 shall be available in each
23 such year for grants in each such year under
24 subsection (b)(5);

1 “(D) \$6,000,000 shall be available in each
2 such year for grants under subsection (b)(7);

3 “(E) \$3,000,000 shall be available in each
4 such year for grants under subsection (c);

5 “(F) such sums as may be necessary shall
6 be available in each such year for grants under
7 paragraphs (2), (4), and (6) of subsection (b);
8 and

9 “(G) \$2,000,000 shall be available in fiscal
10 year 1995 for a grant to the City of Bridgeport,
11 Connecticut, subject to binding commitments
12 made by the City of Bridgeport and the State
13 of Connecticut that the city and State, respec-
14 tively, will supplement such amount with
15 \$2,000,000 of additional funds.’’.

16 (d) ELIGIBLE ACTIVITIES.—Section 105(a)(8) of the
17 Housing and Community Development Act of 1974 (42
18 U.S.C. 5305(a)(8)) is amended by striking “fiscal year
19 1994” and inserting “each of fiscal years 1994 and
20 1995”.

21 **SEC. 602. ECONOMIC DEVELOPMENT GRANTS.**

22 (a) GRANT PROGRAM.—Section 108 of the Housing
23 and Community Development Act of 1974 (42 U.S.C.
24 5308) is amended by adding at the end the following new
25 subsection:

1 “(q) ECONOMIC DEVELOPMENT GRANTS USING RE-
2 COVERED UDAG AMOUNTS.—

3 “(1) AUTHORITY.—The Secretary may, to the
4 extent provided in appropriation Acts, use any
5 amounts made available for assistance under section
6 119 and subsequently deobligated to make grants
7 under this subsection to eligible public entities, in
8 connection with notes or other obligations guaran-
9 teed under this section for such entities, for carrying
10 out economic development activities.

11 “(2) USE FOR ECONOMIC DEVELOPMENT AC-
12 TIVITIES.—The proceeds of the guaranteed loan
13 under this section and the grant under this sub-
14 section in connection with such loan shall be used
15 only to finance activities and projects eligible under
16 subsection (a)(3) and specified in an application sub-
17 mitted and approved under paragraph (3) by the
18 Secretary.

19 “(3) APPLICATION.—The Secretary may make
20 grants under this subsection to an eligible public en-
21 tity only pursuant to the receipt of an application by
22 the Secretary from the entity and approval of the
23 application by the Secretary. The Secretary shall
24 prescribe the form and manner of such applications
25 and shall require such applications to be submitted

1 with or as part of an application for loan guarantee
2 assistance under this section.

3 “(4) FIRST-COME-FIRST-SERVED.—The Sec-
4 retary shall use amounts available for grants under
5 this section to make such grants for approved appli-
6 cations in the order in which such approved applica-
7 tions were submitted to the Secretary.

8 “(5) REGULATIONS.—The Secretary shall issue
9 any regulations necessary to carry out this sub-
10 section.”.

11 (b) USE OF UDAG AMOUNTS.—Section 119(o) of the
12 Housing and Community Development Act of 1974 (42
13 U.S.C. 5318(o) is amended by striking “shall be” and all
14 that follows through “section 103” and inserting the fol-
15 lowing: “shall, as determined by the Secretary, be added
16 to amounts appropriated under section 103 or be used for
17 grants under section 108(q)”.

18 (c) CDBG OBJECTIVES AND PLAN.—Title I of the
19 Housing and Community Development Act of 1974 (42
20 U.S.C. 5301 et seq.) is amended—

21 (A) in the second sentence of section 101(c), by
22 inserting after “section 108,” the following: “(and
23 any grant received under section 108(q))”; and

1 (B) in section 104(b)(3)(A), by inserting after
2 “section 108,” the following: “(and any grant re-
3 ceived under section 108(q))”.

4 (d) REQUIREMENTS FOR GUARANTEES.—The second
5 sentence of section 108(a) of the Housing and Community
6 Development Act of 1974 (42 U.S.C. 5308(a)) is amended
7 to read as follows: “A guarantee under this section (in-
8 cluding a guarantee combined with a grant under sub-
9 section (q)) may be used to assist a grantee in obtaining
10 financing only if the grantee has made efforts to obtain
11 the financing without the use of the guarantee (and, if
12 applicable, the grant) and cannot complete the financing
13 consistent with the timely execution of the proposed activi-
14 ties and projects without the guarantee (or, if applicable,
15 the grant).”.

16 **SEC. 603. GUARANTEE OF OBLIGATIONS BACKED BY SEC-**
17 **TION 108 LOANS.**

18 Section 108 of the Housing and Community Develop-
19 ment Act of 1974 (42 U.S.C. 5308) is amended by adding
20 after subsection (q) (as added by the preceding provisions
21 of this title) the following new subsection:

22 “(r) GUARANTEE OF OBLIGATIONS BACKED BY
23 LOANS.—

24 “(1) AUTHORITY.—The Secretary may, upon
25 such terms and conditions as the Secretary considers

1 appropriate, guarantee the timely payment of the
2 principal of and interest on such trust certificates or
3 other obligations as may—

4 “(A) be offered by the Secretary or by any
5 other offeror approved for purposes of this sub-
6 section by the Secretary; and

7 “(B) be based on and backed by a trust or
8 pool composed of notes or other obligations
9 guaranteed or eligible for guarantee by the Sec-
10 retary under this section.

11 “(2) FULL FAITH AND CREDIT.—To the same
12 extent as provided in subsection (f), the full faith
13 and credit of the United States is pledged to the
14 payment of all amounts that may be required to be
15 paid under any guarantee made by the Secretary
16 under this subsection.

17 “(3) SUBROGATION.—If the Secretary pays a
18 claim under a guarantee made under this section, it
19 shall be subrogated fully to the rights satisfied by
20 such payment.

21 “(4) EFFECT OF LAWS.—No State or local law,
22 and no Federal law, shall preclude or limit the exer-
23 cise by the Secretary of—

24 “(A) the power to contract with respect to
25 public offerings and other sales of notes, trust

1 certificates, and other obligations guaranteed
2 under this section upon such terms and condi-
3 tions as the Secretary deems appropriate;

4 “(B) the right to enforce any such contract
5 by any means deemed appropriate by the Sec-
6 retary; and

7 “(C) any ownership rights of the Sec-
8 retary, as applicable, in notes, certificates, or
9 other obligations guaranteed under this section,
10 or constituting the trust or pool against which
11 trust certificates, or other obligations guaran-
12 teed under this section, are offered.”.

13 **SEC. 604. SECTION 108 LOAN GUARANTEES FOR COLONIAS.**

14 The first sentence of section 108(a) of the Housing
15 and Community Development Act of 1974 (42 U.S.C.
16 5308(a)) is amended—

17 (1) in clause (3), by striking “or” after “section
18 105(a);”; and

19 (2) by inserting before the period at the end the
20 following: ”; or (5) activities under section 105(a)(2)
21 with respect to colonias, as such term is defined in
22 section 916 of the Cranston-Gonzalez National Af-
23 fordable Housing Act”.

1 **SEC. 605. ASSISTANCE FOR COLONIAS.**

2 Section 916(f) of the Cranston-Gonzalez National Af-
3 fordable Housing Act (42 U.S.C. 5306 note) is amended
4 to read as follows:

5 “(f) APPLICABILITY.—This Act shall apply only with
6 respect to fiscal years 1991 through 1996.”.

7 **Subtitle B—Other Community**
8 **Development Programs**

9 **SEC. 631. NEIGHBORHOOD REINVESTMENT CORPORATION.**

10 The first sentence of section 608(a)(1) of the Neigh-
11 borhood Reinvestment Corporation Act (42 U.S.C.
12 8107(a)) is amended to read as follows: “There are au-
13 thorized to be appropriated to the corporation to carry out
14 this title \$32,960,000 for fiscal year 1995 and
15 \$33,948,800 for fiscal year 1996.”.

16 **SEC. 632. JOHN HEINZ NEIGHBORHOOD DEVELOPMENT**
17 **PROGRAM.**

18 (a) AUTHORIZATION.—Section 123(g) of the Housing
19 and Urban-Rural Recovery Act of 1983 (42 U.S.C. 5318
20 note) is amended to read as follows:

21 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to carry out this section
23 \$5,000,000 for fiscal year 1995 and \$5,150,000 for fiscal
24 year 1996.”.

1 **TITLE VII—REGULATORY AND**
2 **MISCELLANEOUS PROGRAMS**

3 **SEC. 701. FAIR HOUSING INITIATIVES PROGRAM.**

4 Section 561(g) of the Housing and Community De-
5 velopment Act of 1987 (42 U.S.C. 3616 note) is amended
6 to read as follows:

7 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
8 are authorized to be appropriated to carry out the provi-
9 sions of this section \$26,780,000 for fiscal year 1995 and
10 \$27,583,400 for fiscal year 1996, of which—

11 “(1) not less than \$3,820,000 for fiscal year
12 1995 and \$8,500,000 for fiscal year 1996 shall be
13 for private enforcement initiatives authorized under
14 subsection (b), divided equally between activities
15 specified under subsection (b)(1) and those specified
16 under subsection (b)(2);

17 “(2) not less than \$2,230,000 for fiscal year
18 1995 and \$8,500,000 for fiscal year 1996 shall be
19 for qualified fair housing enforcement organizations
20 authorized under subsection (c)(1);

21 “(3) not less than \$2,010,000 for fiscal year
22 1995 and \$4,000,000 for fiscal year 1996 shall be
23 for the creation of new fair housing enforcement or-
24 ganizations authorized under subsection (c)(2); and

1 “(4) not less than \$2,540,000 for fiscal year
2 1995 and \$5,000,000 for fiscal year 1996 shall be
3 for education and outreach programs authorized
4 under subsection (d), to be divided equally between
5 activities specified under subsection (d)(1) and those
6 specified under subsections (d)(2) and (d)(3).

7 Any amount appropriated under this section shall remain
8 available until expended.”.

9 **SEC. 702. HUD PROGRAM MONITORING AND RESEARCH.**

10 The first sentence of section 7(r)(6) of the Depart-
11 ment of Housing and Urban Development Act (42 U.S.C.
12 3535(r)(6)) is amended to read as follows: “There are au-
13 thorized to be appropriated to carry out this subsection
14 such sums as may be necessary for fiscal years 1995 and
15 1996.”.

16 **SEC. 703. HUD SALARIES AND EXPENSES.**

17 Section 7(s) of the Department of Housing and
18 Urban Development Act (42 U.S.C. 3535(s)) is amended
19 to read as follows:

20 “(s)(1) Notwithstanding any other provision of law,
21 there is authorized to be appropriated for salaries and ex-
22 penses to carry out the purposes of this section
23 \$1,150,000,000 for fiscal year 1995 and \$1,184,500,000
24 for fiscal year 1996.

1 “(2) Of the amounts authorized to be appropriated
2 by this section, \$96,000,000 shall be available for each
3 of the fiscal years 1995 and 1996, which amounts shall
4 be used to provide staff in regional, field, or zone offices
5 of the Department of Housing and Urban Development
6 to review, process, approve, and service applications for
7 mortgage insurance under title II of the National Housing
8 Act for housing consisting of 5 or more dwelling units.

9 “(3) Of the amounts authorized to be appropriated
10 to carry out this section, not less than \$5,000,000 of such
11 amount shall be available for each of fiscal years 1995
12 and 1996 exclusively for the purposes of providing ongoing
13 training and capacity building for Department person-
14 nel.”.

15 **SEC. 704. SUBSIDY LAYERING REVIEW.**

16 Section 911 of the Housing and Community Develop-
17 ment Act of 1992 (42 U.S.C. 3545 note) is amended—

18 (1) by striking subsection (a) and inserting the
19 following new subsection:

20 “(a) CERTIFICATION OF SUBSIDY LAYERING COM-
21 PLIANCE.—The requirements of section 102(d) of the De-
22 partment of Housing and Urban Development Reform Act
23 of 1989 may be satisfied in connection with a project re-
24 ceiving assistance under a program that is within the ju-
25 risdiction of the Department of Housing and Urban Devel-

1 opment and under section 42 of the Internal Revenue
2 Code of 1986 by a certification by a housing credit agency
3 to the Secretary, submitted in accordance with guidelines
4 established by the Secretary, that the combination of as-
5 sistance within the jurisdiction of the Secretary and other
6 government assistance provided in connection with a prop-
7 erty for which assistance is to be provided within the juris-
8 diction of the Department of Housing and Urban Develop-
9 ment and under section 42 of the Internal Revenue Code
10 of 1986 shall not be any greater than is necessary to pro-
11 vide affordable housing.”; and

12 (2) by striking subsection (c) and inserting the
13 following new subsection:

14 “(c) REVOCATION BY SECRETARY.—If the Secretary
15 determines that a housing credit agency has failed to com-
16 ply with the guidelines established under subsection (a),
17 the Secretary—

18 “(1) may inform the housing credit agency that
19 the agency may no longer submit certification of
20 subsidy layering compliance under this section; and

21 “(2) shall carry out section 102(d) of the Hous-
22 ing and Urban Development Reform Act relating to
23 affected projects allocated a low-income housing tax
24 credit pursuant to section 42 of the Internal Reve-
25 nue Code of 1986.”.

1 **SEC. 705. HUD RESEARCH AND DEVELOPMENT.**

2 The second sentence of section 501 of the Housing
3 and Urban Development Act of 1970 (12 U.S.C. 1701z–
4 1) is amended to read as follows: “There are authorized
5 to be appropriated to carry out this title \$36,050,000 for
6 fiscal year 1995 and \$37,131,500 for fiscal year 1996.”.

7 **SEC. 706. NATIONAL INSTITUTE OF BUILDING SCIENCES.**

8 The second sentence of section 809(i) of the Housing
9 and Community Development Act of 1974 (12 U.S.C.
10 1701j–2(i)) is amended to read as follows: “In addition
11 to the amounts authorized to be appropriated under the
12 first sentence of this subsection, there are authorized to
13 be appropriated to the Institute to carry out the provisions
14 of this section \$2,000,000 for fiscal year 1995 and
15 \$2,000,000 for fiscal year 1996.”.

16 **SEC. 707. RESIDENTIAL LEAD-BASED PAINT HAZARD RE-**
17 **DUCTION.**

18 (a) TARGET HOUSING HAZARD REDUCTION.—

19 (1) AUTHORIZATION OF APPROPRIATIONS.—

20 Section 1011(o) of the Housing and Community De-
21 velopment Act of 1992 (42 U.S.C. 4852(o)) is
22 amended to read as follows:

23 “(o) AUTHORIZATION OF APPROPRIATIONS.—For the
24 purposes of carrying out this Act, there are authorized to
25 be appropriated \$257,500,000 for fiscal year 1995 and
26 \$265,225,000 for fiscal year 1996.”.

1 (2) TECHNICAL ASSISTANCE AND CAPACITY
2 BUILDING.—Section 1011(g) of the Housing and
3 Community Development Act of 1992 (42 U.S.C.
4 4852(g)) is amended—

5 (A) in the second sentence of paragraph
6 (1), by striking “In fiscal years 1993 and
7 1994” and inserting the following: “In fiscal
8 years 1995 and 1996”; and

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

11 “(2) SET-ASIDE.—Of the total amount ap-
12 proved in appropriation Acts under subsection (o),
13 there shall be set aside to carry out this subsection
14 \$3,000,000 for fiscal year 1995 and \$3,000,000 for
15 fiscal year 1996.”.

16 (b) HUD RESEARCH.—Section 1053 of the Housing
17 and Community Development Act of 1992 (42 U.S.C.
18 4854b) is amended to read as follows:

19 “**SEC. 1053. FUNDING.**

20 “Of the total amount approved in appropriation Acts
21 under section 1011(o), there shall be set aside to carry
22 out this part \$5,000,000 for fiscal year 1995 and
23 \$5,000,000 for fiscal year 1996.”.

1 **SEC. 708. NEW TOWNS DEMONSTRATION PROGRAM FOR**
2 **EMERGENCY RELIEF OF LOS ANGELES.**

3 (a) **INSURANCE AUTHORITY.**—The first sentence of
4 section 1104(d) of the Housing and Community Develop-
5 ment Act of 1992 (42 U.S.C. 5318 note) is amended to
6 read as follows: “To the extent provided in appropriation
7 Acts, the Secretary shall use any authority provided pur-
8 suant to section 531(b) of the National Housing Act to
9 enter into commitments to insure loans and mortgages
10 under this section in fiscal years 1995 and 1996 with an
11 aggregate principal amount not exceeding such sums as
12 may be necessary to carry out the demonstration under
13 this title.”.

14 (b) **SECOND MORTGAGE ASSISTANCE.**—Section
15 1105(e) of the Housing and Community Development Act
16 of 1992 (42 U.S.C. 5318 note) is amended to read as fol-
17 lows:

18 “(e) **AUTHORIZATION OF APPROPRIATIONS.**—There
19 are authorized to be appropriated for fiscal years 1995
20 and 1996 such sums as may be necessary for providing
21 assistance under this section.”.

22 (c) **COMMUNITY DEVELOPMENT ASSISTANCE.**—Sec-
23 tion 1106(h) of the Housing and Community Development
24 Act of 1992 (42 U.S.C. 5318 note) is amended to read
25 as follows:

1 “(h) AUTHORIZATION OF APPROPRIATIONS.—There
2 are authorized to be appropriated for fiscal years 1995
3 and 1996 such sums as may be necessary for assistance
4 under this section.”.

5 **SEC. 709. SOLAR ASSISTANCE FINANCING ENTITY.**

6 The first sentence of section 912(h) of the Housing
7 and Community Development Act of 1992 (42 U.S.C.
8 5511a(h)) is amended to read as follows: “There are au-
9 thorized to be appropriated to carry out this section
10 \$10,732,600 for fiscal year 1995 and \$11,054,578 for fis-
11 cal year 1996.”.

12 **SEC. 710. NATIONAL AMERICAN INDIAN HOUSING COUNCIL.**

13 There is authorized to be appropriated for assistance
14 for the National American Indian Housing Council
15 \$1,000,000 for fiscal year 1995 and \$1,030,000 for fiscal
16 year 1996, for providing training and technical assistance
17 to Indian Housing Authorities.

18 **SEC. 711. HOUSING ASSISTANCE COUNCIL.**

19 There is authorized to be appropriated for assistance
20 for the Housing Assistance Council \$5,000,000 for fiscal
21 year 1995 and \$5,150,000 for fiscal year 1996, for provid-
22 ing training, technical assistance, and financial assistance
23 to develop affordable housing in rural areas.

1 **TITLE VIII—HOUSING PRO-**
2 **GRAMS UNDER STEWART B.**
3 **MCKINNEY HOMELESS AS-**
4 **SISTANCE ACT**

5 **SEC. 801. SHORT TITLE.**

6 This title may be cited as the “Stewart B. McKinney
7 Homeless Housing Assistance Amendments Act of 1994”.

8 **Subtitle A—Housing Assistance**

9 **SEC. 811. EMERGENCY SHELTER GRANTS PROGRAM.**

10 Section 417 of the Stewart B. McKinney Homeless
11 Assistance Act (42 U.S.C. 11377) is amended to read as
12 follows:

13 **“SEC. 417. AUTHORIZATION OF APPROPRIATIONS.**

14 “There are authorized to be appropriated to carry out
15 this subtitle \$150,000,000 for fiscal year 1995 and
16 \$154,500,000 for fiscal year 1996.”.

17 **SEC. 812. SUPPORTIVE HOUSING PROGRAM.**

18 Section 429(a) of the Stewart B. McKinney Homeless
19 Assistance Act (42 U.S.C. 11389(a)) is amended to read
20 as follows:

21 “(a) AUTHORIZATION OF APPROPRIATIONS.—There
22 are authorized to be appropriated to carry out this subtitle
23 \$344,020,000 for fiscal year 1995 and \$354,340,600 for
24 fiscal year 1996.”.

1 **SEC. 813. SAFE HAVENS FOR HOMELESS INDIVIDUALS DEM-**
2 **ONSTRATION PROGRAM.**

3 Section 439 of the Stewart B. McKinney Homeless
4 Assistance Act (42 U.S.C. 11399) is amended to read as
5 follows:

6 **“SEC. 439. AUTHORIZATION OF APPROPRIATIONS.**

7 “There are authorized to be appropriated to carry out
8 this subtitle \$66,542,120 for fiscal year 1995 and
9 \$68,538,384 for fiscal year 1996.”.

10 **SEC. 814. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCU-**
11 **PANCY DWELLINGS.**

12 Section 441(a) of the Stewart B. McKinney Homeless
13 Assistance Act (42 U.S.C. 11401(a)) is amended to read
14 as follows:

15 “(a) INCREASE IN BUDGET AUTHORITY.—The budg-
16 et authority available under section 5(c) of the United
17 States Housing Act of 1937 for assistance under section
18 8(e)(2) of such Act (as in effect immediately before Octo-
19 ber 1, 1991) is authorized to be increased by
20 \$200,000,000 on or after October 1, 1994, and by
21 \$206,000,000 on or after October 1, 1995.”.

22 **SEC. 815. SHELTER PLUS CARE PROGRAM.**

23 The first sentence of section 463(a) of the Stewart
24 B. McKinney Homeless Assistance Act (42 U.S.C.
25 11403h(a)) is amended to read as follows: “For purposes
26 of the housing programs under this subtitle, there are au-

1 thorized to be appropriated \$150,000,000 for fiscal year
2 1995 and \$154,500,000 for fiscal year 1996.”.

3 **SEC. 816. RURAL HOMELESSNESS GRANT PROGRAM.**

4 Section 491(l)(1) of the Stewart B. McKinney Home-
5 less Assistance Act (42 U.S.C. 11408(l)(1)) is amended
6 to read as follows:

7 “(1) IN GENERAL.—There are authorized to be
8 appropriated to carry out this section \$32,197,800
9 for fiscal year 1995 and \$33,163,734 for fiscal year
10 1996.”.

11 **SEC. 817. STRATEGY TO ELIMINATE UNFIT TRANSIENT FA-**
12 **CILITIES.**

13 The first sentence of section 825(a) of the Cranston-
14 Gonzalez National Affordable Housing Act (42 U.S.C.
15 11301 note) is amended by striking “July 1, 1994” and
16 inserting “July 1, 1996”.

17 **SEC. 818. INNOVATIVE HOMELESS INITIATIVES DEM-**
18 **ONSTRATION PROGRAM.**

19 (a) PROGRAM EXTENSION.—Section 2(g) of the
20 HUD Demonstration Act of 1993 (42 U.S.C. 11301 note)
21 is amended by striking “October 1, 1994” and inserting
22 “October 1, 1996”.

23 (b) AUTHORIZATION OF APPROPRIATIONS.—The first
24 sentence of section 2(f) of the HUD Demonstration Act
25 of 1993 (42 U.S.C. 11301 note) is amended to read as

1 follows: “There are authorized to be appropriated to carry
2 out this section \$206,000,000 for fiscal year 1995 and
3 \$212,180,000 for fiscal year 1996.”.

4 **Subtitle B—Interagency Council on**
5 **the Homeless**

6 **SEC. 831. AUTHORIZATION OF APPROPRIATIONS.**

7 Section 208 of the Stewart B. McKinney Homeless
8 Assistance Act (42 U.S.C. 11318) is amended to read as
9 follows:

10 **“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

11 “There are authorized to be appropriated to carry out
12 this title \$1,609,890 for fiscal year 1995 and \$1,658,187
13 for fiscal year 1996.”.

14 **SEC. 832. EXTENSION.**

15 Section 209 of the Stewart B. McKinney Homeless
16 Assistance Act (42 U.S.C. 11319) is amended by striking
17 “October 1, 1994” and inserting “October 1, 1996”.

18 **Subtitle C—Federal Emergency**
19 **Management Food and Shelter**
20 **Program**

21 **SEC. 851. AUTHORIZATION OF APPROPRIATIONS.**

22 Section 322 of the Stewart B. McKinney Homeless
23 Assistance Act (42 U.S.C. 11352) is amended to read as
24 follows:

1 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

2 “There are authorized to be appropriated to carry out
3 this title \$193,186,800 for fiscal year 1995 and
4 \$198,982,404 for fiscal year 1996.”.

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