

**Union Calendar No. 332**

103D CONGRESS  
2D SESSION

**H. R. 3838**

**[Report No. 103-607]**

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**A BILL**

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

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JULY 15, 1994

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

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## 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. BACHUS 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

JULY 15, 1994

Additional sponsors: Mr. BOUCHER, and Mr. JOHNSTON of Florida

JULY 15, 1994

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

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

[For text of introduced bill, see copy of bill as introduced on February 10, 1994]

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# 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”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*  
7 *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. Resident representation in public housing agencies.*  
*Sec. 103. Determination of median income.*  
*Sec. 104. Definition of families.*  
*Sec. 105. Family self-sufficiency program.*  
*Sec. 106. Use of amounts in headquarters reserve.*

### Subtitle B—Public and Indian Housing

*Sec. 111. Public housing rent reform.*  
*Sec. 112. Sale of public housing to non-profit intermediaries.*  
*Sec. 113. Major reconstruction of obsolete projects.*  
*Sec. 114. New construction of projects for disabled families.*  
*Sec. 115. Recapture of public housing development amounts.*  
*Sec. 116. Repeal of least-cost limitation on public housing new construction.*  
*Sec. 117. Regulatory relief and paperwork reduction for high-performing public housing agencies.*  
*Sec. 118. Standards for lease termination and expedited grievance procedure.*  
*Sec. 119. Availability of criminal conviction information for screening and evictions.*  
*Sec. 120. Designated housing.*  
*Sec. 121. Public housing operating subsidies.*  
*Sec. 122. Eligible uses of emergency modernization funds.*  
*Sec. 123. Use of modernization funds for replacement housing.*  
*Sec. 124. Demolition and disposition of public housing.*  
*Sec. 125. Public housing resident opportunity.*  
*Sec. 126. Public housing family investment centers.*

- Sec. 127. Revitalization of severely distressed public housing.*
- Sec. 128. Program monitoring and technical assistance.*
- Sec. 129. Applicability of public housing amendments to Indian housing.*
- Sec. 130. Early childhood development program.*
- Sec. 131. Indian housing childhood development services.*
- Sec. 132. Public housing one-stop perinatal services demonstration.*
- Sec. 133. Sale of certain scattered site public housing.*
- Sec. 134. Eligibility of certain public housing for demolition.*
- Sec. 135. Demonstration program for innovative public housing agencies and resident management corporations.*
- Sec. 136. Demonstration program for occupancy of otherwise vacant public housing units by moderate-income families.*
- Sec. 137. Study of adequacy of payment in lieu of taxes.*

*Subtitle C—Section 8 Assistance*

- Sec. 141. Community investment demonstration program.*
- Sec. 142. Merger of section 8 rental assistance programs.*
- Sec. 143. Incentives to refinance high interest mortgages for section 8 projects.*
- Sec. 144. Demonstration program for use of excess residual receipts.*
- Sec. 145. Treatment of certain projects.*
- Sec. 146. Study of extent of nonparticipation of owners and landlords in section 8 rental assistance program.*
- Sec. 147. Study of section 8 housing quality standards.*

*Subtitle D—Renewal of Expiring Contracts for Section 8 New Construction and Substantial Rehabilitation Projects*

- Sec. 151. Findings and purpose.*
- Sec. 152. Notices of contract expiration and intention to renew.*
- Sec. 153. Secretary's response to owner's proposal.*
- Sec. 154. Limitation on new contracts.*
- Sec. 155. Required terms of new contracts.*
- Sec. 156. Maximum monthly rent under new contracts.*
- Sec. 157. Actions in cases of failure to enter into new contract.*
- Sec. 158. Contract extension.*
- Sec. 159. Financing and restructuring underlying debt and treatment of residual receipts.*
- Sec. 160. Retention of program savings by Secretary.*
- Sec. 161. Supportive services.*
- Sec. 162. Delegation of authority.*
- Sec. 163. Definitions.*
- Sec. 164. Regulations.*
- Sec. 165. Authorization of appropriations.*

*Subtitle E—Homeownership Programs*

- Sec. 171. HOPE homeownership programs.*
- Sec. 172. National Homeownership Fund.*
- Sec. 173. Section 235 mortgage refinancing.*
- Sec. 174. Housing counseling for homeownership and rental housing choice.*

*Subtitle F—Other Programs*

- Sec. 181. Community partnerships against crime.*
- Sec. 182. Low-income housing preservation.*
- Sec. 183. Flexible subsidy program.*

- Sec. 184. Youthbuild program.*
- Sec. 185. Disposition of HUD-owned multifamily housing properties.*
- Sec. 186. Guidelines for screening, admission, and evictions in public and assisted housing.*
- Sec. 187. Metropolitan area-wide strategy demonstration.*

#### *TITLE II—HOME INVESTMENT PARTNERSHIPS*

- Sec. 201. Authorization of appropriations.*
- Sec. 202. Eligible uses of investment.*
- Sec. 203. Qualification as affordable rental housing.*
- Sec. 204. Repayment of investment.*
- Sec. 205. Matching requirements.*
- Sec. 206. Support for State and local housing strategies.*
- Sec. 207. Labor requirements.*

#### *TITLE III—SUPPORTIVE HOUSING PROGRAMS*

- Sec. 301. Funding for supportive housing for the elderly and for persons with disabilities.*
- Sec. 302. Supportive housing for the elderly.*
- Sec. 303. Supportive housing for persons with disabilities.*
- Sec. 304. Revised congregate services.*
- Sec. 305. Supportive housing assistance for elderly independence.*
- Sec. 306. Housing opportunities for persons with AIDS.*
- Sec. 307. 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. Maximum mortgage amount ceiling for single family mortgages.*
- Sec. 404. Maximum mortgage amount floor for single family mortgage insurance.*
- Sec. 405. Elimination of restrictions regarding new construction.*
- Sec. 406. Authority to use amounts borrowed from family members for downpayments.*
- Sec. 407. Indemnification for multifamily housing project managers.*
- Sec. 408. Extension of multifamily housing mortgage auction provisions.*
- Sec. 409. Streamlined refinancing for HUD-held mortgages.*
- Sec. 410. Home equity conversion mortgages for elderly homeowners.*
- Sec. 411. Single family risk-sharing mortgage insurance program.*
- Sec. 412. Delegation of single family mortgage insuring authority to direct endorsement mortgagees.*
- Sec. 413. Eligibility of mortgages on homes on leased land owned by community land trusts.*
- Sec. 414. Insurance of 2-step single family mortgages.*
- Sec. 415. Mortgage limits for multifamily projects in high-cost areas.*
- Sec. 416. Calculation of credit subsidy for FHA refinancings and offset of negative subsidies.*
- Sec. 417. Approval of point-of-use purification systems and testing of systems.*
- Sec. 418. Energy efficient mortgages pilot program.*
- Sec. 419. Extension of multifamily mortgage credit demonstrations.*
- Sec. 420. Indian housing loan guarantees.*

- Sec. 421. National Commission on the Future of the Federal Housing Administration.*
- Sec. 422. Action and report on cooperative homeownership for low- and moderate-income families.*
- Sec. 423. Study of activity of private mortgage bankers and insurers.*

*Subtitle B—Secondary Mortgage Market Programs*

- Sec. 441. Limitation on GNMA guarantees of mortgage-backed securities.*
- Sec. 442. Assessment collection dates for Office of Federal Housing Enterprise Oversight.*

*Subtitle C—Emergency Mortgage Relief*

- Sec. 461. Amendments to Emergency Homeowners' Relief Act.*

*Subtitle D—Nonjudicial Foreclosure of Defaulted Single Family Mortgages*

- Sec. 481. Short title.*
- Sec. 482. Findings and purpose.*
- Sec. 483. Definitions.*
- Sec. 484. Applicability.*
- Sec. 485. Designation of foreclosure commissioner.*
- Sec. 486. Prerequisites to foreclosure.*
- Sec. 487. Notice of foreclosure sale.*
- Sec. 488. Commencement of foreclosure.*
- Sec. 489. Service of notice of foreclosure.*
- Sec. 490. Presale reinstatement.*
- Sec. 491. Conduct of sale and adjournment.*
- Sec. 492. Foreclosure costs.*
- Sec. 493. Disposition of sale proceeds.*
- Sec. 494. Transfer of title and possession.*
- Sec. 495. Record of foreclosure and sale.*
- Sec. 496. Effect of sale.*
- Sec. 497. Computation of time.*
- Sec. 498. Separability.*
- Sec. 499. Deficiency judgment.*

*TITLE V—RURAL HOUSING*

- Sec. 501. Program authorizations.*
- Sec. 502. Eligibility of Native Americans for rural housing programs.*
- Sec. 503. Escrow fund.*
- Sec. 504. Section 502 homeownership loans.*
- Sec. 505. Loan guarantees.*
- Sec. 506. Prepayment of rural rental housing loans.*
- Sec. 507. Designation of underserved areas and reservation of assistance.*
- Sec. 508. Administrative appeals.*
- Sec. 509. Section 515 rural rental housing.*
- Sec. 510. Optional conversion of rental assistance payments to operating subsidy for migrant farmworker projects.*
- Sec. 511. Definition of rural area.*
- Sec. 512. Eligibility of manufactured home parks for building site loans for cooperatives.*
- Sec. 513. Rural housing assistance targeting report.*
- Sec. 514. Priority for rural housing voucher assistance.*
- Sec. 515. Native American rural housing capacity demonstration program.*

- Sec. 516. Rural community development initiative.*
- Sec. 517. Loan guarantees for multifamily rental housing in rural areas.*
- Sec. 518. 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. Management information systems.*
- Sec. 603. Eligible activities.*
- Sec. 604. Reallocations.*
- Sec. 605. Limitation on extent of use of loan guarantees for housing purposes.*
- Sec. 606. Economic development grants.*
- Sec. 607. Use of UDAG recaptures.*
- Sec. 608. Extension of certain CDBG assistance.*

##### *Subtitle B—Other Community Development Programs*

- Sec. 631. Neighborhood Reinvestment Corporation.*
- Sec. 632. John Heinz neighborhood development program.*
- Sec. 633. Capacity building for community development and affordable housing.*
- Sec. 634. Colonias assistance program.*
- Sec. 635. Grants for empowerment zones and enterprise communities.*
- Sec. 636. Use of grant amounts.*

#### *TITLE VII—REGULATORY AND MISCELLANEOUS PROGRAMS*

- Sec. 701. Fair housing initiatives program.*
- Sec. 702. HUD program monitoring and evaluation.*
- Sec. 703. HUD salaries and expenses.*
- Sec. 704. Use of technical assistance amounts by or for HUD staff.*
- Sec. 705. Annual report regarding repeal of unfunded programs.*
- Sec. 706. Requirements for participation of women in construction assisted under HUD programs.*
- Sec. 707. Notification of HUD funding awards.*
- Sec. 708. Exclusion of GNMA from HUD personnel ceilings.*
- Sec. 709. HUD research and development.*
- Sec. 710. Preventing fraud and abuse in rural rental housing program.*
- Sec. 711. National Institute of Building Sciences.*
- Sec. 712. Residential lead-based paint hazard reduction.*
- Sec. 713. GAO study of lead-based paint detection technologies and tenant notification procedures.*
- Sec. 714. Civil money penalties for violations of Home Mortgage Disclosure Act by nonsupervised mortgagees.*
- Sec. 715. Removal of regulatory barriers to affordable housing.*
- Sec. 716. New towns demonstration program for emergency relief of Los Angeles.*
- Sec. 717. Authorization of appropriations for public services facility.*
- Sec. 718. National American Indian Housing Council.*
- Sec. 719. Housing Assistance Council.*
- Sec. 720. Demonstration program for outreach to avoid disconnection of utilities.*
- Sec. 721. Federal Deposit Insurance Corporation affordable housing program.*
- Sec. 722. State agencies as sureties.*

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

Sec. 801. Short title.

Subtitle A—Housing Assistance

CHAPTER 1—REORGANIZATION OF CERTAIN MCKINNEY ACT HOUSING  
PROVISIONS

Sec. 811. Flexible grant program.

Sec. 812. Regulations.

Sec. 813. Transition provisions.

CHAPTER 2—OTHER HOUSING ASSISTANCE PROGRAMS FOR THE HOMELESS  
UNDER MCKINNEY ACT

Sec. 821. Section 8 assistance for single room occupancy dwellings.

Sec. 822. Section 8 assistance for shelter plus care single room occupancy dwellings.

Sec. 823. Rural homelessness grant program.

Sec. 824. Clerical amendment.

CHAPTER 3—MISCELLANEOUS HOMELESS HOUSING PROVISIONS

Sec. 831. Innovative homeless program.

Sec. 832. FHA single family property disposition.

Subtitle B—Interagency Council on the Homeless

Sec. 841. Authorization of appropriations.

Sec. 842. Chairperson.

Sec. 843. Extension.

Subtitle C—Federal Emergency Management Agency 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.



1     **TITLE I—HOUSING ASSISTANCE**

2             **Subtitle A—General Provisions**

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

4             (a) *AGGREGATE BUDGET AUTHORITY.*—Section  
5     5(c)(6) of the United States Housing Act of 1937 (42 U.S.C.  
6     1437c(c)(6)) is amended by adding at the end the following  
7     new sentence: “The aggregate amount of budget authority  
8     that may be obligated for assistance referred to in para-  
9     graph (7) is increased (to the extent approved in appropria-  
10    tion Acts) by the sum of the amounts provided in paragraph  
11    (7)(A) on October 1, 1994, and by the sum of the amounts  
12    provided in paragraph (7)(B) on October 1, 1995.”.

13            (b) *UTILIZATION OF BUDGET AUTHORITY.*—Section  
14    5(c)(7) of the United States Housing Act of 1937 (42 U.S.C.  
15    1437c(c)(7)) is amended by striking the paragraph designa-  
16    tion and all that follows through the end of subparagraph  
17    (B) and inserting the following:

18            “(7)(A) Using the additional budget authority pro-  
19    vided under paragraph (6) and the balances of budget au-  
20    thority that become available during fiscal year 1995, the  
21    Secretary shall, to the extent approved in appropriation  
22    Acts, reserve authority to enter into obligations aggregat-  
23    ing—

24            “(i) for public housing grants under subsection  
25    (a)(2), not more than \$861,000,000, of which amount

1     *not more than \$263,000,000 shall be available for In-*  
2     *dian housing;*

3             *“(ii) for assistance under section 8, not more*  
4     *than \$2,674,000,000, of which not more than*  
5     *\$75,000,000 shall be available for assistance under*  
6     *section 8 for family unification under subsection*  
7     *(q)(3) of such section;*

8             *“(iii) for assistance under section 5(j)(2) for sub-*  
9     *stantial redesign, reconstruction, and redevelopment*  
10    *of existing obsolete public housing projects and build-*  
11    *ings, not more than \$114,000,000;*

12            *“(iv) for comprehensive improvement assistance*  
13    *grants under section 14(k), not more than*  
14    *\$3,230,000,000;*

15            *“(v) for assistance under section 8 for property*  
16    *disposition, not more than \$733,000,000;*

17            *“(vi) for assistance under section 8 for loan*  
18    *management, not more than \$150,000,000;*

19            *“(vii) for extensions of contracts expiring under*  
20    *section 8, \$5,092,000,000 which shall be for 5-year*  
21    *contracts for assistance under section 8 and vouchers*  
22    *under section 8(o) (as in effect before the date of the*  
23    *enactment of this Act) and for loan management as-*  
24    *istance under such section;*

1           “(viii) for amendments to contracts under sec-  
2           tion 8, such sums as may be necessary;

3           “(ix) for public housing lease adjustments and  
4           amendments, such sums as may be necessary;

5           “(x) for assistance under section 18(g) for re-  
6           placement housing for units demolished or disposed of  
7           under section 18, not more than \$333,450,000;

8           “(xi) for conversions from leased housing con-  
9           tracts under section 23 of this Act (as in effect imme-  
10          diately before the enactment of the Housing and Com-  
11          munity Development Act of 1974) to assistance under  
12          section 8, such sums as may be necessary; and

13          “(xii) for grants under section 24 for revitaliza-  
14          tion of severely distressed public housing, not more  
15          than \$500,000,000.

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

21                 “(i) for public housing grants under subsection  
22                 (a)(2), not more than \$862,000,000, of which amount  
23                 not more than \$264,000,000 shall be available for In-  
24                 dian housing;

1           “(ii) for assistance under section 8, not more  
2 than \$2,800,000,000, of which not more than  
3 \$75,000,000 shall be available for assistance under  
4 section 8 for family unification under subsection  
5 (q)(3) of such section;

6           “(iii) for assistance under section 5(j)(2) for sub-  
7 stantial redesign, reconstruction, and redevelopment  
8 of existing obsolete public housing projects and build-  
9 ings, not more than \$120,000,000;

10           “(iv) for comprehensive improvement assistance  
11 grants under section 14(k), not more than \$3,241,000;

12           “(v) for assistance under section 8 for property  
13 disposition, not more than \$800,000,000;

14           “(vi) for assistance under section 8 for loan  
15 management, not more than \$155,000,000;

16           “(vii) for extensions of contracts expiring under  
17 section 8, \$6,000,000,000 which shall be for 5-year  
18 contracts for assistance under section 8 and vouchers  
19 under section 8(o) (as in effect before the date of the  
20 enactment of the Housing and Community Develop-  
21 ment Act of 1994) and for loan management assist-  
22 ance under such section;

23           “(viii) for amendments to contracts under sec-  
24 tion 8, such sums as may be necessary;

1           “(ix) for public housing lease adjustments and  
2           amendments, such sums as may be necessary;

3           “(x) for assistance under section 18(g) for re-  
4           placement housing for units demolished or disposed of  
5           under section 18, not more than \$273,600,000;

6           “(xi) for conversions from leased housing con-  
7           tracts under section 23 of this Act (as in effect imme-  
8           diately before the enactment of the Housing and Com-  
9           munity Development Act of 1974) to assistance under  
10          section 8, such sums as may be necessary; and

11          “(xii) for grants under section 24 for revitaliza-  
12          tion of severely distressed public housing, not more  
13          than \$550,000,000.”.

14   **SEC. 102. RESIDENT REPRESENTATION IN PUBLIC HOUSING**  
15                           **AGENCIES.**

16          (a) *REPRESENTATION.*—Section 2 of the United States  
17          Housing Act of 1937 (42 U.S.C. 1437) is amended—

18                  (1) by inserting “(a) *POLICY.*—” after “*SEC. 2.*”;

19                  (2) by striking the last sentence; and

20                  (3) by adding at the end the following new sub-  
21          section:

22          “(b) *GOVERNANCE OF PUBLIC HOUSING AGENCIES.*—

23                  “(1) *PROHIBITION.*—No person may be barred  
24          from serving on the board of directors or other similar

1 *governing body of a local public housing agency be-*  
2 *cause of his or her tenancy in a low-income project.*

3 “(2) *RESIDENT MEMBERSHIP.*—*Each public*  
4 *housing agency shall have a board of directors or*  
5 *other similar governing body, of which not less than*  
6 *one-quarter of the members shall be residents of hous-*  
7 *ing units administered or assisted by the agency.*

8 “(3) *CONFLICTS OF INTEREST.*—*The Secretary*  
9 *shall establish guidelines to prevent conflicts of inter-*  
10 *est on the part of resident members of the board or*  
11 *directors or governing body of a public housing agen-*  
12 *cy. Such guidelines shall ensure that resident mem-*  
13 *bers are able to participate fully in policy and finan-*  
14 *cial matters within the control of the board or body.*

15 “(4) *FULL PARTICIPATION.*—*No public housing*  
16 *agency may limit or restrict the capacity or offices in*  
17 *which a member of such board or body may serve on*  
18 *such board or body solely because of the member’s sta-*  
19 *tus as a resident member.*

20 “(5) *DEFINITION.*—*For purposes of this sub-*  
21 *section, the term ‘resident member’ means a member*  
22 *of the board of directors or other similar governing*  
23 *body of a public housing agency who is a resident of*  
24 *a housing unit administered or assisted by the agen-*  
25 *cy.’.*”

1           (b) *CONFORMING AMENDMENT.*—*The first sentence of*  
2 *section 3(b)(6) of the United States Housing Act of 1937*  
3 *(42 U.S.C. 1437a(b)(6)) is amended by inserting before the*  
4 *period at the end the following: “and complies with the re-*  
5 *quirements under section 2(b)”.*

6   **SEC. 103. DETERMINATION OF MEDIAN INCOME.**

7           (a) *IN GENERAL.*—*Section 3(b)(2) of the United States*  
8 *Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is amended—*

9               (1) *in the 4th sentence—*

10                   (A) *by striking “County” and inserting*  
11                   *“and Rockland Counties”; and*

12                   (B) *by inserting “each” before “such*  
13                   *county”; and*

14               (2) *in the last sentence—*

15                   (A) *by striking “County” the 1st place it*  
16                   *appears and inserting “or Rockland Counties”;*  
17                   *and*

18                   (B) *by striking “County” the 2d place it*  
19                   *appears and inserting “and Rockland Counties”.*

20           (b) *REGULATIONS AND EFFECTIVE DATE.*—*The Sec-*  
21 *retary of Housing and Urban Development shall issue regu-*  
22 *lations implementing the amendments made by subsection*  
23 *(a) not later than the expiration of the 90-day period begin-*  
24 *ning on the date of the enactment of this Act. The regula-*  
25 *tions may not take effect until after September 30, 1993.*

1 **SEC. 104. DEFINITION OF FAMILIES.**

2 *The first sentence of section 3(b)(3)(B) of the United*  
3 *States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)) is*  
4 *amended by inserting “or, in the case of disabled families,*  
5 *other household members” after “spouses”.*

6 **SEC. 105. FAMILY SELF-SUFFICIENCY PROGRAM.**

7 *(a) SCOPE.—Section 23(b)(3) of the United States*  
8 *Housing Act of 1937 (42 U.S.C. 1437u(b)(3)) is amended*  
9 *to read as follows:*

10 *“(3) SCOPE.—Each public housing agency re-*  
11 *quired to carry out a local program under this section*  
12 *shall make assistance under the program available in*  
13 *a fiscal year, subject only to the availability of*  
14 *amounts for such assistance, to a number of families*  
15 *who are assisted by the agency under section 8 or re-*  
16 *side in public housing of the agency that is equivalent*  
17 *to the sum of—*

18 *“(A) the increase for such year in the num-*  
19 *ber of families assisted under section 8 (as com-*  
20 *pared to the preceding year); and*

21 *“(B) the increase for such year in the num-*  
22 *ber of public housing dwelling units made avail-*  
23 *able by the agency (as compared to the preceding*  
24 *year).”.*



1           (b) *VOLUNTARY ESCROW SAVINGS ACCOUNT*.—Section  
2 23(d) of the United States Housing Act of 1937 (42 U.S.C.  
3 1437u(d)) is amended—

4           (1) in paragraph (2)—

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

7                 (B) in the 2d sentence, by inserting after  
8 “area median income” the following: “that  
9 choose to escrow amounts under this paragraph”;

10                (C) in the 2d sentence, by striking “shall”  
11 and inserting “may”; and

12                (D) by striking the 3d and 4th sentences  
13 and inserting the following new sentence:  
14 “Amounts in the escrow account may be with-  
15 drawn by the participating family upon the suc-  
16 cessful performance of the obligations of the fam-  
17 ily under the contract of participation entered  
18 into by the family under subsection (c), as deter-  
19 mined according to the specific goals and terms  
20 included in the contract, and under other cir-  
21 cumstances, as determined by the public housing  
22 agency with the approval of the Secretary.”; and

23                (2) by striking the 2d sentence of paragraph (3)  
24 and inserting the following new sentence: “The plan  
25 may require the establishment of escrow savings ac-

1 counts under paragraph (2), a description of the pro-  
2 cedures for release of escrowed amounts, and any  
3 other incentives designed by the public housing agen-  
4 cy.”.

5 (c) *SERVICE COORDINATORS*.—Section 23 of the Unit-  
6 ed States Housing Act of 1937 (42 U.S.C. 1437u) is amend-  
7 ed—

8 (1) in the last sentence of subsection (b)(1), by  
9 inserting “under section 671 of the Housing and  
10 Community Development Act of 1992” after “service  
11 coordinator”; and

12 (2) in subsection (h)—

13 (A) in paragraph (2), by striking “(includ-  
14 ing the costs of employing a full-time service co-  
15 ordinator)”; and

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

18 “(3) *CONTRACT ADJUSTMENTS FOR SERVICE CO-*  
19 *ORDINATORS*.—If, in providing rental assistance  
20 under section 8 of the United States Housing Act of  
21 1937 for a public housing agency carrying out a local  
22 program under this section in any fiscal year, the  
23 Secretary increases the amount provided for the agen-  
24 cy so that the number of families assisted by the agen-  
25 cy in the year is greater than the number of families

1       *assisted in the preceding year, the Secretary may in-*  
2       *crease the amount annually provided for the agency*  
3       *to provide for the costs of employing or otherwise re-*  
4       *taining the services of one or more service coordina-*  
5       *tors referred to in subsection (b)(1) of this section.*  
6       *The Secretary may also, under any existing contract*  
7       *for assistance under section 8, include the cost of em-*  
8       *ploying such service coordinators to the extent that*  
9       *amounts for amendments to such contracts are avail-*  
10      *able.”.*

11      (d) *REPEAL OF INCENTIVE AWARD ALLOCATION.*—  
12      *Section 23 of the United States Housing Act of 1937 (42*  
13      *U.S.C. 1437u) is amended—*

14             (1) *by striking subsection (i); and*

15             (2) *by redesignating subsections (j) through (o)*  
16      *as subsections (i) through (n), respectively.*

17      (e) *TECHNICAL AMENDMENT.*—*Section 23(h)(2) of the*  
18      *United States Housing Act of 1937 (42 U.S.C. 1437u(h)(2))*  
19      *is amended by striking the last sentence.*

20      ***SEC. 106. USE OF AMOUNTS IN HEADQUARTERS RESERVE.***

21      (a) *USE FOR FAIR HOUSING ACTIVITIES.*—*Section*  
22      *213(d)(4)(A) of the Housing and Community Development*  
23      *Act of 1974 (42 U.S.C. 1439(d)(4)(A)) is amended—*

24             (1) *in clause (iii), by striking “and” at the end;*

1           (2) in clause (iv) by striking the period at the  
2           end and inserting a semicolon; and

3           (3) by inserting after clause (iv) the following  
4           new clauses:

5           “(v) fair housing activities and cash payments,  
6           in connection with the settlement of civil rights litiga-  
7           tion (excluding litigation brought by an employee or  
8           former employee of the Secretary); and

9           “(vi) in the case of financial assistance under  
10          the rental housing assistance program under section  
11          8 of the United States Housing Act of 1937, provid-  
12          ing assistance pursuant to section 8(q)(4) of such  
13          Act.”.

14          (b) AVAILABILITY OF PUBLIC HOUSING AND SECTION  
15          8 AMOUNTS.—Section 5 of the United States Housing Act  
16          of 1937 (42 U.S.C. 1437c) is amended by adding at the  
17          end the following new subsection:

18          “(m) USE OF AMOUNTS UNDER HEADQUARTERS RE-  
19          SERVE.—Any amounts appropriated for public housing de-  
20          velopment or assistance under section 8, that are retained  
21          by the Secretary in accordance with section 213(d)(4)(A)  
22          of the Housing and Community Development Act of 1974,  
23          may be used for any of the activities specified in clauses  
24          (i) through (v) of such section.”.

1           (c) *USE OF SECTION 8 ASSISTANCE FOR PORTABILITY*  
2 *AND NEIGHBORHOOD CRIME FIGHTERS.*—Section  
3 *213(d)(4) of the Housing and Community Development Act*  
4 *of 1974 is amended by adding at the end the following new*  
5 *subparagraphs:*

6           “(C) *Of any financial assistance for the rental housing*  
7 *assistance program under section 8 of the United States*  
8 *Housing Act of 1937 that is reserved pursuant to subpara-*  
9 *graph (A), 5 percent shall be reserved for use only for the*  
10 *purposes of providing assistance pursuant to section 8(o)(6)*  
11 *of such Act.*

12           “(D) *In addition to any financial assistance for the*  
13 *rental housing assistance program under section 8 of the*  
14 *United States Housing Act of 1937 that is reserved pursu-*  
15 *ant to subparagraphs (A) and (C), the Secretary shall re-*  
16 *serve not more than an additional \$15,000,000 of any fi-*  
17 *nancial assistance that becomes available under such pro-*  
18 *gram during each of fiscal years 1995 and 1996 and such*  
19 *additional amounts may be used only for the purpose under*  
20 *clause (vi) of subparagraph (A).”.*

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

3   **SEC. 111. PUBLIC HOUSING RENT REFORM.**

4           (a) *CEILING RENTS.*—Section 3(a)(2) of the United  
5 *States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is*  
6 *amended—*

7                   (1) *in subparagraph (A)—*

8                           (A) *in clause (i), by striking “and approved*  
9 *by the Secretary”;* and

10                           (B) *by striking clause (iii) and inserting*  
11 *the following new clause:*

12                           “(iii) *at the election of such agency, is—*

13                                   “(I) *not less than the average monthly*  
14 *amount of debt service and operating expenses*  
15 *attributable to dwelling units of similar size in*  
16 *public housing projects owned and operated by*  
17 *such agency;*

18                                   “(II) *not less than the reasonable rental*  
19 *value of the unit, as determined by the agency;*  
20 *or*

21                                   “(III) *not less than the local market rent*  
22 *determined by the agency for comparable units of*  
23 *similar size pursuant to the procedures pre-*  
24 *scribed by the Secretary for determining rent*

1           *reasonableness under the program for rental cer-*  
2           *tificate assistance under section 8(b).”;*

3           *(2) by redesignating subparagraph (B) as sub-*  
4           *paragraph (D); and*

5           *(3) by inserting after subparagraph (A) the fol-*  
6           *lowing new subparagraphs:*

7           *“(B) Any ceiling rents established by a public housing*  
8           *agency pursuant to this paragraph may be adjusted by the*  
9           *agency.*

10          *“(C)(i) Any ceiling rents established pursuant to*  
11          *subclause (I) or (III) of subparagraph (A)(iii) shall take*  
12          *effect at the discretion of the public housing agency.*

13          *“(ii) Any ceiling rents established pursuant to*  
14          *subclause (II) of subparagraph (A)(iii) may not take effect*  
15          *before the issuance of regulations to carry out such*  
16          *subclause, which shall be issued by the Secretary not later*  
17          *than 180 days after the date of the enactment of the Hous-*  
18          *ing and Community Development Act of 1994.*

19          *“(iii) Before the effectiveness of regulations under*  
20          *clause (ii), an agency shall determine the reasonable rental*  
21          *value of unit for purposes of subclause (II) of subparagraph*  
22          *(A)(iii) based upon (I) in a project of 50 or more units*  
23          *for which such ceiling rents are being established, the 95th*  
24          *percentile of rents paid for all units in the project, (II) in*  
25          *a group of comparable projects for which such ceiling rents*

1 *are being established that consists of a total of 50 or more*  
2 *units, all units in the projects, and (III) in a group of at*  
3 *least 50 comparable units for which such ceiling rents are*  
4 *being established, all units in the group.”.*

5 (b) *EXCLUSIONS FROM ADJUSTED INCOME.*—Section  
6 *3(b)(5) of the United States Housing Act of 1937 (42 U.S.C.*  
7 *1437a(b)(5)) is amended—*

8 (1) *in subparagraph (C)—*

9 (A) *by striking “and” before “(ii)”;* and

10 (B) *by inserting before the semicolon at the*  
11 *end the following: “; and (iii) to the extent docu-*  
12 *mented by the family, the amount paid by the*  
13 *family for health insurance coverage and any*  
14 *other nonreimbursed out-of-pocket medical ex-*  
15 *penditures for any members of the family residing in*  
16 *the household who, at the time, are not receiving*  
17 *or approved to receive any assistance for health*  
18 *care from the Federal Government or any State*  
19 *government, except that this clause shall apply*  
20 *only to families residing in public housing”;*

21 (2) *in subparagraph (E), by inserting before the*  
22 *semicolon at the end the following: “, except that in*  
23 *the case of a family residing in public housing the*  
24 *amount excluded under this subparagraph shall be 20*  
25 *percent of the earned income of the family remaining*



1 *after excluding any amounts pursuant to subpara-*  
2 *graph (H)”;*

3 *(3) in subparagraph (F), by striking “and” at*  
4 *the end;*

5 *(4) in subparagraph (G), by striking the period*  
6 *at the end and inserting a semicolon; and*

7 *(5) by adding at the end the following new sub-*  
8 *paragraphs:*

9 *“(H) in the case of a family residing in public*  
10 *housing, any earned income of any formerly depend-*  
11 *ent child who is a member of the family residing in*  
12 *the family’s dwelling unit during the period begin-*  
13 *ning on the date of the first redetermination of the*  
14 *rent for and family composition of the family that oc-*  
15 *currs after the child reaches 18 years of age and end-*  
16 *ing upon the date of the first such redetermination oc-*  
17 *curring after he or she reaches 21 years of age; and*

18 *“(I) in the case of 2-parent families with chil-*  
19 *dren (as defined by the Secretary by regulation) who*  
20 *reside in public housing, an amount (in addition to*  
21 *any amounts excluded under subparagraphs (E) and*  
22 *(H)) not to exceed 10 percent of any earned income*  
23 *of the family.”.*

1           (c) *EXCLUSION OF EARNED INCOME OF RESIDENTS*  
2 *WHO OBTAIN EMPLOYMENT FROM RENT DETERMINA-*  
3 *TIONS.—*

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

7           (A) *in the third sentence of paragraph (1),*  
8 *by striking “paragraph (2)” and inserting*  
9 *“paragraphs (2) and (3)”;* and

10           (B) *by adding at the end the following new*  
11 *paragraph:*

12           “(3) *OPTIONAL EXCLUSION OF EARNED INCOME FROM*  
13 *RENT DETERMINATION FOR FAMILIES PREVIOUSLY UNEM-*  
14 *PLOYED.—Notwithstanding any other provision of law, a*  
15 *public housing agency may provide (at the option of a pub-*  
16 *lic housing agency) that, for all units in public housing*  
17 *administered by the agency, the rent payable under sub-*  
18 *section (b) for any such unit occupied by a family whose*  
19 *income increases as a result of employment of a member*  
20 *of the family who was previously unemployed for 1 or more*  
21 *years, may not—*

22           “(A) *be increased as a result of the increased in-*  
23 *come due to such employment during the period that*  
24 *begins upon the commencement of such employment*  
25 *and ends upon the second annual redetermination of*

1     *the rent for and family composition of the family oc-*  
2     *curing thereafter;*

3             *“(B) during any 12-month period occurring dur-*  
4     *ing the 36 months succeeding the expiration of the pe-*  
5     *riod under subparagraph (A) for the family, be in-*  
6     *creased due to the continued employment of such fam-*  
7     *ily member by more than one-third of the difference*  
8     *between (i) the rent being paid by the family upon*  
9     *expiration of such period, and (ii) the amount of rent*  
10    *that the family would pay but for the applicability*  
11    *of this paragraph; and*

12             *“(C) in any case, exceed the amount determined*  
13    *under paragraph (1) or (2).”;*

14    *(d) EXCLUSION FROM INCOME OF EARNINGS FROM*  
15    *JOB TRAINING AND SELF-SUFFICIENCY PROGRAMS.—Sec-*  
16    *tion 3 of the United States Housing Act of 1937 (42 U.S.C.*  
17    *1437a) is amended—*

18             *(1) in subsection (b)(4), by inserting before the*  
19    *period at the end the following: “, and except that the*  
20    *earnings of and benefits to any public housing resi-*  
21    *dent resulting from enrollment and participation in*  
22    *a program providing employment training and sup-*  
23    *portive services in accordance with the Family Sup-*  
24    *port Act of 1988, section 22 of this Act, the Job*  
25    *Training Partnership Act, Subtitle D of title IV of*

1       *the Cranston-Gonzalez National Affordable Housing*  
2       *Act, part F of title IV of the Social Security Act, or*  
3       *any comparable Federal, State, or local law shall not*  
4       *be considered as income for the purposes of determin-*  
5       *ing a limitation on the amount of rent paid by the*  
6       *resident during the period that the resident enrolls*  
7       *and participates in such program”;* and

8               (2) by striking the undesignated paragraph at  
9       the end of subsection (c)(3) (as added by section  
10       515(b) of the Cranston-Gonzalez National Affordable  
11       Housing Act).

12       (e) *APPLICABILITY.*—Notwithstanding the amend-  
13       ments made by this section, any resident of public housing  
14       participating in the program under the authority contained  
15       in the undesignated paragraph at the end of section 3(c)(3)  
16       of the United States Housing Act of 1937 (as added by sec-  
17       tion 515(b) of the Cranston-Gonzalez National Affordable  
18       Housing Act (Public Law 101–625; 104 Stat. 4199)), as  
19       such paragraph existed before the date of enactment of this  
20       Act, shall continue to be governed by such authority.

21       (f) *PERFORMANCE FUNDING SYSTEM.*—Section  
22       9(a)(3)(B) of the United States Housing Act of 1937 (42  
23       U.S.C. 1437g(a)(3)(B)) is amended—

24               (1) in clause (iv), by striking “and” at the end;

1           (2) in (v), by striking the period at the end and  
2           inserting a semicolon; and

3           (3) by adding at the end the following new  
4           clause:

5           “(vi) the amount of any reduced revenue result-  
6           ing from the exclusion of income of public housing  
7           residents pursuant to section 3(b)(5)(E) shall be cal-  
8           culated and included in the amount of the payment  
9           received under this section by the public housing  
10          agency administering the public housing in which  
11          such residents reside;”.

12          (g) *EFFECTIVE DATE*.—The amendments under this  
13          section shall take effect on the earlier of—

14               (1) date of the effectiveness of the regulations  
15               under subsection (i); or

16               (2) the expiration of the 120-day period begin-  
17               ning on the date of the enactment of this Act.

18          (h) *REGULATIONS*.—The Secretary shall issue any  
19          final regulations necessary to implement the amendments  
20          made by this section, which shall take effect not later than  
21          the expiration of the 120-day period beginning on the date  
22          of the enactment of this Act. The regulations shall be issued  
23          after notice and opportunity for public comment in accord-  
24          ance with the procedures under section 553 of title 5, United

1 *States Code, applicable to substantive rules (notwithstand-*  
2 *ing subsections (a)(2), (b)(B), and (d)(3) of such section).*

3 **SEC. 112. SALE OF PUBLIC HOUSING TO NON-PROFIT**  
4 **INTERMEDIARIES.**

5 *The first sentence of section 5(h) of the United States*  
6 *Housing Act of 1937 (42 U.S.C. 1437c(h)) is amended by*  
7 *striking “its lower income tenants” and inserting: “low-in-*  
8 *come families residing in public housing or to non-profit*  
9 *organizations for resale to low-income families residing in*  
10 *public housing”.*

11 **SEC. 113. MAJOR RECONSTRUCTION OF OBSOLETE**  
12 **PROJECTS.**

13 *(a) ASSISTANCE FOR RECONSTRUCTION.—Section*  
14 *5(j)(2) of the United States Housing Act of 1937 (42 U.S.C.*  
15 *1437c(j)(2)) is amended—*

16 *(1) in subparagraph (A), by striking “Notwith-*  
17 *standing” and all that follows through “fiscal year”*  
18 *and inserting the following: “The Secretary may pro-*  
19 *vide assistance under this paragraph”;*

20 *(2) in subparagraph (C), by striking “reserved”*  
21 *and inserting “made available for assistance”;*

22 *(3) in subparagraph (F)(i), by striking “reserved*  
23 *or”; and*

1           (4) in subparagraph (G)(i), by striking “reserved  
2           under subparagraph (A)” and inserting “made avail-  
3           able for use under this paragraph”.

4           (b) *SET-ASIDE FOR DISABLED FAMILIES.*—Section  
5           5(j)(2)(G)(i) of the United States Housing Act of 1937 (42  
6           U.S.C. 1437c(j)(2)(G)(i)) is amended by striking “fiscal  
7           years 1993 and 1994” and inserting “fiscal years 1995 and  
8           1996”.

9           **SEC. 114. NEW CONSTRUCTION OF PROJECTS FOR DIS-**  
10           **ABLED FAMILIES.**

11           Section 5(j)(3)(A) of the United States Housing Act  
12           of 1937 (42 U.S.C. 1437c(j)(3)(A)) is amended by striking  
13           “fiscal years 1993 and 1994” and inserting “fiscal years  
14           1995 and 1996”.

15           **SEC. 115. RECAPTURE OF PUBLIC HOUSING DEVELOPMENT**  
16           **AMOUNTS.**

17           Section 5(k) of the United States Housing Act of 1937  
18           (42 U.S.C. 1437c(k)) is amended by adding before the pe-  
19           riod at the end of the first sentence the following: “, unless  
20           the Secretary finds that there is no feasible way for the  
21           agency to begin construction or rehabilitation, or to com-  
22           plete acquisition, within such period”.

1 **SEC. 116. REPEAL OF LEAST-COST LIMITATION ON PUBLIC**  
2 **HOUSING NEW CONSTRUCTION.**

3 *Section 6 of the United States Housing Act of 1937*  
4 *(42 U.S.C. 1437d) is amended by striking subsection (h).*

5 **SEC. 117. REGULATORY RELIEF AND PAPERWORK REDUC-**  
6 **TION FOR HIGH-PERFORMING PUBLIC HOUS-**  
7 **ING AGENCIES.**

8 *(a) WAIVER OF RULES AND REPORTS.—Section 6(j)*  
9 *of the United States Housing Act of 1937 (42 U.S.C.*  
10 *1437d(j)) is amended by adding at the end the following*  
11 *new paragraph:*

12 *“(5)(A) Except as provided in subparagraph (B), the*  
13 *Secretary may, for public housing agencies designated pur-*  
14 *suant to this subsection as high performing public housing*  
15 *agencies with respect to a fiscal year, waive (by regulation*  
16 *issued under subparagraph (C)) the applicability for the*  
17 *ensuing fiscal year of regulatory requirements otherwise ap-*  
18 *plicable to public housing agencies to the extent appro-*  
19 *priate, as determined by the Secretary, to facilitate more*  
20 *efficient operation of such agencies.*

21 *“(B) The Secretary may not waive the applicability*  
22 *of any provision—*

23 *“(i) limiting occupancy of public housing to low-*  
24 *income families;*

25 *“(ii) under section 18 requiring replacement of*  
26 *units in the case of demolition or disposition;*



1           “(iii) under the Uniform Relocation Assistance  
2           and Real Property Acquisition Policies Act of 1970;

3           “(iv) that prohibits, or the purpose of which is  
4           to protect persons against, discrimination on the  
5           basis of race, color, religion, sex, marital status, na-  
6           tional origin, age, or handicap, or that relates to fair  
7           housing or equal opportunity; or

8           “(v) under chapter 75 of title 31, United States  
9           Code.

10          “(C) During fiscal year 1995, the Secretary shall pub-  
11          lish in the Federal Register a proposed rule providing for  
12          the waiver of the regulations to be waived pursuant to this  
13          paragraph and identifying such regulations. The Secretary  
14          shall publish such proposed rule at a time determined by  
15          the Secretary to be sufficient to provide notice and an op-  
16          portunity for public comment before issuance of a final rule  
17          under this paragraph. Such final rule shall be issued not  
18          later than August 31, 1995.”.

19          (b) *RETENTION BY PHA’S OF SAVINGS FROM EFFI-*  
20          *CIENT MANAGEMENT.*—Section 6(e) of the United States  
21          Housing Act of 1937 (42 U.S.C. 1437d(e)) is amended to  
22          read as follows:

23          “(e) *TREATMENT OF SAVINGS.*—

24                  “(1) *IN GENERAL.*—Any income generated by a  
25                  high-performing public housing agency that exceeds

1     *the income estimated by the agency to be generated,*  
2     *according to the agency’s annual operating budget,*  
3     *shall be excluded in subsequent years in calculating*  
4     *the amount of the operating subsidy provided under*  
5     *section 9 to the high-performing public housing agen-*  
6     *cy. Such savings shall be retained by the agency for*  
7     *other housing purposes.*

8             “(2) *HIGH-PERFORMING PUBLIC HOUSING AGEN-*  
9     *CY.—For purposes of paragraph (1), the term ‘high-*  
10     *performing public housing agency’ means, with re-*  
11     *spect to a year, a public housing agency that has been*  
12     *designated pursuant to subsection (j) as a high per-*  
13     *forming public housing agency for the last fiscal year*  
14     *ending before the commencement of such year.”.*

15     **SEC. 118. STANDARDS FOR LEASE TERMINATION AND EXPE-**  
16             **DITED GRIEVANCE PROCEDURE.**

17     *Section 6 of the United States Housing Act of 1937*  
18     *(42 U.S.C. 1437d) is amended—*

19             (1) *in subsection (k), in the first sentence of the*  
20     *matter following paragraph (6), by striking “crimi-*  
21     *nal” the first place it appears; and*

22             (2) *in subsection (l)(5), by striking “criminal”*  
23     *the first place it appears.*

1 **SEC. 119. AVAILABILITY OF CRIMINAL CONVICTION INFOR-**  
2 **MATION FOR SCREENING AND EVICTIONS.**

3 *Section 6 of the United States Housing Act of 1937*  
4 *(42 U.S.C. 1437d) is amended by adding at the end the*  
5 *following new subsection:*

6 “(q) *AVAILABILITY OF CRIMINAL RECORDS.*—

7 “(1) *AVAILABILITY.*—*Notwithstanding any other*  
8 *provision of Federal, State, or local law, upon the re-*  
9 *quest of any public housing agency, the National*  
10 *Crime Information Center, police departments, and*  
11 *any other law enforcement entities shall provide in-*  
12 *formation to the agency regarding the criminal con-*  
13 *victions of applicants for, or residents of, public hous-*  
14 *ing for the purpose of applicant screening, lease en-*  
15 *forcement, and eviction. A public housing agency may*  
16 *pay a reasonable fee for such information.*

17 “(2) *CONTENT.*—*The information provided*  
18 *under paragraph (1) shall include information re-*  
19 *garding convictions for any felony and convictions for*  
20 *certain misdemeanors, including crimes of violence,*  
21 *destruction of property, use, sale, or distribution of*  
22 *controlled substances, illegal possession or use of fire-*  
23 *arms, and hate crimes. Such information may not in-*  
24 *clude information regarding any criminal conviction*  
25 *of such an applicant or resident for any act (or fail-*  
26 *ure to act) occurring before the applicant or resident*

1       reached 18 years of age or information regarding any  
2       criminal conviction of such an applicant or resident  
3       occurring more than 10 years before the request under  
4       this subsection is made by the public housing agency.

5               “(3) *USE.*—A public housing agency receiving  
6       information under this subsection may use such infor-  
7       mation only for the purposes provided in this sub-  
8       section and such information may not be disclosed to  
9       any person who is not an officer or employee of the  
10      public housing agency. The Secretary shall, by regula-  
11      tion, establish procedures necessary to ensure that in-  
12      formation provided to a public housing agency under  
13      this subsection is used, and confidentiality of such in-  
14      formation is maintained, as required under this sub-  
15      section.

16              “(4) *PENALTY.*—Any person who knowingly and  
17      willfully requests or obtains any information concern-  
18      ing an applicant for, or resident of, public housing  
19      pursuant to the authority under this subsection under  
20      false pretenses, or any person who knowingly and  
21      willfully discloses any such information in any man-  
22      ner to any individual not entitled under any law to  
23      receive it, shall be guilty of a misdemeanor and fined  
24      not more than \$5,000. The term ‘person’ as used in

1        *this paragraph shall include an officer or employee of*  
2        *any public housing agency.*

3            “(5) *CIVIL ACTION.*— *Any applicant for, or resi-*  
4        *dent of, public housing affected by (A) a negligent or*  
5        *knowing disclosure of information referred to in this*  
6        *section about such person by an officer or employee*  
7        *of any public housing agency, which disclosure is not*  
8        *authorized by this subsection, or (B) any other neg-*  
9        *ligent or knowing action that is inconsistent with this*  
10       *subsection, may bring a civil action for damages and*  
11       *such other relief as may be appropriate against any*  
12       *officer or employee of any public housing agency re-*  
13       *sponsible for such unauthorized action. The district*  
14       *court of the United States in the district in which the*  
15       *affected applicant or resident resides, in which such*  
16       *unauthorized action occurred, or in which the officer*  
17       *or employee alleged to be responsible for any such un-*  
18       *authorized action resides, shall have jurisdiction in*  
19       *such matters. Appropriate relief that may be ordered*  
20       *by such district courts shall include reasonable attor-*  
21       *ney’s fees and other litigation costs.”.*

22       **SEC. 120. DESIGNATED HOUSING.**

23        *Section 7(e)(1) of the United States Housing Act of*  
24       *1937 (42 U.S.C. 1437e(e)(1)) is amended—*

1           (1) *in the first sentence, by striking “and the*  
2 *Secretary approves an application under this sub-*  
3 *section for such designation”;* and

4           (2) *in the second sentence, by inserting before the*  
5 *period at the end the following: “, which shall provide*  
6 *that an application for a project (or portion of a*  
7 *project) shall be submitted and considered for ap-*  
8 *proval in conjunction with submission and approval*  
9 *of the allocation plan for the project (or portion)*  
10 *under section 7(f)”.*

11 **SEC. 121. PUBLIC HOUSING OPERATING SUBSIDIES.**

12           (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
13 *9(c) of the United States Housing Act of 1937 (42 U.S.C.*  
14 *1437g(c)) is amended—*

15           (1) *in paragraph (1), by striking “There” and*  
16 *all that follows and inserting the following new sen-*  
17 *tence: “There are authorized to be appropriated for*  
18 *purposes of providing annual contributions under*  
19 *this section \$3,146,000,000 for fiscal year 1995 and*  
20 *\$3,208,000,000 for fiscal year 1996.”.*

21           (2) *in paragraph (2), by striking “1993 and*  
22 *1994” and inserting “1995 and 1996”;* and

23           (3) *in paragraph (3), by striking “1993 and*  
24 *1994” and inserting “1995 and 1996”.*

1       (b) *ELIGIBILITY OF SEVERELY DISTRESSED PUBLIC*  
2 *HOUSING.*—Section 9(a)(2) of the United States Housing  
3 *Act of 1937 is amended—*

4           (1) *by striking “one” and inserting “that is*  
5 *(A)”*; and

6           (2) *by inserting after “section 8,” the following:*  
7 *“or (B) assisted under section 24 or the program au-*  
8 *thorized under (i) the third paragraph of the head,*  
9 *HOMEOWNERSHIP AND OPPORTUNITY FOR PEOPLE EV-*  
10 *ERYWHERE GRANTS (HOPE GRANTS), of title II of the*  
11 *Departments of Veterans Affairs and Housing and*  
12 *Urban Development, and Independent Agencies Ap-*  
13 *propriations Act, 1993, or (ii) the head, SEVERELY*  
14 *DISTRESSED PUBLIC HOUSING PROJECTS, of title II of*  
15 *the Department of Veterans Affairs and Housing and*  
16 *Urban Development, and Independent Agencies Ap-*  
17 *propriations Act, 1994;”.*

18       (c) *INCLUDED COSTS.*—Section 9(a)(3)(B) of the Unit-  
19 *ed States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(B)),*  
20 *as amended by the preceding provisions of this Act, is fur-*  
21 *ther amended by adding at the end the following new*  
22 *clauses:*

23           “(vii) *the amount of the payment received under*  
24 *this section by public housing agencies shall be cal-*  
25 *culated to include—*

1           “(I) benefits (including health care and  
2           pensions, annuities, and other retirement bene-  
3           fits) of employees of the agency;

4           “(II) the amount of any reduced revenue re-  
5           sulting from the amendments made by sub-  
6           sections (b) and (c) of section 573 of the Cran-  
7           ston-Gonzalez National Affordable Housing Act;

8           “(III) maintenance deferred;

9           “(IV) utility costs attributable to air condi-  
10          tioning; and

11          “(V) any increased costs of security for the  
12          public housing, attributable to increases in the  
13          number of incidents of vandalism and crime in  
14          the housing; and

15          “(viii) the amount of the payment received under  
16          this section by a public housing agency for a fiscal  
17          year shall be determined taking into consideration the  
18          actual expenses for the agency for the preceding fiscal  
19          year.”.

20   **SEC. 122. ELIGIBLE USES OF EMERGENCY MODERNIZATION**

21                   **FUNDS.**

22           Section 14(k)(1) of the United States Housing Act of  
23   1937 (42 U.S.C. 1437l(k)(1)) is amended—

24           (1) in the first sentence, by striking  
25           “\$75,000,000” and inserting “\$50,000,000”; and



1           (2) *by adding at the end the following new sen-*  
2           *tence: “The Secretary shall make any amounts re-*  
3           *reserved under this paragraph for any fiscal year that*  
4           *remain unobligated on September 1 of such fiscal*  
5           *year available for modernization needs in connection*  
6           *with the settlement of litigation and desegregation of*  
7           *public housing. Of the amounts reserved each year*  
8           *under this paragraph, the Secretary shall make avail-*  
9           *able to the Inspector General of the Department of*  
10          *Housing and Urban Development not more than*  
11          *\$5,000,000 for cost in connection with efforts to com-*  
12          *bat violent crime in public housing. Using amounts*  
13          *made available pursuant to the preceding sentence*  
14          *during fiscal years 1995 and 1996, the Secretary*  
15          *shall provide amounts in each such fiscal year for the*  
16          *continuation of the drug elimination activities under*  
17          *Project Nos. IA05PO98003004 and*  
18          *IA05DEP0980193.”.*

19   **SEC. 123. USE OF MODERNIZATION FUNDS FOR REPLACE-**  
20                            **MENT HOUSING.**

21          (a) *IN GENERAL.*—Section 14 of the United States  
22          *Housing Act of 1937 (42 U.S.C. 1437l) is amended by add-*  
23          *ing at the end the following new subsection:*

24          “(q) *USE OF AMOUNTS FOR REPLACEMENT HOUS-*  
25          *ING.*—

1           “(1) *AUTHORITY.*—A public housing agency may  
2           use assistance under this section to provide replace-  
3           ment housing as required by section 18 by developing  
4           additional housing under this Act, in accordance with  
5           requirements applicable to the development of public  
6           housing, but only if the cost of providing such housing  
7           (not including costs of demolition) is more cost effec-  
8           tive than the cost of modernization of the housing pro-  
9           posed to be replaced.

10           “(2) *LIMITATION ON AMOUNT.*—In any fiscal  
11           year, a public housing agency may not use more than  
12           50 percent of any assistance provided to the agency  
13           under this section for the fiscal year for providing re-  
14           placement housing pursuant to this section.

15           “(3) *REQUIREMENTS.*—A public housing agency  
16           may use assistance under this section as provided in  
17           subsection (a) only if the replacement of units is in-  
18           cluded in the replacement plan of the agency.”.

19           (b) *AVAILABLE REPLACEMENT HOUSING.*—Section  
20           14(c)(1) of the United States Housing Act of 1937 is  
21           amended by inserting before the semicolon the following:  
22           “or, only in the case of assistance used as provided under  
23           subsection (q), housing or units in housing owned (or leased  
24           for a period to be determined by the Secretary) by a part-

1 *nership of a public housing agency and other entity in*  
2 *which the agency has a controlling interest”.*

3 **SEC. 124. DEMOLITION AND DISPOSITION OF PUBLIC**  
4 **HOUSING.**

5 *Section 18 of the United States Housing Act of 1937*  
6 *(42 U.S.C. 1437p) is amended to read as follows:*

7 *“DEMOLITION AND DISPOSITION OF PUBLIC HOUSING*

8 *“SEC. 18. (a) CONDITION OF HOUSING.—The Sec-*  
9 *retary may approve an application by a public housing*  
10 *agency for permission to demolish or dispose of a public*  
11 *housing project or a portion of a public housing project only*  
12 *if the Secretary has determined that—*

13 *“(1) in the case of—*

14 *“(A) an application proposing demolition*  
15 *of a public housing project or a portion of a pub-*  
16 *lic housing project, the project or portion of the*  
17 *project is obsolete as to physical condition, loca-*  
18 *tion, or other factors, and it is more cost effective*  
19 *to replace the project or portion of the project*  
20 *than to rehabilitate the project or portion of the*  
21 *project; or*

22 *“(B) an application proposing the demoli-*  
23 *tion of only a portion of a project, the demolition*  
24 *will help to assure the remaining useful life of*  
25 *the remaining portion of the project;*

1           “(2) in the case of an application proposing dis-  
2           position of real property of a public housing agency  
3           by sale or other transfer—

4                   “(A)(i) the property’s retention is not in the  
5                   best interests of the tenants or the public housing  
6                   agency because (I) developmental changes in the  
7                   area surrounding the project adversely affect the  
8                   health or safety of the tenants or the feasible op-  
9                   eration of the project by the public housing agen-  
10                  cy, (II) disposition will allow the acquisition,  
11                  development, or rehabilitation of other properties  
12                  which will be more efficiently or effectively oper-  
13                  ated as low-income housing and which will pre-  
14                  serve the total amount of low-income housing  
15                  stock available in the community or housing suf-  
16                  ficient to address the needs of the community as  
17                  described in the comprehensive housing afford-  
18                  ability strategy under section 105 of the Cran-  
19                  ston-Gonzalez National Affordable Housing Act,  
20                  or (III) because of other factors which the Sec-  
21                  retary determines are consistent with the best in-  
22                  terests of the tenants and public housing agency  
23                  and which are not inconsistent with other provi-  
24                  sions of this Act; and

1           “(ii) for property other than dwelling units,  
2           the property is excess to the needs of a project or  
3           the disposition is incidental to, or does not inter-  
4           fere with, continued operation of a project; and

5           “(B) the net proceeds of the disposition will  
6           be used for (i) the payment of development costs  
7           for the replacement housing and for the retire-  
8           ment of outstanding obligations issued to finance  
9           original development or modernization of the  
10          project, which, in the case of scattered-site hous-  
11          ing of a public housing agency, shall be in an  
12          amount that bears the same ratio to the total of  
13          such costs and obligations as the number of units  
14          disposed of bears to the total number of units of  
15          the project at the time of disposition, and (ii) to  
16          the extent that any proceeds remain after the ap-  
17          plication of proceeds in accordance with clause  
18          (i), the provision of housing assistance for low-  
19          income families through such measures as mod-  
20          ernization of low-income housing, or the acquisi-  
21          tion, development, or rehabilitation of other  
22          properties to operate as low-income housing; or  
23          “(3) in the case of an application proposing  
24          demolition or disposition of any portion of a public

1       *housing project, assisted at any time under section*  
2       *5(j)(2)—*

3               *“(A) such assistance has not been provided*  
4               *for the portion of the project to be demolished or*  
5               *disposed within the 10-year period ending upon*  
6               *submission of the application; or*

7               *“(B) the property’s retention is not in the*  
8               *best interest of the tenants or the public housing*  
9               *agency because of changes in the area surround-*  
10              *ing the project or other circumstances of the*  
11              *project, as determined by the Secretary.*

12       *“(b) TENANT INVOLVEMENT AND REPLACEMENT*  
13       *HOUSING.—The Secretary may approve an application or*  
14       *furnish assistance under this section or under this Act only*  
15       *if the following requirements are met:*

16              *“(1) TENANT CONSULTATION AND EMPLOY-*  
17              *MENT.—The application from the public housing*  
18              *agency—*

19                      *“(A) has been developed in consultation*  
20                      *with tenants and tenant councils, if any, who*  
21                      *will be affected by the demolition or disposition;*

22                      *“(B) includes a plan to employ public hous-*  
23                      *ing tenants in construction or rehabilitation to*  
24                      *the extent practicable, pursuant to section 3 of*

1           *the Housing and Urban Development Act of*  
2           *1968; and*

3           “(C) contains a certification by appropriate  
4           local government officials that the proposed ac-  
5           tivity is consistent with the applicable com-  
6           prehensive housing affordability strategy under  
7           section 105 of the Cranston-Gonzalez National  
8           Affordable Housing Act.

9           “(2) *RELOCATION ASSISTANCE*.—All tenants to  
10          be relocated as a result of the demolition or disposi-  
11          tion will be provided assistance by the public housing  
12          agency and are relocated to other decent, safe, sani-  
13          tary, and affordable housing, which is, to the maxi-  
14          mum extent practicable, housing of their choice, in-  
15          cluding housing assisted under section 8 of this Act.

16          “(3) *REPLACEMENT HOUSING*.—The public hous-  
17          ing agency has developed a plan that provides for ad-  
18          ditional decent, safe, sanitary, and affordable dwell-  
19          ing unit for each public housing dwelling unit to be  
20          demolished or disposed under such application or pro-  
21          vides additional dwelling units sufficient to address  
22          the needs and demographic characteristics of the num-  
23          ber of applicants on the waiting list of the agency  
24          equal to the number of units to be demolished or dis-  
25          posed of or the needs of the community as described

1 *in the comprehensive housing affordability strategy*  
2 *under section 105 of the Cranston-Gonzalez National*  
3 *Affordable Housing Act, which plan—*

4 *“(A) provides for the provision of such ad-*  
5 *ditional dwelling units through—*

6 *“(i) the acquisition or development of*  
7 *additional public housing dwelling units,*  
8 *which may be units in housing owned (or*  
9 *leased for a period to be determined by the*  
10 *Secretary) by a partnership of a public*  
11 *housing agency and other entity in which*  
12 *the agency has a controlling interest;*

13 *“(ii) the use of 15-year project-based*  
14 *assistance under section 8;*

15 *“(iii) in the case of an application*  
16 *proposing demolition or disposition of 200*  
17 *or more units, the use of tenant-based as-*  
18 *sistance under section 8 having a term of*  
19 *not less than 5 years;*

20 *“(iv) units acquired or otherwise pro-*  
21 *vided for homeownership (including cooper-*  
22 *ative and condominium interests) by public*  
23 *housing residents under section 5(h), sub-*  
24 *title B or C of title IV of the Cranston-Gon-*  
25 *zalez National Affordable Housing Act, or*



1            *other programs for homeownership that*  
2            *have program requirements substantially*  
3            *equivalent to the requirements established*  
4            *under section 605 of the Housing and Com-*  
5            *munity Development Act of 1987;*

6            *“(v) affordable housing homeownership*  
7            *units assisted under title II of the Cranston-*  
8            *Gonzalez National Affordable Housing Act*  
9            *and sold to public housing residents;*

10           *“(vi) rental units that are (I) assisted*  
11           *under title II of the Cranston-Gonzalez Na-*  
12           *tional Affordable Housing Act (notwith-*  
13           *standing section 212(d)(2) of such Act), or*  
14           *(II) assisted under a State or local rental*  
15           *assistance program that provides for rental*  
16           *assistance over a term of not less than 15*  
17           *years that is comparable in terms of eligi-*  
18           *bility and contribution to rent to assistance*  
19           *under section 8, except that this subclause*  
20           *shall only apply in cases provided under*  
21           *subparagraph (C);*

22           *“(vii) housing assisted by a tax credit*  
23           *under section 42 of the Internal Revenue*  
24           *Code;*

1           “(viii) housing acquired from the Reso-  
2           lution Trust Corporation or the Federal De-  
3           posit Insurance Corporation;

4           “(ix) housing acquired under section  
5           203 of the Housing and Community Devel-  
6           opment Amendments of 1978;

7           “(x) other manners approved by the  
8           Secretary; or

9           “(xi) any combination of such methods;

10          “(B) in the case of an application propos-  
11          ing demolition or disposition of 200 or more  
12          units, shall provide that—

13               “(i) not less than 50 percent of such  
14               additional dwelling units shall be provided  
15               through the acquisition or development of  
16               additional dwelling units or through  
17               project-based assistance; and

18               “(ii) not more than 50 percent of such  
19               additional dwelling units shall be provided  
20               through tenant-based assistance under sec-  
21               tion 8 having a term of not less than 5  
22               years;

23          “(C) if it provides for the use of tenant-  
24          based assistance provided under section 8 or oth-  
25          erwise, may be approved—

1           “(i) only after a finding by the Sec-  
2           retary that replacement with project-based  
3           assistance is not feasible, and the supply of  
4           private rental housing actually available to  
5           those who would receive such assistance  
6           under the plan is sufficient for the total  
7           number of families in the community as-  
8           sisted with tenant-based assistance after im-  
9           plementation of the plan and that such sup-  
10          ply is likely to remain available for the full  
11          term of the assistance; and

12          “(ii) only if such finding is based on  
13          objective information, which shall include  
14          rates of participation by landlords in the  
15          section 8 program, size, conditions and rent  
16          levels of available rental housing as com-  
17          pared to section 8 standards, the supply of  
18          vacant existing housing meeting the section  
19          8 housing quality standards with rents at  
20          or below the fair market rental, the number  
21          of eligible families waiting for public hous-  
22          ing or housing assistance under section 8,  
23          and the extent of discrimination against the  
24          types of individuals or families to be served  
25          by the assistance;

1           “(D) may provide that all or part of such  
2 additional dwelling units may be located outside  
3 the jurisdiction of the public housing agency (in  
4 this subparagraph referred to as the ‘original  
5 agency’) if—

6                   “(i) the location is in the same housing  
7 market area as the original agency, as de-  
8 termined by the Secretary; and

9                   “(ii) the plan contains an agreement  
10 between the original agency and the public  
11 housing agency in the alternate location or  
12 other public or private entity that will be  
13 responsible for providing the additional  
14 units in the alternate location that such al-  
15 ternate agency or entity will, with respect  
16 to the dwelling units involved—

17                           “(I) provide the dwelling units in  
18 accordance with subparagraph (A);

19                           “(II) complete the plan on sched-  
20  ule in accordance with subparagraph  
21 (F);

22                           “(III) meet the requirements of  
23 subparagraph (G) of this paragraph  
24 and the maximum rent provisions of  
25 subparagraph (H);

1                   “(IV) not impose a local residency  
2                   preference on any resident of the juris-  
3                   diction of the original agency for pur-  
4                   poses of admission to any such units;  
5                   and

6                   “(V) allow that preference for ad-  
7                   mission to any such additional units  
8                   may be provided to residents of the se-  
9                   verely distressed public housing dwell-  
10                  ing units replaced under this subpara-  
11                  graph pursuant to section 24;

12                  “(E) includes a schedule for completing the  
13                  plan within a period consistent with the size of  
14                  the proposed demolition or disposition and re-  
15                  placement plan, which—

16                  “(i) shall not exceed 6 years, except  
17                  that the Secretary may extend the schedule  
18                  to not more than 10 years if the Secretary  
19                  determines that good cause exists to extend  
20                  the implementation of the replacement plan  
21                  under this subsection; and

22                  “(ii) the demolition or disposition  
23                  under the plan can occur in phases nec-  
24                  essary to provide for relocation of tenants  
25                  under paragraph (2);

1           “(F) includes a method of ensuring that the  
2 same number of individuals and families will be  
3 provided housing;

4           “(G) provides for the payment of the reloca-  
5 tion expenses of each tenant to be displaced and  
6 ensures that the rent paid by the tenant follow-  
7 ing relocation will not exceed the amount per-  
8 mitted under this Act; and

9           “(H) prevents the taking of any action to  
10 demolish or dispose of any unit until the tenant  
11 of the unit is relocated to decent, safe, sanitary,  
12 and affordable housing; and

13           “(I) permits the Secretary to intervene and  
14 take any actions necessary to complete the plan  
15 if the public housing agency fails, without good  
16 cause, to carry out its obligations under the  
17 plan.

18           “(c) LIMITATION ON DEMOLITION AND EXEMPTION.—

19           “(1) MAXIMUM PERCENTAGE.—Notwithstanding  
20 any other provision of this section, in any 5-year pe-  
21 riod a public housing agency may demolish not more  
22 than the lesser of 5 dwelling units or 5 percent of the  
23 total dwelling units owned and operated by the public  
24 housing agency, without providing an additional  
25 dwelling unit for each such public housing dwelling

1        *unit to be demolished, but only if the space occupied*  
2        *by the demolished unit is used for meeting the service*  
3        *or other needs of public housing residents.*

4            *“(2) SITE AND NEIGHBORHOOD STANDARDS EX-*  
5        *EMPTION.—Notwithstanding any other provision of*  
6        *law, a replacement plan under subsection (b)(3) may*  
7        *provide for demolition of public housing units and re-*  
8        *placement of such units on site or in the same neigh-*  
9        *borhood if the number of replacement units provided*  
10       *in the same neighborhood is fewer than the number of*  
11       *units demolished and the balance of replacement units*  
12       *are provided elsewhere in the jurisdiction or pursuant*  
13       *to subsection (b)(3)(D).*

14           *“(d) TREATMENT OF REPLACEMENT UNITS.—With re-*  
15       *spect to any dwelling units developed, acquired, or leased*  
16       *by a public housing agency pursuant to a replacement plan*  
17       *under subsection (b)(3)—*

18           *“(1) assistance may be provided under section 9*  
19       *for such units; and*

20           *“(2) such units shall be available for occupancy,*  
21       *operated and managed in the manner required for*  
22       *public housing, and shall be subject to the other re-*  
23       *quirements applicable to public housing dwelling*  
24       *units.*

25           *“(e) APPROVAL OF APPLICATIONS.—*

1           “(1) *IN GENERAL.*—The Secretary shall notify a  
2           public housing agency submitting an application  
3           under this section for demolition or disposition and  
4           replacement of a public housing project or portion of  
5           a project of the approval or disapproval of the appli-  
6           cation not later than 60 days after receiving the ap-  
7           plication. If the Secretary does not notify the public  
8           housing agency as required under this paragraph or  
9           paragraph (2), the application shall be considered to  
10          have been approved.

11          “(2) *DISAPPROVAL AND RESUBMISSION.*—If the  
12          Secretary disapproves an application, the Secretary  
13          shall specify in the notice of disapproval the reasons  
14          for the disapproval and the agency may resubmit the  
15          application as amended or modified.

16          “(3) *ANNUAL REPORT.*—The Secretary shall sub-  
17          mit a report to the Congress annually describing for  
18          the year the applications under this section approved  
19          and disapproved, the number, general condition, and  
20          location of units demolished or disposed of, and the  
21          number, general condition, location and method of  
22          provision of units of replacement housing provided  
23          pursuant to this section.

24          “(f) *ACTION BEFORE APPROVAL OF APPLICATION.*—



1           “(1) *PROHIBITED ACTION.*—A public housing  
2           agency shall not take any action to demolish or dis-  
3           pose of a public housing project or a portion of a pub-  
4           lic housing project without obtaining the approval of  
5           the Secretary and satisfying the conditions specified  
6           in subsections (a) and (b).

7           “(2) *ALLOWABLE RELOCATION.*—A public hous-  
8           ing agency may relocate tenants of public housing  
9           into other dwelling units before the approval of an  
10          application under this section for demolition or dis-  
11          position or prior to implementing a plan for mod-  
12          ernization under section 14 or 24, if units to be de-  
13          molished or disposed of are not decent, safe, and sani-  
14          tary, or if the units to be rehabilitated can not be  
15          maintained cost-effectively in a decent, safe, and sani-  
16          tary condition.

17          “(g) *ASSISTANCE FOR REPLACEMENT HOUSING.*—The  
18          Secretary may provide assistance under this subsection  
19          for—

20                 “(1) providing replacement public housing units  
21                 pursuant to subsection (b)(3)(A) for units demolished  
22                 or disposed of pursuant to this section; and

23                 “(2) providing assistance under section 8 for re-  
24                 placement housing pursuant to subsection (b)(3)(A)

1       for units demolished or disposed of pursuant to this  
2       section.

3       “(h) *INAPPLICABILITY TO PUBLIC HOUSING HOME-*  
4       *OWNERSHIP PROGRAM.*—The provisions of this section shall  
5       not apply to the disposition of a public housing project in  
6       accordance with an approved homeownership program  
7       under title III of this Act.

8       “(i) *EXCEPTION TO REPLACEMENT RULE.*—

9               “(1) *REQUIREMENTS FOR WAIVER.*—The Sec-  
10       retary shall waive the applicability of the provisions  
11       of subsection (b)(3) with respect to any application  
12       under this section by a public housing agency for the  
13       demolition or disposition of public housing dwelling  
14       units if—

15                       “(A) the Secretary determines, based on in-  
16       formation provided by the public housing agency  
17       in the application and the request under para-  
18       graph (2), that—

19                               “(i) the requirements under subsection  
20       (b)(3) are preventing or interfering with the  
21       development or acquisition of new public  
22       housing dwelling units by the agency;

23                               “(ii) the long-term goal of the agency  
24       in requesting the waiver under this sub-  
25       section is to increase the number of habit-

1            *able public housing dwelling units of the*  
2            *agency;*

3            *“(iii) maintaining and operating the*  
4            *dwelling units to be demolished or disposed*  
5            *of is not cost effective; and*

6            *“(iv) sufficient financial assistance is*  
7            *not, and will not be, available to the public*  
8            *housing agency to rehabilitate or replace all*  
9            *or some of the units;*

10            *“(B) the Secretary determines that replac-*  
11            *ing the dwelling units to be demolished or dis-*  
12            *posed under the application is unnecessary be-*  
13            *cause other affordable housing is available in the*  
14            *area in which the units are located, and in mak-*  
15            *ing such determination the Secretary shall con-*  
16            *sider the assessment submitted by the public*  
17            *housing agency under paragraph (2)(C); and*

18            *“(C) the public housing agency requests a*  
19            *waiver under this subsection in accordance with*  
20            *the requirements under paragraph (2).*

21            *“(2) REQUEST FOR WAIVER.—To be eligible for*  
22            *a waiver under this subsection, a public housing*  
23            *agency shall submit to the Secretary a request for a*  
24            *waiver under this subsection that includes—*

1           “(A) a comprehensive plan for demolition,  
2           disposition, and replacement that describes addi-  
3           tional dwelling units to be made available by the  
4           public housing agency;

5           “(B) an identification of the dwelling units  
6           for which the waiver is requested; and

7           “(C) an assessment of the need of replacing  
8           such dwelling units including the unit size, age,  
9           general condition, and length of time such units  
10          have been vacant, the condition of the neighbor-  
11          hood in which the dwelling units are located,  
12          and the availability of dwelling units affordable  
13          to low-income families within the jurisdiction in  
14          which the dwelling units are located, during the  
15          implementation of the replacement plan.

16          “(3) *SUBMISSION TO SECRETARY.*—A request for  
17          a waiver under this subsection may be submitted at  
18          any time. The request shall be submitted to the Sec-  
19          retary by certified mail or any other equivalent  
20          means that provides notification to the public housing  
21          agency making the request of the date of receipt by  
22          the Secretary.

23          “(4) *NOTICE OF DISPOSITION OF REQUEST.*—Ex-  
24          cept as provided in paragraph (5), the Secretary shall  
25          notify a public housing agency requesting a waiver

1     *under this section of the approval or disapproval of*  
2     *the request not later than 45 days after receiving the*  
3     *request. If the Secretary does not notify the public*  
4     *housing agency as required under this paragraph or*  
5     *paragraph (5), the request for a waiver shall be con-*  
6     *sidered to have been approved.*

7             “(5) *REQUEST FOR ADDITIONAL INFORMATION.—*  
8     *If the Secretary determines that more information is*  
9     *needed to make the determinations under paragraph*  
10    *(1) than has been provided by the public housing*  
11    *agency, the Secretary shall notify the agency in writ-*  
12    *ing not later 30 days after receiving the request for*  
13    *the waiver that additional information is necessary.*  
14    *Such notice shall describe specifically the additional*  
15    *information required for the determinations and es-*  
16    *tablish a deadline for the submission of the informa-*  
17    *tion by the agency, which shall be determined based*  
18    *on the difficulty of obtaining the information re-*  
19    *quested. If the agency submits such additional infor-*  
20    *mation requested before the deadline established in the*  
21    *notice under this paragraph, the Secretary shall no-*  
22    *tify the agency requesting the waiver that the request*  
23    *is approved or disapproved not later than 30 days*  
24    *after the submission of such additional information.*

1           “(6) *STATEMENT OF REASONS FOR DENYING OR*  
2           *APPROVING REQUEST.—The Secretary shall include,*  
3           *in each notice under paragraph (4) or (5) of the de-*  
4            *denial or approval of a request for a waiver under this*  
5            *subsection, the specific reasons for denying or approv-*  
6           *ing the request. The denial of any request for a waiv-*  
7           *er for public housing dwelling units shall not preju-*  
8           *dice the consideration of any other subsequent request*  
9           *for such a waiver for any of such dwelling units.”.*

10 **SEC. 125. PUBLIC HOUSING RESIDENT OPPORTUNITY.**

11           *Section 20 of the United States Housing Act of 1937*  
12           *(42 U.S.C. 1437r) is amended—*

13                     *(1) by striking the section heading and inserting*  
14                     *the following new section heading:*

15                             *“RESIDENT OPPORTUNITY PROGRAM”;*

16                     *(2) in the first 2 sentences of subsection (b), by*  
17                     *striking “resident management program” each place*  
18                     *it appears and inserting “resident opportunity pro-*  
19                     *gram”;* and

20                     *(3) in subsection (f)—*

21                             *(A) by striking “RESIDENT MANAGEMENT*  
22                             *TECHNICAL ASSISTANCE AND TRAINING” and in-*  
23                             *serting “RESIDENT OPPORTUNITY ASSISTANCE”;*

24                             *(B) in paragraph (1), by adding at the end*  
25                             *the following new sentence: “In addition, the*  
26                             *Secretary may provide financial assistance to*

1        *resident management corporations or resident*  
2        *councils for activities sponsored by resident orga-*  
3        *nizations for job training, economic development,*  
4        *security, and other self-sufficiency activities be-*  
5        *yond those related to the management of public*  
6        *housing.”;*

7            *(C) in paragraph (2), by striking*  
8            *“\$100,000” and inserting “\$250,000”;*

9            *(D) by striking paragraph (3) and insert-*  
10          *ing the following new paragraph:*

11          *“(3) FUNDING.—Of any amounts made available*  
12          *for financial assistance under section 14, the Sec-*  
13          *retary may use to carry out this subsection*  
14          *\$25,000,000 for fiscal year 1995 and \$25,000,000 for*  
15          *fiscal year 1996.”;*

16          *(E) by redesignating paragraphs (2)*  
17          *through (4) as paragraphs (3) through (5), re-*  
18          *spectively;*

19          *(F) by inserting after paragraph (1) the fol-*  
20          *lowing new paragraph:*

21          *“(2) OTHER USES OF ASSISTANCE.—The Sec-*  
22          *retary may use amounts available to carry out this*  
23          *subsection to enter into contracts with—*

24            *“(A) various entities for monitoring, eval-*  
25            *uation, technical assistance, and information*

1           *dissemination in connection with activities*  
2           *under this subsection; and*

3                   “(B) *resident organizations and public or*  
4                   *private entities for activities that support the*  
5                   *economic development and increased self-suffi-*  
6                   *ciency of public housing residents.*

7           *Eligible activities related to economic development*  
8           *and self-sufficiency may include programs for coun-*  
9           *seling, treatment for substance abuse, child care, re-*  
10           *medial education, job training, and development of*  
11           *resident businesses.”.*

12   **SEC. 126. PUBLIC HOUSING FAMILY INVESTMENT CENTERS.**

13           (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
14           *22(k) of the United States Housing Act of 1937 (42 U.S.C.*  
15           *1437t(k)) is amended to read as follows:*

16                   “(k) *AUTHORIZATION OF APPROPRIATIONS.—There*  
17                   *are authorized to be appropriated to carry out this section*  
18                   *\$50,000,000 for fiscal year 1995 and \$50,000,000 for fiscal*  
19                   *year 1996.”.*

20           (b) *PURPOSES.—Section 22(a) of the United States*  
21           *Housing Act of 1937 (42 U.S.C. 1437t(a)) is amended—*

22                   (1) *in the matter preceding paragraph (1) by in-*  
23                   *serting before “to provide” the following: “to provide*  
24                   *job training and employment services to public hous-*  
25                   *ing residents in connection with public and private*



1       *sector jobs generated by construction, modernization,*  
2       *maintenance, and supportive service activities of pub-*  
3       *lic housing and other housing projects and programs*  
4       *assisted by the Department of Housing and Urban*  
5       *Development and”;*

6             *(2) by redesignating paragraphs (2), (3), and*  
7             *(4), as paragraphs (3), (4), and (5), respectively;*

8             *(3) by inserting after paragraph (1) the follow-*  
9             *ing new paragraph:*

10            *“(2) operating job banks, assisting employers to*  
11            *develop training and apprenticeship programs, assist-*  
12            *ing businesses of public housing residents, and other*  
13            *employment-related activities;”;* and

14            *(4) by adding at the end the following new flush*  
15            *sentence:*

16        *“The provision of services under this section shall be consid-*  
17        *ered the provision of housing for purposes of section 3 of*  
18        *the Housing and Urban Development Act of 1968.”.*

19            *(c) ELIMINATION OF SUPPORTIVE SERVICES CAP.—*  
20        *Section 22(c)(4) of the United States Housing Act of 1937*  
21        *is amended by striking “not more than 15 percent of”.*

22            *(d) ECONOMIC OPPORTUNITY ACTIVITIES.—Section 22*  
23        *of the United States Housing Act of 1937 is amended—*

24            *(1) by striking subsection (b) and inserting the*  
25            *following new subsection:*

1       “(b) *GRANT AUTHORITY.*—*The Secretary may make*  
2 *grants to public housing agencies to adapt and provide sites*  
3 *in or near public housing for providing services to help fam-*  
4 *ilies residing in the public housing gain better access to edu-*  
5 *cational and job opportunities to achieve self-sufficiency*  
6 *and independence, and to provide such services. Assistance*  
7 *under this section may be made available only to public*  
8 *housing agencies that demonstrate to the satisfaction of the*  
9 *Secretary that supportive services (as such term is defined*  
10 *in subsection (j)) will be made available. Facilities assisted*  
11 *under this section shall be located in or near the premises*  
12 *of public housing.*”;

13               (2) *in subsection (c)(3), by striking “the renova-*  
14 *tion of facilities located near the premises of 1 or*  
15 *more public housing projects” and inserting the fol-*  
16 *lowing: “the acquisition of facilities located near the*  
17 *premises of 1 or more public housing projects, the ac-*  
18 *quisition and renovation of such facilities, or the ren-*  
19 *ovation of such facilities,”; and*

20               (3) *in subsection (j)—*

21                       (A) *in the first sentence, by inserting before*  
22 *the period at the end the following: “(including*  
23 *opportunities under a Family Self-Sufficiency*  
24 *program under section 23 of this Act, subtitle D*  
25 *of title IV of the Cranston-Gonzalez National Af-*

1           *fordable Housing Act, and the Job Training*  
2           *Partnership Act) and to facilitating participa-*  
3           *tion in such opportunities”;*

4           *(B) in paragraph (5), by striking “and” at*  
5           *the end;*

6           *(C) by redesignating paragraphs (4), (5),*  
7           *and (6) as paragraphs (5), (6), and (15), respec-*  
8           *tively; and*

9           *(D) by inserting after paragraph (3) the fol-*  
10          *lowing new paragraph:*

11          *“(4) English language education for persons hav-*  
12          *ing no or limited proficiency in English;”;* and

13          *(E) by inserting after paragraph (6) (as so*  
14          *redesignated) the following new paragraphs:*

15          *“(7) providing a job bank of available employ-*  
16          *ment positions;*

17          *“(8) assisting contractors, contractor associa-*  
18          *tions, and joint labor-management committees to de-*  
19          *velop and assist training and apprenticeship pro-*  
20          *grams;*

21          *“(9) funding start-up costs of business employ-*  
22          *ing, or owned by, public housing residents;*

23          *“(10) providing coordination with related gov-*  
24          *ernment and private programs;*

1           “(11) carrying out job-related activities nec-  
2           essary to establish and operate a family investment  
3           center, including training, supervision of trainees,  
4           and job recruitment;

5           “(12) apprenticeship training of public housing  
6           residents in job skills used in the construction mod-  
7           ernization, maintenance, and operation of public  
8           housing and other housing assisted by the Department  
9           of Housing and Urban Development;

10           “(13) employing public housing residents in  
11           modernization, maintenance, and operation of public  
12           housing and other housing assisted by the Department  
13           of Housing and Urban Development;

14           “(14) training and employing public housing  
15           residents in jobs providing supportive services to resi-  
16           dents participating in the program for family self-  
17           sufficiency and other economic independence; and”.

18 **SEC. 127. REVITALIZATION OF SEVERELY DISTRESSED PUB-**

19 **LIC HOUSING.**

20           (a) *PLANNING GRANTS*.—Subsection (c) of section 24  
21 of the United States Housing Act of 1937 (42 U.S.C.  
22 1437v(c)) is amended—

23           (1) in paragraph (2) by striking “\$200,000” and  
24           inserting “\$300,000”;

25           (2) in paragraph (3)—

1           (A) in subparagraph (G), by striking “de-  
2           signing a suitable replacement housing plan”  
3           and inserting “designing suitable relocation and  
4           replacement housing plans”;

5           (B) by redesignating subparagraphs (E)  
6           through (I) as subparagraphs (F) through (J),  
7           respectively; and

8           (C) by inserting after subparagraph (D) the  
9           following new subparagraph:

10           “(E) planning for community service ac-  
11           tivities to be carried out by residents, other mem-  
12           bers of the community, and other persons willing  
13           to contribute to the social, economic, or physical  
14           improvement of the community;”;

15           (3) in paragraph (4)—

16           (A) by redesignating subparagraphs (D)  
17           and (E) as subparagraphs (E) and (F), respec-  
18           tively; and

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

21           “(D) to the extent the applicant is request-  
22           ing amounts for community service activities, a  
23           description of the planning activities for commu-  
24           nity service to be carried out by residents, other  
25           members of the community, and other persons

1           willing to contribute to the social, economic, or  
2           physical improvement of the community;” and  
3           (5) in paragraph (5)—

4           (A) in subparagraph (F), by inserting be-  
5           fore the semicolon at the end the following: “,  
6           taking into consideration the condition of the  
7           public housing of the public housing agency as a  
8           whole”;

9           (B) by striking subparagraph (E);

10           (C) by redesignating subparagraphs (F)  
11           and (G) as subparagraphs (E) and (F), respec-  
12           tively; and

13           (D) by adding at the end the following new  
14           flush material:

15           *“In making grants under this subsection, the Sec-  
16           retary may select a lower-rated application that  
17           meets the requirements pursuant to this section in-  
18           stead of a higher-rated application to increase the na-  
19           tional geographic diversity among applications ap-  
20           proved under this section.”.*

21           (b) IMPLEMENTATION GRANTS.—Subsection (d) of sec-  
22           tion 24 of the United States Housing Act of 1937 is amend-  
23           ed—

24           (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 for  
6                   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 con-  
10                  tributed from non-Federal sources, and may  
11                  be in the form of cash, administrative costs,  
12                  and the reasonable value of in-kind con-  
13                  tributions, and may include funding under  
14                  title I of the Housing and Community De-  
15                  velopment Act of 1974.”;

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

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

21                   “(E) community service activities to be car-  
22                   ried out by residents, other members of the com-  
23                   munity, and other persons willing to contribute  
24                   to the social, economic, or physical improvement  
25                   of the community;

1           “(F) replacement of public housing units;”;  
2           (2) in paragraph (3)—

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

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

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

15          (3) in paragraph (4)—

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

18          “(D) the quality of the proposed revitaliza-  
19          tion program and the suitability of the project  
20          for such a program;”;

21          (B) in subparagraph (F), by inserting be-  
22          fore the semicolon at the end the following: “,  
23          taking into consideration the condition of the  
24          public housing of the applicant as a whole”; and

25          (C) by striking subparagraph (E);



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

4           (E) by adding at the end the following new  
5           flush material:

6           *“In making grants under this subsection, the Sec-  
7           retary may select a lower-rated application that  
8           meets the requirements pursuant to this section in-  
9           stead of a higher-rated application to increase the na-  
10          tional geographic diversity among applications ap-  
11          proved under this section.”.*

12          (c) *EXCEPTIONS TO GENERAL PROGRAM REQUIRE-*  
13 *MENTS.—Section 24(e) of the United States Housing Act*  
14 *of 1937 is amended—*

15           (1) by striking the first sentence of paragraph  
16           (2) and inserting the following new sentence: *“For*  
17 *projects revitalized under this section, a public hous-*  
18 *ing agency may—*

19                   *“(A) in lieu of selecting tenants pursuant to*  
20 *the preferences specified under section*  
21 *6(c)(4)(A)(i), select tenants pursuant to a local*  
22 *system of preferences;*

23                   *“(B) in making dwelling units in such*  
24 *projects available for occupancy, disregard the*  
25 *order in which applications were made for resi-*

1           *gency in public housing dwelling units or any*  
2           *waiting lists established for such residency to*  
3           *provide for substantial variation in the incomes*  
4           *of families residing in the project, subject to the*  
5           *provisions of this Act relating to income eligi-*  
6           *bility in public housing projects (as modified*  
7           *under subparagraph (C));*

8           *“(C) notwithstanding section 16 of this Act,*  
9           *provide for low-income families to occupy not*  
10          *more than 50 percent of the dwelling units in a*  
11          *project, and*

12          *“(D) establish ceiling rents under section*  
13          *3(a)(2).”;* and

14          *(2) by adding at the end the following new para-*  
15          *graph:*

16          *“(3) DEMOLITION AND REPLACEMENT.—*

17                 *“(A) IN GENERAL.—Notwithstanding any*  
18                 *other applicable law or regulation, a revitaliza-*  
19                 *tion plan under this section may include demoli-*  
20                 *tion of public housing units and replacement of*  
21                 *such units on site or in the same neighborhood*  
22                 *if the number of replacement units provided in*  
23                 *the same neighborhood is fewer than the number*  
24                 *of units demolished as a result of the revitaliza-*  
25                 *tion effort.*

1           “(B) *TENANT-BASED ASSISTANCE.*—*Not-*  
2           *withstanding the limitation in subparagraph (C)*  
3           *of section 18(b)(3), a public housing agency may*  
4           *replace not more than one-third of the units de-*  
5           *molished or disposed of through a revitalization*  
6           *project under this section with tenant-based as-*  
7           *stance under section 8, but only if the public*  
8           *housing agency demonstrates to the satisfaction*  
9           *of the Secretary that the local housing market in*  
10           *which the assistance is to be used has had a va-*  
11           *cancy rate, among units whose rent does not ex-*  
12           *ceed the fair market rental for the area estab-*  
13           *lished under section 8(e), of more than 3 percent*  
14           *for at least 6 consecutive months.*

15           “(C) *ALTERNATIVE METHODS OF REPLACE-*  
16           *MENT.*—*A revitalization plan under this section*  
17           *may provide for replacement of public housing*  
18           *units in the manners under subparagraph (D) of*  
19           *this paragraph (and not subject to the require-*  
20           *ments of subparagraph (B) of section 18(b)(3)) if*  
21           *the agency or corporation enters into such agree-*  
22           *ments as the Secretary considers necessary to en-*  
23           *sure that the replacement units will remain af-*  
24           *fordable to families eligible for residency in pub-*

1            *lic housing for the remaining useful life of the*  
2            *units, as determined by the Secretary.*

3            *“(D) CERTIFICATE AND NEW UNIT MIX.—*  
4            *Each such dwelling unit demolished, disposed of,*  
5            *or otherwise eliminated pursuant to this para-*  
6            *graph shall be replaced with an additional*  
7            *dwelling unit through any combination of—*

8                    *“(i) additional public housing dwelling*  
9                    *units;*

10                   *“(ii) units or housing described in*  
11                   *clause (iv), (v), (vii), (viii), or (ix) of sec-*  
12                   *tion 18(b)(3)(A);*

13                   *“(iii) rental units that are (I) assisted*  
14                   *under title II of the Cranston-Gonzalez Na-*  
15                   *tional Affordable Housing Act (notwith-*  
16                   *standing section 212(d)(2) of such Act), or*  
17                   *(II) assisted under a State or local rental*  
18                   *assistance program that provides for rental*  
19                   *assistance over a term of not less than 5*  
20                   *years that is comparable in terms of eligi-*  
21                   *bility and contribution to rent to assistance*  
22                   *under section 8; but this clause shall apply*  
23                   *to a revitalization program only if the*  
24                   *agency demonstrates to the satisfaction of*  
25                   *the Secretary that the local housing market*

1           *in which the assistance is to be used has*  
2           *had a vacancy rate, among units whose rent*  
3           *does not exceed the fair market rental for*  
4           *the area established under section 8(e), of*  
5           *more than 3 percent for at least 6 consecu-*  
6           *tive months; or*

7                     *“(iv) other manners approved by the*  
8                     *Secretary.”.*

9           *(d) DEFINITIONS.—Subsection (h) of section 24 of the*  
10          *United States Housing Act of 1937 is amended—*

11                     *(1) by striking paragraph (5) and inserting the*  
12                     *following new paragraphs:*

13                     *“(6) SEVERELY DISTRESSED PUBLIC HOUSING.—*  
14                     *The term ‘severely distressed public housing’ means a*  
15                     *public housing project or building in a project that—*

16                             *“(A) requires major redesign, reconstruc-*  
17                             *tion, or redevelopment, or partial or total demo-*  
18                             *lition, to correct serious deficiencies in the origi-*  
19                             *nal design (including inappropriately high pop-*  
20                             *ulation density), deferred maintenance, physical*  
21                             *deterioration or obsolescence of major systems,*  
22                             *and other deficiencies in the physical plant of*  
23                             *the project;*

24                             *“(B) is—*

1           “(i)(I) occupied predominantly by  
2 families with children which have extremely  
3 low incomes, high rates of unemployment,  
4 and extensive dependency on various forms  
5 of public assistance; and

6           “(II) has high rates of vandalism and  
7 criminal activity (including drug-related  
8 criminal activity) in comparison to other  
9 housing in the area; or

10           “(ii) has a vacancy rate, as determined  
11 by the Secretary, of 50 percent or more;

12           “(C) can not be revitalized through assist-  
13 ance under other programs, such as the programs  
14 under sections 9 and 14, or through other ad-  
15 ministrative means because of the inadequacy of  
16 available amounts; and

17           “(D) in the case of an individual building,  
18 the building is (in the determination of the Sec-  
19 retary) sufficiently separable from the remainder  
20 of the project of which the building is part to  
21 make use of the building feasible for purposes of  
22 this section.

23           “(7) SUPPORT SERVICES.—The term ‘support  
24 services’ includes all activities which will promote up-  
25 ward mobility, self-sufficiency, and improved quality

1 *of life for the residents of the public housing project*  
2 *involved, and shall include literacy training, job*  
3 *training, day care, and economic development activi-*  
4 *ties. Support services may be provided to residents of*  
5 *the neighborhood in which the public housing project*  
6 *involved is located.”;*

7 *(2) by redesignating paragraphs (2) through (4)*  
8 *as paragraphs (3) through (5), respectively; and*

9 *(3) by inserting after paragraph (1) the follow-*  
10 *ing new paragraph:*

11 *“(2) COMMUNITY SERVICE.—The term ‘commu-*  
12 *nity service’ means services provided on a volunteer*  
13 *or limited stipend basis for the social, economic, or*  
14 *physical improvement of the community to be served,*  
15 *including opportunity for the upward mobility of*  
16 *participants providing the community service,*  
17 *through completion of education requirements, job*  
18 *training, or alternative methods of developing skills*  
19 *and job readiness.”.*

20 *(e) REPORTS.—Section 24(i) of the United States*  
21 *Housing Act of 1937 is amended—*

22 *(1) by striking paragraph (2); and*

23 *(2) by redesignating paragraphs (3) and (4) as*  
24 *paragraphs (2) and (3), respectively.*

1           (f) *REPEAL.*—Section 24 of the United States Housing  
2 Act of 1937 (42 U.S.C. 1437v) is amended by striking sub-  
3 section (b).

4           (g) *APPLICABILITY.*—Section 24 of the United States  
5 Housing Act of 1937 is amended by adding at the end the  
6 following new subsection:

7           “(j) *APPLICABILITY.*—Notwithstanding any provision  
8 of this Act, with respect to a public housing project that  
9 (1) has been selected for funding under this section 24 or  
10 through the urban revitalization demonstration program  
11 under the Departments of Veterans Affairs and Housing  
12 and Urban Development, and Independent Agencies Appro-  
13 priations Act, 1993 (Public Law 102–389, 106 Stat. 1579;  
14 42 U.S.C. 1437l note) or the Departments of Veterans Af-  
15 fairs and Housing and Urban Development, and Independ-  
16 ent Agencies Appropriations Act, 1994 (Public Law 103–  
17 124, 107 Stat. 1285; 42 U.S.C. 1437l note), and (2) has  
18 an approved comprehensive plan under section 14 of this  
19 Act, the Secretary may apply any provision of this section  
20 and the regulations hereunder to all activities undertaken  
21 at such projects only during revitalization (including ac-  
22 tivities relating to demolition, modernization, reconstruc-  
23 tion, site improvement, and replacement housing).”.

24           (h) *CONFORMING AMENDMENT.*—The first sentence of  
25 section 25(m)(1) of the United States Housing Act of 1937



1 (42 U.S.C. 1437w(m)(1)) is amended to read as follows:  
2 “The term ‘eligible housing’ means a public housing project,  
3 or one or more buildings within a project, that is owned  
4 or operated by a troubled public housing agency that has  
5 been troubled for not less than 3 years and that, as deter-  
6 mined by the Secretary, has failed to make substantial  
7 progress toward effective management.”.

8 (i) *APPLICABILITY TO CERTAIN PROJECT.*—The  
9 amendments made by this section shall apply with respect  
10 to assistance provided before the date of the enactment of  
11 this Act under section 24 of the United States Housing Act  
12 of 1937 for the Desire Housing Development, located in New  
13 Orleans, Louisiana, but only to the extent that the Housing  
14 Authority of New Orleans submits to the Secretary of Hous-  
15 ing and Urban Development a description of the revitaliza-  
16 tion program for such project describing the use of such as-  
17 sistance under the provisions of such section 24, as amend-  
18 ed, which is approved by the Secretary.

19 **SEC. 128. PROGRAM MONITORING AND TECHNICAL ASSIST-**  
20 **ANCE.**

21 (a) *DEFINITION.*—Section 3 of the United States  
22 Housing Act of 1937 (42 U.S.C. 1437a), as amended by  
23 adding at the end the following new subsection:

24 “(e) *TECHNICAL ASSISTANCE AND SERVICES.*—As used  
25 in sections 5(c)(9) and 14(k)(1)(B), the term ‘technical as-

1 *sistance and services' shall include any or all undertakings*  
2 *by the Secretary, directly using officials and employees of*  
3 *the Secretary, or indirectly under contract or otherwise, re-*  
4 *lated to the inspection or oversight of project or program*  
5 *development or implementation, training and technical as-*  
6 *sistance, public housing agency or Indian housing author-*  
7 *ity program, project, or general management, crisis man-*  
8 *agement and operations, survey research, and the prepara-*  
9 *tion of reports or recommendations to the Secretary.'.*

10 *(b) AVAILABILITY OF DEVELOPMENT AMOUNTS.—Sec-*  
11 *tion 5(c) of the United States Housing Act of 1937 (42*  
12 *U.S.C. 1437c(c)) is amended by adding at the end the fol-*  
13 *lowing new paragraph:*

14 *“(9) Of any amounts appropriated pursuant to this*  
15 *Act in fiscal year 1995 for public housing development (in-*  
16 *cluding Indian housing development), the Secretary may*  
17 *use not more than 0.5 percent for technical assistance and*  
18 *services.’.*

19 *(c) AVAILABILITY OF MODERNIZATION AMOUNTS.—*  
20 *Section 14(k)(1) of the United States Housing Act of 1937*  
21 *(42 U.S.C. 1437l(k)(1)), as amended by the preceding provi-*  
22 *sions of this Act, is amended—*

23 *(1) by inserting “(A)” before the first sentence;*  
24 *and*

1           (2) *by adding at the end the following new sub-*  
2           *paragraph:*

3           “(B) *Of any amounts approved in appropriation Acts*  
4           *for grants under this section in fiscal year 1995, the Sec-*  
5           *retary may use not more than 1 percent for technical assist-*  
6           *ance and services.”.*

7           **SEC. 129. APPLICABILITY OF PUBLIC HOUSING AMEND-**  
8           **MENTS TO INDIAN HOUSING.**

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

12           “(b) *APPLICABILITY OF TITLE I.—Except as otherwise*  
13           *provided by law, the provisions of title I shall apply to low-*  
14           *income housing developed or operated pursuant to a con-*  
15           *tract between the Secretary and an Indian housing author-*  
16           *ity.”.*

17           (b) *APPLICABILITY OF AMENDMENT.—The amendment*  
18           *made by subsection (a) shall not affect provisions of the*  
19           *United States Housing Act of 1937 that were made applica-*  
20           *ble to public housing developed or operated pursuant to a*  
21           *contract between the Secretary and an Indian housing au-*  
22           *thority in accordance with section 201(b)(2) of such Act,*  
23           *as such section existed before the effective date of this sec-*  
24           *tion.*

1           (c) *APPLICABILITY OF HOUSING AND COMMUNITY DE-*  
2 *VELOPMENT ACT OF 1992.*—The provisions of, and the  
3 *amendments made by, sections 103(a)(1), 112, 114, 116,*  
4 *118, 903, and 927 of the Housing and Community Develop-*  
5 *ment Act of 1992 and sections 301, 302, 303, and 304 of*  
6 *the Multifamily Housing Property Disposition Reform Act*  
7 *of 1994 shall apply to public housing developed or operated*  
8 *pursuant to a contract between the Secretary and an In-*  
9 *dian housing authority.*

10 **SEC. 130. EARLY CHILDHOOD DEVELOPMENT PROGRAM.**

11           (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
12 *222(g) of the Housing and Urban-Rural Recovery Act of*  
13 *1983 (12 U.S.C. 1701z–6 note) is amended by striking the*  
14 *first two sentences and inserting the following new sentence:*  
15 *“There are authorized to be appropriated to carry out this*  
16 *section \$35,000,000 for fiscal year 1995 and \$35,000,000*  
17 *for fiscal year 1996.”.*

18           (b) *ELIGIBILITY FOR ASSISTANCE.*—Section 222(b)(1)  
19 *of the Housing and Urban-Rural Recovery Act of 1983 is*  
20 *amended by inserting before the semicolon at the end the*  
21 *following: “, except that the Secretary may make a grant*  
22 *to provide additional assistance for an existing child care*  
23 *center assisted under this section or to expand an existing*  
24 *child care center regardless of whether such center was pre-*  
25 *viously assisted under this section”.*

1           (c) *ASSISTANCE FOR HOMELESS FAMILIES.*—Section  
2 222(a)(1) of the Housing and Urban-Rural Recovery Act  
3 of 1983 amended by inserting before the period at the end  
4 the following: “(including, for purposes of this section,  
5 homeless families with children, as defined by the Sec-  
6 retary)”.

7           (d) *CLERICAL AMENDMENT.*—The heading for section  
8 222 of the Housing and Urban-Rural Recovery Act of 1983  
9 is amended to read as follows: “EARLY CHILDHOOD DEVEL-  
10 OPMENT PROGRAMS”.

11 **SEC. 131. INDIAN HOUSING CHILDHOOD DEVELOPMENT**  
12 **SERVICES.**

13           (a) *FUNDING.*—Section 518(a) of the Cranston-Gon-  
14 zalez National Affordable Housing Act (12 U.S.C. 1701z-  
15 6 note) is amended by striking the first and second sentences  
16 and inserting the following new sentence: “There are au-  
17 thorized to be appropriated to carry out the demonstration  
18 program under this section \$6,000,000 for fiscal year 1995  
19 and \$6,000,000 for fiscal year 1996.”.

20 **SEC. 132. PUBLIC HOUSING ONE-STOP PERINATAL SERV-**  
21 **ICES DEMONSTRATION.**

22           Section 521(g) of the Cranston-Gonzalez National Af-  
23 fordable Housing Act (42 U.S.C. 1437t note) is amended  
24 to read as follows:

1       “(g) *AUTHORIZATION OF APPROPRIATIONS.*—There  
2   are authorized to be appropriated for carrying out the dem-  
3   onstraton program under this section such sums as may  
4   be necessary for each of fiscal years 1995 and 1996.”.

5   **SEC. 133. SALE OF CERTAIN SCATTERED SITE PUBLIC**  
6                                   **HOUSING.**

7       Section 131 of the Housing and Community Develop-  
8   ment Act of 1992 (Public Law 102–550; 106 Stat. 3712)  
9   is amended by adding at the end the following new sentence:  
10   “During the term of the annual contributions contract re-  
11   lating to the scattered-site public housing originally sold  
12   under this section, any proceeds from the disposition of re-  
13   placement scattered-site dwellings purchased with (1) the  
14   proceeds from such original disposition, or (2) the proceeds  
15   from the disposition of any replacement scattered-site dwell-  
16   ings, shall be used to purchase additional replacement scat-  
17   tered site dwellings, which shall be considered public hous-  
18   ing for the purposes of such Act and for which the Secretary  
19   shall provide annual contributions for operation, using  
20   amounts made available under section 9(c) of such Act.”.

21   **SEC. 134. ELIGIBILITY OF CERTAIN PUBLIC HOUSING FOR**  
22                                   **DEMOLITION.**

23       Section 415 of the Department of Housing and Urban  
24   Development—Independent Agencies Appropriations Act,  
25   1988 (Public Law 100–202; 101 Stat. 1329–213), is amend-

1 *ed by striking “George Loving Place, at 3320 Rupert Street,*  
2 *Edgar Ward Place, at 3901 Holystone, Elmer Scott Place,*  
3 *at 2600 Morris, in Dallas, Texas, or”.*

4 **SEC. 135. DEMONSTRATION PROGRAM FOR INNOVATIVE**  
5 **PUBLIC HOUSING AGENCIES AND RESIDENT**  
6 **MANAGEMENT CORPORATIONS.**

7 (a) *AUTHORITY.—The Secretary may authorize public*  
8 *housing agencies and resident management corporations to*  
9 *carry out demonstrations for public housing that—*

10 (1) *test the extent to which aspects of the public*  
11 *housing program may be exempt from certain statu-*  
12 *tory requirements while continuing to serve eligible*  
13 *families, and*

14 (2) *permit agencies and resident management*  
15 *corporations to establish policies for the operation,*  
16 *maintenance, management, and development (includ-*  
17 *ing modernization) of one or more projects, without*  
18 *regard to the requirements applicable to public hous-*  
19 *ing in the United States Housing Act of 1937.*

20 *In establishing such policies, public housing agencies and*  
21 *resident management corporations shall be subject to any*  
22 *applicable State or local law.*

23 (b) *WAIVER OF PROVISIONS OF 1937 ACT.—For any*  
24 *demonstration authorized under this section, the Secretary*  
25 *may waive the applicability of any requirements of the*

1 *United States Housing Act of 1937 that the Secretary deter-*  
2 *mines are not consistent with the purposes of a demonstra-*  
3 *tion, except requirements—*

4           (1) *limiting occupancy of public housing to low-*  
5 *income families, as defined in section 3 of the United*  
6 *States Housing Act of 1937;*

7           (2) *under section 18 of such Act requiring re-*  
8 *placement of units in the case of demolition or dis-*  
9 *position (except that the limitation on the use of ten-*  
10 *ant-based assistance to applications proposing demo-*  
11 *lition or disposition of 200 or more units may be*  
12 *waived); and*

13           (3) *relating to labor standards.*

14 (c) *REPLACEMENT HOUSING.—*

15           (1) *AUTHORITY.—In authorizing a demonstra-*  
16 *tion under this section, the Secretary may authorize*  
17 *a public housing agency to demolish or dispose of*  
18 *public housing units and replace such units on site or*  
19 *in the same neighborhood if the number of replace-*  
20 *ment units provided in the same neighborhood is*  
21 *fewer than the number of units demolished under the*  
22 *demonstration.*

23           (2) *TENANT-BASED ASSISTANCE.—Notwithstand-*  
24 *ing the limitations in subparagraphs (A)(v) and (C)*  
25 *of section 18(b)(3), a public housing agency may re-*



1     *place not more than one-third of the units demolished*  
2     *or disposed of under a demonstration under this sec-*  
3     *tion with tenant-based assistance under section 8, but*  
4     *only if the public housing agency demonstrates to the*  
5     *satisfaction of the Secretary that the local housing*  
6     *market in which the assistance is to be used has had*  
7     *a vacancy rate, among units whose rent does not ex-*  
8     *ceed the fair market rental for the area established*  
9     *under section 8(e), of more than 3 percent for at least*  
10    *6 consecutive months.*

11           (3) *ALTERNATIVE METHODS OF REPLACE-*  
12    *MENT.—In authorizing a demonstration under this*  
13    *section, the Secretary may authorize a public housing*  
14    *agency to provide for replacement of public housing*  
15    *units in the manners under paragraph (4) of this*  
16    *subsection rather than in the manners specified under*  
17    *the various clauses of section 18(b)(3)(A) (and not*  
18    *subject to the requirements of subparagraph (B) of*  
19    *section 18(b)(3)) if the agency enters into such agree-*  
20    *ments as the Secretary considers necessary to ensure*  
21    *that the replacement units will remain affordable to*  
22    *families eligible for residency in public housing for*  
23    *the remaining useful life of the units, as determined*  
24    *by the Secretary.*

1           (4) *CERTIFICATE AND NEW UNIT MIX.*—Each  
2 such dwelling unit demolished, disposed of, or other-  
3 wise eliminated pursuant to this subsection shall be  
4 replaced with an additional dwelling unit through  
5 any combination of—

6           (A) additional public housing dwelling  
7 units;

8           (B) units acquired or otherwise provided for  
9 homeownership (including cooperative and con-  
10 dominium interests) by public housing residents  
11 under section 5(h), subtitle B or C of title IV of  
12 the Cranston-Gonzalez National Affordable  
13 Housing Act, or other programs for homeown-  
14 ership that have program requirements substan-  
15 tially equivalent to the requirements established  
16 under section 605 of the Housing and Commu-  
17 nity Development Act of 1987;

18           (C) affordable housing homeownership units  
19 assisted under title II of the Cranston-Gonzalez  
20 National Affordable Housing Act and sold to  
21 public housing residents;

22           (D) rental units that are (i) assisted under  
23 title II of the Cranston-Gonzalez National Af-  
24 fordable Housing Act (notwithstanding section  
25 212(d)(2) of such Act), or (ii) assisted under a

1           *State or local rental assistance program that*  
2           *provides for rental assistance over a term of not*  
3           *less than 5 years that is comparable in terms of*  
4           *eligibility and contribution to rent to assistance*  
5           *under section 8; but this subparagraph shall*  
6           *apply to a public housing agency only if the*  
7           *agency demonstrates to the satisfaction of the*  
8           *Secretary that the local housing market in which*  
9           *the assistance is to be used has had a vacancy*  
10          *rate, among units whose rent does not exceed the*  
11          *fair market rental for area established under sec-*  
12          *tion 8(e), of more than 3 percent for at least 6*  
13          *consecutive months;*

14                 *(E) housing assisted by a tax credit under*  
15                 *section 42 of the Internal Revenue Code;*

16                 *(F) housing acquired from the Resolution*  
17                 *Trust Corporation or the Federal Deposit Insur-*  
18                 *ance Corporation;*

19                 *(G) housing acquired under section 203 of*  
20                 *the Housing and Community Development*  
21                 *Amendments of 1978; or*

22                 *(H) other manners approved by the Sec-*  
23                 *retary.*

24           (d) *WAIVER OF OTHER STATUTORY REQUIRE-*  
25          *MENTS.—For any demonstration authorized under this sec-*

1 *tion, the Secretary may also waive the applicability of any*  
2 *provision of law that applies to the projects under the dem-*  
3 *onstration and that the Secretary determines is not consist-*  
4 *ent with the purposes of a demonstration, except that the*  
5 *Secretary may not waive any provision of the Uniform Re-*  
6 *location Assistance and Real Property Acquisition Policies*  
7 *Act of 1970 or any other provision of law relating to equal*  
8 *opportunity, nondiscrimination, or the environment.*

9 *(e) SELECTION OF DEMONSTRATIONS.—*

10 *(1) SCOPE.—The Secretary may select not more*  
11 *than 25 public housing agencies or resident manage-*  
12 *ment corporations (or a combination of both) to carry*  
13 *out not more than 25 demonstrations under this sec-*  
14 *tion. Not more than 5 of the agencies selected may be*  
15 *agencies designated pursuant to section 6(j) of the*  
16 *United States Housing Act of 1937 as troubled or*  
17 *troubled with respect to the public housing moderniza-*  
18 *tion program under section 14 of such Act.*

19 *(2) CRITERIA.—The Secretary shall select agen-*  
20 *cies and corporations based on selection criteria estab-*  
21 *lished by the Secretary, which shall include the fol-*  
22 *lowing factors:*

23 *(A) The need for a range of project sizes.*

1           (B) *The need for a range of types of public*  
2           *housing agencies and resident management cor-*  
3           *porations.*

4           (C) *The potential effects and benefits that*  
5           *the variations proposed by the agency or cor-*  
6           *poration could have on the public housing pro-*  
7           *gram if the variations were adopted for the*  
8           *whole program.*

9           (f) *REQUIREMENTS.—The Secretary may authorize a*  
10          *demonstration program under this section only if the Sec-*  
11          *retary determines that the demonstration—*

12               (1) *would not, over the term of the demonstra-*  
13               *tion, result in the Federal Government incurring*  
14               *greater costs than the government would otherwise*  
15               *incur if the demonstration were not authorized;*

16               (2) *is consistent with the overall purposes of the*  
17               *public housing program;*

18               (3) *is evaluated by an independent party; and*

19               (4) *is consistent with the Fair Housing Act, title*  
20               *VI of the Civil Rights Act of 1964, section 504 of the*  
21               *Rehabilitation Act of 1973, the Age Discrimination*  
22               *Act of 1975, and the National Environmental Policy*  
23               *Act of 1969.*

24           (g) *AUTHORITY TO ESTABLISH ADDITIONAL REQUIRE-*  
25          *MENTS.—In authorizing a demonstration under this sec-*

1 *tion, the Secretary may impose such requirements as the*  
2 *Secretary considers to be appropriate to further the pur-*  
3 *poses of the demonstration.*

4 *(h) REPORTS.—*

5 *(1) REPORT ON DEMONSTRATION.—For each*  
6 *demonstration site, the public housing agency or resi-*  
7 *dent management corporation carrying out the dem-*  
8 *onstration shall submit an annual progress report to*  
9 *the Secretary. For each demonstration carried out*  
10 *under this section, the Secretary shall submit a report*  
11 *to Congress not later than 1 year after completion of*  
12 *the demonstration, describing the results of the dem-*  
13 *onstration and making any recommendations for leg-*  
14 *islation.*

15 *(2) REPORT ON WAIVER FOR NEW YORK CITY.—*  
16 *The Secretary shall conduct a study of the advisabil-*  
17 *ity, practicality, and effects of exempting the New*  
18 *York City Housing Authority from any provisions of*  
19 *law or regulation establishing requirements for the*  
20 *site on which, and neighborhood in which, public*  
21 *housing is developed. The Secretary shall submit a re-*  
22 *port to the Congress not later than 6 months after the*  
23 *date of the enactment of this Act describing the results*  
24 *of the study and making a recommendation with re-*  
25 *spect to such exemption.*

1       (i) *TERM OF DEMONSTRATIONS.*—The authority to  
2 carry out a demonstration program under this section shall  
3 be effective only for the period specified by the Secretary  
4 in authorizing the demonstration program, which may not  
5 exceed 5 years.

6       (j) *DEFINITIONS.*—For purposes of this section, the fol-  
7 lowing definitions shall apply:

8           (1) The terms “public housing agency” and  
9 “agency” mean a public housing agency, as such term  
10 is defined in section 3(b) of the United States Hous-  
11 ing Act of 1937.

12           (2) The terms “resident management corpora-  
13 tion” and “corporation” mean a resident manage-  
14 ment corporation established in accordance with re-  
15 quirements of the Secretary under section 20 of the  
16 United States Housing Act of 1937.

17           (3) The term “Secretary” means the Secretary of  
18 Housing and Urban Development.

19       (k) *AUTHORIZATION OF APPROPRIATIONS.*—There is  
20 authorized to be appropriated \$1,000,000 for the evaluation  
21 of demonstrations under this section.

1 **SEC. 136. DEMONSTRATION PROGRAM FOR OCCUPANCY OF**  
2 **OTHERWISE VACANT PUBLIC HOUSING UNITS**  
3 **BY MODERATE-INCOME FAMILIES.**

4 (a) *AUTHORITY.*—The Secretary of Housing and  
5 Urban Development may carry out a demonstration pro-  
6 gram under which public housing agencies may lease units  
7 in public housing projects assisted under the United States  
8 Housing Act of 1937 to moderate-income families, as such  
9 term is defined by the Secretary.

10 (b) *REQUIREMENTS FOR PARTICIPATION.*—The Sec-  
11 retary may approve a request by a public housing agency  
12 to participate in the demonstration program only if the  
13 Secretary determines that—

14 (1) the units proposed for leasing to moderate-in-  
15 come families would otherwise remain vacant;

16 (2) the agency has demonstrated that it has ac-  
17 tively marketed the units to eligible families and that  
18 eligible families are not available to fill the units cov-  
19 ered by the application and are not expected to be  
20 available for at least 12 months; and

21 (3) the agency has agreed not to provide tenant-  
22 based assistance under the United States Housing Act  
23 of 1937 for unit sizes available for occupancy under  
24 the demonstration.

25 (c) *DURATION.*—The Secretary may authorize a public  
26 housing agency to participate in the demonstration for up



1 *to a 2-year term and may extend the term for additional*  
 2 *periods of up to 2 years, if the agency submits another ap-*  
 3 *plication that meets the requirements of this section.*

4 **SEC. 137. STUDY OF ADEQUACY OF PAYMENT IN LIEU OF**  
 5 **TAXES.**

6 *The Comptroller General of the United States shall*  
 7 *conduct a study of the payments made during recent years*  
 8 *by public housing agencies to State and local governments*  
 9 *in lieu of taxes, pursuant to section 6(d) of the United*  
 10 *States Housing Act of 1937, to determine whether such pay-*  
 11 *ments adequately compensate for the amount of taxes fore-*  
 12 *gone by such governments pursuant to such section. The*  
 13 *Comptroller General shall submit a report to the Congress*  
 14 *describing the results of the study not later than the expira-*  
 15 *tion of the 1-year period beginning on the date of the enact-*  
 16 *ment of this Act.*

17 **Subtitle C—Section 8 Assistance**

18 **SEC. 141. COMMUNITY INVESTMENT DEMONSTRATION PRO-**  
 19 **GRAM.**

20 *Section 6(j) of the HUD Demonstration Act of 1993*  
 21 *(42 U.S.C. 1437f note) is amended to read as follows:*

22 *“(j) AUTHORIZATION OF APPROPRIATIONS.—Of any*  
 23 *amounts appropriated for incremental assistance under sec-*  
 24 *tion 8 of the United States Housing Act of 1937, the Sec-*  
 25 *retary may use not more than \$150,000,000 in fiscal year*

1 1995 and \$200,000,000 in fiscal year 1996 to carry out  
2 this section.”

3 **SEC. 142. MERGER OF SECTION 8 RENTAL ASSISTANCE PRO-**  
4 **GRAMS.**

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

8 “RENTAL HOUSING ASSISTANCE FOR LOW-INCOME  
9 FAMILIES

10 “SEC. 8. (a) *AUTHORITY AND PURPOSE.*—

11 “(1) *IN GENERAL.*—For the purposes of aiding  
12 low-income families in obtaining a decent place to  
13 live and promoting economically mixed housing, the  
14 Secretary may provide assistance payments with re-  
15 spect to existing housing in accordance with the pro-  
16 visions of this section.

17 “(2) *ELDERLY HOUSING.*—Notwithstanding any  
18 other provision of this Act, assistance payments under  
19 this section may be provided, in accordance with reg-  
20 ulations prescribed by the Secretary, with respect to  
21 some or all of the units in any project approved pur-  
22 suant to section 202 of the Housing Act of 1959 (as  
23 in effect before October 1, 1991).

24 “(b) *ANNUAL CONTRIBUTIONS CONTRACTS FOR RENT-*  
25 *AL ASSISTANCE.*—

1           “(1) *IN GENERAL.*—*The Secretary may enter*  
2 *into annual contributions contracts under this sub-*  
3 *section with public housing agencies to provide rental*  
4 *housing assistance under this section for low-income*  
5 *families. Such annual contributions contracts shall*  
6 *bind the Secretary to make such authority, and any*  
7 *amendments increasing such authority, available to*  
8 *the public housing agency for a specified period.*

9           “(2) *SECRETARY ACTING AS PHA.*—*In areas*  
10 *where no public housing agency has been organized or*  
11 *where the Secretary determines that a public housing*  
12 *agency is unable to implement the provisions of this*  
13 *section, the Secretary may enter into such contracts*  
14 *and perform the other functions assigned to a public*  
15 *housing agency by this section.*

16           “(3) *TREATMENT OF ASSISTANCE FOR SUPPORT-*  
17 *IVE HOUSING FOR THE DISABLED.*—*The Secretary*  
18 *may not consider the receipt by a public housing*  
19 *agency of assistance under section 811(b)(1) of the*  
20 *Cranston-Gonzalez National Affordable Housing Act,*  
21 *or the amount received, in approving assistance*  
22 *under this section for the agency or in determining*  
23 *the amount of such assistance to be provided to the*  
24 *agency.*

25           “(c) *ASSISTANCE CONTRACTS.*—

1           “(1) *IN GENERAL.*—Each public housing agency  
2           that receives amounts under an annual contributions  
3           contract may enter into assistance contracts to make  
4           rental assistance payments to owners of existing  
5           dwelling units in accordance with the provisions of  
6           this section.

7           “(2) *PHA ACTING AS OWNER.*—A public housing  
8           agency may contract to make rental assistance pay-  
9           ments under this section to itself (or any agency or  
10          instrumentality thereof) as the owner of dwelling  
11          units, and the agency shall be subject to the same pro-  
12          gram requirements as are applied to other owners. In  
13          such cases, the Secretary may establish initial rents  
14          within applicable limits.

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

20          “(d) *MAXIMUM MONTHLY RENT.*—

21                 “(1) *IN GENERAL.*—Each assistance contract en-  
22                 tered into pursuant to this section shall establish the  
23                 maximum monthly rent (including utilities and all  
24                 maintenance and management charges) that the  
25                 owner is entitled to receive for each dwelling unit for

1     *which rental assistance payments are to be made*  
2     *under the contract. Except as provided in paragraph*  
3     *(2), the maximum monthly rent shall not exceed by*  
4     *more than 10 percent the fair market rental under*  
5     *subsection (e) for the market area in which the dwell-*  
6     *ing unit is located. If units assisted under this section*  
7     *are exempt from local rent control while they are so*  
8     *assisted or otherwise, the maximum monthly rent for*  
9     *such units shall be reasonable in comparison with*  
10    *other units in the market area that are exempt from*  
11    *local rent control.*

12           “(2) *EXCEPTION.—The maximum monthly rent*  
13    *may exceed the fair market rental—*

14                   “(A) *by more than 10 but not more than 20*  
15    *percent, but only if the Secretary determines that*  
16    *special circumstances warrant such higher maxi-*  
17    *imum rent or that such higher rent is necessary*  
18    *to the implementation of a comprehensive hous-*  
19    *ing affordability strategy under section 105 of*  
20    *the Cranston-Gonzalez National Affordable*  
21    *Housing Act; or*

22                   “(B) *by such higher amount, only if re-*  
23    *quested by the low-income family assisted and*  
24    *approved by the public housing agency in ac-*  
25    *cordance with subsection (f)(2).*

1           “(3) ANNUAL ADJUSTMENTS.—Each assistance  
2           contract shall provide for adjustment in the maxi-  
3           mum monthly rents for units covered by the contract  
4           not less than annually to reflect changes in the fair  
5           market rentals established under subsection (e) for the  
6           housing area for similar types and sizes of dwelling  
7           units or, if the Secretary determines, on the basis of  
8           a reasonable formula.

9           “(4) ADJUSTMENTS DUE TO EXPENSES.—Each  
10          assistance contract shall further provide for the Sec-  
11          retary to make additional adjustments in the maxi-  
12          mum monthly rent for units assisted under the con-  
13          tract to the extent the Secretary determines such ad-  
14          justments are necessary to reflect increases in the ac-  
15          tual and necessary expenses of owning and maintain-  
16          ing the units that have resulted from substantial gen-  
17          eral increases in real property taxes, utility rates, or  
18          similar costs that are not adequately compensated for  
19          by the adjustment in the maximum monthly rent au-  
20          thorized by paragraph (3). The Secretary shall make  
21          additional adjustments in the maximum monthly  
22          rent for units under contract (subject to the availabil-  
23          ity of appropriations for contract amendments) to the  
24          extent the Secretary determines such adjustments are  
25          necessary to reflect increases in the actual and nec-

1        *essary expenses of owning and maintaining the units*  
2        *that have resulted from the expiration of a real prop-*  
3        *erty tax exemption.*

4            “(5) *ADJUSTMENTS DUE TO CRIMINAL ACTIV-*  
5        *ITY.—If the Secretary determines that a project as-*  
6        *sisted under this section is located in a community*  
7        *where criminal activity is generally prevalent and the*  
8        *operating, maintenance, and capital repair expenses*  
9        *for the project have been substantially increased pri-*  
10       *marily as a result of the prevalence of such activity,*  
11       *the Secretary may (at the discretion of the Secretary*  
12       *and subject to the availability of appropriations for*  
13       *contract amendments for this purpose), on a project-*  
14       *by-project basis, provide adjustments to the maximum*  
15       *monthly rents, to a level not exceeding 120 percent of*  
16       *the project rents, to cover the costs of maintenance, se-*  
17       *curity, capital repairs, and reserves required for the*  
18       *owner to carry out a strategy acceptable to the Sec-*  
19       *retary for addressing the problem of criminal activ-*  
20       *ity. The Secretary may waive the applicability of any*  
21       *rent comparability standard required under this sub-*  
22       *section to implement this paragraph.*

23            “(6) *ADJUSTMENTS DUE TO LEAD-BASED PAINT*  
24        *REDUCTION FOR HOUSING RECEIVING PROJECT-BASED*  
25        *ASSISTANCE.—The Secretary may (at the discretion*

1 *of the Secretary and subject to the availability of ap-*  
2 *propriations for contract amendments), on a project-*  
3 *by-project basis for projects receiving project-based as-*  
4 *stance, provide adjustments to the maximum month-*  
5 *ly rents to cover the costs of evaluating and reducing*  
6 *lead-based paint hazards, as defined in section 1004*  
7 *of the Residential Lead-Based Paint Hazard Reduc-*  
8 *tion Act of 1992.*

9 *“(7) LIMITATIONS ON ADJUSTMENTS.—*

10 *“(A) GENERAL COMPARABILITY RULE.—Ad-*  
11 *justments in the maximum rents under para-*  
12 *graphs (3) through (6) shall not result in mate-*  
13 *rial differences between the rents charged for as-*  
14 *sisted units and unassisted units of similar qual-*  
15 *ity, type, and age in the same market area, as*  
16 *determined by the Secretary.*

17 *“(B) COMPARABILITY STUDIES.—*

18 *“(i) To carry out subparagraph (A),*  
19 *the Secretary shall issue regulations to pro-*  
20 *vide for conducting comparability studies*  
21 *for projects where the Secretary has reason*  
22 *to believe that the application of the for-*  
23 *mula adjustments under paragraph (3)*  
24 *would result in such material differences.*  
25 *The Secretary shall conduct such studies*



1           upon the request of any owner of any  
2           project, or as the Secretary determines to be  
3           appropriate by establishing, to the extent  
4           practicable, a modified annual adjustment  
5           factor for such market area, as the Sec-  
6           retary shall designate, that is geographi-  
7           cally smaller than the applicable housing  
8           area used for the establishment of the an-  
9           nual adjustment factor under paragraph  
10          (3). The Secretary shall establish such modi-  
11         fied annual adjustment factor on the basis  
12         of the results of a study conducted by the  
13         Secretary of the rents charged, and any  
14         change in such rents over the previous year,  
15         for assisted units and unassisted units of  
16         similar quality, type, and age in the small-  
17         er market area. Where the Secretary deter-  
18         mines that such modified annual adjust-  
19         ment factor cannot be established or that  
20         such factor when applied to a particular  
21         project would result in material differences  
22         between the rents charged for assisted units  
23         and unassisted units of similar quality,  
24         type, and age in the same market area, the  
25         Secretary may apply an alternative meth-

1            *odology for conducting comparability stud-*  
2            *ies in order to establish rents that are not*  
3            *materially different from rents charged for*  
4            *comparable unassisted units.*

5            *“(ii) If the Secretary or appropriate*  
6            *State agency does not complete and submit*  
7            *to the project owner a comparability study*  
8            *not later than 60 days before the anniver-*  
9            *sary date of the assistance contract under*  
10           *this section, the automatic annual adjust-*  
11           *ment factor shall be applied. The Secretary*  
12           *may not reduce the contract rents in effect*  
13           *on or after April 15, 1987, for newly con-*  
14           *structed, substantially rehabilitated, or*  
15           *moderately rehabilitated projects assisted*  
16           *under this section (including projects as-*  
17           *sisted under this section as in effect prior to*  
18           *November 30, 1983), unless the project has*  
19           *been refinanced in a manner that reduces*  
20           *the periodic payments of the owner. Any*  
21           *maximum monthly rent that has been re-*  
22           *duced by the Secretary after April 14, 1987,*  
23           *and prior to November 7, 1988, shall be re-*  
24           *stored to the maximum monthly rent in ef-*  
25           *fect on April 15, 1987.*

1                   “(iii) For any project which has had  
2                   its maximum monthly rents reduced after  
3                   April 14, 1987, the Secretary shall make as-  
4                   sistance payments (from amounts reserved  
5                   for the original contract) to the owner of  
6                   such project in an amount equal to the dif-  
7                   ference between the maximum monthly rents  
8                   in effect on April 15, 1987, and the reduced  
9                   maximum monthly rents, multiplied by the  
10                  number of months that the reduced maxi-  
11                  mum monthly rents were in effect.

12                  “(e) FAIR MARKET RENTALS.—

13                   “(1) IN GENERAL.—The Secretary shall establish  
14                  fair market rentals under this subsection periodically,  
15                  but not less than annually, for existing rental dwell-  
16                  ing units suitable for occupancy by low-income fami-  
17                  lies assisted under this section. The Secretary shall es-  
18                  tablish the fair market rental by market area for var-  
19                  ious sizes and types of dwelling units. For a market  
20                  area, the fair market rental for any size and type of  
21                  dwelling unit shall be a dollar amount not less than  
22                  the amount that results in the rents charged for 45  
23                  percent of the standard quality rental units of such  
24                  size and type in the market area being less than such  
25                  dollar amount. For purposes of determining the dollar

1     *amount under the preceding sentence, the Secretary*  
2     *shall consider only rental units occupied by house-*  
3     *holds whose initial occupancy in their current units*  
4     *commenced not more than 15 months before the deter-*  
5     *mination and shall not consider public housing units*  
6     *and units constructed less than 24 months before the*  
7     *determination.*

8             “(2) *EFFECTIVENESS AND ADJUSTMENT.*—*The*  
9     *Secretary shall publish proposed fair market rentals*  
10    *for each area in the Federal Register with reasonable*  
11    *time for public comment, and such fair market rent-*  
12    *als shall become effective upon the date of publication*  
13    *in final form in the Federal Register. Each fair mar-*  
14    *ket rental in effect under this subsection shall be ad-*  
15    *justed to be effective on October 1 of each year to re-*  
16    *fect changes, based on the most recent available data*  
17    *trended so the rentals will be current for the year to*  
18    *which they apply, of rents for existing rental dwelling*  
19    *units, as the case may be, of various sizes and types*  
20    *in the market area suitable for occupancy by families*  
21    *assisted under this section.*

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

1     *market rentals under this paragraph for Monroe*  
2     *County in the Commonwealth of Pennsylvania. In es-*  
3     *tablishing fair market rentals for the remaining por-*  
4     *tion of the market areas in which Monroe County is*  
5     *located, the Secretary shall establish the fair market*  
6     *rentals as if such portion included Monroe County.*

7             “(4) *REQUIRED REVIEW.—If at any time, for*  
8     *any public housing agency, more than 50 percent of*  
9     *the families on behalf of whom assistance is provided*  
10    *under this section by the agency are paying as rent*  
11    *more than the amount specified under section 3(a) (as*  
12    *authorized in subsection (f)(2)), the agency shall re-*  
13    *view the fair market rentals established under this*  
14    *subsection for the market areas in the jurisdiction of*  
15    *the public housing agency.*

16             “(f) *AMOUNT OF MONTHLY ASSISTANCE PAYMENT AND*  
17    *DUE PROCESS RIGHTS.—*

18             “(1) *IN GENERAL.—The amount of the monthly*  
19    *assistance payment under this section with respect to*  
20    *any dwelling unit shall be the difference between the*  
21    *maximum monthly rent that the contract provides*  
22    *that the owner is to receive for the unit and the rent*  
23    *the family is required to pay under section 3(a).*

24             “(2) *INCREASED FAMILY PAYMENT.—A family on*  
25    *behalf of whom tenant-based assistance payments are*

1     *made under this section may pay as rent for a dwell-*  
2     *ing unit assisted under this section more than the*  
3     *amount specified under section 3(a), but only if—*

4             *“(A) the family notifies the public housing*  
5             *agency of its interest in a unit renting for an*  
6             *amount that exceeds the permissible maximum*  
7             *monthly rent established for the market area*  
8             *under subsection (d);*

9             *“(B) such agency determines that the rent*  
10            *for the unit and the rental payments of the fam-*  
11            *ily are reasonable, after taking into account*  
12            *other family expenses (including child care, un-*  
13            *reimbursed medical expenses, transportation,*  
14            *and other appropriate family expenses; and*

15            *“(C) such amount does not exceed 40 per-*  
16            *cent of the family’s monthly adjusted income.*

17            *“(3) INCREASES IN ASSISTANCE PAYMENTS.—The*  
18            *Secretary shall take any action necessary, including*  
19            *making contracts for assistance payments in amounts*  
20            *exceeding the amounts required upon the initial rent-*  
21            *ing of dwelling units, reserving annual contributions*  
22            *authority for the purpose of amending assistance con-*  
23            *tracts, or allocating a portion of new authorizations*  
24            *for the purpose of amending assistance contracts, to*  
25            *ensure that assistance payments are increased on a*

1 *timely basis to cover increases in maximum monthly*  
2 *rents or decreases in family incomes.*

3 *“(4) REVIEWS OF FAMILY INCOMES.—*

4 *“(A) IN GENERAL.—Reviews of family in-*  
5 *comes for purposes of this section shall be made*  
6 *annually and shall be subject to the provisions of*  
7 *section 904(e) of the Stewart B. McKinney*  
8 *Homeless Assistance Amendments Act of 1988.*  
9 *For families for whom an increased rental pay-*  
10 *ment has been approved under paragraph (2),*  
11 *such review shall include determining whether*  
12 *the rent for the unit and the rental payments of*  
13 *the family continue to be reasonable, in accord-*  
14 *ance with subparagraphs (B) and (C) of para-*  
15 *graph (2).*

16 *“(B) PROCEDURES.—The Secretary shall*  
17 *establish procedures that are appropriate and*  
18 *necessary to ensure that income data provided to*  
19 *public housing agencies and owners by families*  
20 *applying for or receiving assistance under this*  
21 *section is complete and accurate.*

22 *“(C) CONFIDENTIALITY.—Any income infor-*  
23 *mation received pursuant to this paragraph shall*  
24 *remain confidential and shall be used only for*  
25 *the purpose of verifying incomes in order to de-*

1           *terminate eligibility of families for benefits (and*  
2           *the amount of such benefits, if any) under this*  
3           *section.*

4           “(5) *DUE PROCESS RIGHTS IN CASES OF AD-*  
5           *VERSE ACTION.—In the case of any action proposed*  
6           *to be taken by a public housing agency, any family*  
7           *receiving assistance under this section adversely af-*  
8           *ected by such action shall have the right to at least*  
9           *the basic elements of due process with regard to such*  
10          *action, as follows:*

11                   “(A) *Written notice of the intended adverse*  
12                   *action and the reason for such action shall be*  
13                   *provided to the family not less than 30 days be-*  
14                   *fore the action is to be taken, or, in a case where*  
15                   *the health or safety of other families is threat-*  
16                   *ened, a reasonable period of time considering the*  
17                   *seriousness of the situation (but not to exceed 30*  
18                   *days).*

19                   “(B) *The family shall have the right to re-*  
20                   *quest a hearing within 30 days after receipt of*  
21                   *the notice.*

22                   “(C) *The family shall have the right to a*  
23                   *hearing before an impartial hearing officer.*



1           “(D) *The family shall have the right to be*  
2           *represented at the hearing by an attorney or*  
3           *other advocate.*

4           “(E) *The family shall have the right to ex-*  
5           *amine the evidence supporting the action and all*  
6           *evidence that the public housing agency intends*  
7           *to use.*

8           “(F) *The family shall have the right to*  
9           *present testimonial and documentary evidence*  
10          *and to cross-examine adverse witnesses.*

11          “(G) *The hearing officer shall issue a writ-*  
12          *ten decision, which shall be based solely upon the*  
13          *evidence introduced at the hearing and which*  
14          *shall state the basis of the decision.*

15          “(g) *ELIGIBILITY OF UNITS FOR ASSISTANCE.*—

16          “(1) *OCCUPANCY STATUS.*—*Each assistance con-*  
17          *tract shall provide that assistance payments may be*  
18          *made only with respect to the following dwelling*  
19          *units:*

20                 “(A) *OCCUPIED UNITS.*—*A dwelling unit*  
21                 *under lease for occupancy by a family deter-*  
22                 *mined to be a low-income family at the time it*  
23                 *initially occupies the dwelling unit or by a fam-*  
24                 *ily that qualifies to receive assistance under this*  
25                 *section pursuant to section 223 or 226 of the*

1           *Low-Income Housing Preservation and Resident*  
2           *Homeownership Act of 1990.*

3           “(B) *UNOCCUPIED UNITS.*—*An unoccupied*  
4           *dwelling unit, but only if—*

5                     “(i)(I) *a family vacates the dwelling*  
6                     *unit before the expiration date of the lease*  
7                     *for occupancy, or (II) a good faith effort is*  
8                     *being made to fill the unoccupied unit; and*

9                     “(ii) *the costs of such vacancy are not*  
10                    *charged to or paid by the family vacating*  
11                    *the dwelling unit.*

12           *Payments for units referred to in this subpara-*  
13           *graph may be made only for a period not exceed-*  
14           *ing 60 days, except that such payments may be*  
15           *made, in the case of a newly constructed or sub-*  
16           *stantially rehabilitated project, after the expira-*  
17           *tion of such 60-day period in an amount equal*  
18           *to the debt service attributable to such an unoc-*  
19           *cupied dwelling unit for a period not to exceed*  
20           *one year, if a good faith effort is being made to*  
21           *fill the unit and the unit provides decent, safe,*  
22           *and sanitary housing. No such payment may be*  
23           *made after the expiration of such 60-day period*  
24           *if the Secretary determines that the dwelling*  
25           *unit is in a project which provides the owner*

1           *with revenues exceeding the costs incurred by*  
2           *such owner with respect to such project.*

3           “(2) *OWNER’S STATUS.*—*A public housing agen-*  
4           *cy shall not approve the rental of a dwelling unit if—*

5                   “(A) *the owner—*

6                           “(i) *is debarred, suspended, or subject*  
7                           *to limited denial of participation under*  
8                           *part 24 of title 24, Code of Federal Regula-*  
9                           *tions; or*

10                           “(ii) *has been convicted of drug traf-*  
11                           *ficking;*

12                           “(B) *the owner owns any other dwelling*  
13                           *unit in the same project, which is assisted under*  
14                           *this section and at such time, such unit is not*  
15                           *in compliance in any material respect with*  
16                           *standards for housing quality for units so as-*  
17                           *sisted, but the public housing agency shall pro-*  
18                           *vide an owner of any such dwelling unit a rea-*  
19                           *sonable opportunity to correct the noncompliance*  
20                           *before denying approval; or*

21                           “(C) *the owner owns or has owned dwelling*  
22                           *units in the same project, which are assisted*  
23                           *under this section (or any other program of the*  
24                           *Federal Government for housing assistance) and*  
25                           *such units have repeatedly or regularly failed to*

1           *comply with the housing quality standards ap-*  
2           *plicable to such units.*

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

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

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

19                          “(A) *for not less than 70 percent of the fam-*  
20                          *ilies who initially receive project-based assist-*  
21                          *ance, and*

22                          “(B) *for not less than 90 percent of the fam-*  
23                          *ilies who initially receive tenant-based assistance*  
24                          *in any 1-year period,*

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

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

20                   “(A) *assisting very low-income families who*  
21                   *either reside in transitional housing assisted*  
22                   *under title IV of the Stewart B. McKinney*  
23                   *Homeless Assistance Act or participate in a pro-*  
24                   *gram designed to provide public assistance re-*

1           *ipients with greater access to employment and*  
2           *educational opportunities;*

3           “(B) *assisting families in accordance with*  
4           *subsection (q)(1)(B);*

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

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

16          “(E) *assisting veterans who are eligible and*  
17          *have applied for assistance, will use the assist-*  
18          *ance for a dwelling unit designed for the handi-*  
19          *capped, and, upon discharge or eligibility for*  
20          *discharge from a hospital or nursing home, have*  
21          *physical disability which, because of the configu-*  
22          *ration of their homes, prevents them from access*  
23          *to or use of their homes; and*

24          “(F) *achieving other objectives of national*  
25          *housing policy as established by law.*

1     *A public housing agency may not establish a pref-*  
2     *erence for assistance that provides preference based on*  
3     *residency in the jurisdiction of the public housing*  
4     *agency.*

5             “(4) *TENANT SELECTION.*—*Each assistance con-*  
6     *tract shall provide that the selection of tenants for*  
7     *such dwelling units shall be the function of the owner,*  
8     *subject to any provisions of the annual contributions*  
9     *contract between the Secretary and the agency. The*  
10    *owner shall use tenant selection criteria, which shall*  
11    *provide as follows:*

12             “(A) *PROHIBITION OF PERSONS ENGAGED*  
13     *IN DRUG ACTIVITY.*—*The criteria shall prohibit*  
14     *any individual or family evicted from housing*  
15     *assisted under this Act by reason of drug-related*  
16     *criminal activity from having a preference under*  
17     *any provision of this paragraph for 3 years un-*  
18     *less the evicted tenant successfully completes a re-*  
19     *habilitation program approved by the agency or*  
20     *owner. The agency or the owner may waive the*  
21     *application of the preceding sentence under*  
22     *standards established by the Secretary, which*  
23     *shall provide for such waiver for any member of*  
24     *a family of an individual prohibited from ten-*  
25     *ancy under this subparagraph who the agency or*

1           owner determines clearly did not participate in  
2           and had no knowledge of such criminal activity  
3           or when circumstances leading to eviction no  
4           longer exist.

5           “(B) OTHER REQUIREMENTS FOR PROJECT-  
6           BASED ASSISTANCE.—With respect only to  
7           project-based assistance, the criteria shall—

8                   “(i) be consistent with the purpose of  
9                   improving housing opportunities for very  
10                  low-income families;

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

14                  “(iii) be established in writing; and

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

22           “(5) LEASE PROVISIONS.—Each assistance con-  
23           tract shall provide that the lease between the tenant  
24           of any unit and the owner—



1           “(A) shall be for at least one year or the  
2 term of such assistance contract, whichever is  
3 shorter;

4           “(B) shall contain other terms and condi-  
5 tions specified by the Secretary, including provi-  
6 sions meeting the requirements of paragraphs  
7 (6), (7), and (8); and

8           “(C) shall be in a standard form which is  
9 used in the local housing market area by the  
10 owner and which applies generally to tenants in  
11 the property who are not assisted under this sec-  
12 tion, together with any addendum necessary to  
13 include in the lease the provisions required under  
14 subparagraph (B).

15           “(6) GENERAL GROUNDS FOR TERMINATION OF  
16 TENANCY.—Each assistance contract shall provide  
17 that the owner shall not terminate the tenancy of the  
18 tenant of any unit except for serious or repeated vio-  
19 lation of the terms and conditions of the lease, for vio-  
20 lation of applicable Federal, State, or local law, or for  
21 other good cause. The withholding of assistance pay-  
22 ments for a dwelling unit pursuant to paragraph (10)  
23 shall not constitute good cause for termination of the  
24 tenancy of the tenant of the unit.

1           “(7) *TERMINATION FOR ACTIVITY.*—*Each assist-*  
2           *ance contract shall provide that any activity that*  
3           *threatens the health, safety, or right to peaceful enjoy-*  
4           *ment of the premises by other tenants, any activity*  
5           *that threatens the health, safety, or right to peaceful*  
6           *enjoyment of their residences by persons residing in*  
7           *the immediate vicinity of the premises, or any drug-*  
8           *related criminal activity on or near such premises,*  
9           *engaged in by a tenant of any unit, any member of*  
10           *the tenant’s household, or any guest or other person*  
11           *under the tenant’s control, shall be cause for termi-*  
12           *nation of tenancy.*

13           “(8) *NOTICE OF TERMINATION OF TENANCY.*—  
14           *Each assistance contract shall provide that before ter-*  
15           *minating the tenancy of any tenant, the owner shall*  
16           *provide written notice to the tenant specifying the*  
17           *legal and factual grounds for such action, which shall*  
18           *be provided in accordance with any requirements*  
19           *under State or local law.*

20           “(9) *MAINTENANCE AND REPLACEMENT.*—*Each*  
21           *assistance contract shall provide that maintenance*  
22           *and replacement (including redecoration) shall be*  
23           *performed in accordance with the standard practice*  
24           *for the building concerned as established by the owner*  
25           *and agreed to by the agency (or the Secretary). With*

1     *the approval of the Secretary, the public housing*  
2     *agency administering a contract under this section*  
3     *with respect to existing housing units may exercise all*  
4     *management and maintenance responsibilities with*  
5     *respect to the units pursuant to a contract between*  
6     *such agency and the owner of such units.*

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

9             “(A) *IN GENERAL.—Each assistance con-*  
10     *tract shall provide for action under this para-*  
11     *graph if a unit assisted under this section fails*  
12     *to comply with the standards for housing quality*  
13     *for units so assisted.*

14             “(B) *NOTIFICATION.—If the agency (or the*  
15     *Secretary) determines that a unit assisted under*  
16     *this section fails to comply in any material re-*  
17     *spect with the standards for housing quality for*  
18     *units so assisted, the agency (or the Secretary)*  
19     *shall notify the tenant and owner of the unit of*  
20     *the noncompliance and the possible actions*  
21     *under this paragraph.*

22             “(C) *CORRECTION OF NONCOMPLIANCE.—*  
23     *The agency may approve the dwelling unit for*  
24     *assistance under this section, on the condition*  
25     *that the noncompliance is corrected, if (i) the*

1           agency determines that the noncompliance is  
2           minor and can be corrected within 15 days, (ii)  
3           the agency provides notice of the conditional ap-  
4           proval to the owner, (ii) the owner provides a  
5           written commitment to the agency to correct the  
6           noncompliance within the time period required  
7           by the agency, not to exceed 15 days, and (iii)  
8           the conditional approval will expedite the occu-  
9           pancy of an eligible tenant with assistance under  
10          this section. The agency shall reinspect any unit  
11          for which conditional approval is made under  
12          this subparagraph within the period referred to  
13          in clause (ii) of the preceding sentence, and if  
14          the agency determines that the noncompliance is  
15          not corrected, the agency may take action under  
16          subparagraph (D).

17                   “(D) FAILURE TO CORRECT SERIOUS NON-  
18                   COMPLIANCE.—If any serious noncompliance  
19                   with such standards is not corrected within a  
20                   reasonable period of time after such notification,  
21                   the agency (or the Secretary) shall withhold some  
22                   or all of the assistance amounts under this sec-  
23                   tion with respect to the unit and promptly—

1           “(i) use such amounts to make nec-  
2           essary repairs or contract to have such re-  
3           pairs made;

4           “(ii) release any withheld amounts to  
5           the owner after repairs are made by the  
6           owner, in an amount not exceeding the cost  
7           of the repairs;

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

13          “(iv) upon the request of the tenant, re-  
14          lease any withheld amounts to—

15                 “(I) the tenant to reimburse the  
16                 tenant for the reasonable cost of any  
17                 necessary repairs performed or paid  
18                 for by the tenant; or

19                 “(II) such person secured by the  
20                 tenant and approved by the agency (or  
21                 the Secretary) to make such necessary  
22                 repairs.

23          If an agency (or the Secretary) withholds any  
24          assistance amounts pursuant to this subpara-  
25          graph, the agency (or the Secretary) shall

1           *promptly notify the tenant of the unit for which*  
2           *assistance is withheld of the withholding and*  
3           *may not terminate the assistance contract unless*  
4           *and until the tenant has relocated to decent, safe,*  
5           *and sanitary housing.*

6           “(11) *STANDARDS AND OBLIGATIONS OF RESI-*  
7           *DENCY IN HOUSING RECEIVING PROJECT-BASED AS-*  
8           *SISTANCE.*—*Each assistance contract for project-based*  
9           *assistance under subsection (i) shall provide that the*  
10          *owner shall ensure and maintain compliance with*  
11          *subtitle C of title VI of the Housing and Community*  
12          *Development Act of 1992 and any regulations issued*  
13          *under such subtitle.*

14          “(12) *SERVICE COORDINATORS.*—*In determining*  
15          *the amount of assistance provided under an assist-*  
16          *ance contract for tenant-based assistance under this*  
17          *paragraph, the Secretary may increase the amount*  
18          *annually provided with respect to such project to pro-*  
19          *vide for the costs of employing or otherwise retaining*  
20          *the services of one or more service coordinators under*  
21          *section 671 of the Housing and Community Develop-*  
22          *ment Act of 1992 to coordinate the provision of any*  
23          *services within the project for residents of the project*  
24          *who are elderly or disabled families.*

1           “(13) *OTHER.*—*Each assistance contract shall*  
2           *provide that the agency and the owner shall carry out*  
3           *such other appropriate terms and conditions as may*  
4           *be mutually agreed to by the agency and owner.*

5           “(i) *PROJECT-BASED ASSISTANCE.*—

6           “(1) *AUTHORITY.*—*Pursuant to an annual con-*  
7           *tributions contract entered into under subsection (b),*  
8           *a public housing agency may enter into a assistance*  
9           *contract providing for assistance payments under this*  
10           *section that are attached to a structure.*

11           “(2) *REQUIREMENTS.*—*Any public housing*  
12           *agency may approve project-based assistance under*  
13           *this subsection with respect to any or all of the assist-*  
14           *ance provided by the public housing agency if—*

15           “(A) *the owner agrees to rehabilitate the*  
16           *structure other than with assistance under this*  
17           *Act and the owner otherwise complies with the*  
18           *requirements of this section; and*

19           “(B) *in the case of any newly constructed*  
20           *structure, the owner or prospective owner agrees*  
21           *to construct the structure other than with assist-*  
22           *ance under this Act and otherwise complies with*  
23           *the requirements of this section.*

24           “(3) *LONG-TERM AFFORDABILITY.*—

1           “(A) *IN GENERAL.*—*In the case of an assist-*  
2           *ance contract for project-based assistance under*  
3           *this subsection, a public housing agency shall*  
4           *enter into a contract with an owner, contingent*  
5           *upon the future availability of appropriations*  
6           *for the purpose of renewing expiring contracts*  
7           *for assistance payments as provided in appro-*  
8           *priations Acts, to extend the term of the underly-*  
9           *ing assistance contract for such period or periods*  
10           *as the Secretary determines to be appropriate to*  
11           *achieve long-term affordability of the housing.*  
12           *The contract shall obligate the owner to have the*  
13           *extensions of the assistance contract accepted by*  
14           *the owner and the owner’s successors in interest.*

15           “(B) *TERM OF ASSISTANCE FOR LOW-IN-*  
16           *COME HOUSING PRESERVATION.*—*The contract*  
17           *for assistance may, at the option of the public*  
18           *housing agency, have an initial term not exceed-*  
19           *ing 15 years for any assistance that is at-*  
20           *tached—*

21                   “(i) *to projects assisted under a State*  
22                   *program that permits the owner of the*  
23                   *projects to prepay a State assisted or sub-*  
24                   *sidized mortgage on the structure; and*



1           “(ii) for the purpose of providing in-  
2           centives to owners to preserve such projects  
3           for occupancy by low- and moderate-income  
4           families (for the period that assistance  
5           under this subparagraph is available) and  
6           assisting low-income tenants to afford any  
7           increases in rent that may be required to  
8           induce the owner to maintain occupancy in  
9           the project by low- and moderate-income  
10          tenants.

11          Any assistance provided to low-income tenants  
12          in the manner described in this subparagraph  
13          shall not be considered for purposes of the limita-  
14          tion under subsection (h)(2) regarding the per-  
15          centage of families that may receive assistance  
16          under this section who do not qualify for pref-  
17          erences under such subsection.

18          “(4) SERVICE COORDINATORS.—In determining  
19          the amount of assistance provided under an assist-  
20          ance contract for project-based assistance under this  
21          subsection or a contract for assistance for housing  
22          constructed or substantially rehabilitated pursuant to  
23          assistance provided under section 8(b)(2) of this Act  
24          (as such section existed before October 1, 1983), the  
25          Secretary may increase the amount annually pro-

1 *vided with respect to such project to provide for the*  
2 *costs of employing or otherwise retaining the services*  
3 *of one or more service coordinators under section 671*  
4 *of the Housing and Community Development Act of*  
5 *1992 to coordinate the provision of any services with-*  
6 *in the project for residents of the project who are el-*  
7 *derly or disabled families.*

8 *“(j) TERMINATION OF ASSISTANCE CONTRACTS.—*

9 *“(1) TERMINATION OF TENANT-BASED ASSIST-*  
10 *ANCE.—*

11 *“(A) NOTICE BY OWNER.—Any owner ter-*  
12 *minating any assistance contract under this sec-*  
13 *tion for tenant-based assistance shall provide*  
14 *written notice to the public housing agency and*  
15 *the tenants involved of the proposed termination*  
16 *not less than 90 days before the termination of*  
17 *the contract. The notice shall specify the date of*  
18 *the termination and the reasons for the termi-*  
19 *nation, with detail sufficient to enable the agen-*  
20 *cy to evaluate whether the termination is lawful.*

21 *“(B) REVIEW OF NOTICE BY PHA.—The*  
22 *public housing agency shall review the notice*  
23 *and issue a written finding of the legality of the*  
24 *termination and the reasons for the termination.*

25 *Within 30 days after issuance of the findings, the*

1           owner shall provide written notice to each tenant  
2           of the decision, together with the written findings  
3           of the agency regarding the termination.

4           “(2) *TERMINATION OF PROJECT-BASED ASSIST-*  
5           *ANCE CONTRACTS.*—

6                   “(A) *NOTICE BY OWNER.*—Any owner ter-  
7                   minating any assistance contract under sub-  
8                   section (i) for project-based assistance shall pro-  
9                   vide written notice to the Secretary and the ten-  
10                  ants involved of the proposed termination not  
11                  less than one year before the termination of the  
12                  contract. The notice shall specify the date of the  
13                  termination and the reasons for the termination,  
14                  with detail sufficient to enable the Secretary to  
15                  evaluate whether the termination is lawful and  
16                  whether additional actions can be taken by the  
17                  Secretary to avoid the termination. The notice  
18                  shall include a statement that the owner and the  
19                  Secretary may agree to a renewal of the contract,  
20                  thus avoiding the termination.

21                   “(B) *REVIEW OF NOTICE BY SECRETARY.*—  
22                  The Secretary shall review the notice, shall con-  
23                  sider whether additional actions can be taken by  
24                  the Secretary to avoid the termination, and shall  
25                  ensure a proper adjustment of the contract rents

1           for the project in compliance with the require-  
2           ments of subsection (d) and subparagraph (C) of  
3           this subsection. The Secretary shall issue a writ-  
4           ten finding of the legality of the termination and  
5           the reasons for the termination, including the ac-  
6           tions considered or taken to avoid the termi-  
7           nation. Within 30 days after issuance of the  
8           findings, the owner shall provide written notice  
9           to each tenant of the decision, together with the  
10          written findings of the Secretary regarding the  
11          termination. The Secretary and the owner shall  
12          complete the actions under this paragraph not  
13          later than the expiration of the 9-month period  
14          beginning upon the date that the owner provides  
15          written notice of termination under subpara-  
16          graph (A).

17           “(3) ADJUSTMENT OF CONTRACT RENT.—If an  
18          owner provides notice of proposed termination under  
19          paragraph (1)(A) or (2)(A) and the contract rent is  
20          less than the maximum monthly rent for units as-  
21          sisted under this section, the Secretary shall adjust  
22          the contract rent based on the maximum monthly rent  
23          for units assisted under this section and the value of  
24          the low-income housing.

1           “(4) *NOTICE OF RENT INCREASES.*—*Each assist-*  
2           *ance contract for assistance under this section shall*  
3           *require the owner to notify tenants at least 90 days*  
4           *before the expiration of the contract of any rent in-*  
5           *crease which may occur as a result of the expiration*  
6           *of such contract.*

7           “(5) *DEFINITION OF TERMINATION.*—*For pur-*  
8           *poses of this subsection, the term ‘termination’ means*  
9           *the expiration of the assistance contract or the refusal*  
10          *of the owner to renew an assistance contract, which*  
11          *shall include the termination of tenancy by an owner*  
12          *for business reasons.*

13          “(k) *RENTAL ASSISTANCE FOR MANUFACTURED*  
14          *HOUSING.*—

15                 “(1) *IN GENERAL.*—*The Secretary may enter*  
16                 *into contracts to make assistance payments under this*  
17                 *subsection to assist low-income families by making*  
18                 *rental assistance payments on behalf of any such fam-*  
19                 *ily that utilizes a manufactured home as its principal*  
20                 *place of residence. In carrying out this subsection, the*  
21                 *Secretary may—*

22                         “(A) *enter into annual contributions con-*  
23                         *tracts with public housing agencies pursuant to*  
24                         *which such agencies may enter into assistance*  
25                         *contracts to make such assistance payments to*

1           *the owners of such real property, if such owners*  
2           *agree to make good faith efforts to ensure that*  
3           *such property complies with local health and*  
4           *safety standards for water and sewage systems;*  
5           *or*

6                   *“(B) enter into such contracts directly with*  
7           *the owners of such real property, if such owners*  
8           *agree to make good faith efforts to ensure that*  
9           *such property complies with local health and*  
10          *safety standards for water and sewage systems.*

11           *“(2) USE OF ASSISTANCE.—Rental assistance*  
12          *payments under this subsection may be made with re-*  
13          *spect to the rental of the real property on which is lo-*  
14          *cated a manufactured home that is owned by a low-*  
15          *income family or with respect to the rental by such*  
16          *a family of a manufactured home and the real prop-*  
17          *erty on which it is located.*

18           *“(3) ASSISTANCE FOR RENTAL OF MANUFAC-*  
19          *TURED HOME SITE.—*

20                   *“(A) MAXIMUM MONTHLY RENT.—A con-*  
21          *tract entered into pursuant to this paragraph*  
22          *shall establish the maximum monthly rent (in-*  
23          *cluding maintenance and management charges)*  
24          *that the owner is entitled to receive for the space*  
25          *on which a manufactured home is located and*

1           *with respect to which assistance payments are to*  
2           *be made. The maximum monthly rent shall not*  
3           *exceed an amount approved or established by the*  
4           *Secretary.*

5           “(B) AMOUNT OF MONTHLY ASSISTANCE  
6           PAYMENT.—*The amount of any monthly assist-*  
7           *ance payment with respect to any family that*  
8           *rents real property that is assisted under this*  
9           *paragraph, and on which is located a manufac-*  
10          *tured home that is owned by such family shall*  
11          *be the difference between the rent the family is*  
12          *required to pay under section 3(a) and the sum*  
13          *of—*

14                   “(i) *the monthly payment made by*  
15                   *such family to amortize the cost of purchas-*  
16                   *ing the manufactured home;*

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

20                   “(iii) *the maximum monthly rent per-*  
21                   *mitted with respect to the real property*  
22                   *which is rented by such family for the pur-*  
23                   *pose of locating its manufactured home;*

1           *except that in no case may such assistance exceed*  
2           *the total amount of such maximum monthly*  
3           *rent.*

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

6                   “(A) MAXIMUM MONTHLY RENT.—*Contracts*  
7                   *entered into pursuant to this paragraph shall es-*  
8                   *tablish the maximum monthly rent permitted*  
9                   *with respect to the manufactured home and the*  
10                   *real property on which it is located and with re-*  
11                   *spect to which assistance payments are to be*  
12                   *made. The maximum monthly rent shall not ex-*  
13                   *ceed an amount approved or established by the*  
14                   *Secretary.*

15                   “(B) AMOUNT OF MONTHLY ASSISTANCE  
16                   PAYMENT.—*The amount of any monthly assist-*  
17                   *ance payment with respect to any family that*  
18                   *rents a manufactured home and the real prop-*  
19                   *erty on which it is located and that is assisted*  
20                   *under this paragraph shall be the difference be-*  
21                   *tween the rent the family is required to pay*  
22                   *under section 3(a) and the sum of—*

23                           “(i) *the monthly utility payments*  
24                           *made by such family, subject to reasonable*  
25                           *limitations prescribed by the Secretary; and*



1                   “(ii) the maximum monthly rent per-  
2                   mitted with respect to the manufactured  
3                   home and real property on which it is lo-  
4                   cated.

5                   “(5) ADJUSTMENT OF MAXIMUM MONTHLY  
6                   RENTS.—The provisions of paragraphs (3) through  
7                   (7) of subsection (d) shall apply to the adjustments of  
8                   maximum monthly rents under this subsection.

9                   “(6) CONTRACT TERM.—Each contract entered  
10                  into under the subsection shall be for a term of not  
11                  less than one month and not more than 180 months;  
12                  except that in any case in which the manufactured  
13                  home park is substantially rehabilitated or newly con-  
14                  structed, such term may not be less than 240 months,  
15                  nor more than the maximum term for a manufac-  
16                  tured home loan permitted under section 2(b) of the  
17                  National Housing Act.

18                  “(7) APPLICABILITY.—The Secretary may carry  
19                  out this subsection without regard to whether the  
20                  manufactured home park is existing, substantially re-  
21                  habilitated, or newly constructed.

22                  “(8) LIMITATION ON SUBSTANTIALLY REHABILI-  
23                  TATED AND NEWLY CONSTRUCTED MANUFACTURED  
24                  HOME PARKS.—In the case of any substantially reha-  
25                  bilitated or newly constructed manufactured home

1     *park containing spaces with respect to which assist-*  
2     *ance is made under this subsection, the principal*  
3     *amount of the mortgage attributable to the rental*  
4     *spaces within the park may not exceed an amount es-*  
5     *tablished by the Secretary which is equal to or less*  
6     *than the limitation for manufactured home parks de-*  
7     *scribed in section 207(c)(3) of the National Housing*  
8     *Act, and the Secretary may increase such limitation*  
9     *in high cost areas in the manner described in such*  
10    *section.*

11           “(9) *OTHER REQUIREMENTS.*—*The Secretary*  
12    *may prescribe other terms and conditions necessary*  
13    *for the purpose of carrying out this subsection and*  
14    *that are consistent with the purposes of this sub-*  
15    *section.*

16           “(1) *SINGLE ROOM OCCUPANCY FACILITIES.*—

17           “(1) *AUTHORITY.*—*In making assistance avail-*  
18    *able under this section and assistance under section*  
19    *441 and part V of subtitle F of title IV of the Stewart*  
20    *B. McKinney Homeless Assistance Act, the Secretary*  
21    *may provide assistance with respect to residential*  
22    *properties in which some or all of the dwelling units*  
23    *do not contain bathroom or kitchen facilities, if the*  
24    *unit of general local government in which the prop-*  
25    *erty is located and the local public housing agency*

1       *certify to the Secretary that the property complies*  
2       *with local health and safety standards.*

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

8               “(m) *HOUSING FOR ELDERLY AND DISABLED FAMI-*  
9       *LIES.—*

10              “(1) *SHARED HOUSING.—To assist elderly fami-*  
11       *lies and disabled families (as defined in section 3(b))*  
12       *who elect to live in a shared housing arrangement in*  
13       *which they benefit as a result of sharing the facilities*  
14       *of a dwelling with others in a manner that effectively*  
15       *and efficiently meets their housing needs and thereby*  
16       *reduces their costs of housing, the Secretary shall per-*  
17       *mit assistance provided under this section to be used*  
18       *by such families in such arrangements. In carrying*  
19       *out this subsection, the Secretary shall issue mini-*  
20       *imum habitability standards for the purpose of ensur-*  
21       *ing decent, safe, and sanitary housing for such fami-*  
22       *lies while taking into account the special cir-*  
23       *cumstances of shared housing.*

24              “(2) *PRIORITY FOR NONELDERLY DISABLED FAM-*  
25       *ILIES.—In allocating assistance under this section, a*

1 *public housing agency that serves more than one unit*  
2 *of general local government may, at the discretion of*  
3 *the agency, give priority to disabled families that are*  
4 *not elderly families.*

5 “(3) *AUTHORITY TO PROVIDE PREFERENCES FOR*  
6 *THE ELDERLY AND RESERVE UNITS FOR THE DIS-*  
7 *ABLED.—Notwithstanding subsection (h)(2) or (3), an*  
8 *owner of a covered section 8 housing project (as such*  
9 *term is defined in section 659 of the Housing and*  
10 *Community Development Act of 1992) may give pref-*  
11 *erence for occupancy of dwelling units in the project,*  
12 *and reserve units for occupancy, in accordance with*  
13 *subtitle D of title VI of the Housing and Community*  
14 *Development Act of 1992.*

15 “(n) *ADMINISTRATIVE FEES.—*

16 “(1) *BASIC FEE FOR TENANT-BASED RENTAL*  
17 *PROGRAM.—The Secretary shall establish a fee for the*  
18 *costs incurred by a public housing agency in admin-*  
19 *istering the program for rental assistance under this*  
20 *section, which shall be, together with other fees au-*  
21 *thorized under this subsection, included in any*  
22 *amounts provided to the public housing agency under*  
23 *the annual contributions contract for the agency. The*  
24 *amount of the fee for each month for which a dwelling*  
25 *unit is covered by an assistance contract shall be 8.2*

1     *percent of the fair market rental established under*  
2     *subsection (e) for a 2-bedroom existing rental dwelling*  
3     *unit in the market area of the public housing agency.*  
4     *The Secretary may increase the fee if necessary to re-*  
5     *fect the higher costs of administering small programs*  
6     *and programs operating over large geographic areas.*

7             “(2) *OTHER FEES.*—*The Secretary shall also es-*  
8     *tablish reasonable fees (as determined by the Sec-*  
9     *retary) for—*

10             “(A) *the costs of preliminary expenses that*  
11     *a public housing agency documents it has in-*  
12     *curred in connection with new allocations of as-*  
13     *sistance under the program for rental assistance*  
14     *under this section, which shall not exceed \$275*  
15     *per unit assisted;*

16             “(B) *the costs incurred in assisting families*  
17     *who experience difficulty (as determined by the*  
18     *Secretary) in obtaining appropriate housing*  
19     *under the program; and*

20             “(C) *extraordinary costs approved by the*  
21     *Secretary.*

22             “(3) *BUDGET COMPLIANCE.*—*The Secretary may*  
23     *establish or increase a fee in accordance with this*  
24     *subsection only to such extent or in such amounts as*  
25     *are provided in appropriation Acts.*

1           “(4) *FEEES FOR 1995 AND 1996.*—Notwithstanding  
2           any other provision of this subsection, the basic fee for  
3           the costs incurred by a public housing agency in ad-  
4           ministering the program for rental assistance under  
5           this section during fiscal years 1995 and 1996 shall  
6           be equal to the fee determined for fiscal year 1994  
7           under section 11(a) of the HUD Demonstration Act  
8           of 1993.

9           “(o) *PORTABILITY OF ASSISTANCE.*—

10           “(1) *AUTHORITY.*—Except as provided in para-  
11           graphs (3) and (4), any family on behalf of whom is  
12           provided tenant-based rental assistance under this  
13           section and who moves to an eligible dwelling unit lo-  
14           cated within the same State, or the same or a contig-  
15           uous metropolitan statistical area, as the metropoli-  
16           tan statistical area within which is located the area  
17           of jurisdiction of the public housing agency approving  
18           the assistance for the family, may use such assistance  
19           to rent such eligible dwelling unit.

20           “(2) *ADMINISTRATION.*—The public housing  
21           agency having authority with respect to the dwelling  
22           unit to which a family moves under this subsection  
23           shall have the responsibility of carrying out the provi-  
24           sions of this section with respect to the family. If no  
25           public housing agency has authority with respect to

1     *the dwelling unit to which a family moves under this*  
2     *subsection, the public housing agency approving the*  
3     *assistance shall have such responsibility.*

4             “(3) *LOCAL OPTION TO ENSURE MINIMUM AREA*  
5     *RESIDENCY.—At the discretion of a public housing*  
6     *agency, the agency may provide that a family may*  
7     *use tenant-based rental assistance under this section*  
8     *to rent an eligible dwelling unit that is not located*  
9     *within the area of jurisdiction of the agency approv-*  
10    *ing the assistance only if, before such use, the family*  
11    *has rented and occupied an eligible dwelling unit*  
12    *within such original jurisdiction for not less than 12*  
13    *consecutive months using assistance provided by such*  
14    *agency.*

15            “(4) *PROHIBITION OF PORTABILITY IN CASES OF*  
16    *LEASE VIOLATION.—A family may not use tenant-*  
17    *based rental assistance as provided in paragraph (1)*  
18    *if the family has moved from a dwelling unit in vio-*  
19    *lation of the lease for the dwelling unit.*

20            “(5) *ALLOCATIONS DUE TO PORTABILITY.—In*  
21    *determining the amount of rental assistance provided*  
22    *under an annual contributions contract for any fiscal*  
23    *year, the Secretary shall consider any reduction in*  
24    *the number of resident families incurred by a public*

1       *housing agency in the preceding fiscal year as a re-*  
2       *sult of the provisions of this subsection.*

3               “(6) *PROVISION OF RENTAL ASSISTANCE FOR*  
4       *PORTABILITY PURPOSES.—*

5               “(A) *AMOUNT.—To the extent amounts for*  
6       *assistance under this section that are reserved*  
7       *under section 213(d)(4) of the Housing and*  
8       *Community Development Act of 1974 are avail-*  
9       *able in a fiscal year, the Secretary shall provide*  
10       *rental assistance under this section in accord-*  
11       *ance with this paragraph.*

12              “(B) *USE.—Amounts provided for use*  
13       *under this paragraph shall be used only to pro-*  
14       *vide a public housing agency with additional*  
15       *amounts (as determined under subparagraph*  
16       *(C)) to provide assistance for families on behalf*  
17       *of whom assistance is provided under this section*  
18       *by another public housing agency and who move*  
19       *into an eligible dwelling unit located within the*  
20       *area of jurisdiction of the agency to receive as-*  
21       *sistance under this paragraph.*

22              “(C) *REQUIREMENT.—Amounts provided*  
23       *for use under this paragraph may be made*  
24       *available to a public housing agency in a fiscal*  
25       *year only if, during such fiscal year, the agency*



1           *has provided assistance pursuant to the first sen-*  
2           *tence of paragraph (2) on behalf of families who*  
3           *have moved into eligible dwelling units located*  
4           *within the area of jurisdiction of the agency in*  
5           *an amount not less than the lesser of (i) 5 per-*  
6           *cent of total amount received by the agency for*  
7           *assistance under this section for the fiscal year,*  
8           *or (ii) the amount necessary to assist 25 percent*  
9           *of average annual number of families previously*  
10          *assisted by the agency who relinquish such as-*  
11          *sistance in a year (based on the preceding 3 cal-*  
12          *endar years).*

13          “(p) *PROHIBITION OF DISCRIMINATION.—In selecting*  
14          *families for the provision of assistance under this section,*  
15          *a public housing agency may not exclude or penalize a fam-*  
16          *ily solely because the family resides in a public housing*  
17          *project.*

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

19                 “(1) *ASSISTANCE FOR RESIDENTS OF REHABILI-*  
20                 *TATED PROJECTS.—In the case of low-income families*  
21                 *living in rental projects rehabilitated under section*  
22                 *17 of this Act or section 533 of the Housing Act of*  
23                 *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 under  
6           this section may be provided for families who  
7           would have to pay more than 30 percent of their  
8           adjusted income for rent after rehabilitation  
9           whether they choose to remain in, or to move  
10          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 avail-  
14          able to address the physical or economic dis-  
15          placement, or potential economic displacement,  
16          of existing tenants pursuant to subparagraphs  
17          (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 projects  
23          (i) subject to mortgages that are insured under  
24          the National Housing Act or mortgages that have  
25          been assigned to the Secretary, (ii) that were

1           *held by the Secretary and have been sold, and*  
2           *(iii) that were assisted under section 202 of the*  
3           *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 project*  
8           *is subsidized or unsubsidized.*

9           “(C) *EXTENSION OF CONTRACT.*—*The Sec-*  
10          *retary shall extend any expiring contract entered*  
11          *into under this section for loan management as-*  
12          *sistance or execute a new contract for project-*  
13          *based loan management assistance, if the owner*  
14          *agrees to continue providing housing for low-in-*  
15          *come families during the term of the contract.*

16          “(3) *ASSISTANCE FOR FAMILY UNIFICATION.*—

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

1           or children in out-of-home care or the delayed  
2           discharge of a child or children to the family  
3           from out-of-home care.

4           “(B) *ALLOCATION.*—Any amounts made  
5           available under this paragraph shall be allocated  
6           by the Secretary through a national competition  
7           among applicants based on demonstrated need  
8           for assistance under this paragraph. To be con-  
9           sidered for assistance, an applicant shall submit  
10          to the Secretary a written proposal containing a  
11          report from the public child welfare agency serv-  
12          ing the jurisdiction of the applicant that de-  
13          scribes how a lack of adequate housing in the ju-  
14          risdiction is resulting in the initial or prolonged  
15          separation of children from their families, and  
16          how the applicant will coordinate with the pub-  
17          lic child welfare agency to identify eligible fami-  
18          lies and provide the families with assistance  
19          under this paragraph.

20          “(C) *DEFINITIONS.*—For purposes of this  
21          paragraph:

22                  “(i) *APPLICANT.*—The term ‘applicant’  
23                  means a public housing agency.

24                  “(ii) *PUBLIC CHILD WELFARE AGEN-*  
25                  *CY.*—The term ‘public child welfare agency’

1           *means the public agency responsible under*  
2           *applicable State law for determining that a*  
3           *child is at imminent risk of placement in*  
4           *out-of-home care or that a child in out-of-*  
5           *home care under the supervision of the pub-*  
6           *lic agency may be returned to his or her*  
7           *family.*

8           “(4) NEIGHBORHOOD CRIME FIGHTERS ASSIST-  
9           ANCE.—

10           “(A) ASSISTANCE.—*To the extent amounts*  
11           *for assistance under this section are reserved*  
12           *under section 213(d)(4)(A) of the Housing and*  
13           *Community Development Act of 1974 for use*  
14           *under this paragraph, the Secretary may provide*  
15           *such amounts to any public housing agency ap-*  
16           *proved under subparagraph (C) to make assist-*  
17           *ance payments under this paragraph on behalf of*  
18           *any family described under subparagraph (B)*  
19           *for the rental of a dwelling unit for the family*  
20           *that, in the determination of the public housing*  
21           *agency (after consultation with law enforcement*  
22           *agency concerned) provides for the protection of*  
23           *the family.*

1           “(B) *ELIGIBLE FAMILIES.*—A family re-  
2           ferred to in subparagraph (A) shall be any fam-  
3           ily that—

4                   “(i) contains a member that has pro-  
5                   vided information to any Federal, State, or  
6                   local law enforcement agency that such law  
7                   enforcement agency determines substantially  
8                   contributes to the arrest, criminal prosecu-  
9                   tion, or conviction of any person for any  
10                  criminal activity in or near the area or  
11                  neighborhood in which the person providing  
12                  the information resides;

13                  “(ii) is likely, in the determination of  
14                  such law enforcement agency, to be subject  
15                  to a crime of violence directed at the family  
16                  on account of providing the information re-  
17                  ferred to in clause (i);

18                  “(iii) is legally residing, at the time  
19                  such information is provided to the law en-  
20                  forcement agency, in a dwelling unit in a  
21                  public housing project administered by a  
22                  public housing agency meeting the require-  
23                  ments of subparagraph (C) or in a dwelling  
24                  unit assisted under this section by such a  
25                  public housing agency; and

1                   “(iv) is not protected or assisted, or to  
2                   be protected or assisted, under chapter 224  
3                   of title 18, United States Code.

4                   “(C) *ELIGIBLE PHA’S.*—The Secretary may  
5                   provide amounts reserved for use under this  
6                   paragraph only to public housing agencies ap-  
7                   proved by the Secretary under this subpara-  
8                   graph. The Secretary may approve only agencies  
9                   that the Secretary determines have—

10                   “(i) established sufficient cooperation  
11                   with local law enforcement agencies to make  
12                   determinations to provide assistance under  
13                   this paragraph; and

14                   “(ii) coordinated with local law en-  
15                   forcement agencies to promptly inform the  
16                   public housing agency and the Secretary of  
17                   any determination that assistance under  
18                   this paragraph is appropriate for a family,  
19                   except that such coordination shall be sub-  
20                   ject to the procedures established under sub-  
21                   paragraph (F)(iii) to ensure confidentiality.

22                   “(D) *GUIDELINES.*—

23                   “(i) *DETERMINATION OF NEED AND*  
24                   *COORDINATION.*—The Secretary shall estab-

1            *lish guidelines jointly with the Attorney*  
2            *General that—*

3                    *“(I) describe the types of situa-*  
4                    *tions under clauses (i) and (ii) of sub-*  
5                    *paragraph (B) in which assistance*  
6                    *may be provided under this paragraph,*  
7                    *which shall include situations in which*  
8                    *the information referred to in subpara-*  
9                    *graph (B)(i) is information regarding*  
10                   *any crime that is detrimental to the*  
11                   *health, safety, peace, or security of the*  
12                   *area or neighborhood in which the fam-*  
13                   *ily providing the information resides;*  
14                   *and*

15                   *“(II) describe elements of suffi-*  
16                   *cient cooperation between public hous-*  
17                   *ing agencies and law enforcement*  
18                   *agencies for purposes of subparagraph*  
19                   *(C)(i).*

20                   *“(ii) PROCEDURES.—The Secretary*  
21                   *shall establish procedures for public housing*  
22                   *agencies approved under subparagraph*  
23                   *(C)—*

24                   *“(I) to apply for, obtain, and ad-*  
25                   *minister amounts reserved for provid-*



1            *ing assistance under this paragraph on*  
2            *behalf of families eligible under sub-*  
3            *paragraph (B); and*

4            *“(II) to provide for the termi-*  
5            *nation of the tenancy of any family as-*  
6            *sisted under this paragraph from the*  
7            *dwelling unit in which the family is*  
8            *residing so that such assistance may be*  
9            *utilized.*

10            *“(E) PHA ACTIONS.—Each public housing*  
11            *agency approved by the Secretary under sub-*  
12            *paragraph (C) shall—*

13            *“(i) periodically notify Federal, State,*  
14            *and local law enforcement agencies in the*  
15            *area of jurisdiction of the public housing*  
16            *agency of the availability of assistance*  
17            *under this paragraph;*

18            *“(ii) take such actions as may be ap-*  
19            *propriate to inform residents of public hous-*  
20            *ing projects administered by the agency and*  
21            *dwelling units assisted under this section by*  
22            *the agency of the availability of such assist-*  
23            *ance; and*

24            *“(iii) coordinate with such law enforce-*  
25            *ment agencies to promptly inform the pub-*

1            *lic housing agency and the Secretary of any*  
2            *determination that assistance under this*  
3            *paragraph is appropriate for a family, ex-*  
4            *cept that such coordination shall be subject*  
5            *to the procedures established under subpara-*  
6            *graph (F)(iii) to ensure confidentiality.*

7            *“(F) NOTICE AND CONFIDENTIALITY.—The*  
8            *Secretary shall—*

9                    *“(i) periodically notify public housing*  
10                   *agencies of the availability of assistance*  
11                   *under this paragraph;*

12                   *“(ii) encourage public housing agencies*  
13                   *to cooperate and coordinate with law en-*  
14                   *forcement agencies to encourage residents of*  
15                   *public housing projects and dwelling units*  
16                   *assisted under this section to provide infor-*  
17                   *mation to law enforcement agencies regard-*  
18                   *ing criminal activity; and*

19                   *“(iii) develop and implement proce-*  
20                   *dures to ensure the confidentiality of the*  
21                   *identity and new location of any family as-*  
22                   *sisted under this paragraph.*

23                   *“(G) OTHER ASSISTANCE.—A public hous-*  
24                   *ing agency that provides assistance under sub-*  
25                   *paragraph (A) for a family and the law enforce-*

1           *ment agency involved shall ensure that the fam-*  
2           *ily is provided access to other assistance and*  
3           *services appropriate to ensure that the relocation*  
4           *of the family to the dwelling unit assisted under*  
5           *subparagraph (A) and the neighborhood of such*  
6           *dwelling unit occurs with the minimum possible*  
7           *amount of disruption to the life of the family.*

8           “(H) *LIABILITY.—The United States, and*  
9           *its officers and employees, shall not be subject to*  
10          *any civil liability on account of any decision to*  
11          *provide or not to provide protection under this*  
12          *paragraph.*

13          “(r) *RENEWAL OF EXPIRING CONTRACTS.—*

14                “(1) *5-YEAR PLAN.—Not later than 30 days after*  
15                *the beginning of each fiscal year, the Secretary shall*  
16                *publish in the Federal Register a plan for reducing,*  
17                *to the extent feasible, year-to-year fluctuations in the*  
18                *levels of budget authority that will be required over*  
19                *the succeeding 5-year period to renew expiring assist-*  
20                *ance contracts entered into under this section after the*  
21                *enactment of the Housing and Community Develop-*  
22                *ment Act of 1974. To the extent necessary to carry out*  
23                *such plan and to the extent approved in appropria-*  
24                *tions Acts, the Secretary is authorized to enter into*

1     *annual contributions contracts with terms of less than*  
2     *60 months.*

3             “(2) *NEW CONSTRUCTION AND SUBSTANTIAL RE-*  
4     *HABILITATION PROJECTS.—Subject only to the avail-*  
5     *ability of budget authority to carry out this para-*  
6     *graph and to the absence of owners agreeing to enter*  
7     *into new contracts, the Secretary shall enter into new*  
8     *contracts under subtitle D of title I of the Housing*  
9     *and Community Development Act of 1994 to provide*  
10    *project-based assistance for qualified housing (as such*  
11    *term is defined in section 163 of such subtitle) to*  
12    *owners of such housing.*

13            “(s) *GENERAL PROVISIONS.—*

14            “(1) *PLEDGING ASSISTANCE CONTRACTS AS SE-*  
15    *CURITY.—An owner may pledge, or offer as security*  
16    *for any loan or obligation, an assistance contract en-*  
17    *tered into pursuant to this section, but only if such*  
18    *security is in connection with a project constructed or*  
19    *rehabilitated pursuant to authority under this section*  
20    *and the terms of the financing or any refinancing*  
21    *have been approved by the Secretary.*

22            “(2) *HOUSING COUNSELING FOR RENTAL*  
23    *CHOICE.—Each public housing agency that provides*  
24    *rental housing assistance under this section on behalf*  
25    *of low-income families shall notify such assisted fami-*

1 *lies of the availability of any entity in the jurisdic-*  
2 *tion of the agency providing rental housing counsel-*  
3 *ing under section 106(a)(4) of the Housing and*  
4 *Urban Development Act of 1968.*

5 *“(t) HOMEOWNERSHIP OPTION.—A public housing*  
6 *agency providing assistance under this section may, at the*  
7 *option of the agency, provide assistance for homeownership*  
8 *under this subsection as follows:*

9 *“(1) USE OF ASSISTANCE FOR HOMEOWNER-*  
10 *SHIP.—A family receiving tenant-based assistance*  
11 *under this section may receive assistance for occu-*  
12 *pancy of a dwelling owned by one or more members*  
13 *of the family if the family—*

14 *“(A) is a first-time homeowner;*

15 *“(B)(i) participates in the family self-suffi-*  
16 *ciency program under section 23 of the public*  
17 *housing agency providing the assistance; or*

18 *“(ii) demonstrates that the family has in-*  
19 *come from employment or other sources (other*  
20 *than public assistance), as determined in accord-*  
21 *ance with requirements of the Secretary, that is*  
22 *not less than twice the fair market rental for the*  
23 *area established under subsection (e)(1) (or such*  
24 *other amount as may be established by the Sec-*  
25 *retary);*

1           “(C) except as provided by the Secretary,  
2 demonstrates at the time the family initially re-  
3 ceives tenant-based assistance under this sub-  
4 section that one or more adult members of the  
5 family have achieved employment for the period  
6 as the Secretary shall require;

7           “(D) participates in a homeownership and  
8 housing counseling program provided by the  
9 agency; and

10           “(E) meets any other initial or continuing  
11 requirements established by the public housing  
12 agency in accordance with requirements estab-  
13 lished by the Secretary.

14           “(2) MONTHLY ASSISTANCE PAYMENT.—

15           “(A) IN GENERAL.—Notwithstanding any  
16 other provisions of this section governing deter-  
17 mination of the amount of assistance payments  
18 under this section on behalf of a family, the  
19 monthly assistance payment for any family as-  
20 sisted under this subsection shall be the amount  
21 by which the fair market rental for the area es-  
22 tablished under subsection (e)(1) exceeds 30 per-  
23 cent of the family’s monthly adjusted income; ex-  
24 cept that the monthly assistance payment shall  
25 not exceed the amount by which the monthly

1           *homeownership expenses, as determined in ac-*  
2           *cordance with requirements established by the*  
3           *Secretary, exceeds 10 percent of the family's*  
4           *monthly income.*

5           “(B) *EXCLUSION OF EQUITY FROM IN-*  
6           *COME.—For purposes of determining the month-*  
7           *ly assistance payment for a family, the Sec-*  
8           *retary shall not include in family income an*  
9           *amount imputed from the equity of the family in*  
10          *a dwelling occupied by the family with assist-*  
11          *ance under this subsection.*

12          “(3) *RECAPTURE OF CERTAIN AMOUNTS.—Upon*  
13          *sale of the dwelling by the family, the Secretary shall*  
14          *recapture from any net proceeds the amount of addi-*  
15          *tional assistance (as determined in accordance with*  
16          *requirements established by the Secretary) paid to or*  
17          *on behalf of the eligible family as a result of para-*  
18          *graph (2)(B).*

19          “(4) *DOWNPAYMENT REQUIREMENT.—Each pub-*  
20          *lic housing agency providing assistance under this*  
21          *subsection shall ensure that each family assisted shall*  
22          *provide from its own resources not less than 80 per-*  
23          *cent of any downpayment in connection with a loan*  
24          *made for the purchase of a dwelling. Such resources*  
25          *may include amounts from any escrow account for*

1 *the family established under section 23(d). Not more*  
2 *than 20 percent of the downpayment may be provided*  
3 *from other sources, such as from nonprofit entities*  
4 *and programs of States and units of general local*  
5 *government.*

6 *“(5) INELIGIBILITY UNDER OTHER PROGRAMS.—*  
7 *A family may not receive assistance under this sub-*  
8 *section during any period when assistance is being*  
9 *provided for the family under other Federal home-*  
10 *ownership assistance programs, as determined by the*  
11 *Secretary, which shall include assistance under the*  
12 *HOME Investment Partnerships Act, the Homeowner-*  
13 *ship and Opportunity Through HOPE Act, title II of*  
14 *the Housing and Community Development Act of*  
15 *1987, and section 502 of the Housing Act of 1949.*

16 *“(6) INAPPLICABILITY OF CERTAIN PROVI-*  
17 *SIONS.—Assistance under this subsection shall not be*  
18 *subject to the requirements of the following provisions:*

19 *“(A) Subsection (h)(5) of this section.*

20 *“(B) Any other provisions of this section*  
21 *governing maximum amounts payable to owners*  
22 *and amounts payable by assisted families.*

23 *“(C) Any other provisions of this section*  
24 *concerning contracts between public housing*  
25 *agencies and owners.*



1           “(D) Any other provisions of this Act  
2 that are inconsistent with the provisions of this  
3 subsection.

4           “(7) REVERSION TO RENTAL STATUS.—

5           “(A) FHA-INSURED MORTGAGES.—If a  
6 family receiving assistance under this subsection  
7 for occupancy of a dwelling defaults under a  
8 mortgage for the dwelling insured by the Sec-  
9 retary under the National Housing Act, the fam-  
10 ily may not continue to receive rental assistance  
11 under this section unless the family (i) transfers  
12 to the Secretary marketable title to the dwelling,  
13 (ii) moves from the dwelling within the period  
14 established or approved by the Secretary, and  
15 (iii) agrees that any amounts the family is re-  
16 quired to pay to reimburse the escrow account  
17 under section 23(d)(3) may be deducted by the  
18 public housing agency from the assistance pay-  
19 ment otherwise payable on behalf of the family.

20           “(B) OTHER MORTGAGES.—If a family re-  
21 ceiving assistance under this subsection defaults  
22 under a mortgage not insured under the Na-  
23 tional Housing Act, the family may not continue  
24 to receive rental assistance under this section un-

1           *less it complies with requirements established by*  
2           *the Secretary.*

3           “(C) *ALL MORTGAGES.*—*A family receiving*  
4           *assistance under this subsection that defaults*  
5           *under a mortgage may not receive assistance*  
6           *under this subsection for occupancy of another*  
7           *dwelling owned by one or more members of the*  
8           *family.*

9           “(8) *DEFINITION OF FIRST-TIME HOMEOWNER.*—  
10          *For purposes of this subsection, the term ‘first-time*  
11          *homeowner’ means—*

12                 “(A) *a family, no member of which has had*  
13                 *a present ownership interest in a principal resi-*  
14                 *dence during the 3 years preceding the date on*  
15                 *which the family initially receives assistance for*  
16                 *homeownership under this subsection; and*

17                 “(B) *any other family, as the Secretary*  
18                 *may prescribe.*

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

20                 “(1) *ANNUAL CONTRIBUTIONS CONTRACT.*—*The*  
21                 *term ‘annual contributions contract’ means a contract*  
22                 *under subsection (b) between the Secretary and a pub-*  
23                 *lic housing agency to provide amounts for rental as-*  
24                 *sistance payments under this section to the public*  
25                 *housing agency.*

1           “(2) *ASSISTANCE CONTRACT.*—The term ‘assist-  
2           *ance contract*’ means a contract under subsection (c)  
3           *between a public housing agency (or the Secretary)*  
4           *and an owner to make rental assistance payments*  
5           *under this section to the owner.*

6           “(3) *DEBT SERVICE.*—The term ‘debt service’  
7           *means the required payments for principal and inter-*  
8           *est made with respect to a mortgage secured by hous-*  
9           *ing assisted under this Act.*

10           “(4) *DRUG-RELATED CRIMINAL ACTIVITY.*—The  
11           *term ‘drug-related criminal activity’ means the illegal*  
12           *manufacture, sale, distribution, use, or possession*  
13           *with intent to manufacture, sell, distribute, or use, of*  
14           *a controlled substance (as such term is defined in sec-*  
15           *tion 102 of the Controlled Substances Act).*

16           “(5) *OWNER.*—The term ‘owner’ means any pri-  
17           *vate person or entity, including a cooperative, an*  
18           *agency of the Federal Government, or a public hous-*  
19           *ing agency, having the legal right to lease or sublease*  
20           *dwelling units, and such term shall include any prin-*  
21           *cipals, general partners, primary shareholders, and*  
22           *other similar participants in any entity owning a*  
23           *multifamily housing project (as such term is defined*  
24           *in subsection (p)(3)), as well as the entity itself.*

1           “(6) *PARTICIPATING JURISDICTION.*—The term  
2           ‘participating jurisdiction’ means a State or unit of  
3           general local government designated by the Secretary  
4           to be a participating jurisdiction under title II of the  
5           Cranston-Gonzalez National Affordable Housing Act.

6           “(7) *PROJECT-BASED ASSISTANCE.*—The term  
7           ‘project-based assistance’ means rental assistance  
8           under this section that is attached to a structure pur-  
9           suant to subsection (i).

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

14           “(9) *RENTAL ASSISTANCE.*—The term ‘rental as-  
15           sistance’ means assistance provided under this section  
16           on behalf of low-income families for the rental of a  
17           dwelling unit.

18           “(10) *TENANT-BASED ASSISTANCE.*—The term  
19           ‘tenant-based assistance’ means rental assistance  
20           under this section that is not project-based assist-  
21           ance.”.

22           (b) *CONFORMING AMENDMENTS.*—

23           (1) *UNITED STATES HOUSING ACT OF 1937.*—The  
24           United States Housing Act of 1937 is amended—

1           (A) in section 3(a)(1) (42 U.S.C.  
2           1437a(a)(1)), by striking “(other than a family  
3           assisted under section 8(o) or (y) or paying rent  
4           under section 8(c)(3)(B))” and inserting “(other  
5           than a family assisted under section 8(t) or pay-  
6           ing rent under section 8(f)(2))”;

7           (B) in section 5 (42 U.S.C. 1437c)—

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

11               (ii) in subsection (j)(1)(B)(i), by strik-  
12                ing “section 8(o)(6)” and inserting “section  
13                8”; and

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

16           (C) in section 6(p)(1)(B) (42 U.S.C.  
17           1437d(p)(1)(B)), by striking “holding certificates  
18           and vouchers” and inserting “eligible and ap-  
19           proved for assistance”;

20           (D) in section 21(b)(3)—

21                 (i) by striking “a certificate under sec-  
22                 tion 8(b)(1) or a housing voucher under sec-  
23                 tion 8(o)” and inserting “tenant-based as-  
24                 sistance under section 8”; and

1           (ii) by striking “such certificate” and  
2           inserting “such assistance”;

3           (E) in section 23—

4           (i) in subsection (a), by striking “as-  
5           sistance under the certificate and voucher  
6           programs” and inserting “tenant-based as-  
7           sistance”;

8           (ii) in subsection (b)—

9           (I) in paragraph (1), by striking  
10           “assistance under subsection (b) or (o)  
11           of” and inserting “tenant-based assist-  
12           ance under”; and

13           (II) in paragraph (4), by striking  
14           “Assistance under the certificate or  
15           voucher programs” and inserting  
16           “Tenant-based assistance”;

17           (iii) in subsection (c)(1), by striking  
18           “assistance under the certificate and vouch-  
19           er programs of” and inserting “tenant-  
20           based assistance from”;

21           (iv) in subsection (d)(3) (as added by  
22           section 185(b) of the Housing and Commu-  
23           nity Development Act of 1992 (Public Law  
24           102–550; 106 Stat. 3747)), by striking “sec-  
25           tion 8(y)” and inserting “section 8(t)”; and

1                   (v) in subsection (h)(1)—

2                   (I) by striking “section 8(q) for  
3                   the costs incurred in administering the  
4                   provision of certificate and voucher”  
5                   and inserting “section 8(n) for the  
6                   costs incurred in administering the  
7                   provision of tenant-based”; and

8                   (II) by striking “section  
9                   8(q)(2)(A)(i)” and inserting “section  
10                  8(n)(2)(A)”; and

11                  (G) in section 304(g)(3) (42 U.S.C.  
12                  1437aaa–3(g)(3)), by striking “section 8(b)(2)  
13                  and section 8(o)(9)” and inserting “section 8”.

14                  (2) ALLOCATION OF ASSISTED HOUSING  
15                  FUNDS.—Section 213 of the Housing and Community  
16                  Development Act of 1974 (42 U.S.C. 1439) is amend-  
17                  ed—

18                  (A) in subsection (d)—

19                  (i) in paragraph (1)(A)(ii), by striking  
20                  “section 8(b)(1)” each place it appears and  
21                  inserting “section 8”; and

22                  (ii) in paragraph (2), by striking “sec-  
23                  tion 8(d)” and inserting “section 8(i)”; and

24                  (B) in subsection (e), by striking “section  
25                  8(b)(1)” and inserting “section 8”.

1           (3) *SUPPORTIVE HOUSING FOR ELDERLY FAMI-*  
2           *LIES.—Section 801(d)(1)(B) of the Cranston-Gonzalez*  
3           *National Affordable Housing Act (12 U.S.C. 1701q*  
4           *note) is amended by striking “section 8(c)(1)” and*  
5           *inserting “section 8(e)”.*

6           (4) *ELDERLY INDEPENDENCE.—Section 803 of*  
7           *the Cranston-Gonzalez National Affordable Housing*  
8           *Act (42 U.S.C. 8012) is amended—*

9                   (A) *in subsection (a), by striking “housing*  
10                   *certificates and vouchers” and inserting “assist-*  
11                   *ance under section 8 of the United States Hous-*  
12                   *ing Act of 1937”;* and

13                   (B) *in subsection (b)—*

14                           (i) *in the 1st sentence, by striking “not*  
15                           *more than 1,500 incremental vouchers and*  
16                           *certificates under sections 8(b) and 8(o) of*  
17                           *the United States Housing Act of 1937”*  
18                           *and inserting “incremental assistance under*  
19                           *section 8 of the United States Housing Act*  
20                           *of 1937 on behalf of not more than 1,500*  
21                           *frail elderly persons”;*

22                           (ii) *in the 3rd sentence, by striking*  
23                           *“the housing certificate or voucher program*  
24                           *of the agency” and inserting “the agency’s*



1            *program for assistance under such section*  
2            *8”; and*

3            *(iii) in the last sentence, by striking*  
4            *“sections 8(b) and 8(o)” and inserting “sec-*  
5            *tion 8”.*

6            (5) *REVISED CONGREGATE HOUSING SERV-*  
7            *ICES.—Section 802(k)(6)(B) of the Cranston-Gonzalez*  
8            *National Affordable Housing Act (42 U.S.C.*  
9            *8011(k)(6)(B)) is amended by striking “subsection*  
10           *(d)(2)” and inserting “subsection (i)”.*

11           (6) *HOUSING FOR PERSONS WITH AIDS.—Sub-*  
12           *title D of title VIII of the Cranston-Gonzalez National*  
13           *Affordable Housing Act is amended—*

14           (A) *in section 859(a)(2) (42 U.S.C.*  
15           *12908(a)(2)) by striking “section 8(p)” each*  
16           *place it appears and inserting “section 8(m)(1)”;*  
17           *and*

18           (B) *in section 860(a) (42 U.S.C. 12909(a)),*  
19           *by striking “section 8(n)” and inserting “section*  
20           *8(l)”.*

21           (7) *MC KINNEY ACT.—Section 441(b) of the*  
22           *Stewart B. McKinney Homeless Assistance Act (42*  
23           *U.S.C. 11401(b)) is amended—*

24           (A) *by striking “section 8(n)” and inserting*  
25           *“section 8(l)”;* *and*

1           (B) by adding at the end the following new  
2 sentence: “Moderate rehabilitation under this sec-  
3 tion shall be carried out in the manner provided  
4 under the provisions of section 8(e) of the United  
5 States Housing Act of 1937, as such section was  
6 in effect (pursuant to section 289(b)(2) of the  
7 Cranston-Gonzalez National Affordable Housing  
8 Act) immediately before the enactment of the  
9 Housing and Community Development Act of  
10 1994.”.

11           (8) FLEXIBLE SUBSIDY PROGRAM.—Section 201  
12 of the Housing and Community Development Amend-  
13 ments of 1978 (12 U.S.C. 1715z–1a) is amended—

14           (A) in subsection (m)(2)(A), by striking  
15 “section 8(b)(1)” and inserting “section 8”; and

16           (B) in subsection (o), by striking “section  
17 8(v)” and inserting “section 8(q)(2)”.

18           (9) HUD-OWNED PROJECTS.—Section 203 of the  
19 Housing and Community Development Amendments  
20 of 1978 (12 U.S.C. 1701z–11) is amended—

21           (A) in subsection (e)(1)(D)—

22           (i) in clause (i)(IV), by inserting before  
23 the semicolon the following: “, as such sec-  
24 tion was in effect (pursuant to section  
25 289(b)(2) of the Cranston-Gonzalez National

1           *Affordable Housing Act) immediately before*  
2           *the enactment of the Housing and Commu-*  
3           *nity Development Act of 1994”;* and

4                     *(ii) in clause (ii), by striking “section*  
5                     *8(b)” and inserting “section 8”;*

6                     *(B) in subsection (g)(2), by striking “,*  
7           *8(d)(1)(A)(i), and 8(o)(3)(B)” and inserting “*  
8           *and 8(h)(2)(iii)”;* and

9                     *(C) in subsection (h)(2), by striking “sec-*  
10           *tion 8(c)” and inserting “section 8(e)”.*

11           (10) *HOUSING ACCESS.*—*Section 204 of the*  
12           *Housing and Community Development Amendments*  
13           *of 1978 (12 U.S.C. 1701z–12) is amended by striking*  
14           *“to a holder of a certificate of eligibility under that*  
15           *section solely because of such prospective tenant’s sta-*  
16           *tus as a certificate holder” and inserting “to a family*  
17           *that is approved for assistance under such section*  
18           *solely because of such the family’s status as assisted*  
19           *under such section”.*

20           (11) *ELIHPA OF 1987.*—*The references in sec-*  
21           *tions 225(b)(3)(D), 226(a)(3), and 228(a)(4) of the*  
22           *Emergency Low Income Housing Preservation Act of*  
23           *1987 (as in effect immediately before the enactment of*  
24           *the Cranston-Gonzalez National Affordable Housing*  
25           *Act) to section 8(b) of the United States Housing Act*

1 *of 1937 shall be considered to refer to section 8(e) of*  
2 *the United States Housing Act of 1937 (as amended*  
3 *by the Housing and Community Development Act of*  
4 *1994).*

5 (12) LIHPRHA OF 1990.—*Title II of the Hous-*  
6 *ing and Community Development Act of 1987 (42*  
7 *U.S.C. 4101 et seq.) is amended—*

8 (A) *in section 215(a)—*

9 (i) *in paragraph (1), by striking “sec-*  
10 *tion 8(c)” and inserting “section 8(e)”;* and

11 (ii) *in paragraph (2), by striking “sec-*  
12 *tion 8(c)(1)” and inserting “section*  
13 *8(e)(1)”;*

14 (B) *in section 220(d)(3)(B), by striking*  
15 *“section 8(c)” and inserting “section 8(e)”;*

16 (C) *in section 222—*

17 (i) *in subsection (a)(2)(D), by striking*  
18 *“section 8(c)” and inserting “section 8(e)”;*  
19 *and*

20 (ii) *in subsection (d)(2)(C)(i), by strik-*  
21 *ing “sections 8(b) and 8(o) of the United*  
22 *States Housing Act of 1937 (other than*  
23 *project-based assistance attached to the*  
24 *housing)” and inserting “tenant-based as-*

1           *sistance under section 8 of the United*  
2           *States Housing Act of 1937”;*

3           *(D) in section 223(a), by striking “the cer-*  
4           *tificate and voucher programs under sections*  
5           *8(b) and 8(o)” and inserting “section 8”; and*

6           *(E) in section 226(b)(6)(B), by striking*  
7           *“sections 8(d)(1)(A) and 8(o)(3)” and inserting*  
8           *“section 8(h)(2)”.*

9           (13) *DISASTER RELIEF.*—

10           (A) *TENANT-BASED ASSISTANCE.*—*Section*  
11           *931 of the Cranston-Gonzalez National Afford-*  
12           *able Housing Act (42 U.S.C. 1437c note) is*  
13           *amended—*

14                   (i) *in the section heading, by striking*  
15                   *“**CERTIFICATES AND VOUCHERS**” and*  
16                   *inserting “**TENANT-BASED ASSIST-***  
17                   ***ANCE**”;* and

18                   (ii) *by striking “assistance under the*  
19                   *certificate and voucher programs under sec-*  
20                   *tions 8 (b) and (o)” and inserting “tenant-*  
21                   *based assistance under section 8”.*

22           (B) *MODERATE REHABILITATION ASSIST-*  
23           *ANCE.*—*Section 932 of the Cranston-Gonzalez*  
24           *National Affordable Housing Act (42 U.S.C.*  
25           *1437c note) is amended by inserting after “such*

1           Act” the following: “, as such section was in ef-  
2           fect (pursuant to section 289(b)(2) of the Cran-  
3           ston-Gonzalez National Affordable Housing Act)  
4           immediately before the enactment of the Housing  
5           and Community Development Act of 1994,”.

6           (14) PUBLIC HOUSING MINCS DEMONSTRA-  
7           TION.—Section 522(f)(6)(B) of the Cranston-Gonzalez  
8           National Affordable Housing Act (42 U.S.C. 1437f  
9           note) is amended—

10                   (A) by striking “assistance under section  
11                   8(b)” and inserting “tenant-based assistance  
12                   under section 8”; and

13                   (B) by striking “section 8(d)(1)(A)(i)” and  
14                   inserting “section 8(h)(2)”.

15           (15) PUBLIC HOUSING NEW CONSTRUCTION IN-  
16           COME ELIGIBILITY.—Section 545(c)(2) of the Cran-  
17           ston-Gonzalez National Affordable Housing Act (42  
18           U.S.C. 1437f note) is amended by striking “section  
19           8(d)(1)(A)(ii)” and inserting “section 8(h)(3)”.

20           (16) SECTION 8 EXCESSIVE RENT BURDEN  
21           DATA.—Section 550(b) of the Cranston-Gonzalez Na-  
22           tional Affordable Housing Act (42 U.S.C. 1437f note)  
23           is amended—

1           (A) in paragraph (1), by striking “under  
2           the certificate and voucher programs established”  
3           and inserting “with tenant-based assistance”;

4           (B) in the first sentence of paragraph (2),  
5           by striking “, for each” and all that follows  
6           through “participating in the program” and in-  
7           serting “the percentage of families receiving ten-  
8           ant-based assistance”; and

9           (C) in paragraph (3), by striking “assist-  
10          ance under the certificate or voucher program”  
11          and inserting “tenant-based assistance under sec-  
12          tion 8 of the United States Housing Act of  
13          1937”.

14          (17) *RURAL HOUSING PRESERVATION GRANTS.*—  
15          Section 533(a) of the Housing Act of 1949 (42 U.S.C.  
16          1490m) is amended by striking “assistance payments  
17          as provided by section 8(o)” and inserting “tenant-  
18          based assistance payments under section 8 (including  
19          assistance in accordance with section 8(f)(2))”.

20          (18) *FEDERALLY ASSISTED HOUSING OCCUPANCY*  
21          *STANDARDS.*—Section 643(b)(2) of the Housing and  
22          Community Development Act of 1992 (42 U.S.C.  
23          13603(b)(2)) is amended by striking “section 8(d)(1)”  
24          and inserting “section 8(h)”.

1           (19) *RESERVATION OF SECTION 8 UNITS FOR*  
2           *DISABLED FAMILIES.*—Section 655 of the Housing  
3           and Community Development Act of 1992 (42 U.S.C.  
4           13615) is amended by striking “section 8(d)(1)(A)(i)  
5           of the United States Housing Act of 1937 and the  
6           first sentence of section 8(o)(3)(B) of such Act” and  
7           inserting “section 8(h)(2) of the United States Hous-  
8           ing Act of 1937”.

9           (20) *GAO REPORT ON LEAD EXPOSURE.*—Sec-  
10          tion 1056(a) of the Housing and Community Devel-  
11          opment Act of 1992 (42 U.S.C. 4855) is amended by  
12          striking “subsections (b) and (o) of”.

13          (21) *NATIONAL HOUSING ACT.*—The National  
14          Housing Act is amended—

15                (A) in section 203(v) (12 U.S.C. 1709(v)),  
16                as added by section 185(c)(1)(B) of the Housing  
17                and Community Development Act of 1992, by  
18                striking “section 8(y)” and inserting “section  
19                8(t)”; and

20                (B) in section 236(f)(5)(A)(i) (12 U.S.C.  
21                1715z-1(f)(5)(A)(i)), by striking “section 8(c)”  
22                and inserting “section 8(e)”.

23          (c) *APPLICABILITY.*—The amendments under this sec-  
24          tion are made on the date of the enactment of this Act, but  
25          shall apply on and after October 1, 1995, only to assistance



1 *under section 8 of the United States Housing Act of 1937*  
2 *provided pursuant to an assistance contract entered into*  
3 *or renewed on or after such date. Any such assistance pro-*  
4 *vided pursuant to an assistance contract entered into before*  
5 *such date shall be subject to the provisions of such section*  
6 *8 as in effect immediately before the enactment of this Act*  
7 *or otherwise applicable to such assistance.*

8 (d) *TRANSITION.—*

9 (1) *CONVERSION.—The Secretary may provide*  
10 *for the conversion of assistance under the certificate*  
11 *and voucher programs, as such programs existed be-*  
12 *fore the date of the enactment of this Act, to the cer-*  
13 *tificate program established under the amendments*  
14 *under this section.*

15 (2) *CONTINUATION OF ASSISTANCE.—The Sec-*  
16 *retary of Housing and Urban Development shall take*  
17 *any action necessary to ensure that the provision of*  
18 *assistance under section 8 of the United States Hous-*  
19 *ing Act of 1937 to families receiving assistance under*  
20 *such section on the date of the enactment of this Act*  
21 *is not interrupted because of the amendments under*  
22 *this section.*

23 (e) *REGULATIONS.—The Secretary shall implement the*  
24 *amendments under this section by regulation issued after*  
25 *notice and opportunity for public comment.*

1 **SEC. 143. INCENTIVES TO REFINANCE HIGH INTEREST**  
2 **MORTGAGES FOR SECTION 8 PROJECTS.**

3 *Section 8 of the United States Housing Act of 1937*  
4 *(42 U.S.C. 1437f), as amended by the preceding provisions*  
5 *of this Act, is further amended by adding at the end the*  
6 *following new subsection:*

7 “(v) *REFINANCING INCENTIVE.*—For a project that (1)  
8 *was constructed, substantially rehabilitated, or moderately*  
9 *rehabilitated under this section, (2) is subject to an assist-*  
10 *ance contract under this section, and (3) was subject to a*  
11 *mortgage that has been refinanced under section 223(a)(7)*  
12 *or section 223(f) of the National Housing Act to lower the*  
13 *periodic debt service payments of the owner, the Secretary*  
14 *may pay the owner the amount of the up front costs to the*  
15 *owner of refinancing. The Secretary may make such pay-*  
16 *ments only from savings in the amount of assistance pay-*  
17 *ments, as determined by the Secretary on a project-by-*  
18 *project basis and after application of amounts in accord-*  
19 *ance with section 1012 of the Stewart B. McKinney Home-*  
20 *less Assistance Amendments Act of 1988, that result from*  
21 *the refinancing during the first year after the refinancing.”.*

22 **SEC. 144. DEMONSTRATION PROGRAM FOR USE OF EXCESS**  
23 **RESIDUAL RECEIPTS.**

24 (a) *IN GENERAL.*—The Secretary of Housing and  
25 Urban Development shall carry out a demonstration pro-  
26 gram, in conjunction with State housing agencies, under

1 *which the Secretary, at the request of owners of qualified*  
2 *projects, makes amounts in the account for residual receipts*  
3 *or excess amounts for the qualified projects available for use*  
4 *under model programs to expand the supply of affordable*  
5 *housing.*

6 (b) *LIMITATION.*—*The Secretary may not make any*  
7 *amounts available for use under the demonstration program*  
8 *under this section from the account of a qualified project*  
9 *for residual receipts or excess amounts unless the amount*  
10 *remaining in the account, together with replacement re-*  
11 *serves for the project, is sufficient (in the determination of*  
12 *the Secretary) to maintain, manage, and preserve the*  
13 *project as affordable housing.*

14 (c) *QUALIFIED PROJECTS.*—*For purposes of this sec-*  
15 *tion, the term “qualified project” means a housing project—*

16 (1) *assisted with project-based assistance under*  
17 *section 8 of the United States Housing Act of 1937;*  
18 *or*

19 (2) *constructed or substantially rehabilitated*  
20 *pursuant to assistance provided under section 8(b)(2)*  
21 *of the United States Housing Act of 1937, as such sec-*  
22 *tion existed before November 30, 1983.*

23 **SEC. 145. TREATMENT OF CERTAIN PROJECTS.**

24 (a) *CONVERSION OF SECTION 23 PROJECT.*—*From*  
25 *amounts available for the conversion of the Tamaqua*

1 *Highrise project in the Borough of Tamaqua, Pennsylvania,*  
2 *from a leased housing contract under section 23 of the Unit-*  
3 *ed States Housing Act of 1937 to tenant-based assistance*  
4 *under section 8 of such Act, the Secretary of Housing and*  
5 *Urban Development shall, to the extent such amounts are*  
6 *made available in appropriation Acts, enter into an obliga-*  
7 *tion for the conversion of the project to a project-based rent-*  
8 *al assistance contract under section 8 of such Act, notwith-*  
9 *standing the requirement for rehabilitation or the percent-*  
10 *age limitations under section 8(d)(2) of such Act (as in ef-*  
11 *fect before the date of the enactment of this Act) and sub-*  
12 *paragraph (A) of section 8(i)(2) of such Act (as amended*  
13 *by section 143 of this Act).*

14 (b) *COMPLIANCE WITH REHABILITATION REQUIRE-*  
15 *MENT.—Rehabilitation activities undertaken by E.T.C. En-*  
16 *terprises in connection with 16 scattered-site dwelling units*  
17 *that were rehabilitated to provide housing for low-income*  
18 *families and are located in Perth Amboy, New Jersey, are*  
19 *hereby deemed to have been conducted pursuant to an agree-*  
20 *ment with the Secretary of Housing and Urban Develop-*  
21 *ment under clause (ii) of the third sentence of section*  
22 *8(d)(2)(A) of the United States Housing Act of 1937 (as*  
23 *in effect before the date of the enactment of this Act) and*  
24 *subparagraph (A) of section 8(i)(2) of such Act (as amended*  
25 *by section 143 of this Act).*

1 **SEC. 146. STUDY OF EXTENT OF NONPARTICIPATION OF**  
2 **OWNERS AND LANDLORDS IN SECTION 8**  
3 **RENTAL ASSISTANCE PROGRAM.**

4 *The Secretary of Housing and Urban Development*  
5 *shall conduct a study—*

6 *(1) to determine the extent to which the require-*  
7 *ments of section 8(p)(2) of the United States Housing*  
8 *Act of 1937 (as amended by this Act) and section 8(t)*  
9 *of such Act (as in effect before the enactment of this*  
10 *Act) cause owners of multifamily rental housing to*  
11 *abstain from entering into contracts for housing as-*  
12 *sistance payments under such section; and*

13 *(2) to identify other factors causing owners of*  
14 *such housing to abstain from entering into such con-*  
15 *tracts.*

16 *In conducting the study, the Secretary shall consult a sig-*  
17 *nificant number of owners in a wide range of areas. The*  
18 *Secretary shall submit a report to the Congress describing*  
19 *the results of the study not later than February 1, 1996.*

20 **SEC. 147. STUDY OF SECTION 8 HOUSING QUALITY STAND-**  
21 **ARDS.**

22 *The Secretary of Housing and Urban Development*  
23 *shall conduct a study of the existing standards for housing*  
24 *quality for dwelling units assisted under the program for*  
25 *rental assistance under section 8 of the United States Hous-*  
26 *ing Act of 1937. The study shall determine—*

1           (1) *whether the standards are effective in ensur-*  
2           *ing decent, safe, and sanitary housing;*

3           (2) *how, and the extent to which, the standards*  
4           *are enforced; and*

5           (3) *how the standards or the enforcement of the*  
6           *standards may be improved.*

7           *The Secretary shall submit a report to the Congress*  
8           *not later than 2 years after the date of the enactment of*  
9           *this Act describing the results of the study and containing*  
10          *any recommendations of the Secretary to carry out para-*  
11          *graph (3).*

12          ***Subtitle D—Renewal of Expiring***  
13                 ***Contracts for Section 8 New Con-***  
14                 ***struction and Substantial Reha-***  
15                 ***ilitation Projects***

16          ***SEC. 151. FINDINGS AND PURPOSE.***

17          (a) *CONGRESSIONAL FINDINGS.—The Congress finds*  
18          *that—*

19                 (1) *housing built or substantially rehabilitated*  
20                 *pursuant to section 8 of the United States Housing*  
21                 *Act of 1937 is an important national resource that*  
22                 *has provided decent, safe, and affordable housing to*  
23                 *hundreds of thousands of low-income families who*  
24                 *otherwise would not have obtained affordable housing;*

1           (2) *the Federal Government is the steward of this*  
2 *assisted housing stock and has an affirmative obliga-*  
3 *tion to preserve it as housing for low-income families,*  
4 *consistent with considerations of fairness to all inter-*  
5 *ested parties, including owners, residents, property*  
6 *managers, the community in which the housing is lo-*  
7 *cated, and taxpayers;*

8           (3) *because section 8(e)(1) of the United States*  
9 *Housing Act of 1937 (as in effect prior to November*  
10 *30, 1983) provided, for the most part, that contracts*  
11 *to make assistance payments to owners of newly con-*  
12 *structed or substantially rehabilitated housing fi-*  
13 *nanced with assistance of a loan made by, or insured,*  
14 *guaranteed or intended for purchase by the Federal*  
15 *Government, other than pursuant to section 244 of the*  
16 *National Housing Act, could not exceed 20 years and*  
17 *because such housing was constructed or substantially*  
18 *rehabilitated during the period from 1975 to 1985, a*  
19 *substantial number of contracts that provide for such*  
20 *assistance will soon expire (with other housing con-*  
21 *structed or substantially rehabilitated pursuant to*  
22 *such section of law supported through housing assist-*  
23 *ance contracts of longer duration, which will expire*  
24 *at a later time);*

1           (4) failure to enter into new housing assistance  
2           contracts under equitable and financially sound terms  
3           and conditions will reduce the supply of decent, safe,  
4           and affordable housing for low-income Americans,  
5           while the demonstrated need for such housing remains  
6           great;

7           (5) in order for the urban and rural population  
8           centers of the United States to regain their viability,  
9           the housing stock in such population centers must be  
10          preserved, which includes preserving housing built or  
11          substantially rehabilitated under section 8 of the  
12          United States Housing Act of 1937;

13          (6) assisted housing projects located in areas of  
14          relative affluence can promote racial, social, and eco-  
15          nomic integration, and such projects should be main-  
16          tained as part of the affordable housing inventory to  
17          the maximum extent practicable;

18          (7) the number of units of housing currently re-  
19          ceiving project-based section 8 assistance should not  
20          be reduced as a result of the expiration of any current  
21          contracts; and

22          (8) the number of households currently assisted  
23          by reason of residence in housing projects receiving  
24          project-based section 8 assistance should not be re-  
25          duced as a result of the expiration of any current con-



1        *tracts to provide project-based assistance, though some*  
2        *of the specific families currently living in such hous-*  
3        *ing may either receive such assistance in another lo-*  
4        *cation or become recipients of tenant-based assistance*  
5        *under appropriate circumstances (with the preference,*  
6        *as a matter of public policy, to the continued assist-*  
7        *ance of such households through project-based assist-*  
8        *ance).*

9        *(b) PURPOSE.—It is the purpose of this subtitle to pro-*  
10       *vide for the preservation of affordable housing constructed*  
11       *or substantially rehabilitated pursuant to section 8 of the*  
12       *United States Housing Act of 1937, and to provide afford-*  
13       *able housing opportunities for at least the same number of*  
14       *families as are provided such housing by reason of their*  
15       *residence in housing projects receiving project-based assist-*  
16       *ance under such section, in a manner that is administra-*  
17       *tively efficient, cost-effective, and fair to all interested par-*  
18       *ties, including owners, residents, property managers and*  
19       *the communities in which the housing is located.*

20       **SEC. 152. NOTICES OF CONTRACT EXPIRATION AND INTEN-**  
21       **TION TO RENEW.**

22       *(a) NOTICE TO OWNER.—Not later than 27 months be-*  
23       *fore the date of expiration of an expiring contract (or, in*  
24       *the case of a qualified project subject to an expiring contract*  
25       *for which the date of expiration occurs less than 27 months*

1 *after the date of the enactment of this Act, not later than*  
2 *6 months after the date of enactment of this Act), the Sec-*  
3 *retary shall notify the owner of the qualified project, in*  
4 *writing, that the owner has an affirmative obligation pur-*  
5 *suant to subsection (b).*

6       *(b) NOTICE BY OWNER TO SECRETARY.—Not later*  
7 *than 24 months before the date of expiration of an expiring*  
8 *contract (or, in the case of a qualified project subject to*  
9 *an expiring contract for which the date of expiration occurs*  
10 *less than 27 months after the date of the enactment of this*  
11 *Act, not later than 9 months after the date of enactment*  
12 *of this Act), the owner of the qualified project shall simulta-*  
13 *neously—*

14               *(1) submit to the Secretary written notice stating*  
15               *whether or not the owner intends to enter into a new*  
16               *contract pursuant to this subtitle for project-based as-*  
17               *stance for the qualified project; and*

18               *(2) submit a copy of the notice to the chief execu-*  
19               *tive officer of the State or unit of general local gov-*  
20               *ernment for the jurisdiction within which the project*  
21               *is located, any mortgagee of the project, the tenants*  
22               *of the project (including any resident council for the*  
23               *project), and such other individuals or entities as the*  
24               *Secretary may require.*

1           (c) *SUBMISSION OF PROPOSAL TO ENTER INTO NEW*  
2 *CONTRACT.*—*If in the notice required by subsection (b) the*  
3 *owner indicates an intention to enter into a new contract*  
4 *for assistance for the qualified project, not later than 3*  
5 *months after submitting such notice to the Secretary, the*  
6 *owner shall simultaneously—*

7                 (1) *submit to the Secretary a proposal specifying*  
8 *terms and conditions for the new contract, which*  
9 *shall comply with the requirements for new contracts*  
10 *under this subtitle; and*

11                 (2) *submit a copy of the notice to the chief execu-*  
12 *tive officer of the State or unit of general local gov-*  
13 *ernment for the jurisdiction within which the project*  
14 *is located, any mortgagee of the project, the tenants*  
15 *of the project (including any resident council for the*  
16 *project), and such other individuals or entities as the*  
17 *Secretary may require.*

18           (d) *CAPITAL NEEDS ASSESSMENT.*—

19                 (1) *REQUIREMENT.*—*Within a reasonable period*  
20 *of time after receiving a proposal under subsection (c)*  
21 *to enter into a new contract for a qualified project,*  
22 *the Secretary shall conduct a comprehensive assess-*  
23 *ment of the needs of the project to determine the reha-*  
24 *bilitation needs and replacement reserves necessary to*

1     *preserve the project during the ensuing 10-year pe-*  
2     *riod.*

3             (2) *CONTENT.*—*The assessment shall obtain the*  
4     *same information regarding the qualified project that*  
5     *is required to be contained in a comprehensive needs*  
6     *assessment under section 403 of the Housing and*  
7     *Community Development Act of 1992 for a covered*  
8     *multifamily housing property subject to title IV of*  
9     *such Act, shall assess the management performance*  
10    *for the project, and shall obtain any other informa-*  
11    *tion as the Secretary considers appropriate for pur-*  
12    *poses of this subtitle regarding the project, tenants,*  
13    *and market area in which the project is located.*

14    (e) *TENANT AND COMMUNITY PARTICIPATION.*—

15             (1) *ESTABLISHMENT OF PROCEDURES.*—*The*  
16    *Secretary shall establish procedures that provide an*  
17    *opportunity for tenants of a qualified project (includ-*  
18    *ing any resident council) and other affected parties to*  
19    *participate effectively in the process established under*  
20    *this section and section 153 to determine whether and*  
21    *under what terms and conditions a new contract will*  
22    *be provided for the project or other assistance will be*  
23    *made available.*

24             (2) *CONTENT OF PROCEDURES.*— *The procedures*  
25    *established under this subsection shall include provid-*

1     *ing timely and adequate written notice of the pro-*  
2     *posed decisions of the owner and the Secretary re-*  
3     *garding the qualified project, timely access to all rel-*  
4     *evant information (not including information deter-*  
5     *mined to be proprietary under standards established*  
6     *by the Secretary), an adequate period to analyze such*  
7     *information and submit comments to the Secretary*  
8     *(which the Secretary shall take into consideration in*  
9     *carrying out this subtitle), and, if requested, arrang-*  
10    *ing meetings with representatives of the Secretary*  
11    *and the owner.*

12           (3) *APPLICABILITY.—The procedures established*  
13    *under this subsection shall provide for the participa-*  
14    *tion of tenants of a qualified project and other af-*  
15    *ected parties in at least the following actions:*

16           (A) *Physical inspection of the qualified*  
17    *property under section 155(b) and determination*  
18    *of capital needs of a property pursuant to sub-*  
19    *section (d).*

20           (B) *Any determination under section 154*  
21    *regarding the owner of the project.*

22           (C) *Review of notice and any proposal sub-*  
23    *mitted by the owner under subsections (b) and*  
24    *(c) of this section.*

1           (D) *Determination of the response of the*  
2           *Secretary under section 153.*

3           (E) *Determination of the terms of any new*  
4           *contract for the project.*

5           (F) *Establishing and carrying out any plan*  
6           *for sale of the project under section 157(c)(1).*

7           (G) *Establishing and carrying out of any*  
8           *plan to provide assistance under subsection (d)*  
9           *or (f) of section 157.*

10           (4) *MINIMUM PERIOD FOR TENANT NOTIFICA-*  
11           *TION.—The Secretary shall notify tenants of a quali-*  
12           *fied project of any agreement to enter into a new con-*  
13           *tract for the project or of the failure to enter into a*  
14           *new contract for the project, as the case may be, not*  
15           *less than 12 months before the expiration of expiring*  
16           *contract. If, in the case of a failure to enter into a*  
17           *new contract for a qualified project, the Secretary*  
18           *fails to comply with the requirement under the pre-*  
19           *ceding sentence, the Secretary shall (subject only to*  
20           *the availability of budget authority) provide such ad-*  
21           *ditional assistance as may be necessary to extend the*  
22           *contract for such 12-month period.*

23 **SEC. 153. SECRETARY'S RESPONSE TO OWNER'S PROPOSAL.**

24           (a) *REQUIREMENT.—Except in the case of an owner*  
25           *who submits a notice under section 152(b) stating an inten-*

1 *tion not to enter into a new contract and in the case of*  
2 *rejection of an owner's proposal under subsection (c), not*  
3 *later than 90 days after an owner submits a proposal under*  
4 *section 152(c) for a qualified project (or not later than 30*  
5 *days after the expiration of the period under section 152(b),*  
6 *in the case of an owner failing to provide notice under such*  
7 *subsection), the Secretary shall take action under subsection*  
8 *(b) to enter into a new contract.*

9 *(b) RESPONSE TO OWNER'S PROPOSAL.—Subject only*  
10 *to the availability of budget authority, the Secretary shall*  
11 *take the following actions:*

12 *(1) STATUS QUO CONTRACTS.—In the case of a*  
13 *qualified project for which the maximum monthly*  
14 *rents for units in the project that are assisted under*  
15 *the expiring contract do not (24 months before the*  
16 *date of the expiration of the contract) exceed 110 per-*  
17 *cent of the fair market rentals for dwelling units of*  
18 *the applicable sizes and types of dwelling units in the*  
19 *market area in which the qualified housing is located*  
20 *and a qualified project for which the owner agrees to*  
21 *reduce the maximum monthly rents so that the rents*  
22 *do not exceed 110 percent of such fair market rent-*  
23 *als—*

24 *(A) if the owner's proposal under section*  
25 *152(c) provides for establishing maximum*

1           *monthly rents under the contract for dwelling*  
2           *units in the project pursuant to the procedure*  
3           *under section 156(a) and otherwise complies*  
4           *with the requirements of this subtitle, the Sec-*  
5           *retary shall agree to the owner's proposal and*  
6           *shall enter into a new contract for the project;*  
7           *and*

8           *(B) if the owner's proposal under section*  
9           *152(c) does not provide for establishing maxi-*  
10           *imum monthly rents under the contract for dwell-*  
11           *ing units in the project pursuant to the proce-*  
12           *dure under section 156(a) or otherwise fails to*  
13           *comply with the requirements of this title, or the*  
14           *owner has failed to submit a proposal, the Sec-*  
15           *retary shall make an offer to enter into a new*  
16           *contract for the project (by modifying the own-*  
17           *er's proposal under section 152(c), if the owner*  
18           *has submitted a proposal) and, if the owner ac-*  
19           *cepts, the Secretary shall enter into such a new*  
20           *contract for the project.*

21           *The Secretary may not offer or agree to enter into a*  
22           *new contract for a qualified project, or enter into such*  
23           *a contract, that establishes maximum monthly rents*  
24           *under the contract for dwelling units in the project*  
25           *pursuant to the procedure under section 156(a) unless*



1     *the maximum monthly rents under the expiring con-*  
2     *tract for the project meet the requirements of the mat-*  
3     *ter in this paragraph preceding subparagraph (A).*

4             (2) *BUDGET-BASED CONTRACTS.—In the case of*  
5     *a qualified project for which the maximum monthly*  
6     *rents for units in the project that are assisted under*  
7     *the expiring contract (24 months before the date of the*  
8     *expiration of the contract) exceed 110 percent of the*  
9     *fair market rentals for dwelling units of the applica-*  
10    *ble sizes and types of dwelling units in the market*  
11    *area in which the qualified housing is located—*

12             (A) *if the owner's proposal under section*  
13     *152(c) provides for establishing maximum*  
14     *monthly rents under the contract for dwelling*  
15     *units in the project pursuant to the procedure*  
16     *under section 156(b) and otherwise complies*  
17     *with the requirements of this subtitle, the Sec-*  
18     *retary shall agree to the owner's proposal under*  
19     *section 152(c) and shall enter into a new con-*  
20     *tract for the project; and*

21             (B) *if the owner's proposal under section*  
22     *152(c) does not provide for establishing maxi-*  
23     *imum monthly rents under the contract for dwell-*  
24     *ing units in the project pursuant to the proce-*  
25     *dure under section 156(b) or otherwise fails to*

1           *comply with the requirements of this title, or the*  
2           *owner has failed to submit a proposal, the Sec-*  
3           *retary shall make an offer to enter into a new*  
4           *contract for the project (by modifying the own-*  
5           *er's proposal under section 152(c), if the owner*  
6           *has submitted a proposal) and, if the owner ac-*  
7           *cepts, the Secretary shall enter into such a new*  
8           *contract for the project.*

9           (3) *AVOIDING OVERCONCENTRATION OF LOW-IN-*  
10          *COME HOUSING.—Notwithstanding paragraphs (1)*  
11          *and (2), with respect to a qualified project for which*  
12          *the Secretary is to provide a new contract under ei-*  
13          *ther such paragraph, the Secretary may reduce the*  
14          *number of dwelling units otherwise required to be as-*  
15          *sisted under the new contract (pursuant to section*  
16          *155(a)(3)) if—*

17                 (A) *the Secretary determines that the*  
18                 *project is located in a market area in which*  
19                 *there is a high concentration of dwelling units*  
20                 *occupied by or affordable to very low-income*  
21                 *families;*

22                 (B) *the Secretary consults with the owner of*  
23                 *the project, the tenants of the project (including*  
24                 *any resident council), and representatives of the*  
25                 *community in which the project is located re-*

1           *garding such reduction and action under sub-*  
2           *paragraph (D);*

3           *(C) the owner and affected tenants consent*  
4           *to the reduction and action under subparagraph*  
5           *(D);*

6           *(D) the Secretary provides project-based as-*  
7           *stance for a number of dwelling units that is*  
8           *not less than the difference between the number*  
9           *of units otherwise required to be assisted under*  
10          *the new contract and the number actually as-*  
11          *isted under the new contract; and*

12          *(E) the dwelling units assisted under sub-*  
13          *paragraph (D) are located in market areas other*  
14          *than the area in which the qualified project is lo-*  
15          *cated and such areas do not have a high con-*  
16          *centration of dwelling units occupied by or af-*  
17          *fordable to very low-income families.*

18          *The Secretary shall determine the maximum monthly*  
19          *rents for dwelling units assisted under subparagraph*  
20          *(D) using the procedures under paragraph (2) of this*  
21          *subsection and section 156. In determining the maxi-*  
22          *mum monthly rents under the new contract for any*  
23          *dwelling units in the qualified project, the allowance*  
24          *under section 156(b)(1)(G) may be increased to reflect*

1        *higher costs per unit assisted attributable to assisting*  
2        *less units.*

3        *(c) REJECTION OF OWNER'S PROPOSAL.—The Sec-*  
4        *retary may reject a proposal submitted pursuant to section*  
5        *152(c) only for a reason contained in the regulations issued*  
6        *under section 154.*

7        *(d) NOTICE OF SECRETARY'S ACTION.—The Secretary*  
8        *shall simultaneously—*

9                *(1) submit written notice of any action under*  
10                *subsection (b) or (c) to the owner of the qualified*  
11                *project for which such action is taken; and*

12                *(2) submit a copy of the notice to the chief execu-*  
13                *tive officer of the appropriate State or unit of general*  
14                *local government for the jurisdiction within which the*  
15                *project is located, any mortgagee of the project, the*  
16                *tenants of the project (including any resident council*  
17                *for the project), and such other individuals or entities*  
18                *as the Secretary may require.*

19        *Notice under this subsection shall be submitted not later*  
20        *than the expiration of the period for the qualified project*  
21        *referred to in subsection (a). If the Secretary does not pro-*  
22        *vide notice to the owner as required under this subsection,*  
23        *the proposal of the owner shall be considered to have been*  
24        *accepted without modification. Any notice rejecting a pro-*

1 *posal by the owner shall clearly state the reason for rejecting*  
2 *the proposal.*

3 *(e) MODIFICATIONS TO OWNER'S PROPOSAL.—The*  
4 *Secretary may propose modifications to an owner's pro-*  
5 *posal submitted pursuant to section 152(c) only to the ex-*  
6 *tent necessary to make the proposal comply with the re-*  
7 *quirements under this subtitle for acceptance by the Sec-*  
8 *retary.*

9 *(f) LIMITATION ON SECRETARY'S AUTHORITY TO RE-*  
10 *JECT OR MODIFY.—The Secretary may not reject or pro-*  
11 *pose modifications to a proposal submitted pursuant to sec-*  
12 *tion 152(c) because an enforcement action is pending*  
13 *against the owner. Notwithstanding any other provision of*  
14 *this subtitle, in such event, the Secretary shall, subject only*  
15 *to the availability of budget authority, extend the applicable*  
16 *expiring contract for the period until the enforcement action*  
17 *is concluded.*

18 **SEC. 154. LIMITATION ON NEW CONTRACTS.**

19 *(a) IN GENERAL.—The Secretary may refuse to enter*  
20 *into a new contract with the owner of a qualified project*  
21 *if the Secretary determines that the owner of the project*  
22 *submitting the proposal has committed—*

23 *(1) violations of laws, regulations, regulatory*  
24 *agreements, or other agreements for which the Sec-*  
25 *retary may impose suspension, debarment, civil*

1     *money penalties, and such other major forms of en-*  
2     *forcement action available to the Secretary under law;*  
3     *or*

4             *(2) other substantial and repeated violations of*  
5     *laws, regulations, regulatory agreements or other*  
6     *agreements that have not been cured within a reason-*  
7     *able period of time after notice was provided to the*  
8     *owner.*

9     *(b) REGULATIONS.—Not later than 45 days after the*  
10    *date of enactment of this Act, the Secretary shall publish*  
11    *for comment proposed regulations identifying the violations*  
12    *that, under subsection (a), prohibit the Secretary from en-*  
13    *tering into a new contract.*

14    **SEC. 155. REQUIRED TERMS OF NEW CONTRACTS.**

15            *(a) IN GENERAL.—The Secretary may accept the pro-*  
16    *posal of an owner (made under section 152(c) or negotia-*  
17    *tions pursuant to such a proposal), and may propose modi-*  
18    *fications to such a proposal and make an offer to enter into*  
19    *a new contract for qualified housing, only if the agreement*  
20    *provides for a new contract for the qualified housing that*  
21    *complies with the following requirements:*

22            *(1) RENEWAL FOR REMAINING USEFUL LIFE OF*  
23    *PROPERTY.—A new contract shall contain binding*  
24    *commitments necessary to ensure that—*

1           (A) *the contract shall be renewed as pro-*  
2           *vided in paragraph (5) upon expiration for the*  
3           *entire remaining useful life of the qualified*  
4           *project subject to the contract, subject only to the*  
5           *availability of budget authority, the provisions of*  
6           *this subtitle, and the provisions of the contract*  
7           *or law regarding termination of the contract for*  
8           *cause; and*

9           (B) *renewal of the contract under para-*  
10          *graph (5) shall not alter or affect the terms of the*  
11          *contract.*

12          (2) *PROJECT-BASED ASSISTANCE.—A new con-*  
13          *tract shall provide that the Secretary shall provide*  
14          *project-based assistance under this subtitle for dwell-*  
15          *ing units in the qualified project subject to the con-*  
16          *tract based upon maximum monthly rents (including*  
17          *utilities and all maintenance and management*  
18          *charges) that the owner may receive for the dwelling*  
19          *units.*

20          (3) *LOW-INCOME OCCUPANCY.—A new contract*  
21          *shall provide that, during the term of the contract, the*  
22          *owner shall make available for occupancy only by*  
23          *families that (at the time of their initial occupancy)*  
24          *are low-income families or very low-income families*  
25          *(as the contract shall provide) the number of dwelling*

1        *units in the qualified project subject to the contract*  
2        *for which assistance is provided under the expiring*  
3        *contract.*

4            (4) *MAINTENANCE OF HOUSING.—The new con-*  
5        *tract shall require the owner of the qualified project*  
6        *to maintain the housing in compliance with housing*  
7        *quality standards established by the Secretary for*  
8        *housing assisted under section 8 of the United States*  
9        *Housing Act of 1937.*

10           (5) *CONTRACT TERM.—A new contract shall have*  
11        *a term of 60 months and shall be renewable for addi-*  
12        *tional 60-month terms without limitation.*

13           (6) *SECTION 8 REQUIREMENTS.—A new contract*  
14        *shall provide that the qualified project subject to the*  
15        *contract shall be subject to the requirements applica-*  
16        *ble to housing assisted under section 8(i) of the Unit-*  
17        *ed States Housing Act of 1937.*

18           (7) *CAPITAL NEEDS.—A new contract shall con-*  
19        *tain such terms as the Secretary and the owner agree*  
20        *to regarding conducting rehabilitation and replace-*  
21        *ment activities for the project and may provide*  
22        *amounts to the owner for meeting immediate rehabili-*  
23        *tation and replacement needs of the qualified project*  
24        *if the Secretary determines that providing such*  
25        *amounts would be more cost effective to the Secretary*



1     *than financing such activities through increased*  
2     *project debt.*

3             (8) *MAXIMUM MONTHLY RENTS.*—*A new contract*  
4     *shall provide that the maximum monthly rents for the*  
5     *project under the contract shall be the amount deter-*  
6     *mined under section 156 upon entering into the con-*  
7     *tract, and shall be adjusted annually as provided*  
8     *under such section, except that—*

9             (A) *the maximum monthly rents shall be re-*  
10     *determined in the manner provided under sec-*  
11     *tions 153(b) and 156 upon each renewal of the*  
12     *contract; and*

13            (B) *the owner of the project may, at any*  
14     *time, submit a written request to the Secretary*  
15     *for a redetermination of the maximum monthly*  
16     *rents for the project using the procedure under*  
17     *section 156(b) and, after such request, the rents*  
18     *shall be determined using such method for the re-*  
19     *mainder of the term of the contract.*

20            (9) *CONSIDERATION OF TENANT CONCERNS.*—*A*  
21     *new contract shall provide that the owner of the*  
22     *qualified housing shall—*

23            (A) *establish and, in good faith, carry out*  
24     *a procedure, acceptable to the tenants (including*  
25     *any resident council) of the project, for tenants*



1     *to be established under this subsection, the rents shall*  
2     *be established at the amount equal to the maximum*  
3     *monthly rents under the expiring contract existing at*  
4     *the time 24 months before the date of the expiration*  
5     *of the contract (or an amount mutually agreed to by*  
6     *the Secretary and the owner that is less than such*  
7     *amount).*

8             (2) *RENT ADJUSTMENTS.*—*Annual increases in*  
9     *the maximum monthly rents for any qualified project*  
10    *for which the rents under a new contract are to be de-*  
11    *termined under this subsection shall be based on the*  
12    *application of the annual adjustment factor, pursuant*  
13    *to section 8(d)(3) of the United States Housing Act*  
14    *of 1937.*

15            (3) *SERVICE COORDINATORS.*—*Notwithstanding*  
16    *paragraph (1), the maximum monthly rents estab-*  
17    *lished (and adjusted) under this subsection for a*  
18    *qualified project shall be increased to the extent nec-*  
19    *essary to provide for the total costs of a service coordi-*  
20    *nator under section 161 for the project.*

21            (b) *BUDGET-BASED RENT DETERMINATION.*—

22            (1) *PROCEDURE.*—*If the maximum monthly*  
23    *rents under a new contract for a qualified project are*  
24    *to be established under this subsection, the rents shall*  
25    *be established at such a level or levels that would pro-*

1       *vide income sufficient to support the following actual*  
2       *and projected costs of operating the project:*

3               (A) *DEBT SERVICE.*—*The debt service on*  
4               *any federally-insured or assisted loans for the*  
5               *qualified project or any other loans for the*  
6               *project approved by the Secretary at the time the*  
7               *loans were entered into or subsequently, except*  
8               *that the Secretary may provide that such debt*  
9               *service shall not include—*

10               (i) *any debt service attributable to any*  
11               *equity loan insured under section 241(f) of*  
12               *the National Housing Act or any similar*  
13               *loan made for the purposes of liquidating*  
14               *the equity of the owner in the qualified*  
15               *project; and*

16               (ii) *if the Secretary requires refinanc-*  
17               *ing of debt under section 159 and the owner*  
18               *does not refinance as provided in such sec-*  
19               *tion, any debt service relating to such debt*  
20               *in excess of the amount that the Secretary*  
21               *determines is appropriate under prevailing*  
22               *market conditions at the time such refi-*  
23               *nancing was required to occur.*

24               (B) *OPERATING EXPENSES.*—*Operating ex-*  
25               *penses for the qualified project, including costs of*

1        *measures to reduce or control crime, and the*  
2        *total costs of a service coordinator under section*  
3        *161 for the project.*

4            (C) *RESERVES.*—*Adequate reserves for the*  
5        *qualified project, as determined pursuant to a*  
6        *comprehensive needs assessment for the project*  
7        *prepared and approved in accordance with title*  
8        *IV of the Housing and Community Development*  
9        *Act of 1992 or in such other manner as the Sec-*  
10       *retary may require.*

11           (D) *ALLOWANCE FOR LOSSES.*—*An allow-*  
12       *ance for potential operating losses of the quali-*  
13       *fied project caused by vacancies and failure to*  
14       *collect rents, which shall be an amount equal to*  
15       *5 percent of any rental income from the project*  
16       *(including any amounts paid in rent for utili-*  
17       *ties).*

18           (E) *DISTRIBUTION TO OWNER.*—*An allow-*  
19       *ance for a distribution to the owner of the quali-*  
20       *fied project, which shall be an amount per dwell-*  
21       *ing unit in the project per year that is deter-*  
22       *mined by the Secretary taking into consideration*  
23       *the size, location, and amount of rents of the*  
24       *project. The allowance shall be adjusted upon*  
25       *any renewal of the new contract, in the manner*

1           *determined by the Secretary, to provide for infla-*  
2           *tion.*

3           (F) *TENANT ORGANIZATION.*—*An amount*  
4           *for technical assistance to the resident council (if*  
5           *any) of the qualified project or for technical as-*  
6           *istance in organizing or operating a resident*  
7           *council, which shall be an amount equal to \$20*  
8           *per dwelling unit in the project per year. The*  
9           *Secretary shall provide that such amounts shall*  
10           *not be made available to the owner but shall be*  
11           *accessible only by resident councils or by tenants*  
12           *for establishment or operation of resident coun-*  
13           *cils.*

14           (G) *ALLOWANCE FOR UNIQUE COSTS.*—*An*  
15           *allowance for unique costs specific to and char-*  
16           *acteristic of qualified housing or other housing*  
17           *for low-income families receiving project-based*  
18           *assistance from the Secretary, in the amount*  
19           *agreed to by the Secretary and the owner.*

20           (H) *ALLOWANCE FOR HIGH-RENT AREAS.*—  
21           *If the Secretary determines that the prevailing*  
22           *rents in the market area in which a qualified*  
23           *project is located exceed the fair market rentals*  
24           *for dwelling units of the applicable sizes and*

1           *types of dwelling units in the market area in*  
2           *which the qualified housing is located—*

3                     *(i) an allowance may be provided (at*  
4                     *the discretion of the Secretary) in an*  
5                     *amount necessary to provide maximum*  
6                     *monthly rents under this subsection in an*  
7                     *amount equal to the prevailing market rents*  
8                     *in the area; and*

9                     *(ii) an allowance in the amount re-*  
10                    *ferred to in clause (i) shall be provided if*  
11                    *the Secretary determines that there is a lack*  
12                    *of sufficient housing in the market area in*  
13                    *which the project is located that is afford-*  
14                    *able to low-income families.*

15           (2) *RENT ADJUSTMENTS.—*

16                    (A) *IN GENERAL.—Annual increases in the*  
17                    *maximum monthly rents for any qualified*  
18                    *project for which the rents under a new contract*  
19                    *are to be determined under this subsection shall*  
20                    *be based on the application of the operating cost*  
21                    *adjustment factor, pursuant to section 8(d)(3) of*  
22                    *the United States Housing Act of 1937.*

23                    (B) *EXCESSIVE ADJUSTMENTS.—The Sec-*  
24                    *retary may require the owner of a qualified*  
25                    *project for which a new contract has been pro-*

1            *vided to submit a proposal in the manner pro-*  
2            *vided under paragraph (3) for redetermination*  
3            *of maximum monthly rents for the project if—*

4                    *(i) not less than 2 rent adjustments*  
5                    *have been made pursuant to subparagraph*  
6                    *(A) for the project;*

7                    *(ii) an intervening redetermination of*  
8                    *maximum monthly rents for the project*  
9                    *pursuant to paragraph (1) has not oc-*  
10                   *curred; and*

11                   *(iii) the Secretary determines that the*  
12                   *rents resulting from the rent adjustments*  
13                   *are materially in excess of the rents nec-*  
14                   *essary to support the costs for the project*  
15                   *described in paragraph (1).*

16            *If pursuant to such a redetermination the Sec-*  
17            *retary determines that the rents for the project*  
18            *are greater than the amount described in clause*  
19            *(iii), the Secretary may reduce the maximum*  
20            *monthly rents for the project to the amount de-*  
21            *scribed in clause (iii), effective on the first day*  
22            *of the month following written notification by*  
23            *the Secretary to the owner of such new rents.*

24            *(3) TIMING.—If the Secretary requests an owner*  
25            *of a qualified project or a project for which a new*



1 *contract is to be provided to submit a proposal for*  
2 *maximum monthly rents based on costs described in*  
3 *paragraph (1) and the owner fails to submit such a*  
4 *proposal during the 90-day period beginning upon re-*  
5 *ceipt of such request, the Secretary may establish the*  
6 *maximum monthly rents for the project based on such*  
7 *information as is available to the Secretary from the*  
8 *owner's most recent audited financial statements,*  
9 *without the agreement of the owner.*

10 (4) *ADDITIONAL INFORMATION FROM OWNER.—*  
11 *The owner of a qualified project (including a project*  
12 *for which a new contract has been provided) may, at*  
13 *any time, submit to the Secretary information re-*  
14 *garding prevailing rent levels for comparable dwelling*  
15 *units in the market area in which the project is lo-*  
16 *cated and the Secretary shall consider such informa-*  
17 *tion in making any determinations or agreements*  
18 *under this subsection regarding the project.*

19 **SEC. 157. ACTIONS IN CASES OF FAILURE TO ENTER INTO**  
20 **NEW CONTRACT.**

21 (a) *NOTICE.—If—*

22 (1) *the owner of a qualified project indicates, in*  
23 *the notice required under section 152(b), an intention*  
24 *not to enter into a new contract,*

1           (2) *the Secretary and the owner fail to agree to*  
2           *enter into a new contract after a reasonable period of*  
3           *negotiation, or*

4           (3) *the Secretary refuses to enter into a new con-*  
5           *tract with the owner pursuant to section 154,*  
6           *the Secretary shall provide notice containing the informa-*  
7           *tion under subsection (b) to the owner, the chief executive*  
8           *officer of the State or unit of general local government for*  
9           *the jurisdiction within which the project is located, any*  
10          *mortgagee of the project, the tenants of the project (includ-*  
11          *ing any resident council for the project), and such other*  
12          *individuals or entities as the Secretary considers appro-*  
13          *priate.*

14          (b) *CONTENTS OF NOTICE.*—*Notice under subsection*  
15          *(a) shall identify the qualified project, state the intention*  
16          *of the Secretary to enter into a new contract for the project*  
17          *with an owner of the project acceptable to the Secretary,*  
18          *state that the Secretary may take either of the actions au-*  
19          *thorized under subsection (c) with respect to the project, and*  
20          *propose maximum monthly rents for the project subject to*  
21          *the requirements of sections 153(b) and 156.*

22          (c) *ATTEMPTED SALE OF PROJECT.*—*After providing*  
23          *notice under subsection (b) for a qualified project—*

24                  (1) *the Secretary shall negotiate with the owner*  
25                  *and other interested parties to develop a plan for sale*

1       of the project in a timely manner to a new owner who  
2       agrees to enter into a new contract with the Secretary  
3       and who may be a nonprofit or for-profit entity, a  
4       State or local governmental entity, a tenant (or group  
5       of tenants) or a resident council; a new contract  
6       under this paragraph may be provided pursuant to  
7       the loan management program under section 8(q)(2)  
8       of the United States Housing Act of 1937 or a con-  
9       tract through a public housing agency for project-  
10      based assistance under section 8(i) of such Act; and

11               (2) notwithstanding paragraph (1), the Sec-  
12      retary may acquire the qualified project by con-  
13      demnation, under judicial process, pursuant to the  
14      first section of the Act of August 1, 1888 (Chapter  
15      728, 25 Stat. 357; 40 U.S.C. 257).

16      (d) *FAILURE TO SELL PROJECT.*—

17               (1) *TRANSFER OF PROJECT-BASED ASSISTANCE*  
18      *TO OTHER HOUSING.*—If, after providing notice under  
19      subsection (b) for a qualified project and making rea-  
20      sonable efforts under subsection (c)(1) the Secretary  
21      fails to enter into a new contract for the project (and  
22      determines that action under subsection (c)(2) is not  
23      appropriate), the Secretary shall, subject only to the  
24      availability of budget authority and the absence of  
25      qualified requests for such assistance, provide project-

1       *based rental assistance for at least the same number*  
2       *of dwelling units in housing located within the same*  
3       *market area as the qualified project as were assisted*  
4       *under the expiring contract for the project. Tenants of*  
5       *the qualified project shall be offered initial occupancy*  
6       *in dwelling units assisted pursuant to this para-*  
7       *graph.*

8               (2) *CONSULTATION.*—*In providing project-based*  
9       *assistance under this subsection, the Secretary shall*  
10       *consult with nonprofit and for-profit entities, State*  
11       *and local governmental entities, and tenants and any*  
12       *resident council of the project, regarding acquisition*  
13       *and operation of housing to be assisted under this*  
14       *subsection.*

15              (e) *TECHNICAL ASSISTANCE.*—*Using a portion of any*  
16       *amounts in an account for residual receipts established for*  
17       *a qualified project and any amounts made available for*  
18       *new contracts under this subtitle, the Secretary shall (sub-*  
19       *ject to the availability of such amounts) provide for tech-*  
20       *nical assistance for tenants of the project (including any*  
21       *resident councils), nonprofit organizations, nonprofit devel-*  
22       *opers of affordable housing, and State and local govern-*  
23       *mental agencies to the extent necessary to—*

1           (1) *develop the capacity and ability of such enti-*  
2 *ties to carry out activities pursuant to subsections*  
3 *(c)(1) and (d); and*

4           (2) *assist such entities in preparing submissions,*  
5 *proposals, and such other documents and entering*  
6 *into contracts, agreements, and other arrangements*  
7 *involved in such activities.*

8           (f) *ASSISTANCE FOR PROJECT TENANTS.—*

9           (1) *RIGHT TO RECEIVE ASSISTANCE.—If, in the*  
10 *notice required by section 152(b), the owner indicates*  
11 *a preference not to enter into a new contract or the*  
12 *Secretary fails to enter into a new contract for the*  
13 *project, the Secretary shall provide assistance under*  
14 *paragraphs (2) and (3), subject only to the availabil-*  
15 *ity of budget authority, for each family who on the*  
16 *date of the expiration of the expiring contract resides*  
17 *in a dwelling unit in the project that is assisted*  
18 *under the expiring contract.*

19           (2) *TYPE OF ASSISTANCE.—Assistance required*  
20 *under this paragraph shall be provided, as deter-*  
21 *mined by the Secretary, in one of the following forms:*

22           (A) *TENANT-BASED ASSISTANCE.—Assist-*  
23 *ance may be provided as tenant-based rental as-*  
24 *sistance under the provisions of section 8(b) of*  
25 *the United States Housing Act of 1937, as in ef-*

1           fect on June 1, 1994, except that in providing  
2           such assistance the Secretary may increase the  
3           maximum monthly rental amount to the extent  
4           necessary to permit families remain in the dwell-  
5           ing unit they occupy in the qualified project or  
6           to obtain a comparable dwelling unit in the  
7           same market area.

8           (B) OCCUPANCY IN A UNIT RECEIVING  
9           PROJECT-BASED ASSISTANCE.—The family may  
10          be offered occupancy of an available dwelling  
11          unit that is assisted under a contract pursuant  
12          to subsection (c)(1) or (d).

13          (3) RELOCATION ASSISTANCE.—Assistance re-  
14          quired under this section is assistance to the tenant  
15          of a qualified project in the amount of the total cost  
16          of relocating to a unit assisted under paragraph (2).

17 **SEC. 158. CONTRACT EXTENSION.**

18          Subject to the availability of budget authority, the Sec-  
19          retary may extend any expiring contract in force on the  
20          date of enactment of this Act, under identical terms and  
21          conditions, for not more than 24 months if the Secretary  
22          determines that such extension is necessary to protect ten-  
23          ants of the qualified project subject to the contract or the  
24          General Insurance Fund established under section 519 of  
25          the National Housing Act, except that—

1           (1) *the authority under this section may be exer-*  
2 *cised only once for any contract or qualified project;*  
3 *and*

4           (2) *such authority may not be exercised for a*  
5 *qualified project for which the owner has provided*  
6 *timely notification under section 152(b) indicating*  
7 *an intention not to enter into a new contract for the*  
8 *project, unless the owner expressly agrees to the exten-*  
9 *sion or the Secretary is taking action pursuant to sec-*  
10 *tion 152(e)(5) or 153(f).*

11 **SEC. 159. FINANCING AND RESTRUCTURING UNDERLYING**  
12 **DEBT AND TREATMENT OF RESIDUAL RE-**  
13 **CEIPTS.**

14           (a) *IN GENERAL.*—*Before entering into a new contract*  
15 *with a present or future owner of a qualified project, the*  
16 *Secretary shall encourage and, subject to the exceptions in*  
17 *subsection (d), may require—*

18           (1) *the restructuring of debt if the costs to the*  
19 *Federal Government of such restructuring are less*  
20 *than the costs incurred by the Federal Government*  
21 *under a contract for assistance under section 8 of the*  
22 *United States Housing Act of 1937 at the project's*  
23 *current debt level; and*

1           (2) *the refinancing of all debt that is financed at*  
2           *a rate 250 basis points in excess of prevailing market*  
3           *rates for debt with a similar maturity.*

4 *Any project refinancing or debt restructuring shall be ac-*  
5 *companied by a corresponding reduction in the maximum*  
6 *monthly rents for the project.*

7           (b) *FHA-INSURED PROJECTS.—Subject to the excep-*  
8 *tions set forth in subsection (d), the Secretary shall require*  
9 *an owner of a project subject to a mortgage insured by the*  
10 *Secretary which is to be assisted under a new contract to*  
11 *certify that any debt that meets the conditions of paragraph*  
12 *(1) or (2) of subsection (a) will be restructured or refi-*  
13 *nanced, as applicable.*

14           (c) *STATE-FINANCED PROJECTS.—The Secretary shall*  
15 *establish procedures to inform State agencies that insure*  
16 *or finance mortgages of the provisions of this subtitle, and*  
17 *shall encourage such agencies to refinance or otherwise re-*  
18 *structure debt which meets the conditions of paragraph (1)*  
19 *or (2) of subsection (a).*

20           (d) *EXCEPTIONS.—The Secretary shall not require the*  
21 *refinancing or debt restructuring of any project, if—*

22           (1) *the project was financed through obligations*  
23 *issued by a State or local housing agency or the Gov-*  
24 *ernment National Mortgage Association and such refi-*  
25 *nancing or debt restructuring is inconsistent with ap-*



1     *plicable law or agreements governing such financing;*  
2     *and*

3             *(2) in the Secretary's determination, the refi-*  
4     *ancing will not result in significant savings to the*  
5     *Department of Housing and Urban Development or to*  
6     *the mortgagor.*

7     *(e) DISCRETIONARY ASSISTANCE.—To facilitate re-*  
8     *newal consistent with this section and section 156(b), the*  
9     *Secretary may, from amounts appropriated under this sub-*  
10    *title—*

11            *(1) pay the owner's nonmortgageable transaction*  
12    *costs;*

13            *(2) provide the State insuring agency or the*  
14    *mortgagee with an equitable share of the savings re-*  
15    *captured from the refinancing;*

16            *(3) apply a share of the savings recaptured from*  
17    *the refinancing to the project's reserves or capital ex-*  
18    *penses;*

19            *(4) bifurcate the note to leave a first note service-*  
20    *able within rents reflective of the local market; and*

21            *(5) assist in financing a project's rehabilitation*  
22    *needs through the provision of up-front grants from—*

23            *(A) residual receipts distributed to the Sec-*  
24    *retary;*

1           (B) the budget authority provided for in-  
2           creases in new contracts to pay for rehabilita-  
3           tion, if the Secretary determines that the provi-  
4           sion of such grants in addition to rental assist-  
5           ance under section 8 of the United States Hous-  
6           ing Act of 1937 would be cost-effective; and

7           (C) savings resulting from refinancing or  
8           otherwise restructuring the debt.

9           (f) *RESIDUAL RECEIPTS.*—

10           (1) *IN GENERAL.*—Residual receipts distributed  
11           to the Secretary shall be retained by the Secretary for  
12           use under this subtitle.

13           (2) *EXPEDITED ACQUISITION.*—The Secretary  
14           may expedite the acquisition of residual receipts by  
15           entering into agreements with owners of housing cov-  
16           ered by an expiring contract to provide such owner  
17           with a share of the receipts, not to exceed 15 percent,  
18           only if the share will be applied to the project or to  
19           its reserves.

20           **SEC. 160. RETENTION OF PROGRAM SAVINGS BY SEC-**  
21           **RETARY.**

22           Any savings achieved through implementation of the  
23           provisions of this Act, except for such savings made avail-  
24           able to State or local housing agencies pursuant to section  
25           159, shall be retained by the Secretary to increase affordable

1 *housing opportunities, in such manner as may be deter-*  
2 *mined by statute, or as may be determined by the Secretary.*

3 **SEC. 161. SUPPORTIVE SERVICES.**

4 (a) *PROVISION OF SERVICE COORDINATOR.*—Each  
5 *owner of qualified project or a project for which a new con-*  
6 *tract has been provided shall provide, to the extent amounts*  
7 *are available pursuant to subsection (b) or another provi-*  
8 *sion of this subtitle, that the project is served (on a full-*  
9 *or part-time basis in a manner approved by the Secretary)*  
10 *by a service coordinator under section 671 of the Housing*  
11 *and Community Development Act of 1992. The preceding*  
12 *sentence shall apply only after the expiration of the 270-*  
13 *day period beginning on the date of the enactment of this*  
14 *Act.*

15 (b) *PAYMENT OF COSTS.*—Notwithstanding any other  
16 *provision of law, the salary and other costs associated with*  
17 *employing a service coordinator shall be considered an eligi-*  
18 *ble project expense for a qualified project which may be*  
19 *fully funded under the expiring contract, as provided by*  
20 *the Secretary.*

21 **SEC. 162. DELEGATION OF AUTHORITY.**

22 *The Secretary may delegate the authority of the Sec-*  
23 *retary under this subtitle, as the Secretary considers appro-*  
24 *priate, to officials of States and units of general local gov-*

1 ernment, who may also act as contract administrators  
2 under applicable law.

3 **SEC. 163. DEFINITIONS.**

4 *For purposes of this subtitle—*

5 *(1) the term “expiring contract” means any con-*  
6 *tract for assistance under section 8 of the United*  
7 *States Housing Act of 1937 pursuant to the authority*  
8 *referred to in paragraph (4)(A) of this subsection;*

9 *(2) the term “fair market rental” means the fair*  
10 *market rental established pursuant to the authority*  
11 *under—*

12 *(A) section 8(c)(1) of the United States*  
13 *Housing Act of 1937, as such section existed be-*  
14 *fore the date of the enactment of this Act; or*

15 *(B) section 8(e) of the United States Hous-*  
16 *ing Act of 1937, as in effect after the date of the*  
17 *enactment of this Act;*

18 *(3) the terms “low-income family” and “very*  
19 *low-income family” have the meanings given the*  
20 *terms in section 3 of the United States Housing Act*  
21 *of 1937;*

22 *(4) the term “maximum monthly rents” means,*  
23 *with respect to a new contract for a qualified project,*  
24 *the maximum monthly rent that the owner is entitled*

1 *to receive for dwelling units in the project assisted*  
2 *under the new contract;*

3 *(5) the term “new contract” means—*

4 *(A) a contract pursuant to this subtitle to*  
5 *provide project-based assistance for a qualified*  
6 *project; and*

7 *(B) a contract pursuant to the provisions of*  
8 *subsection (d) or (f)(2)(B) of section 157 or sec-*  
9 *tion 153(b)(3);*

10 *(6) the term “owner” includes the current or sub-*  
11 *sequent owner or owners of a qualified project;*

12 *(7) the terms “qualified project” and “project”*  
13 *mean a multifamily housing project that—*

14 *(A) was constructed or substantially reha-*  
15 *bilitated pursuant to assistance provided under*  
16 *section 8(b)(2) of the United States Housing Act*  
17 *of 1937, as such section existed before November*  
18 *30, 1983; and*

19 *(B) is assisted under an expiring contract;*

20 *(8) the term “resident council” means any demo-*  
21 *cratically operated organization of tenants of a quali-*  
22 *fied project; and*

23 *(9) the term “Secretary” means the Secretary of*  
24 *Housing and Urban Development.*

1 **SEC. 164. REGULATIONS.**

2 *The Secretary shall issue any final regulations nec-*  
3 *essary to carry out this subtitle, which shall take effect not*  
4 *later than 6 months after the date of the enactment of this*  
5 *Act. The regulations shall be issued after notice and oppor-*  
6 *tunity for public comment in accordance with the procedure*  
7 *under section 553 of title 5, United States Code, applicable*  
8 *to substantive rules (notwithstanding subsections (a)(2),*  
9 *(b)(B), and (d)(3) of such section).*

10 **SEC. 165. AUTHORIZATION OF APPROPRIATIONS.**

11 *There are authorized to be appropriated such sums as*  
12 *may be necessary to carry out the provisions of this subtitle*  
13 *for which amounts are not provided under section 5(c) of*  
14 *the United States Housing Act of 1937.*

15 ***Subtitle E—Homeownership***  
16 ***Programs***

17 **SEC. 171. HOPE HOMEOWNERSHIP PROGRAMS.**

18 *(a) AUTHORIZATION OF APPROPRIATIONS AND TECH-*  
19 *NICAL ASSISTANCE.—*

20 *(1) IN GENERAL.—Section 402 of the Cranston-*  
21 *Gonzalez National Affordable Housing Act (42 U.S.C.*  
22 *12870) is amended by striking subsections (a) and (b)*  
23 *and inserting the following new subsection:*

24 *“(a) HOMEOWNERSHIP PROGRAMS.—There are au-*  
25 *thorized to be appropriated for grants under this title*  
26 *\$100,000,000 for fiscal year 1995 and \$100,000,000 for fis-*

1 *cal year 1996, which shall be available for activities author-*  
2 *ized under subtitles B and C. Any amounts appropriated*  
3 *pursuant to this subsection shall remain available until ex-*  
4 *pended.”.*

5 *(b) HOPE II MATCHING REQUIREMENTS.—Section*  
6 *423(c)(1) of the Cranston-Gonzalez National Affordable*  
7 *Housing Act (42 U.S.C. 12873(c)) is amended by striking*  
8 *“33 percent” and inserting “25 percent”.*

9 *(c) ELIGIBILITY UNDER HOPE III OF HOMES ON*  
10 *LEASED LAND OWNED BY COMMUNITY LAND TRUSTS.—*  
11 *Section 446(4) of the Cranston-Gonzalez National Afford-*  
12 *able Housing Act (42 U.S.C. 12896(4)) is amended—*

13 *(1) by inserting “(A)” before “owned”; and*

14 *(2) by inserting before the period at the end the*  
15 *following: “, or (B) located on leased land owned by*  
16 *a community land trust (as such term is defined in*  
17 *section 233 of the HOME Investment Partnerships*  
18 *Act)”.*

19 **SEC. 172. NATIONAL HOMEOWNERSHIP FUND.**

20 *Subtitle A of title III of the Cranston-Gonzalez Na-*  
21 *tional Affordable Housing Act (42 U.S.C. 12701 note) is*  
22 *amended to read as follows:*

1                   **“Subtitle A—National**  
2                   **Homeownership Fund**

3           **“SEC. 301. SHORT TITLE.**

4           *“This subtitle may be cited as the ‘National Home-*  
5 *ownership Fund Act’.*

6           **“SEC. 302. AUTHORITY.**

7           *“The Secretary of Housing and Urban Development*  
8 *may make grants under this subtitle to States (including*  
9 *State housing finance agencies), local housing finance agen-*  
10 *cies, and nonprofit housing intermediaries to provide as-*  
11 *sistance, in accordance with the provisions of this subtitle,*  
12 *for the acquisition of principal residences for first-time*  
13 *homebuyers (including homebuyers buying shares in lim-*  
14 *ited equity cooperatives).*

15          **“SEC. 303. ELIGIBLE ASSISTANCE.**

16          *“A grantee may use amounts received under this sub-*  
17 *title only to provide assistance to first-time homebuyers in*  
18 *the following manners:*

19                *“(1) DOWNPAYMENT ASSISTANCE.—Assistance*  
20                *payments to provide amounts for the downpayment*  
21                *(including closing costs and other costs payable at the*  
22                *time of closing) on a mortgage for the homebuyer.*

23                *“(2) SECOND MORTGAGE ASSISTANCE.—Assist-*  
24                *ance payments to provide loans that have such terms*



1       for payment of interest and principal as may be de-  
2       termined by the grantee.

3           “(3) CAPITALIZATION OF REVOLVING LOAN  
4       FUNDS.—To establish revolving loan funds (or to  
5       make grants to public organizations or agencies to es-  
6       tablish such funds) to provide homeownership assist-  
7       ance to eligible first-time homebuyers in accordance  
8       with the provisions of this subtitle. Any grantee under  
9       this subtitle (and any subgrantee of such a grantee)  
10      shall provide an equal amount of local investment for  
11      such revolving loan fund and any proceeds or repay-  
12      ments from loans made under this paragraph shall be  
13      returned to the revolving loan fund established under  
14      this paragraph to be used for purposes related to this  
15      section.

16           “(4) INTEREST RATE BUYDOWNS.—Assistance  
17      payments so that the rate of interest payable on a  
18      mortgage by the homebuyer does not exceed 6 percent.

19   **“SEC. 304. ELIGIBILITY REQUIREMENTS.**

20           “(a) HOMEBUYER.—Assistance may be provided only  
21      to homebuyers meeting the following requirements:

22           “(1) FIRST-TIME HOMEBUYER.—The homebuyer  
23      is an individual who—

24           “(A)(i) (and whose spouse) has had no own-  
25      ership in a principal residence during the 3-year

1           *period ending on the date of purchase of the*  
2           *property with respect to which assistance pay-*  
3           *ments are made under this subtitle;*

4           “(ii) *is a displaced homemaker who, except*  
5           *for owning a home with his or her spouse or re-*  
6           *siding in a home owned by the spouse, meets the*  
7           *requirements of clause (i); or*

8           “(iii) *is a single parent who, except for*  
9           *owning a home with his or her spouse or resid-*  
10          *ing in a home owned by the spouse while mar-*  
11          *ried, meets the requirements of clause (i); and*

12          “(B) *meets the requirements of subpara-*  
13          *graph (A)(i), (ii), or (iii), except for owning, as*  
14          *a principal residence, a dwelling unit whose*  
15          *structure is not permanently affixed to a perma-*  
16          *nent foundation in accordance with local or*  
17          *other applicable regulations.*

18          “(2) *MAXIMUM INCOME OF HOMEBUYER.—The*  
19          *aggregate annual income of the homebuyer and the*  
20          *members of the family of the homebuyer residing with*  
21          *the homebuyer, for the 12-month period preceding the*  
22          *date of the application of the homebuyer for assist-*  
23          *ance under this subtitle, does not exceed 115 percent*  
24          *of the median income for a family of 4 persons (ad-*  
25          *justed by family size) in the applicable metropolitan*

1     *statistical area (or such other area that the Secretary*  
2     *determines for areas outside of metropolitan statis-*  
3     *tical areas). The Secretary shall provide for certifi-*  
4     *cation of such income for purposes of initial eligi-*  
5     *bility for assistance payments under this subtitle.*

6     “(b) *MORTGAGE.*—*Assistance may be provided only for*  
7     *mortgages meeting the following requirements:*

8             “(1) *PRINCIPAL RESIDENCE.*—*The property sub-*  
9     *ject to the mortgage is a single-family residence or*  
10    *unit in a cooperative (including any manufactured*  
11    *home park owned by residents or owned by nonprofit*  
12    *organizations for future ownership by residents) or*  
13    *condominium, or a single family residence located on*  
14    *leased land owned by a community land trust, and*  
15    *is the principal residence of the homebuyer.*

16            “(2) *MAXIMUM MORTGAGE AMOUNT.*—*The prin-*  
17    *cipal obligation of the first mortgage and any second*  
18    *mortgage assistance provided under this subtitle does*  
19    *not exceed the principal amount that could be insured*  
20    *under section 203(b) of the National Housing Act*  
21    *with respect to a property having the same number*  
22    *of dwelling units.*

23            “(c) *MINIMUM DOWNPAYMENT.*—*For first-time home-*  
24    *buyers to receive downpayment assistance under section*  
25    *303(a)(1), the homebuyer shall have paid not less than 1*

1 percent of the cost of acquisition of the property (excluding  
2 any mortgage insurance premiums paid at the time the  
3 mortgage is insured), as such cost is estimated by the Sec-  
4 retary.

5 **“SEC. 305. COUNSELING REQUIREMENTS.**

6 “Each grantee under this subtitle shall ensure that  
7 each homebuyer receiving assistance under this subtitle  
8 from the grantee (or any subgrantee of such grantee) shall  
9 be provided prepurchase and postpurchase homeownership  
10 counseling from individuals certified by the Secretary  
11 under section 106(e) of the Housing and Urban Develop-  
12 ment Act of 1968.

13 **“SEC. 306. ALLOCATION OF GRANT AMOUNTS.**

14 “(a) *IN GENERAL.*—The Secretary may make a grant  
15 under this subtitle only to a State (including a State hous-  
16 ing finance agency), local housing finance agency, or non-  
17 profit housing intermediary that submits to the Secretary  
18 an application under this section that is approved by the  
19 Secretary. Applications shall be made in such form and in  
20 accordance with such procedures as the Secretary shall es-  
21 tablish.

22 “(b) *MINIMUM REQUIREMENTS.*—An application  
23 under this section shall contain a plan that describes how  
24 the applicant will achieve the objectives of this subtitle. The  
25 application shall include—

1           “(1) a description of the geographic area, includ-  
2           ing the revitalization area included, to be covered by  
3           the program to provide assistance under this subtitle;

4           “(2) the characteristics of the households to be  
5           served by the program;

6           “(3) a description and evidence of the commit-  
7           ment of other public and private resources to be made  
8           available in the revitalization area and other areas in  
9           which homebuyers receive assistance under this sub-  
10          title;

11          “(4) a description of any secondary market and  
12          private mortgage insurance involvement and commit-  
13          ment in connection with assistance under this sub-  
14          title;

15          “(5) a description of how prepurchase and  
16          postpurchase counseling will be provided to home-  
17          buyers assisted under this subtitle;

18          “(6) a description of any restrictions on resale  
19          and profits;

20          “(7) a description of existing affordable housing  
21          programs and resources available to undertake reha-  
22          bilitation of properties when needed;

23          “(8) a description of the process for award and  
24          disbursement of assistance to homebuyers; and

1           “(9) a description of the history of the applicant  
2           in undertaking similar projects.

3           “(c) *SELECTION.*—The Secretary shall allocate  
4           amounts available in any fiscal year for assistance under  
5           this subtitle to States (including State housing finance  
6           agencies), local housing finance agencies, or nonprofit hous-  
7           ing intermediaries for homebuyers through a national com-  
8           petition in accordance with criteria established by the Sec-  
9           retary. The criteria shall include the extent to which the  
10          applicant has experience in providing homeownership op-  
11          portunities for low- and moderate-income households.

12          “(d) *TARGETING FOR REVITALIZATION AREAS.*—Each  
13          grantee under this subtitle shall use not more than 50 per-  
14          cent of any amounts received under this subtitle for assist-  
15          ance under section 303(a) for homebuyers purchasing resi-  
16          dences in revitalization areas using mortgages insured  
17          under section 203(b) of the National Housing Act.

18          **“SEC. 307. REPORT.**

19          “Not later than 18 months after the date of the issu-  
20          ance of final regulations pursuant to section 310, the Sec-  
21          retary shall submit to the Congress a report stating the  
22          amount of loans made in revitalization areas and in other  
23          areas, the amount of loans insured under the National  
24          Housing Act made in connection with assistance under this  
25          section and the amount of privately insured loans made in

1 *connection with such assistance, and an analysis of the ef-*  
2 *fectiveness of such assistance in assisting first-time home-*  
3 *buyers.*

4 ***“SEC. 308. DEFINITIONS.***

5 *“For purposes of this subtitle:*

6 *“(1) ASSISTANCE.—The term ‘assistance’*  
7 *means—*

8 *“(A) any downpayment assistance provided*  
9 *under section 303(1);*

10 *“(B) any second mortgage loan provided*  
11 *under section 303(2);*

12 *“(C) any loan provided from a revolving*  
13 *fund established under section 303(3); and*

14 *“(D) any payment for buydown of an inter-*  
15 *est rate provided under section 303(4).*

16 *“(2) COMMUNITY LAND TRUST.—The term ‘com-*  
17 *munity land trust’ has the meaning given the term in*  
18 *section 233 of the Cranston-Gonzalez National Afford-*  
19 *able Housing Act.*

20 *“(3) DISPLACED HOMEMAKER.—The term ‘dis-*  
21 *placed homemaker’ means an individual who—*

22 *“(A) is an adult;*

23 *“(B) has not worked full-time, full-year in*  
24 *the labor force for a number of years, but has*

1           *during such years, worked primarily without re-*  
2           *muneration to care for the home and family; and*

3           *“(C) is unemployed or underemployed and*  
4           *is experiencing difficulty in obtaining or up-*  
5           *grading employment.*

6           *“(4) REVITALIZATION AREA.—The term ‘revital-*  
7           *ization area’ means—*

8           *“(A) an empowerment zone or enterprise*  
9           *community approved under Subchapter U of*  
10          *Chapter 1 of the Internal Revenue Code of 1986,*  
11          *or an equivalent State-approved enterprise zone;*  
12          *and*

13          *“(B) a neighborhood that, in the determina-*  
14          *tion of the Secretary, is targeted by a unit of*  
15          *general local government for revitalization using*  
16          *coordinated affordable housing programs and en-*  
17          *hanced supportive services.*

18          *“(5) NONPROFIT HOUSING INTERMEDIARY.—The*  
19          *term ‘nonprofit housing intermediary’ means a non-*  
20          *profit organization that the Secretary determines has*  
21          *among its principal purposes activities described in*  
22          *clauses (1) and (2) of section 802(a) of the Housing*  
23          *and Community Development Act of 1974.*

24          *“(6) SINGLE PARENT.—The term ‘single parent’*  
25          *means an individual who—*



1           “(A) is unmarried or legally separated from  
2           a spouse; and

3           “(B)(i) has 1 or more minor children for  
4           whom the individual has custody or joint cus-  
5           tody; or

6           “(ii) is pregnant.

7           “(7) SECRETARY.—The term ‘Secretary’ means  
8           the Secretary of Housing and Urban Development.

9           “(8) STATE.—The term ‘State’ means the States  
10          of the United States, the District of Columbia, the  
11          Commonwealth of Puerto Rico, the Commonwealth of  
12          the Northern Mariana Islands, Guam, the Virgin Is-  
13          lands, American Samoa, and any other territory or  
14          possession of the United States.

15          “(9) STATE HOUSING FINANCE AGENCY.—The  
16          term ‘State housing finance agency’ has the meaning  
17          given the term in section 802(b) of the Housing and  
18          Community Development Act of 1974.

19          “(10) LOCAL HOUSING FINANCE AGENCY.—The  
20          term ‘local housing finance agency’ means a housing  
21          finance agency of any city, county, town, township,  
22          parish, village, or other general purpose subdivision  
23          of a State, or of any combination of such political  
24          subdivisions recognized by the Secretary, or any other

1        *agency or instrumentality of such an entity that car-*  
2        *ries out activities described in section 303.*

3        **“SEC. 309. AUTHORIZATION OF APPROPRIATIONS.**

4        *“There are authorized to be appropriated for assist-*  
5        *ance under this subtitle \$115,000,000 for fiscal year 1995*  
6        *and \$215,000,000 for fiscal year 1996. Any amount appro-*  
7        *priated under this section shall remain available until ex-*  
8        *pended.*

9        **“SEC. 310. REGULATIONS.**

10        *“Not later than 10 days after the date of the enactment*  
11        *of the Housing and Community Development Act of 1994,*  
12        *the Secretary shall issue an interim rule to implement this*  
13        *subtitle. The Secretary shall issue final regulations nec-*  
14        *essary to implement this subtitle not later than 90 days*  
15        *after issuance of such interim rule.”.*

16        **SEC. 173. SECTION 235 MORTGAGE REFINANCING.**

17        *Section 235(r) of the National Housing Act (12 U.S.C.*  
18        *1715z(r)) is amended—*

19                *(1) in paragraph (2)(C), by inserting after “refi-*  
20                *nanced” the following: “; plus the costs incurred in*  
21                *connection with the refinancing as described in para-*  
22                *graph (4)(B) to the extent that the amount for those*  
23                *costs is not otherwise included in the interest rate as*  
24                *permitted by subparagraph (E) or paid by the Sec-*  
25                *retary as authorized by paragraph (4)(B)”;*

1           (2) in paragraph (4)—

2                   (A) in the matter preceding subparagraph  
3           (A), by inserting after “otherwise)” the following:  
4           “and the mortgagee (with respect to the amount  
5           described in subparagraph (A))”; and

6                   (B) in subparagraph (A), by inserting after  
7           “mortgagor” the following: “and the mortgagee”;  
8           and

9           (3) by amending paragraph (5) to read as fol-  
10          lows:

11           “(5) The Secretary shall use amounts of budget author-  
12          ity recaptured from assistance payments contracts relating  
13          to mortgages that are being refinanced for assistance pay-  
14          ments contracts with respect to mortgages insured under  
15          this subsection. The Secretary may also make such recap-  
16          tured amounts available for incentives under paragraph  
17          (4)(A) and the costs incurred in connection with the refi-  
18          nancing under paragraph (4)(B). For purposes of sub-  
19          section (c)(3)(A), the amount of recaptured budget author-  
20          ity that the Secretary commits for assistance payments con-  
21          tracts relating to mortgages insured under this subsection  
22          and for amounts paid under paragraph (4) shall not be  
23          construed as unused.”.

1 **SEC. 174. HOUSING COUNSELING FOR HOMEOWNERSHIP**  
2 **AND RENTAL HOUSING CHOICE.**

3 (a) *EXTENSIONS OF PROGRAMS.*—

4 (1) *EMERGENCY HOMEOWNERSHIP COUNSEL-*  
5 *ING.*—Section 106(c)(9) of the Housing and Urban  
6 Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is  
7 amended by striking “September 30, 1994” and in-  
8 serting “September 30, 1996”.

9 (2) *PREPURCHASE AND FORECLOSURE-PREVEN-*  
10 *TION COUNSELING DEMONSTRATION.*—Section  
11 106(d)(13) of the Housing and Urban Development  
12 Act of 1968 (12 U.S.C. 1701x(d)(13)) is amended by  
13 striking “fiscal year 1994” and inserting “fiscal year  
14 1996”.

15 (b) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
16 106 of the Housing and Urban Development Act of 1968  
17 (12 U.S.C. 1701x) is amended—

18 (1) in subsection (a), by striking paragraph (3)

19 (2) in subsection (c)—

20 (A) by striking paragraph (8); and

21 (B) by redesignating paragraph (9) (as  
22 amended by subsection (a)) as paragraph (8);

23 (3) in subsection (d)—

24 (A) by striking paragraph (12); and

25 (B) by redesignating paragraph (13) (as  
26 amended by subsection (a)) as paragraph (12);

1           (4) in subsection (f), by striking paragraph (7);

2           and

3           (5) by adding at the end the following new sub-

4           section:

5           “(g) *AUTHORIZATION OF APPROPRIATIONS.*—There  
6           are authorized to be appropriated to carry out this section  
7           \$62,000,000 for fiscal year 1995 and \$65,000,000 for fiscal  
8           year 1996, of which amounts \$30,000,000 shall be available  
9           in each such fiscal year to carry out subsection (c). Any  
10          amounts appropriated pursuant to this subsection shall re-  
11          main available until expended.”.

12          (c) *OUTREACH.*—Section 106(a) of the Housing and  
13          Urban Development Act of 1968 (12 U.S.C. 1701x(a)) is  
14          amended—

15               (1) in paragraph (1)—

16                       (A) by striking “The” and inserting “Ac-  
17                       TIVITIES.—The”;

18                       (B) in the matter preceding clause (i), by  
19                       inserting “or consortia of organizations” after  
20                       “organizations”;

21                       (C) in clause (iii), by striking “and” at the  
22                       end;

23                       (D) in clause (iv), by striking the period at  
24                       the end and inserting a semicolon; and

1           (E) by inserting at the end the following  
2           new clauses:

3           “(v) the provision of outreach activities designed  
4           to improve the access of low- and moderate-income  
5           households to homeownership and sources of mortgage  
6           credit;

7           “(vi) the provision of counseling to applicants  
8           for and recipients of tenant-based assistance to enable  
9           such families to move to areas of mixed incomes; and

10          “(vii) counseling and advice to tenants and  
11          homeowners regarding understanding financial prac-  
12          tices, matters, and transactions commonly engaged in  
13          by, or involving, tenants and homeowners, including  
14          activities and services provided by banks and other fi-  
15          nancial institutions, extension of credit, standard  
16          lending practices, checking accounts and check cash-  
17          ing, and savings accounts, which shall be made avail-  
18          able in such manners and languages appropriate for  
19          low-income and disadvantaged families residing in  
20          the area in which the entity providing the counseling  
21          and advice is located.”;

22          (2) in paragraph (2)—

23                 (A) by striking “The” and inserting “ELI-  
24                 GIBLE HOMEOWNERS.—The”; and

1           (B) in the second sentence, by inserting “or  
2           consortia of organizations” after “organiza-  
3           tions”; and

4           (3) by inserting after paragraph (2) the follow-  
5           ing new paragraphs:

6           “(3) HOMEOWNERSHIP COUNSELING.—The Secretary  
7           of Housing and Urban Development may contract with na-  
8           tional, State, or community-based entities, and consortia  
9           of such entities, and local public or private organizations  
10          (including public housing agencies), to carry out activities  
11          under paragraph (1)(v). Contractors shall be selected on a  
12          competitive basis, in accordance with selection criteria de-  
13          termined by the Secretary. The contractors shall carry out  
14          activities prescribed by the Secretary, including activities  
15          such as—

16               “(A) assisting homebuyers by working with  
17               mortgage lending entities to make mortgage credit  
18               available to low- and moderate-income homebuyers;

19               “(B) leveraging Federal funds with other sources  
20               of funding to support activities under its counseling  
21               program, including leveraging private, community-  
22               based resources for the purpose of assisting prospec-  
23               tive mortgagors achieve homeownership;

24               “(C) conducting outreach and marketing to pro-  
25               spective homebuyers, particularly homebuyers in tar-

1        *geted neighborhoods with a high proportion of low-*  
2        *and moderate-income and minority renter households;*

3            *“(D) coordinating a prepurchase homeownership*  
4        *strategy that includes linking other counseling provid-*  
5        *ers and community-based organizations approved by*  
6        *the Secretary, assisting prospective homebuyers to re-*  
7        *pair credit, educating potential homebuyers on the re-*  
8        *quirements of homeownership, providing technical as-*  
9        *sistance, assisting in the packaging of mortgage loan*  
10       *applications, and matching a family’s resources with*  
11       *appropriate government and private sector home-*  
12       *ownership assistance programs; and*

13           *“(E) creating post-purchase counseling programs*  
14       *that include default- prevention counseling to assist*  
15       *homebuyers to retain their homes.*

16        *“(4) RENTAL COUNSELING.—The Secretary of Housing*  
17       *and Urban Development may contract with national, State,*  
18       *or community-based entities, and consortia of such entities,*  
19       *and local public or private organizations (including public*  
20       *housing agencies), to carry out activities under paragraph*  
21       *(1)(vi). Contractors shall be selected on a competitive basis,*  
22       *in accordance with selection criteria determined by the Sec-*  
23       *retary. The contractors shall carry out activities prescribed*  
24       *by the Secretary, including activities such as—*



1           “(A) advising families on strategies for obtaining  
2           appropriate housing;

3           “(B) providing transportation assistance and  
4           other services to give families access to areas without  
5           high concentrations of persons living in poverty;

6           “(C) continuing advice and counseling to assist  
7           families after moving to areas without high con-  
8           centrations of persons living in poverty; and

9           “(D) undertaking aggressive outreach to poten-  
10          tial owners to expand the availability of housing in  
11          areas without high concentrations of persons living in  
12          poverty.

13          Each entity receiving assistance pursuant to this para-  
14          graph shall make counseling and assistance under this  
15          paragraph available to low-income families who are re-  
16          ferred to the entity pursuant to section 8(s)(2) of the United  
17          States Housing Act of 1937, including counseling and as-  
18          sistance regarding housing opportunities in the area of ju-  
19          risdiction of the public housing agency involved and assist-  
20          ance in obtaining new rental residences in areas within  
21          such jurisdiction not having high concentrations of persons  
22          living in poverty.”.

23          (d) NOTIFICATION.—Section 106(c)(5)(C) of the Hous-  
24          ing and Urban Development Act of 1968 is amended by  
25          adding at the end the following new flush sentence:

1           “Except as provided in clauses (i) and (ii), this  
2           subparagraph may not be construed to apply to  
3           any other loan for which the borrower is a vet-  
4           eran.”.

5           **Subtitle F—Other Programs**

6       **SEC. 181. COMMUNITY PARTNERSHIPS AGAINST CRIME.**

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

12      **“CHAPTER 2—COMMUNITY PARTNERSHIPS**  
13                                   **AGAINST CRIME**

14      **“SEC. 5121. SHORT TITLE.**

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

17      **“SEC. 5122. PURPOSES.**

18           *“The purposes of this chapter are to—*

19                   *“(1) improve the quality of life for the vast ma-*  
20      *jority of law-abiding public housing residents by re-*  
21      *ducing the levels of fear, violence, and crime in their*  
22      *communities;*

23                   *“(2) substantially expand and enhance the Fed-*  
24      *eral Government’s commitment to eliminating crime*

1 *in and around public housing and other federally as-*  
2 *sisted low-income housing;*

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

7 *“(4) encourage the involvement of a broad range*  
8 *of community-based groups and residents of neighbor-*  
9 *ing housing that is owned or assisted by the Secretary*  
10 *in the development and implementation of anti-crime*  
11 *plans;*

12 *“(5) reduce crime and disorder in and around*  
13 *public housing through the expansion of community-*  
14 *oriented policing activities and problem solving;*

15 *“(6) provide training, information services, and*  
16 *other technical assistance to program participants;*  
17 *and*

18 *“(7) establish a standardized assessment system*  
19 *to evaluate need among public housing agencies and*  
20 *to measure progress in reaching crime reduction*  
21 *goals.*

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

23 *“The Secretary of Housing and Urban Development*  
24 *may make grants in accordance with the provisions of this*  
25 *chapter for use in eliminating crime in and around public*

1 *housing and other federally assisted low-income housing*  
2 *projects to (1) public housing agencies, and (2) private, for-*  
3 *profit and nonprofit owners of federally assisted low-income*  
4 *housing. In designing the program for grants under this*  
5 *chapter, the Secretary shall consult with the Attorney Gen-*  
6 *eral.”.*

7 (b) *ELIGIBLE ACTIVITIES.—*

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

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: “, including fencing,*  
15 *lighting, locking, and surveillance systems”;*

16 (C) *in paragraph (4), by striking subpara-*  
17 *graph (A) and inserting the following new sub-*  
18 *paragraph:*

19 “(A) *to investigate crime; and”;*

20 (D) *in paragraph (6)—*

21 (i) *by striking “in and around public*  
22 *or other federally assisted low-income hous-*  
23 *ing projects”;* and

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

1           (E) by striking paragraph (7) and inserting  
2           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 pro-  
6           grams involving site residents;

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

15          “(9) programs and activities for or involving  
16          youth, including training, education, recreation and  
17          sports, career planning, and entrepreneurship and  
18          employment activities and after school and cultural  
19          programs; and

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

1           (2) *OTHER PHA-OWNED HOUSING.*—Section  
2           5124(b) of the Anti-Drug Abuse Act of 1988 (42  
3           U.S.C. 11903(b)) is amended—

4                   (A) in the matter preceding paragraph  
5                   (1)—

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

8                           (ii) by striking “paragraphs (1)  
9                           through (7)” and inserting “paragraphs (1)  
10                           through (10)”; and

11                   (B) in paragraph (2), by striking “drug-re-  
12                   lated” and inserting “criminal”.

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

16           ***“SEC. 5125. GRANT PROCEDURES.***

17                   “(a) *PHA’S WITH 250 OR MORE UNITS.*—

18                           “(1) *GRANTS.*—In each fiscal year, the Secretary  
19                           shall make a grant under this chapter from any  
20                           amounts available under section 5131(b)(1) for the  
21                           fiscal year to each of the following public housing  
22                           agencies:

23                                   “(A) *NEW APPLICANTS.*—Each public hous-  
24                                   ing agency that owns or operates 250 or more  
25                                   public housing dwelling units and has—

1           “(i) submitted an application to the  
2           Secretary for a grant for such fiscal year,  
3           which includes a 5-year crime deterrence  
4           and reduction plan under paragraph (2);  
5           and

6           “(ii) had such application and plan  
7           approved by the Secretary.

8           “(B) RENEWALS.—Each public housing  
9           agency that owns or operates 250 or more public  
10          housing dwelling units and for which—

11          “(i) a grant was made under this  
12          chapter for the preceding Federal fiscal  
13          year;

14          “(ii) the term of the 5-year crime de-  
15          terrence and reduction plan applicable to  
16          such grant includes the fiscal year for which  
17          the grant under this subsection is to be  
18          made; and

19          “(iii) the Secretary has determined,  
20          pursuant to a performance review under  
21          paragraph (4), that during the preceding  
22          fiscal year the agency has substantially ful-  
23          filled the requirements under subparagraphs  
24          (A) and (B) of paragraph (4).

1           “(2) *5-YEAR CRIME DETERRENCE AND REDUC-*  
2           *TION PLAN.*—Each application for a grant under this  
3           subsection shall contain a 5-year crime deterrence  
4           and reduction plan. The plan shall describe, for the  
5           public housing agency submitting the plan—

6                   “(A) *the nature of the crime problem in*  
7                   *public housing owned or operated by the public*  
8                   *housing agency;*

9                   “(B) *the building or buildings of the public*  
10                  *housing agency affected by the crime problem;*

11                  “(C) *the impact of the crime problem on*  
12                  *residents of such building or buildings; and*

13                  “(D) *the actions to be taken during the term*  
14                  *of the plan to reduce and deter such crime, which*  
15                  *shall include actions involving residents, law en-*  
16                  *forcement, and service providers.*

17           *The term of a plan shall be the period consisting of*  
18           *5 consecutive fiscal years, which begins with the first*  
19           *fiscal year for which funding under this chapter is*  
20           *provided to carry out the plan.*

21           “(3) *AMOUNT.*—In any fiscal year, the amount  
22           of the grant for a public housing agency receiving a  
23           grant pursuant to paragraph (1) shall be the amount  
24           that bears the same ratio to the total amount made  
25           available under section 5131(b)(1) as the total num-



1     *ber of public dwelling units owned or operated by*  
2     *such agency bears to the total number of dwelling*  
3     *units owned or operated by all public housing agen-*  
4     *cies that own or operate 250 or more public housing*  
5     *dwelling units that are approved for such fiscal year.*

6             “(4) *PERFORMANCE REVIEW.*—*For each fiscal*  
7     *year, the Secretary shall conduct a performance re-*  
8     *view of the activities carried out by each public hous-*  
9     *ing agency receiving a grant pursuant to this sub-*  
10    *section to determine whether the agency—*

11                 “(A) *has carried out such activities in a*  
12                 *timely manner and in accordance with its 5-*  
13                 *year crime deterrence and reduction plan; and*

14                 “(B) *has a continuing capacity to carry out*  
15                 *such plan in a timely manner.*

16             “(5) *SUBMISSION OF APPLICATIONS.*—*The Sec-*  
17     *retary shall establish such deadlines and requirements*  
18     *for submission of applications under this subsection*  
19     *as the Secretary determines appropriate for timely*  
20     *and orderly allocation and disbursement of amounts*  
21     *made available for grants under this subsection.*

22             “(6) *REVIEW AND DETERMINATION.*—*The Sec-*  
23     *retary shall review each application submitted under*  
24     *this subsection upon submission and shall approve the*  
25     *application unless the application and the 5-year*

1 *crime deterrence and reduction plan are inconsistent*  
2 *with the purposes of this chapter or any requirements*  
3 *established by the Secretary or the information in the*  
4 *application or plan is not substantially complete.*  
5 *Upon approving or determining not to approve an*  
6 *application and plan submitted under this subsection,*  
7 *the Secretary shall notify the public housing agency*  
8 *submitting the application and plan of such approval*  
9 *or disapproval.*

10 *“(7) DISAPPROVAL OF APPLICATIONS.—If the*  
11 *Secretary notifies an agency that the application and*  
12 *plan of the agency is not approved, not later than the*  
13 *expiration of the 15-day period beginning upon such*  
14 *notice of disapproval, the Secretary shall also notify*  
15 *the agency, in writing, of the reasons for the dis-*  
16 *approval, the actions that the agency could take to*  
17 *comply with the criteria for approval, and the dead-*  
18 *lines for such actions.*

19 *“(8) FAILURE TO APPROVE OR DISAPPROVE.—If*  
20 *the Secretary fails to notify an agency of approval or*  
21 *disapproval of an application and plan submitted*  
22 *under this subsection before the expiration of the 60-*  
23 *day period beginning upon the submission of the plan*  
24 *or fails to provide notice under paragraph (7) within*  
25 *the 15-day period under such paragraph to an agency*

1     *whose application has been disapproved, the applica-*  
2     *tion and plan shall be considered to have been ap-*  
3     *proved for purposes of this section.*

4     “(b) PHA’S WITH FEWER THAN 250 UNITS AND OWN-  
5     *ERS OF FEDERALLY ASSISTED LOW-INCOME HOUSING.—*

6             “(1) APPLICATIONS AND PLANS.—*To be eligible*  
7     *to receive a grant under this chapter, a public hous-*  
8     *ing agency that owns or operates fewer than 250 pub-*  
9     *lic housing dwelling units or an owner of federally as-*  
10    *sisted low-income housing shall submit an application*  
11    *to the Secretary at such time, in such manner, and*  
12    *accompanied by such additional information as the*  
13    *Secretary may require. The application shall include*  
14    *a plan for addressing the problem of crime in and*  
15    *around the housing for which the application is sub-*  
16    *mitted, describing in detail activities to be conducted*  
17    *during the fiscal year for which the grant is re-*  
18    *quested.*

19             “(2) GRANTS FOR PHA’S WITH FEWER THAN 250  
20    *UNITS.—In each fiscal year the Secretary may, to the*  
21    *extent amounts are available under section*  
22    *5131(b)(2), make grants under this chapter to public*  
23    *housing agencies that own or operate fewer than 250*  
24    *public housing dwelling units and have submitted ap-*  
25    *plications under paragraph (1) that the Secretary has*

1       *approved pursuant to the criteria under paragraph*  
2       *(4).*

3               “(3) *GRANTS FOR FEDERALLY ASSISTED LOW-IN-*  
4       *COME HOUSING.—In each fiscal year the Secretary*  
5       *may, to the extent amounts are available under sec-*  
6       *tion 5131(b)(3), make grants under this chapter to*  
7       *owners of federally assisted low-income housing that*  
8       *have submitted applications under paragraph (1)*  
9       *that the Secretary has approved pursuant to the cri-*  
10       *teria under paragraphs (4) and (5).*

11               “(4) *CRITERIA FOR APPROVAL OF APPLICA-*  
12       *TIONS.—The Secretary shall determine whether to ap-*  
13       *prove each application under this subsection on the*  
14       *basis of—*

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

18                       “(B) *the quality of the plan to address the*  
19       *crime problem in the housing for which the ap-*  
20       *plication is made;*

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

23                       “(D) *the extent to which the tenants of the*  
24       *housing, the local government, local community-*  
25       *based nonprofit organizations, local tenant orga-*

1           nizations representing residents of neighboring  
2           projects that are owned or assisted by the Sec-  
3           retary, and the local community support and  
4           participate in the design and implementation of  
5           the activities proposed to be funded under the  
6           application.

7           In each fiscal year, the Secretary may give preference  
8           to applications under this subsection for housing  
9           made by applicants who received a grant for such  
10          housing for the preceding fiscal year under this sub-  
11          section or under the provisions of this chapter as in  
12          effect immediately before the date of the enactment of  
13          the Housing and Community Development Act of  
14          1994.

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

22                       “(A) relevant differences between the finan-  
23                       cial resources and other characteristics of public  
24                       housing authorities and owners of federally as-  
25                       sisted low-income housing; or

1           “(B) *relevant differences between the prob-*  
2           *lem of crime in public housing administered by*  
3           *such public housing agencies and the problem of*  
4           *crime in federally assisted low-income housing.*”.

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

7           (1) *by striking paragraphs (1) and (2);*

8           (2) *in paragraph (4), by striking “section” be-*  
9           *fore “221(d)(4)”;*

10           (3) *by redesignating paragraphs (3) and (4) (as*  
11           *so amended) as paragraphs (1) and (2), respectively;*  
12           *and*

13           (4) *by adding at the end the following new para-*  
14           *graph:*

15           “(3) *PUBLIC HOUSING AGENCY.*—The term ‘pub-  
16           *lic housing agency’ has the meaning given the term*  
17           *in section 3(b) of the United States Housing Act of*  
18           *1937.*”.

19           (e) *IMPLEMENTATION.*—Section 5127 of the Anti-Drug  
20 *Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking*  
21 *“Cranston-Gonzalez National Affordable Housing Act” and*  
22 *inserting “Housing and Community Development Act of*  
23 *1994”.*

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

1           (1) by striking “The Secretary” and inserting  
2           the following:

3           “(a) *REPORTS BY GRANTEES.—The Secretary*”;

4           (2) by striking “drug-related crime in” and in-  
5           serting “crime in and around”;

6           (3) by striking “described in section 5125(a)”  
7           and inserting “for the grantee submitted under sub-  
8           section (a) or (b) of section 5125, as applicable”; and

9           (4) by adding at the end the following new sub-  
10          section:

11          “(b) *REPORTS BY SECRETARY.—For each fiscal year*  
12          *in which the Secretary makes grants under this chapter,*  
13          *the Secretary shall submit a report to the Congress describ-*  
14          *ing the progress achieved in crime deterrence and reduction*  
15          *in the public housing and federally assisted low-income*  
16          *housing for which such grant assistance has been provided.*  
17          *The report shall include any recommendations of the Sec-*  
18          *retary for changes in the program of assistance under this*  
19          *chapter.”.*

20          (g) *TECHNICAL ASSISTANCE AND FUNDING.—Chapter*  
21          *2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988*  
22          *is amended by striking section 5130 (42 U.S.C. 11909) and*  
23          *inserting the following new sections:*

1 **“SEC. 5130. TECHNICAL ASSISTANCE.**

2       “(a) *IN GENERAL.*—To the extent amounts are made  
3 available under section 5131(c), the Secretary may provide  
4 training, information services, and other technical assist-  
5 ance to public housing agencies and other entities with re-  
6 spect to their participation in the program under this chap-  
7 ter, which shall include activities under subsection (b) of  
8 this section. Such technical assistance may be provided di-  
9 rectly by the Secretary or indirectly pursuant to grants,  
10 contracts, or cooperative agreements.

11       “(b) *USE.*—The Secretary may use amounts available  
12 for use under this section—

13               “(1) to establish and operate the clearinghouse  
14 on drug abuse in public housing and the regional  
15 training program on drug abuse in public housing  
16 under sections 5143 and 5144 of this Act;

17               “(2) to obtain assistance in establishing and  
18 managing assessment and evaluation criteria and  
19 specifications and to obtain the opinions of experts in  
20 relevant fields; and

21               “(3) upon the request of a public housing agency,  
22 to assist the agency in evaluating the extent of the  
23 crime problem in any public housing administered by  
24 the agency and preparing a 5-year crime deterrence  
25 and reduction plan under section 5125(a) or an ap-  
26 plication and plan under section 5125(b)(1), which



1       *assistance may include providing personnel and fund-*  
2       *ing to identify and secure local resources to assist in*  
3       *detering and reducing crime.*

4       “(c) *PRIORITY.—In selecting entities to receive tech-*  
5       *nical assistance under this section, the Secretary shall give*  
6       *priority to public housing agencies that have submitted ap-*  
7       *plications and plans under section 5125 that the Secretary*  
8       *has determined do not meet the requirements for approval*  
9       *for assistance under this chapter.*

10       **“SEC. 5131. FUNDING.**

11       “(a) *AUTHORIZATION OF APPROPRIATIONS.—There is*  
12       *authorized to be appropriated to carry out this chapter*  
13       *\$300,000,000 for fiscal year 1995 and \$325,000,000 for fis-*  
14       *cal year 1996. Any amount appropriated under this sub-*  
15       *section shall remain available until expended.*

16       “(b) *ALLOCATION.—Of any amounts appropriated to*  
17       *carry out this chapter in any fiscal year that remain after*  
18       *reserving amounts for use under subsection (c)—*

19               “(1) *85 percent shall be available only for assist-*  
20       *ance pursuant to section 5125(a) to public housing*  
21       *agencies that own or operate 250 or more public hous-*  
22       *ing dwelling units;*

23               “(2) *10 percent shall be available only for assist-*  
24       *ance pursuant to section 5125(b)(2) to public housing*

1        *agencies that own or operate fewer than 250 public*  
 2        *housing dwelling units; and*

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

6        *“(c) SET-ASIDE FOR TECHNICAL ASSISTANCE.—Of*  
 7        *any amount made available in fiscal years 1994 and 1995*  
 8        *to carry out this chapter, the Secretary shall use not more*  
 9        *than \$10,000,000 in each such fiscal year to provide tech-*  
 10       *nical assistance under section 5130.”.*

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

14                *(1) by striking the item relating to the heading*  
 15        *for chapter 2 of subtitle C and inserting the following:*

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

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

*“Sec. 5122. Purposes.”;*

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

*“Sec. 5125. Grant procedures.”;*

20        *and*

21                *(4) by striking the item relating to section 5130*  
 22        *and inserting the following new items:*

*“Sec. 5130. Technical Assistance.*

*“Sec. 5131. Funding.”.*

1 **SEC. 182. LOW-INCOME HOUSING PRESERVATION.**

2 (a) *ASSISTANCE AND INCENTIVES.*—Section 234 of the  
3 *Housing and Community Development Act of 1987* (12  
4 *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 appro-  
7 priated for assistance and incentives authorized under this  
8 subtitle \$400,000,000 for fiscal year 1995 and \$450,000,000  
9 for fiscal year 1996.

10 “(b) *GRANTS.*—Subject to approval in appropriation  
11 Acts, not more than \$40,000,000 of the amounts made  
12 available under subsection (a) for fiscal year 1995, and not  
13 more than \$40,000,000 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 and*  
18 *Community Development Act of 1987* (12 *U.S.C. 4147*) is  
19 amended to read as follows: “The Secretary shall use not  
20 more than \$20,000,000 of the amounts made available  
21 under section 234(a) for fiscal year 1995, and not more  
22 than \$20,000,000 of the amounts made available under sec-  
23 tion 234(a) for fiscal year 1996, to carry out this subtitle.”.

24 (c) *REPEAL OF RENT LIMITATIONS.*—The *National*  
25 *Housing Act* is amended—

1           (1) in section 221 (12 U.S.C. 1715l), by striking  
2           subsection (l).

3           (2) in section 236(f) (12 U.S.C. 1715z-1(f)), by  
4           striking paragraph (6).

5           (d) *EQUITY LOANS*.—Section 241(f)(2)(B)(ii) of the  
6           National Housing Act (12 U.S.C. 1715z-6(f)(2)(B)(ii)) is  
7           amended by inserting “(excluding the amount of rehabilita-  
8           tion costs required by the plan of action and related  
9           charges)” after “loan amount”.

10          (e) *TREATMENT AS ELIGIBLE HOUSING*.—Notwith-  
11          standing section 229(1)(B) of the Housing and Community  
12          Development Act of 1987, the Northwest Towers project, lo-  
13          cated at 1170 West Erie, in Chicago, Illinois, shall be con-  
14          sidered eligible low-income housing for purposes of title II  
15          of such Act, except that—

16                (1) the Secretary of Housing and Urban Devel-  
17                opment may approve a plan of action under such  
18                title for the project only if the plan of action (A) pro-  
19                vides for transfer of the ownership of the project (i)  
20                in accordance with section 226 of such title to a resi-  
21                dent council of the project, or (ii) in accordance with  
22                section 220 of such title to a community-based non-  
23                profit organization approved by the residents of the  
24                project, and (B) otherwise complies with the require-  
25                ments of such title; and

1           (2) *the Secretary of Housing and Urban Devel-*  
2           *opment shall reduce the aggregate amount of any in-*  
3           *centives otherwise to be provided under such title for*  
4           *the project by the amount of any outstanding indebt-*  
5           *edness on the loan for the project under section 201*  
6           *of the Housing and Community Development Amend-*  
7           *ments of 1978.*

8    **SEC. 183. FLEXIBLE SUBSIDY PROGRAM.**

9           (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
10          *201(j)(5) of the Housing and Community Development*  
11          *Amendments of 1978 (12 U.S.C. 1715z-1a(j)(5)) is amend-*  
12          *ed to read as follows:*

13           “(5) *There are authorized to be appropriated for assist-*  
14          *ance under the flexible subsidy fund not to exceed*  
15          *\$50,000,000 for fiscal year 1995 and \$55,000,000 for fiscal*  
16          *year 1996.”.*

17          (b) *ALLOCATION.—Section 201(n)(2)(B)(ii) of the*  
18          *Housing and Community Development Amendments of*  
19          *1978 (12 U.S.C. 1715z-1a(n)(2)(B)(ii)) is amended by in-*  
20          *serting “and federally assisted” before “mortgages”.*

21          (c) *USE OF SECTION 236 RENTAL ASSISTANCE FUND*  
22          *AMOUNTS.—Section 236(f)(3) of the National Housing Act*  
23          *(12 U.S.C. 1715z-1(f)(3)) is amended by striking “Septem-*  
24          *ber 30, 1994” and inserting “September 30, 1996”.*

1 **SEC. 184. YOUTHBUILD PROGRAM.**

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

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

12 (b) *ELIGIBLE ACTIVITIES.*—Section 454(b) of the  
13 Cranston-Gonzalez National Affordable Housing Act (42  
14 U.S.C. 12899c(b)) is amended—

15 (1) in paragraph (2), by striking “Acquisition”  
16 and all that follows through “facilities” and inserting  
17 “Acquisition, rehabilitation, or acquisition and reha-  
18 bilitation of housing and related facilities, or con-  
19 struction of new housing and related facilities (in-  
20 cluding community facilities designed to serve the  
21 needs of low- and very low-income families),”;

22 (2) by striking paragraph (6); and

23 (3) by redesignating paragraphs (7) and (8) as  
24 paragraphs (6) and (7), respectively.

25 (c) *PRIORITY FOR APPLICANTS SUPPLEMENTING*  
26 *GRANT AMOUNTS.*—Section 454(e) of the Cranston-Gon-

1 *zalez National Affordable Housing Act (42 U.S.C.*  
2 *12899c(e)) is amended to read as follows:*

3       “(e) *PRIORITY FOR APPLICANTS WHO OBTAIN PRO-*  
4 *GRAM FUNDS FROM OTHER SOURCES.—The Secretary*  
5 *shall give priority in the award of grants under this section*  
6 *to applicants to the extent that they have obtained amounts*  
7 *or in-kind contributions, or commitments to provide such*  
8 *amounts or contributions, from Federal, State, local, or pri-*  
9 *vate sources other than assistance under this subtitle in an*  
10 *amount constituting not less than 10 percent of the total*  
11 *budget of the applicant for the Youthbuild program, that*  
12 *will be used for carrying out any aspect of the Youthbuild*  
13 *program of the applicant.”.*

14       (d) *RESIDENTIAL RENTAL HOUSING REQUIRE-*  
15 *MENTS.—Section 455(a) of the Cranston-Gonzalez National*  
16 *Affordable Housing Act (42 U.S.C. 12899d(a)) is amend-*  
17 *ed—*

18             (1) *in the matter preceding paragraph (1), by*  
19 *inserting after “subtitle” the following: “for costs such*  
20 *as construction, rehabilitation, and acquisition”;* and

21             (2) *in paragraph (1), by striking subparagraph*  
22 *(A) and inserting the following new subparagraph:*

23                     “(A) *at least 80 percent of the units shall*  
24 *be occupied, or available for occupancy, by indi-*  
25 *viduals and families with incomes that do not*

1           *exceed 50 percent of the area median income, ad-*  
2           *justed for family size; and”.*

3           (e) *RESERVATION OF FUNDS.—Section 458(d) of the*  
4           *Cranston-Gonzalez National Affordable Housing Act (42*  
5           *U.S.C. 12899g(d)) is amended by inserting before the period*  
6           *at the end the following: “and not more than 1 percent of*  
7           *such available amounts to implement, pursuant to sub-*  
8           *section (a) of this section, a management information sys-*  
9           *tem to gather and analyze information necessary to assess*  
10           *the quality and effects of the program under this subtitle*  
11           *and to monitor Youthbuild programs funded under this sub-*  
12           *title”.*

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

17                            **“Subtitle D—Youthbuild”.**

18           **SEC. 185. DISPOSITION OF HUD-OWNED MULTIFAMILY**  
19                            **HOUSING PROPERTIES.**

20           *Section 203(g) of the Housing and Community Devel-*  
21           *opment Amendments of 1978 (12 U.S.C. 1701z–11(g)) is*  
22           *amended—*

23                            (1) *in paragraph (2), by striking “and” at the*  
24           *end;*



1           (2) in paragraph (3), by striking the period at  
2           the end and inserting “; and”;

3           (3) by redesignating paragraphs (2) and (3) (as  
4           so amended) as paragraphs (3) and (4), respectively;  
5           and

6           (4) by inserting after paragraph (1) the follow-  
7           ing new paragraph:

8           “(2) upon the conclusion of the first year of such  
9           2-year period, the Secretary shall examine the income  
10          and rent of the family and of other very low-income  
11          families who are preexisting tenants of the project  
12          and the rents charged for units in the project and for  
13          similar units in the market area in which the project  
14          is located, to determine whether upon the expiration  
15          of such 2-year period the rent charged for the unit oc-  
16          cupied by the family and for similar units in the  
17          same market area will be significantly more than the  
18          amount charged for the unit occupied by the family  
19          during such 2-year period;” and

20          (5) by adding at the end the following new para-  
21          graph:

22          “(5) if the Secretary determines pursuant to  
23          paragraph (2) that, upon the expiration of the 2-year  
24          period, the family will not be able to rent a unit in  
25          the project or a similar unit in the market area in

1        *which the project is located without paying in rent*  
2        *significantly more than the amount charged for the*  
3        *unit occupied by the family during such 2-year pe-*  
4        *riod, the Secretary shall, to the extent budget author-*  
5        *ity is available, provide tenant-based assistance on*  
6        *behalf of the family under a contract under section 8*  
7        *of the United States Housing Act of 1937 having a*  
8        *5-year term.”.*

9        **SEC. 186. GUIDELINES FOR SCREENING, ADMISSION, AND**  
10                                    **EVICCTIONS IN PUBLIC AND ASSISTED HOUS-**  
11                                    **ING.**

12        *Not later than December 31, 1994, the Secretary of*  
13        *Housing and Urban Development shall issue guidelines for*  
14        *owners and managers of public and assisted housing with*  
15        *respect to screening applicants for occupancy in such hous-*  
16        *ing, admissions to such housing, and evictions of residents*  
17        *of such housing who are users or former users of illegal*  
18        *drugs or who violate lease provisions because of alcohol use.*  
19        *The Secretary shall issue such guidelines based on the report*  
20        *to the Congress issued by the Public and Assisted Housing*  
21        *Occupancy Task Force on April 7, 1994, pursuant to sec-*  
22        *tion 643(a)(7) of the Housing and Community Development*  
23        *Act of 1992.*

1 **SEC. 187. METROPOLITAN AREA-WIDE STRATEGY DEM-**  
2 **ONSTRATION.**

3 (a) *IN GENERAL.*—The Secretary of Housing and  
4 Urban Development (in this section referred to as the “Sec-  
5 retary”) shall carry out, through consortia of units of gen-  
6 eral local government, a demonstration program to make  
7 assisted housing available in 3 metropolitan areas on a  
8 metropolitan, area-wide basis.

9 (b) *PURPOSE.*—The demonstration program under  
10 this section shall be designed to determine the most effective  
11 manner to—

12 (1) *affirmatively further fair housing and ad-*  
13 *dress the problem of racial segregation in metropoli-*  
14 *tan areas;*

15 (2) *achieve the goal of overcoming spatial sepa-*  
16 *ration and segregation of families by race, which*  
17 *shall include testing the effect of filling vacancies in*  
18 *assisted housing by use of a consolidated waiting list;*

19 (3) *enlist cooperation of units of general local*  
20 *government, public housing agencies, and private*  
21 *owners of assisted housing in achieving such goals;*

22 (4) *make public housing facilitate social and eco-*  
23 *nom ic mobility;*

24 (5) *eliminate housing discrimination; and*

25 (6) *accomplish related objectives determined by*  
26 *the Secretary.*

1           (c) *ELIGIBILITY OF CONSORTIA.*—*The Secretary shall*  
2 *select the consortia of units of general local government to*  
3 *participate in the demonstration program on a competitive*  
4 *basis and make a grant to each consortia selected. The Sec-*  
5 *retary may select only consortia that demonstrate to the*  
6 *Secretary, as the Secretary shall require, that a sufficient*  
7 *number of units of general local government, public housing*  
8 *agencies, and private owners of assisted housing are com-*  
9 *mitted to participate in the demonstration to make the dem-*  
10 *onstration feasible, which shall include commitment to com-*  
11 *ply with alternative program requirements specified by the*  
12 *Secretary.*

13           (d) *DURATION.*—*The demonstration program shall be*  
14 *carried out for a period of 3 years with respect to each site*  
15 *selected.*

16           (e) *WAIVERS.*—*The Secretary may waive, or specify*  
17 *alternative requirements for, any provision of any statute*  
18 *or regulation that the Secretary administers if the Sec-*  
19 *retary finds that the waiver or alternative requirement (1)*  
20 *is necessary to facilitate the demonstration program, and*  
21 *(2) would not be inconsistent with the overall purpose of*  
22 *the statute or regulation affected. In no event may the Sec-*  
23 *retary waive, or specify alternative requirements for, statu-*  
24 *tory requirements related to nondiscrimination, fair hous-*  
25 *ing, labor standards, or the environment, except that the*

1 *Secretary may waive affirmative marketing requirements*  
2 *for participants in the demonstration program.*

3 *(f) AUTHORIZATION OF APPROPRIATIONS.—There are*  
4 *authorized to be appropriated for the costs related to re-*  
5 *gional planning, housing counseling, development of a*  
6 *model consolidated waiting list, and administration under*  
7 *the demonstration established by this section, such sums as*  
8 *may be necessary for each of fiscal years 1995 and 1996.*

9 ***TITLE II—HOME INVESTMENT***  
10 ***PARTNERSHIPS***

11 ***SEC. 201. AUTHORIZATION OF APPROPRIATIONS.***

12 *(a) IN GENERAL.—Section 205 of the Cranston-Gon-*  
13 *zalez National Affordable Housing Act (42 U.S.C. 12724)*  
14 *is amended to read as follows:*

15 ***“SEC. 205. AUTHORIZATION.***

16 *“There are authorized to be appropriated to carry out*  
17 *this title \$1,775,000,000 for fiscal year 1995, and*  
18 *\$2,000,000,000 for fiscal year 1996, of which—*

19 *“(1) not more than \$25,000,000 for fiscal year*  
20 *1995, and \$25,000,000 for fiscal year 1996, shall be*  
21 *for community housing partnership activities author-*  
22 *ized under section 233; and*

23 *“(2) not more than \$22,000,000 for fiscal year*  
24 *1995, and \$22,000,000 for fiscal year 1996, shall be*



1           (1) in paragraph (1)(A), by striking “bears rents  
2           not greater than” and inserting “is occupied by ten-  
3           ants who pay as rent”;

4           (2) in paragraph (3), by inserting after the pe-  
5           riod at the end of the first sentence the following new  
6           sentence: “A tenant occupying a rental unit assisted  
7           with amounts provided under this title shall be con-  
8           sidered to be a very low-income family until the  
9           household’s income increases to more than 140 percent  
10          of the applicable income limitation under paragraph  
11          (1)(B).”; and

12          (3) by adding at the end the following new para-  
13          graph:

14          “(6) RENTAL SUBSIDIES.—Notwithstanding  
15          paragraph (1), housing shall not be considered to fail  
16          to qualify as affordable housing under this title be-  
17          cause it includes units for which—

18                  “(A) payments are made under section 8 of  
19                  the United States Housing Act of 1937 or any  
20                  comparable rental assistance program; and

21                  “(B) because of increases in the income of  
22                  tenants of the housing, the rent paid by the ten-  
23                  ants under the assistance program with respect  
24                  to such unit exceeds 30 percent of the adjusted

1            *income of a family whose income equals 65 per-*  
2            *cent of the median income for the area.”.*

3    **SEC. 204. REPAYMENT OF INVESTMENT.**

4            *Section 219 of the Cranston-Gonzalez National Afford-*  
5            *able Housing Act (42 U.S.C. 12749) is amended by adding*  
6            *at the end the following new subsection:*

7            *“(d) REPAYMENT OF MATCHING AMOUNTS.—Amounts*  
8            *provided by a participating jurisdiction pursuant to sec-*  
9            *tion 220 for housing not assisted under this title shall be*  
10           *recognized for purposes of section 220(a), notwithstanding*  
11           *that such amounts are not repaid to the jurisdiction’s*  
12           *HOME Investment Trust Fund, if such amounts are drawn*  
13           *from an affordable housing program operated by the juris-*  
14           *isdiction, repaid to the program, and available for use only*  
15           *for the program or for providing housing that qualifies as*  
16           *affordable housing.”.*

17    **SEC. 205. MATCHING REQUIREMENTS.**

18           *Section 220 of the Cranston-Gonzalez National Afford-*  
19           *able Housing Act (42 U.S.C. 12750) is amended—*

20                    *(1) in the first sentence of subsection (a), by in-*  
21                    *serting “the participating jurisdiction certifies” before*  
22                    *“qualifies”; and*

23                    *(2) in subsection (b)(1)—*

24                            *(A) in subparagraph (A), by striking “or”;*



1           (B) in subparagraph (B), by striking the  
2           period at the end and inserting “; or”; and

3           (C) by adding at the end the following new  
4           subparagraph:

5           “(C) is made with respect to housing that is  
6           substantially equivalent to housing that qualifies  
7           as affordable housing under section 215.”.

8   **SEC. 206. SUPPORT FOR STATE AND LOCAL HOUSING**  
9           **STRATEGIES.**

10          *Subtitle C of title II of the Cranston-Gonzalez National*  
11          *Affordable Housing Act (42 U.S.C. 12781 et seq.) is amend-*  
12          *ed by adding at the end the following new section:*

13   **“SEC. 246. STRATEGIC PLANNING AND URBAN DESIGN.**

14          *“The Secretary may use amounts available under this*  
15          *subtitle to provide grants to States, units of general local*  
16          *government, and metropolitan, non-metropolitan, and re-*  
17          *gional planning agencies, for the following activities:*

18                 *“(1) Urban design and the development of public*  
19                 *amenities in low-income neighborhoods that serve as*  
20                 *a catalyst for the renewal of the neighborhood.*

21                 *“(2) Development and implementation of com-*  
22                 *prehensive plans that focus on local and metropolitan*  
23                 *strategies which create sustainable community devel-*  
24                 *opment at the neighborhood, city, and metropolitan*  
25                 *level.*

1           “(3) *Expanding economic opportunities for low-*  
2           *and moderate-income families through areawide plan-*  
3           *ning approaches that provide educational and em-*  
4           *ployment opportunities for such persons.*

5           “(4) *Coordinated efforts that stimulate fair hous-*  
6           *ing, further the deconcentration of the poor and mi-*  
7           *norities, reduce the isolation of income groups within*  
8           *communities, remove barriers to affordable housing*  
9           *development, and expand housing opportunities for*  
10          *low- and moderate-income families.*

11          “(5) *The conservation of important historic, vis-*  
12          *ual, and cultural features.*

13          “(6) *The development and implementation of*  
14          *comprehensive approaches that integrate poorer,*  
15          *inner-city neighborhoods into the greater metropolitan*  
16          *region.*

17          “(7) *Any other activities the Secretary deter-*  
18          *mines will further the purposes of this section.”.*

19    **SEC. 207. LABOR REQUIREMENTS.**

20          *Section 286(b) of the Cranston-Gonzalez National Af-*  
21          *fordable Housing Act (42 U.S.C. 12836(b)) is amended by*  
22          *adding at the end the following new sentence: “Subsection*  
23          *(a) shall not apply in the case of housing for which a site*  
24          *is acquired, but which is not constructed, using funds made*  
25          *available under this subtitle.”.*

1                   **TITLE III—SUPPORTIVE**  
2                   **HOUSING PROGRAMS**

3   **SEC. 301. FUNDING FOR SUPPORTIVE HOUSING FOR THE**  
4                   **ELDERLY AND FOR PERSONS WITH DISABIL-**  
5                   **ITIES.**

6           *Section 601 of the Housing and Community Develop-*  
7   *ment Act of 1992 (Public Law 102–550; 106 Stat. 3802)*  
8   *is amended by striking subsection (a) and inserting the fol-*  
9   *lowing new subsection:*

10           “(a) *AGGREGATE FUNDING.*—*There are authorized to*  
11   *be appropriated for the purpose of providing assistance in*  
12   *accordance with section 202 of the Housing Act of 1959 and*  
13   *section 811 of the Cranston-Gonzalez National Affordable*  
14   *Housing Act, \$1,948,000,000 for fiscal year 1995 and*  
15   *\$1,954,000,000 for fiscal year 1996.”.*

16   **SEC. 302. SUPPORTIVE HOUSING FOR THE ELDERLY.**

17           (a) *ELDER COTTAGE HOUSING UNITS.*—*Section*  
18   *202(b) of the Housing Act of 1959 (12 U.S.C. 1701q(b))*  
19   *is amended by inserting after the second sentence the follow-*  
20   *ing new sentence: “Such assistance may also be used to fi-*  
21   *nance the acquisition and installation of elder cottage hous-*  
22   *ing units that are small, freestanding, barrier-free, energy*  
23   *efficient, removable and designed to be installed adjacent*  
24   *to existing 1- to 4-family dwellings and are used as sup-*

1 portive housing for the elderly in accordance with this sec-  
2 tion.”.

3 (b) *DEFINITION OF “FRAIL ELDERLY”*.—Section  
4 202(k)(3) of the Housing Act of 1959 (12 U.S.C.  
5 1701q(k)(3)) is amended by striking the first sentence and  
6 inserting the following new sentences: “The term ‘frail elder-  
7 ly’ means an elderly person whose level of functional dis-  
8 ability jeopardizes her or his ability to continue to live  
9 independently. The Secretary shall, to the extent possible,  
10 develop assessment measures of functional disability that  
11 are appropriate for purposes of this section and will provide  
12 for effective use of the program under this section with other  
13 programs providing supportive services.”.

14 (c) *REPEAL OF DEMONSTRATION*.—Section 806 of the  
15 Cranston-Gonzalez National Affordable Housing Act (12  
16 U.S.C. 1701q note) is hereby repealed.

17 **SEC. 303. SUPPORTIVE HOUSING FOR PERSONS WITH DIS-**  
18 **ABILITIES.**

19 (a) *PHA’S AS ELIGIBLE SPONSORS*.—Section 811 of  
20 the Cranston-Gonzalez National Affordable Housing Act (42  
21 U.S.C. 8013) is amended—

22 (1) in the first sentence of subsection (f), by in-  
23 serting “and public housing agencies” after “private  
24 nonprofit organizations”; and

25 (2) in subsection (k)—

1           (A) in paragraph (5), by striking “private  
2           nonprofit organization” and inserting “eligible  
3           sponsor”; and

4           (B) by adding at the end the following new  
5           paragraph:

6           “(10) The term ‘eligible sponsor’ means—

7           “(A) in the case of capital advances under  
8           subsection (b)(2) and project rental assistance  
9           under subsections (b)(2) and (3)—

10           “(i) a private nonprofit organization;  
11           and

12           “(ii) a public housing agency, but only  
13           in the case of a jurisdiction for which the  
14           Secretary determines that, during the 3-  
15           year period ending upon the date of the ap-  
16           plication of the agency for assistance under  
17           subsection (b)(2) or (3)—

18           “(I) no private nonprofit organi-  
19           zation has submitted an application  
20           under subsection (f) for assistance for a  
21           project located in such area; and

22           “(II) no private nonprofit organi-  
23           zation has had such an application ap-  
24           proved for a project located in such  
25           area; and

1           “(B) in the case of tenant-based rental as-  
2           sistance under subsection (b)(1)—

3                   “(i) a private nonprofit organization;  
4                   and

5                   “(ii) a public housing agency, but only  
6                   to the extent that such assistance is used for  
7                   providing assistance in accordance with an  
8                   allocation plan for the agency under section  
9                   7(f) of the United States Housing Act of  
10                  1937.”

11           (b) RENTAL ASSISTANCE FOR EXISTING BUILDINGS.—  
12           Section 811 of the Cranston-Gonzalez National Affordable  
13           Housing Act is amended—

14                   (1) in subsection (d)(2), by adding at the end the  
15                   following new sentence: “The Secretary may enter  
16                   into contracts with private, nonprofit organizations  
17                   to provide project rental assistance for supportive  
18                   housing for persons with disabilities, regardless of  
19                   whether the housing is developed with capital ad-  
20                   vances under this section.”;

21                   (2) in subsection (e)(1), by inserting “with cap-  
22                   ital advances” after “assisted”;

23                   (3) by striking the first 2 sentences of subsection  
24                   (e)(2) and inserting the following new sentences: “The  
25                   initial term of a contract entered into under sub-

1 *section (d)(2) shall be 240 months for housing devel-*  
2 *oped with a capital advance, and shall be not more*  
3 *than 60 months for housing not developed with a cap-*  
4 *ital advance. The Secretary shall, to the extent ap-*  
5 *proved in appropriation Acts, extend any expiring*  
6 *contracts for a term of not less than 60 months.”;*

7 *(4) in subsection (g)(1), by inserting “(if appli-*  
8 *cable)” after “develop”;*

9 *(5) in subsections (g)(3) and (g)(5), by inserting*  
10 *“design or” before “proposed” each place it appears;*

11 *(6) in subsection (j), by striking paragraph (3)*  
12 *and inserting the following new paragraph:*

13 *“(3) SITE CONTROL.—*

14 *“(A) CAPITAL ADVANCES.—In the case of*  
15 *housing to be assisted with capital advances*  
16 *under this section, an applicant may obtain*  
17 *ownership or control of a suitable site different*  
18 *from the site specified in the initial application.*  
19 *If an applicant fails to obtain ownership or con-*  
20 *trol of the site within 1 year after notification*  
21 *of an award for assistance, the assistance shall*  
22 *be recaptured and reallocated.*

23 *“(B) PROJECT RENTAL ASSISTANCE.—In*  
24 *the case of housing to be assisted only with*  
25 *project rental assistance, the applicant shall have*

1            *ownership or control of a suitable site at the*  
2            *time of application. The Secretary may approve*  
3            *a change in site at any time from the date the*  
4            *application is submitted to the expiration date of*  
5            *the rental assistance contract.”;*

6            *(7) in subsection (j)(4), by striking “The” and*  
7            *inserting the following: “In the case of housing as-*  
8            *sisted with capital advances under this section, the”;*

9            *(8) in the second sentence of subsection (k)(1), by*  
10           *striking “the development of”;*

11           *(9) in subsection (k)(5), by inserting before the*  
12           *period at the end the following: “, or that receives*  
13           *rental assistance under this section to operate a*  
14           *project for supportive housing for persons with dis-*  
15           *abilities”;* and

16           *(10) in subsection (m)(3), by striking “(1)” and*  
17           *inserting “(2)”.*

18           *(c) AUTHORITY TO PROVIDE ASSISTANCE.—Section*  
19           *811 of the Cranston-Gonzalez National Affordable Housing*  
20           *Act is amended—*

21           *(1) by striking subsection (b) and inserting the*  
22           *following new subsection:*

23           *“(b) GENERAL AUTHORITY.—The Secretary may pro-*  
24           *vide assistance to eligible sponsors to expand the supply of*



1 *supportive housing for persons with disabilities. Such as-*  
2 *sistance shall be provided as—*

3           “(1) *tenant-based rental assistance on behalf of*  
4 *eligible persons with disabilities, in accordance with*  
5 *subsection (d)(4);*

6           “(2) *capital advances in accordance with sub-*  
7 *section (d)(1), together with contracts for project rent-*  
8 *al assistance in accordance with subsection (d)(2); or*

9           “(3) *contracts for project rental assistance in ac-*  
10 *cordance with subsection (d)(2).”;*

11           (2) *in subsection (d)(1), by adding at the end the*  
12 *following new sentences: “Capital advances may be*  
13 *used to finance the acquisition, acquisition and mod-*  
14 *erate rehabilitation, construction, reconstruction, or*  
15 *moderate or substantial rehabilitation of housing, in-*  
16 *cluding the acquisition from the Resolution Trust*  
17 *Corporation, to be used as supportive housing for per-*  
18 *sons with disabilities and may include real property*  
19 *acquisition, site improvement, conversion, demolition,*  
20 *relocation, and other expenses that the Secretary de-*  
21 *termines are necessary to expand the supply of sup-*  
22 *portive housing for persons with disabilities. Such as-*  
23 *sistance may also be used to finance the acquisition*  
24 *and installation of cottage housing units that are*  
25 *small, freestanding, barrier-free, energy efficient, re-*

1 *movable and designed to be installed adjacent to exist-*  
2 *ing 1- to 4-family dwellings and are used as support-*  
3 *ive housing for the persons with disabilities in accord-*  
4 *ance with this section.”;*

5 (3) *in subsections (d)(3), (e)(1), and (f), by in-*  
6 *serting “or (3)” after “subsection (b)(2)” each place*  
7 *it appears; and*

8 (4) *by striking paragraph (4) of subsection (d)*  
9 *and inserting the following new paragraph:*

10 “(4) *TENANT-BASED RENTAL ASSISTANCE.—*

11 “(A) *ADMINISTRATION.—Tenant-based rent-*  
12 *al assistance that is provided under subsection*  
13 *(b)(1) shall be administered under the same rules*  
14 *governing rental assistance made available under*  
15 *section 8 of the United States Housing Act of*  
16 *1937.*

17 “(B) *PUBLIC HOUSING AGENCIES.—A pub-*  
18 *lic housing agency may provide tenant-based*  
19 *rental assistance under subsection (b)(1) only if*  
20 *the public housing agency has submitted, and*  
21 *had approved, an allocation plan under section*  
22 *7(f) of the United States Housing Act of 1937*  
23 *and any such assistance made available to a*  
24 *public housing agency shall be provided by the*  
25 *agency in accordance with such allocation plan.*

1           *In determining the amount of assistance pro-*  
2           *vided under subsection (b)(1) for a public hous-*  
3           *ing agency, the Secretary shall consider the needs*  
4           *of the agency as described in the allocation*  
5           *plan.”.*

6           (d) *TECHNICAL CHANGES.—Section 811(k)(6) of the*  
7           *Cranston-Gonzalez National Affordable Housing Act is*  
8           *amended by striking subparagraph (A) and inserting the*  
9           *following new subparagraph:*

10                   “(A) *that has received tax-exempt status*  
11                   *under section 501(c)(3) or (4) of the Internal*  
12                   *Revenue Code of 1986;”.*

13           **SEC. 304. REVISED CONGREGATE SERVICES.**

14           (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
15           *802(n)(1) of the Cranston-Gonzalez National Affordable*  
16           *Housing Act (42 U.S.C. 8011(n)(1)) is amended by striking*  
17           *the matter preceding subparagraph (A) and inserting the*  
18           *following:*

19                   “(1) *AUTHORIZATION AND USE.—There are au-*  
20                   *thorized to be appropriated to carry out this section*  
21                   *\$25,000,000 for fiscal year 1995, and \$26,000,000 for*  
22                   *fiscal year 1996, of which not more than—”.*

23           (b) *MEAL FEES AND MATCHING AMOUNTS.—Section*  
24           *802 of the Cranston-Gonzalez National Affordable Hous-*  
25           *ing Act (42 U.S.C. 8011) is amended—*

1 (1) in subparagraph (A) of subsection (d)(7),  
2 by striking “The fees for meals shall be in the fol-  
3 lowing amounts:” and all that follows through the  
4 end of the subparagraph; and

5 (2) in subsection (i)(1)—

6 (A) in subparagraph (A)(i), by striking  
7 “50 percent” and inserting “25 percent”;

8 (B) in subparagraph (A)(ii), by striking  
9 “40 percent” and inserting “65 percent”; and

10 (C) in subparagraph (C), by striking “10  
11 percent” and inserting “25 percent”.

12 (c) DEFINITION OF “FRAIL ELDERLY”.—Section  
13 802(k)(8) of the Cranston-Gonzalez National Affordable  
14 Housing Act is amended by striking the first sentence and  
15 inserting the following new sentences: “The term ‘frail el-  
16 derly’ means an elderly person whose level of functional  
17 disability jeopardizes her or his ability to continue to live  
18 independently. The Secretary shall, to the extent possible,  
19 develop assessment measures of functional disability that  
20 are appropriate for purposes of this section and will pro-  
21 vide for effective use of the program under this section  
22 with other programs providing supportive services.”.

1 **SEC. 305. SUPPORTIVE HOUSING ASSISTANCE FOR ELDER-**  
2 **LY INDEPENDENCE.**

3 (a) *SECTION 8 ASSISTANCE.*—The first sentence of sec-  
4 tion 803(j) of the Cranston-Gonzalez National Affordable  
5 Housing Act (42 U.S.C. 8012(j)) is amended to read as fol-  
6 lows: “The budget authority available under section 5(c) of  
7 the United States Housing Act of 1937 for assistance under  
8 section 8 of such Act is authorized to be increased by  
9 \$25,000,000 on or after October 1, 1994, and by  
10 \$25,000,000 on or after October 1, 1995.”.

11 (b) *SUPPORTIVE SERVICES AUTHORIZATION.*—The  
12 first sentence of section 803(k) of the Cranston-Gonzalez Na-  
13 tional Affordable Housing Act (42 U.S.C. 8012(k)) is  
14 amended to read as follows: “There are authorized to be ap-  
15 propriated for the Secretary to carry out the responsibilities  
16 for supportive services under the demonstrations under this  
17 section \$7,000,000 to become available in fiscal year 1995,  
18 and \$7,000,000 to become available in fiscal year 1996.”.

19 (c) *SUPPORTIVE SERVICES CONTRIBUTIONS.*—Section  
20 803(c)(1) of the Cranston-Gonzalez National Affordable  
21 Housing Act is amended—

22 (1) in subparagraph (A), by striking “40 per-  
23 cent” and inserting “65 percent”; and

24 (2) in subparagraph (B), by striking “50 per-  
25 cent” and inserting “25 percent”.



1 **“SEC. 863. AUTHORIZATION OF APPROPRIATIONS.**

2 *“There are authorized to be appropriated to carry out*  
3 *this subtitle \$212,000,000 for fiscal year 1995 and*  
4 *\$225,000,000 for fiscal year 1996.”.*

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

8 *(1) in subparagraph (A)—*

9 *(A) in clause (i), by striking “and” at the*  
10 *end;*

11 *(B) in clause (ii), by striking the period at*  
12 *the end and inserting “; and”; and*

13 *(C) by adding at the end the following new*  
14 *clause:*

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

1           (2) in subparagraph (B), by striking “this para-  
2           graph” and inserting “clauses (i) and (ii) of subpara-  
3           graph (A)”.

4           (c) COOPERATION.—

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



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

4                   (A) in paragraph (5), by striking “and” at  
5           the end;

6                   (B) by redesignating paragraph (6) as  
7           paragraph (7); and

8                   (C) by inserting after paragraph (5) the fol-  
9           lowing new paragraph:

10                   “(6) a description of the activities to be under-  
11           taken in fulfilling the requirements under section  
12           856(c); and”.

13           (d) *ADMINISTRATIVE EXPENSES.*—Section 856(g)(2)  
14           of the Cranston-Gonzalez National Affordable Housing Act  
15           (42 U.S.C. 12905(g)(2)) is amended—

16                   (1) by striking “title” and inserting “subtitle”;  
17           and

18                   (2) by striking “, including the costs of staff nec-  
19           essary to carry out eligible activities”.

20   **SEC. 307. SERVICE COORDINATORS.**

21           (a) *PUBLIC HOUSING.*—Section 9 of the United States  
22           Housing Act of 1937 (42 U.S.C. 1437g) is amended in sub-  
23           section (a)(1)(B)(ii)—

24                   (1) in the 1st sentence, by striking “Annual”  
25           and all that follows through “such project,” and in-

1       serting “To the extent amounts are made available  
2       pursuant to section 5(c) for carrying out this clause,  
3       the Secretary may increase the annual contributions  
4       provided under this section to any public housing  
5       agency for any project to provide”; and

6               (2) by striking the last 2 sentences.

7       (b) *OTHER FEDERALLY ASSISTED MULTIFAMILY*  
8       *HOUSING.*—Section 676(c) of the Housing and Community  
9       Development Act of 1992 (42 U.S.C. 13632(c)) is amended  
10      to read as follows:

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

15      **TITLE IV—MORTGAGE INSUR-**  
16            **ANCE AND SECONDARY MORT-**  
17            **GAGE MARKET**

18            **Subtitle A—Mortgage Insurance**  
19            **and Loan Guarantee Programs**

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

21            Section 531(b) of the National Housing Act (12 U.S.C.  
22      1735f–9(b)) is amended to read as follows:

23            “(b) Notwithstanding any other provision of law and  
24      subject only to the absence of qualified requests for insur-  
25      ance, to the authority provided in this Act, and to the limi-

1 *tation in subsection (a), the Secretary shall enter into com-*  
2 *mitments to insure mortgages under this Act with an aggre-*  
3 *gate principal amount of \$105,000,000,000 during fiscal*  
4 *year 1995 and \$91,000,000,000 during fiscal year 1996.”.*

5 **SEC. 402. FEDERAL HOUSING ADMINISTRATION ADVISORY**  
6 **BOARD.**

7 *Section 202(b)(11) of the National Housing Act (12*  
8 *U.S.C. 1708(b)(11)) is amended by striking “January 1,*  
9 *1995.” and inserting “January 1, 1997.”.*

10 **SEC. 403. MAXIMUM MORTGAGE AMOUNT CEILING FOR SIN-**  
11 **GLE FAMILY MORTGAGES.**

12 *Subparagraph (A) of the first sentence of section*  
13 *203(b)(2) of the National Housing Act (12 U.S.C.*  
14 *1709(b)(2)(A)) is amended by striking clause (ii) and in-*  
15 *serting the following new clause:*

16 *“(ii) 85 percent of the dollar amount*  
17 *limitation determined under section*  
18 *305(a)(2) of the Federal Home Loan Mort-*  
19 *gage Corporation Act (as adjusted annually*  
20 *under such section) for a residence of the*  
21 *applicable size;”.*

22 **SEC. 404. MAXIMUM MORTGAGE AMOUNT FLOOR FOR SIN-**  
23 **GLE FAMILY MORTGAGE INSURANCE.**

24 *Subparagraph (A) of the first sentence of section*  
25 *203(b)(2) of the National Housing Act (12 U.S.C.*

1 1709(b)(2)(A)) is amended by striking “the dollar amount  
2 limitation in effect under this section for the area on May  
3 12, 1992” and inserting the following: “50 percent of the  
4 dollar amount limitation determined under section  
5 305(a)(2) of the Federal Home Loan Mortgage Corporation  
6 Act (as adjusted annually under such section) for a resi-  
7 dence of the applicable size”.

8 **SEC. 405. ELIMINATION OF RESTRICTIONS REGARDING NEW**  
9 **CONSTRUCTION.**

10 (a) *IN GENERAL.*—Section 203(b)(2) of the National  
11 Housing Act (12 U.S.C. 1709(b)(2)) is amended, in the  
12 matter following subparagraph (B)—

13 (1) in the 1st undesignated paragraph, by strik-  
14 ing “Notwithstanding any other provision of this sec-  
15 tion,” and all that follows through “beginning of con-  
16 struction.”; and

17 (2) by striking the 2d undesignated paragraph  
18 (relating to mortgage insurance amounts for resi-  
19 dences having solar energy systems).

20 (b) *REPEAL OF AUTHORITY TO EXPEND AMOUNTS*  
21 *FROM INSURANCE FUND TO CORRECT SUBSTANTIAL DE-*  
22 *FECTS.*—Section 518 of the National Housing Act (12  
23 U.S.C. 1735b) is hereby repealed.

1 **SEC. 406. AUTHORITY TO USE AMOUNTS BORROWED FROM**  
2 **FAMILY MEMBERS FOR DOWNPAYMENTS.**

3 (a) *IN GENERAL.*—Section 203(b)(9) of the National  
4 Housing Act (12 U.S.C. 1709(b)(9)) is amended by insert-  
5 ing before the period at the end the following: “: Provided  
6 further, That for purposes of this paragraph, the Secretary  
7 shall consider as cash or its equivalent any amounts bor-  
8 rowed from a family member (as such term is defined in  
9 section 201), subject only to the requirements that, in any  
10 case in which the repayment of such borrowed amounts is  
11 secured by a lien against the property, such lien shall be  
12 subordinate to the mortgage and the sum of the principal  
13 obligation of the mortgage and the obligation secured by  
14 such lien may not exceed 100 percent of the appraised value  
15 of the property plus any initial service charges, appraisal,  
16 inspection, and other fees in connection with the mortgage”.

17 (b) *DEFINITION OF FAMILY MEMBER.*—Section 201 of  
18 the National Housing Act (12 U.S.C. 1707) is amended by  
19 adding at the end the following new subsections:

20 “(e) The term ‘family member’ means, with respect to  
21 a mortgagor under such section, a child, parent, or grand-  
22 parent of the mortgagor (or the mortgagor’s spouse). In de-  
23 termining whether any of the relationships referred to in  
24 the preceding sentence exist, a legally adopted son or daugh-  
25 ter of an individual (and a child who is a member of an  
26 individual’s household, if placed with such individual by

1 *an authorized placement agency for legal adoption by such*  
2 *individual), and a foster child of an individual, shall be*  
3 *treated as a child of such individual by blood.*

4 “(f) The term ‘child’ means, with respect to a mortga-  
5 gor under such section, a son, stepson, daughter, or step-  
6 daughter of such mortgagor.”.

7 **SEC. 407. INDEMNIFICATION FOR MULTIFAMILY HOUSING**  
8 **PROJECT MANAGERS.**

9 *Section 207(l) of the National Housing Act (12 U.S.C.*  
10 *1713(l)) is amended by inserting before the period at the*  
11 *end the following: “: Provided further, That, for properties*  
12 *acquired by the Secretary under this section and for prop-*  
13 *erties secured by any mortgage assigned and transferred to*  
14 *or held by the Secretary, the Secretary may indemnify*  
15 *management contractors against claims by third persons for*  
16 *death, bodily injury, or loss of or damage to property on*  
17 *such terms as the Secretary determines appropriate”.*

18 **SEC. 408. EXTENSION OF MULTIFAMILY HOUSING MORT-**  
19 **GAGE AUCTION PROVISIONS.**

20 *The first sentence of section 221(g)(4)(C)(viii) of the*  
21 *National Housing Act (12 U.S.C. 1715l(g)(4)(C)(viii)) is*  
22 *amended by striking “September 30, 1995” and inserting*  
23 *“December 31, 2005”.*

1 **SEC. 409. STREAMLINED REFINANCING FOR HUD-HELD**  
2 **MORTGAGES.**

3 (a) *IN GENERAL.*—Section 223(a) of the National  
4 Housing Act (12 U.S.C. 1715n) is amended—

5 (1) in paragraph (7), by striking the colon pre-  
6 ceding “Provided further,” and all that follows  
7 through “and the mortgagee”;

8 (2) by redesignating paragraph (8) as para-  
9 graph (9);

10 (3) by inserting after paragraph (7) the follow-  
11 ing new paragraph:

12 “(8) given to refinance a mortgage held by the  
13 Secretary, upon such terms and conditions as the Sec-  
14 retary may prescribe, covering property on which  
15 there is located a 1- to 4-family residence, or a 1-fam-  
16 ily unit in a condominium project, which mortgage  
17 was formerly insured under this Act and subsequently  
18 assigned to the Secretary: Provided, That the mortga-  
19 gor has not previously refinanced a mortgage pursu-  
20 ant to this paragraph: Provided further, That the  
21 mortgagor has made all payments due under the note  
22 secured by the existing mortgage and all payments  
23 due under the note for at least the previous 6 months,  
24 or the mortgagor is under a forbearance agreement  
25 and has made all payments due under the note se-  
26 cured by the existing mortgage for at least the pre-

1        *vious 6 months: Provided further, That the principal*  
2        *amount of the refinancing mortgage may not exceed*  
3        *the outstanding principal balance of the existing*  
4        *mortgage by more than additional amounts owed by*  
5        *the mortgagor due to the delinquency and to the re-*  
6        *ceipt of assignment assistance under section 230: Pro-*  
7        *vided further, That the monthly payment due under*  
8        *the refinancing mortgage may not exceed the monthly*  
9        *payment due under the existing mortgage: Provided*  
10       *further, That the refinancing mortgage may have a*  
11       *term not more than 12 years in excess of the*  
12       *unexpired term of the assigned mortgage: Provided*  
13       *further, That the refinancing mortgage may be in-*  
14       *sured under section 203(b) or 221(d)(2) of this Act,*  
15       *at the option of the mortgagee, or under section 234(c)*  
16       *of this Act in the case of a condominium: Provided*  
17       *further, That a refinancing mortgage insured under*  
18       *section 221(d)(2) shall involve a principal obligation*  
19       *in an amount not to exceed 50 percent of the applica-*  
20       *ble dollar limitation for a 1- to 4-family residence*  
21       *under section 203(b)(2): Provided further, That the*  
22       *authority under this paragraph to refinance a mort-*  
23       *gage shall terminate 30 months after the date of en-*  
24       *actment of this Act: Provided further, That the total*





1 1715z-20(g)) is amended by striking “September 30, 1995”  
2 and inserting “September 30, 2000”.

3 (b) *ELIGIBLE RESIDENCES.*—Section 255(d)(3) of the  
4 *National Housing Act* (12 U.S.C. 1715z-20(d)(3)) is  
5 amended to read as follows:

6 “(3) be secured by a dwelling that is designed  
7 principally for a 1- to 4-family residence in which  
8 the mortgagor occupies 1 of the units;”.

9 (c) *EXPANSION OF PROGRAM.*—The second sentence of  
10 section 255(g) of the *National Housing Act* (12 U.S.C.  
11 1715z-20(g)) is amended by striking “25,000” and insert-  
12 ing “50,000”.

13 (d) *REPORTS.*—Section 255(k) of the *National Hous-*  
14 *ing Act* is amended by adding at the end the following new  
15 sentences: “Each biennial report shall also include the re-  
16 sults of a survey conducted during the period since the most  
17 recent report under this subsection to determine (A) the fi-  
18 nancial and other needs of elderly homeowners that cause  
19 such homeowners to consider obtaining home equity conver-  
20 sion mortgages, and (B) the extent of consumer satisfaction  
21 regarding the program under this section and counseling  
22 provided pursuant to the requirements of this section. In  
23 conducting the survey, the Secretary shall consult a rep-  
24 resentative sample of mortgagors of mortgages insured  
25 under this section and of elderly homeowners who have ex-

1 *pressed interest in obtaining, but did not obtain, such mort-*  
2 *gages.”.*

3 *(e) AVOIDANCE OF PREEMPTION OF STATE LAW.—Sec-*  
4 *tion 255(b)(3) of the National Housing Act is amended—*

5 *(1) in clause (B), by striking “, notwithstanding*  
6 *any State constitution, law, or regulation”;* and

7 *(2) by adding at the end the following new sen-*  
8 *tence: “Notwithstanding any other provision of this*  
9 *section, the Secretary may not provide insurance for*  
10 *a home equity conversion mortgage in the State of*  
11 *Texas if under the State constitution, or a law or reg-*  
12 *ulation of such State, such mortgages are prohibited*  
13 *or foreclosure or forced sale of the property subject to*  
14 *such a mortgage is prohibited.”.*

15 **SEC. 411. SINGLE FAMILY RISK-SHARING MORTGAGE INSUR-**  
16 **ANCE PROGRAM.**

17 *(a) IN GENERAL.—Title II of the National Housing*  
18 *Act (12 U.S.C. 1707 et seq.) is amended by adding at the*  
19 *end the following new section:*

20 *“SINGLE FAMILY RISK-SHARING WITH STATE AND LOCAL*  
21 *AGENCIES*

22 *“SEC. 256. (a) PURPOSES.—The purposes of the pro-*  
23 *gram under this section are (1) to increase the availability*  
24 *of single family mortgage financing in areas where there*  
25 *is need for mortgage insurance under this Act that cannot*  
26 *be met due to particularly high average median house prices*

1 *in the area, and (2) to foster arrangements with State and*  
2 *local agencies to share the risk of mortgage insurance.*

3       “(b) *AUTHORITY.*—*Notwithstanding any other provi-*  
4 *sion of this Act inconsistent with this section, the Secretary*  
5 *may insure and make commitments to insure under this*  
6 *section mortgages on single family properties under risk-*  
7 *sharing mortgage insurance programs established with 1 or*  
8 *more States or agencies. Under such programs, the Sec-*  
9 *retary shall insure a portion of the mortgage, and the State*  
10 *or local agency shall insure the remainder or (at the discre-*  
11 *tion of the agency) a portion of the remainder and provide*  
12 *for private mortgage insurance companies to insure any*  
13 *portion of the remainder not insured by the agency. The*  
14 *portion of the mortgage insured under this section by the*  
15 *Secretary and the State or local agency, in the aggregate,*  
16 *may not exceed 35 percent of the outstanding principal obli-*  
17 *gation of the mortgage (and such fees, interest, and other*  
18 *expenses determined by the Secretary to be appropriate).*

19       “(c) *ELIGIBLE MORTGAGES.*—*The Secretary may in-*  
20 *sure under this section, and make commitments to insure*  
21 *under this section, only mortgages that—*

22               “(1) *are executed—*

23                       “(A) *in connection with the acquisition of a*  
24                       *single family property; or*

1           “(B) for the refinancing of a mortgage that  
2 was previously insured under this section; and

3           “(2) involve a property located in an area—

4           “(A) for which the amount under clause (ii)  
5 of section 203(b)(2)(A) is less than the amount  
6 determined under clause (i) of such section for a  
7 residence of the applicable size; and

8           “(B) that has a State agency that—

9           “(i) is fully authorized under State  
10 and local laws and is adequately capital-  
11 ized, in the determination of the Secretary,  
12 to carry out this section; and

13           “(ii)(I) carries the designation of ‘top  
14 tier’ or its equivalent, as evaluated by  
15 Standard and Poors or any other nation-  
16 ally recognized rating agency; or

17           “(II) receives a rating of ‘A’ for its  
18 general obligation bonds from a nationally  
19 recognized rating agency.

20           “(d) APPLICATIONS.—

21           “(1) APPROVAL.—The Secretary may approve an  
22 application submitted by a State or local agency to  
23 establish a risk-sharing program under this section,  
24 only if the Secretary determines that the State or  
25 local agency has demonstrated that—

1           “(A) it has the legal authority under State  
2 law and, where applicable, local law, to partici-  
3 pate in the program under this section;

4           “(B) it has carried out, or has the potential  
5 to carry out, a financially sound, efficient, and  
6 effective mortgage insurance program; and

7           “(C) it has the ongoing administrative and  
8 financial capacity necessary to carry out a pro-  
9 gram under this section.

10           “(2) CANCELLATION OF APPROVAL.—The Sec-  
11 retary may cancel approval of a State or local agency  
12 under this section for a violation of requirements and  
13 procedures under the risk-sharing agreement between  
14 the State or local agency and the Secretary or for  
15 other good cause, by giving notice to the State or local  
16 agency. The cancellation shall be effective upon re-  
17 ceipt of the notice by the agency or at a later date  
18 specified by the Secretary. A decision by the Secretary  
19 to cancel approval shall be final and conclusive and  
20 shall not be subject to judicial review.

21           “(e) DELEGATION OF AUTHORITY TO INSURE TO  
22 STATE AND LOCAL AGENCIES.—Pursuant to a risk-sharing  
23 agreement with a State or local agency, the Secretary shall  
24 delegate the authority to insure and make commitments to  
25 insure the portion of mortgages to be insured by the Sec-

1 *retary under this section to the State or local agency. The*  
2 *risk-sharing agreement shall contain such other matters as*  
3 *the Secretary and the State or local agency agree.*

4       “(f) *UNDERWRITING STANDARDS AND LOAN TERMS*  
5 *AND CONDITIONS.—The State or local agency shall adopt*  
6 *underwriting standards and loan terms and conditions for*  
7 *purposes of underwriting loans to be insured under this sec-*  
8 *tion. Such standards shall be at least as stringent as the*  
9 *standards pursuant to this Act for mortgages insured under*  
10 *section 203 and shall be subject to review and approval by*  
11 *the Secretary.*

12       “(g) *MORTGAGE INSURANCE PREMIUMS.—*

13               “(1) *REQUIREMENT.—The State or local agency*  
14 *shall require the payment of mortgage insurance pre-*  
15 *miums by mortgagors.*

16               “(2) *SHARES.—The Secretary shall establish*  
17 *policies and procedures for the sharing of premiums*  
18 *between the Secretary and the State or local agency,*  
19 *based on the relative risk to, and administrative costs*  
20 *of, the Secretary and the State or local agency. The*  
21 *share paid to the Secretary shall not be less than an*  
22 *amount necessary to cover the risk to, and adminis-*  
23 *trative costs of, the Secretary.*

24       “(h) *LIMITATIONS ON PRINCIPAL MORTGAGE*  
25 *AMOUNT.—*

1           “(1) *INSURED PORTION.*—The portion of the  
2 mortgage insured under this section by the Secretary  
3 may not exceed an amount equal to the lesser of (A)  
4 80 percent of the appraised value of the property, or  
5 (B) the maximum amount the Secretary may insure  
6 under section 203(b) of this Act for the area (but not  
7 including any amount for a mortgage insurance pre-  
8 mium).

9           “(2) *TOTAL PRINCIPAL AMOUNT.*—The total  
10 principal amount of a mortgage insured under this  
11 section by the Secretary and the State or local agency  
12 (A) shall exceed the maximum amount the Secretary  
13 may insure under subparagraph (A) of the first sen-  
14 tence of section 203(b)(2) for the area, and (B) may  
15 not exceed the conforming loan limitation determined  
16 under section 305(a)(2) of the Federal Home Loan  
17 Mortgage Corporation Act for a residence of the ap-  
18 plicable size, as adjusted annually.

19           “(3) *LOAN-TO-VALUE RATIO.*—The principal ob-  
20 ligation of a mortgage may not exceed an amount de-  
21 termined in accordance with subparagraph (B) of the  
22 first sentence of section 203(b)(2) plus the mortgage  
23 insurance premium.

24           “(4) *REFINANCING MORTGAGES.*—Notwithstand-  
25 ing paragraph (2)(A) or (3), in the case of refinanc-



1     *ing of an existing mortgage that was previously in-*  
2     *ured under this section, the principal obligation of a*  
3     *refinancing mortgage may not exceed the outstanding*  
4     *principal balance of the existing mortgage plus any*  
5     *mortgage insurance premium.*

6     “(i) *INSURANCE CLAIMS.—*

7             “(1) *PROCEDURE.—In the case of a default and*  
8     *foreclosure of a mortgage insured under this section,*  
9     *the mortgagee may file a claim with the State or local*  
10    *agency for insurance benefits in accordance with re-*  
11    *quirements established by the State or local agency*  
12    *and approved by the Secretary. The agency shall pay*  
13    *the full amount of the claim owed to the mortgagee.*  
14    *If the loss on the insured mortgage exceeds the amount*  
15    *of insurance by the agency, the Secretary shall reim-*  
16    *burse the agency for the difference.*

17             “(2) *MUTUAL MORTGAGE INSURANCE FUND.—*

18    *The insurance of a mortgage under this section by the*  
19    *Secretary shall be an obligation of the Mutual Mort-*  
20    *gage Insurance Fund created pursuant to section 205.*

21             “(j) *INAPPLICABILITY OF THE ASSIGNMENT PRO-*  
22    *GRAM.—Section 230 shall not apply to mortgages insured*  
23    *under the program authorized by this section.*

1       “(k) *RESTRICTION ON GNMA SECURITIZATION.*—The  
2 *Government National Mortgage Association shall not*  
3 *securitize any loans insured under this section.*

4       “(l) *DEFINITIONS.*—For purposes of this section, the  
5 *following definitions shall apply:*

6               “(1) *The term ‘local agency’ means an agency of*  
7 *a unit of general local government, as defined by the*  
8 *Secretary, that has the authority to insure mortgages*  
9 *and to participate with the Secretary in the single*  
10 *family risk-sharing program under this section, or an*  
11 *agency or instrumentality of a local agency if the*  
12 *agency or instrumentality has such authority.*

13               “(2) *The term ‘State agency’ means an agency of*  
14 *a State that has the authority to insure mortgages*  
15 *and to participate with the Secretary in the single*  
16 *family risk-sharing program under this section, or an*  
17 *agency or instrumentality of a State agency if the*  
18 *agency or instrumentality has such authority.*

19               “(3) *The term ‘single family property’ means a*  
20 *property upon which there is located a dwelling de-*  
21 *signed principally for occupancy by 1 family, and in-*  
22 *cludes a condominium and a cooperative.*

23               “(4) *The term ‘State’ means the several States,*  
24 *the Commonwealth of Puerto Rico, the District of Co-*  
25 *lumbia, Guam, the Commonwealth of the Northern*



1 *in comparable markets, and such other factors as the Sec-*  
2 *retary determines appropriate to minimize risk of loss to*  
3 *the insurance funds under this Act.*

4 “(c) *ENFORCEMENT OF INSURANCE REQUIREMENTS.*—

5 “(1) *IN GENERAL.*—*If the Secretary determines*  
6 *that a mortgage insured by a mortgagee pursuant to*  
7 *delegation of authority under this section was not*  
8 *originated in accordance with the requirements estab-*  
9 *lished by the Secretary, and the Secretary pays an in-*  
10 *surance claim with respect to the mortgage within a*  
11 *reasonable period specified by the Secretary, the Sec-*  
12 *retary may require the mortgagee approved under*  
13 *this section to indemnify the Secretary for the loss.*

14 “(2) *FRAUD OR MISREPRESENTATION.*—*If fraud*  
15 *or misrepresentation was involved in connection with*  
16 *the origination, the Secretary may require the mort-*  
17 *gagee approved under this section to indemnify the*  
18 *Secretary for the loss regardless of when an insurance*  
19 *claim is paid.*

20 “(d) *TERMINATION OF MORTGAGEE’S AUTHORITY.*—*If*  
21 *a mortgagee to which the Secretary has made a delegation*  
22 *under this section violates the requirements and procedures*  
23 *established by the Secretary or the Secretary determines*  
24 *that other good cause exists, the Secretary may cancel a*  
25 *delegation of authority under this section to the mortgagee*

1 *by giving notice to the mortgagee. Such a cancellation shall*  
2 *be effective upon receipt of the notice by the mortgagee or*  
3 *at a later date specified by the Secretary. A decision by*  
4 *the Secretary to cancel a delegation shall be final and con-*  
5 *clusive and shall not be subject to judicial review.*

6       “(e) *REQUIREMENTS AND PROCEDURES.—Before ap-*  
7 *proving a delegation under this section, the Secretary shall*  
8 *issue regulations establishing appropriate requirements and*  
9 *procedures, including requirements and procedures govern-*  
10 *ing the indemnification of the Secretary by the mortgagee.”.*

11 **SEC. 413. ELIGIBILITY OF MORTGAGES ON HOMES ON**  
12 **LEASED LAND OWNED BY COMMUNITY LAND**  
13 **TRUSTS.**

14       *Title II of the National Housing Act (12 U.S.C. 1707*  
15 *et seq.), as amended by the preceding provisions of this Act,*  
16 *is further amended by adding at the end the following new*  
17 *section:*

18       “*ELIGIBILITY OF MORTGAGES ON HOMES ON LEASED LAND*  
19               *OWNED BY COMMUNITY LAND TRUSTS*

20       “*SEC. 258. (a) ELIGIBILITY FOR INSURANCE.—In pro-*  
21 *viding mortgage insurance under any provision of this title*  
22 *for a mortgage covering a 1- to 4-family residence, the Sec-*  
23 *retary may insure a mortgage covering such a residence*  
24 *which is located on property owned by a community land*  
25 *trust without regard to the extent to which the resale price*

1 *of the residence is restricted or the manner in which such*  
 2 *price is established.*

3       “(b) *LIMITATION ON RESTRICTIONS.*—*The Secretary*  
 4 *may not, as a condition of such insurance, establish any*  
 5 *requirements regarding the resale price of residences on*  
 6 *land owned by a community land trust, except that the Sec-*  
 7 *retary may require that a ground lease or other document*  
 8 *establishing legally enforceable restrictions or limitations*  
 9 *on the resale price provide that the restrictions or limita-*  
 10 *tions be cancelable in the event of foreclosure or delivery*  
 11 *of a deed in lieu of foreclosure (or assignment).*

12       “(c) *DEFINITION OF ‘COMMUNITY LAND TRUST’.*—*For*  
 13 *purposes of this section, the term ‘community land trust’*  
 14 *has the meaning given the term in section 233 of the Cran-*  
 15 *ston-Gonzalez National Affordable Housing Act.’’.*

16 **SEC. 414. INSURANCE OF 2-STEP SINGLE FAMILY MORT-**  
 17 **GAGES.**

18       *Title II of the National Housing Act (12 U.S.C. 1701*  
 19 *et seq.), as amended by the preceding provisions of this Act,*  
 20 *is further amended by adding at the end the following new*  
 21 *section:*

22                       “2-STEP SINGLE FAMILY MORTGAGES

23       “SEC. 259. (a) *AUTHORITY.*—*After making the finding*  
 24 *required under subsection (d), the Secretary may insure*  
 25 *under any provision of this title a mortgage involving prop-*  
 26 *erty upon which there is located a dwelling designed prin-*

1 *cipally for occupancy by 1 to 4 families, where the mortgage*  
2 *provides that the effective rate of interest charged is—*

3 *“(1) fixed for the duration of a specified period*  
4 *that consists of not less than the first 5 years of the*  
5 *mortgage term;*

6 *“(2) adjusted by the mortgagee upon the expira-*  
7 *tion of the specified period referred to in paragraph*  
8 *(1) for the mortgage; and*

9 *“(3) for the term of the mortgage remaining after*  
10 *such adjustment—*

11 *“(A) fixed at the adjusted rate established*  
12 *pursuant to paragraph (2); or*

13 *“(B) periodically adjusted by the mortgagee.*

14 *“(b) REDETERMINATION OF RATE.—For each mort-*  
15 *gage insured pursuant to this section, the adjustment of the*  
16 *effective rate of interest pursuant to subsection (a)(2) may*  
17 *be accomplished through adjustments in the monthly pay-*  
18 *ment amount, the outstanding principal balance, or the*  
19 *mortgage term, or a combination of such factors, except that*  
20 *in no case may any extension of a mortgage term result*  
21 *in a total term in excess of 40 years. The adjustment in*  
22 *the effective rate of interest shall correspond to a specified*  
23 *national interest rate index that is approved in regulations*  
24 *issued by the Secretary and information on which is readily*

1 *accessible to the mortgagors from generally available pub-*  
2 *lished sources.*

3       “(c) *LIMITATIONS ON SECOND-STEP PERIODIC*  
4 *RATES.—For each mortgage insured pursuant to this sec-*  
5 *tion for which the effective rate of interest charged pursuant*  
6 *to subsection (a)(3) is periodically adjusted under subpara-*  
7 *graph (B) of such subsection, such adjustments in the inter-*  
8 *est rate—*

9               “(1) *may be accomplished through adjustments*  
10 *in the monthly payment amount, the outstanding*  
11 *principal balance, or the mortgage term, or a com-*  
12 *bination of such factors, except that in no case may*  
13 *any extension of a mortgage term result in a total*  
14 *term in excess of 40 years;*

15               “(2) *shall correspond to a specified national in-*  
16 *terest rate index that is approved in regulations is-*  
17 *ssued the Secretary and information on which is read-*  
18 *ily accessible to the mortgagors from generally avail-*  
19 *able published sources;*

20               “(3) *shall be made on an annual basis;*

21               “(4) *shall be limited, with respect to any single*  
22 *interest rate increase, to no more than 1 percent on*  
23 *the outstanding loan balance; and*



1           “(5) be limited to a maximum increase of 5 per-  
2           centage points above the initial contract interest rate  
3           over the term of the mortgage.

4           “(d) *CONDITIONS ON INSURING AUTHORITY.*—The Sec-  
5           retary may insure mortgages pursuant to this section only  
6           after determining that the risk posed by such insurance to  
7           the financial safety and soundness of the insurance fund  
8           of which the mortgage insurance is an obligation does not  
9           exceed such risk posed by insurance of mortgages of equiva-  
10          lent terms having fixed interest rates over such terms.

11          “(e) *DESCRIPTION OF FEATURES.*—The Secretary  
12          shall issue regulations requiring that the mortgagee make  
13          available to the mortgagor, at the time of loan application,  
14          a written explanation of the features of the 2-step mortgage  
15          insured pursuant to this section.

16          “(f) *LIMITATION OF TOTAL NUMBER OF MORTGAGES*  
17          *INSURED.*—The aggregate number of mortgages and loans  
18          insured pursuant to this section in any fiscal year may  
19          not exceed 10 percent of the aggregate number of mortgages  
20          and loans insured by the Secretary under this title during  
21          the preceding fiscal year.”

1 **SEC. 415. MORTGAGE LIMITS FOR MULTIFAMILY PROJECTS**  
2 **IN HIGH-COST AREAS.**

3 (a) *IN GENERAL.*—Each of the provisions under sub-  
4 section (b) is amended by striking “140 percent” and in-  
5 serting “152 percent”.

6 (b) *PROVISIONS AMENDED.*—The provisions under this  
7 subsection are the following sections of title II of the Na-  
8 tional Housing Act (12 U.S.C. 1707 et seq.):

9 (1) Section 207(c)(3).

10 (2) Section 213(b)(2).

11 (3) Section 220(d)(3)(B)(iii).

12 (4) Section 221(d)(3)(ii).

13 (5) Section 221(d)(4)(ii).

14 (6) Section 231(c)(2).

15 (7) Section 234(e)(3).

16 **SEC. 416. CALCULATION OF CREDIT SUBSIDY FOR FHA**  
17 **REFINANCINGS AND OFFSET OF NEGATIVE**  
18 **SUBSIDIES.**

19 (a) *REFINANCING.*—Paragraph (2) of section 542 of  
20 the National Housing Act (12 U.S.C. 1735f–20(2)) is  
21 amended by adding at the end the following new sentence:  
22 “In the case of a mortgage insured under this Act that refi-  
23 nances an existing insured mortgage, the cost to the Govern-  
24 ment shall not exceed an amount that is determined by ap-  
25 plying the subsidy rate used for the insurance authority  
26 pursuant to which the refinanced mortgage was insured to

1 *the amount of the refinancing mortgage which exceeds the*  
2 *outstanding principal balance of the refinanced mortgage,*  
3 *which amount may be adjusted, if necessary, by reason of*  
4 *an extension in the remaining term of the refinanced mort-*  
5 *gage.”.*

6 (b) *OFFSETS.—Section 542 of the National Housing*  
7 *Act is amended by adding at the end the following new flush*  
8 *sentence:*

9 *“The cost, as defined in section 502 of the Congressional*  
10 *Budget Act of 1974, for any fiscal year of new insurance*  
11 *commitments and of modifications to existing loans, loan*  
12 *guarantees, or insurance commitments, shall be determined*  
13 *by subtracting the aggregate amount of negative subsidies*  
14 *from the aggregate amount of positive subsidies for the fiscal*  
15 *year.”.*

16 **SEC. 417. APPROVAL OF POINT-OF-USE PURIFICATION SYS-**  
17 **TEMS AND TESTING OF SYSTEMS.**

18 (a) *IN GENERAL.—Section 424 of the Housing and*  
19 *Community Development Act of 1987 (12 U.S.C. 1701z–*  
20 *15) is amended—*

21 (1) *in subsection (a), by inserting after the pe-*  
22 *riod at the end the following new sentence: “The Sec-*  
23 *retary of Housing and Urban Development shall pro-*  
24 *vide for the approval under subsection (c) of both*  
25 *point-of-use and point-of-entry water treatment*

1 *equipment and water purification systems that meet*  
2 *the standards established under this section.”;*

3 *(2) in the first sentence of subsection (b), by*  
4 *striking “general standards recognized by the Depart-*  
5 *ment as modified for local or regional conditions”*  
6 *and inserting the following: “standards for testing*  
7 *using (1) industry-accepted product testing protocols,*  
8 *or (2) protocols that utilize technically valid meth-*  
9 *odology using analytical testing methods of the Envi-*  
10 *ronmental Protection Agency for drinking water qual-*  
11 *ity and maximum contaminant levels or equivalent*  
12 *methods”;*

13 *(3) by redesignating subsection (b) (as amended*  
14 *by paragraph (2) of this section) as subsection (c);*  
15 *and*

16 *(4) by inserting after subsection (a) the following*  
17 *new subsection:*

18 *“(b) POINT-OF-USE EQUIPMENT.—For any property*  
19 *in which the water treatment or purification system in op-*  
20 *eration employs point-of-use equipment, the Secretary may*  
21 *not require that a treatment or purification system be em-*  
22 *ployed on any water supply source serving the property*  
23 *that provides water that will not be used primarily for*  
24 *human consumption.”.*

1           (b) *REGULATIONS.*—*The Secretary of Housing and*  
2 *Urban Development shall issue any regulations necessary*  
3 *to carry out section 424 of the Housing and Community*  
4 *Development Act of 1987, as amended by subsection (a) of*  
5 *this section, not later than the expiration of the 6-month*  
6 *period beginning on the date of the enactment of this Act.*

7 **SEC. 418. ENERGY EFFICIENT MORTGAGES PILOT PRO-**  
8 **GRAM.**

9           *Section 106 of the Energy Policy Act of 1992 (42*  
10 *U.S.C. 12712 note) is amended—*

11                 (1) *in subsection (a)(2)—*

12                         (A) *in subparagraph (A), by inserting*  
13 *“(which may be an adjustable rate mortgage in-*  
14 *sured under section 251 of such Act and may be*  
15 *a mortgage for a property that is not the prin-*  
16 *cipal or secondary residence of the mortgagor to*  
17 *the extent provided in section 203(g) of such*  
18 *Act)” after “Act”; and*

19                         (B) *by adding at the end the following new*  
20 *subparagraph:*

21                                 “(D) *RATING AND INSTALLATION.*—*The pro-*  
22 *gram shall provide that the person conducting*  
23 *the home energy rating report under subsection*  
24 *(c)(2) for the property subject to the energy effi-*  
25 *cient mortgage may also, subject only to the ap-*

1        *proval of the mortgagee and mortgagor, install*  
2        *the energy efficiency improvements.”; and*

3        *(2) in subsection (c)—*

4            *(A) in paragraph (1), by inserting “(in-*  
5        *cluding an adjustable rate mortgage loan eligible*  
6        *for insurance under section 251 of such Act)”*  
7        *after “Act”; and*

8            *(B) in the first sentence of paragraph (2),*  
9        *by striking “the total present value cost” and all*  
10        *that follows through the end of the sentence and*  
11        *inserting the following: “energy improvements*  
12        *that generate energy savings in the first year*  
13        *after improvement that are greater than the in-*  
14        *crease in the amount of the loan payment for*  
15        *such first-year due to the energy improvements.*  
16        *In the case of a base loan insured under section*  
17        *251 of the National Housing Act, the interest*  
18        *rate used to determine the amount of such in-*  
19        *crease in the loan payment shall be the maxi-*  
20        *mum allowable interest rate under the mort-*  
21        *gage.”.*

22        **SEC. 419. EXTENSION OF MULTIFAMILY MORTGAGE CREDIT**  
23            **DEMONSTRATIONS.**

24            *Section 542 of the Housing and Community Develop-*  
25        *ment Act of 1992 (12 U.S.C. 1707 note) is amended—*

1           (1) in subsection (b)(5), by striking “1993 and  
2           1994” and inserting “1995 and 1996”; and

3           (2) in subsection (c)(4), by striking “1993, 1994,  
4           and 1995” and inserting “1995, 1996, and 1997”.

5   **SEC. 420. INDIAN HOUSING LOAN GUARANTEES.**

6           (a) *LIMITATION ON OUTSTANDING AGGREGATE PRIN-*  
7   *CIPAL AMOUNT.*—Section 184(i)(5)(C) of the Housing and  
8   *Community Development Act of 1992 (12 U.S.C. 1515z-*  
9   *13a(i)(5)(C)) is amended by striking “fiscal years 1993 and*  
10   *1994” and inserting “fiscal years 1995 and 1996”.*

11          (b) *AUTHORIZATION OF APPROPRIATIONS FOR GUAR-*  
12   *ANTEE FUND.*—Section 184(i)(7) of the Housing and Com-  
13   *munity Development Act of 1992 (12 U.S.C. 1515z-*  
14   *13a(i)(7)) is amended to read as follows:*

15           “(7) *AUTHORIZATION OF APPROPRIATIONS.*—  
16           *There are authorized to be appropriated to the Guar-*  
17           *antee Fund to carry out this section \$50,000,000 for*  
18           *fiscal year 1995 and \$50,000,000 for fiscal year*  
19           *1996.”.*

20   **SEC. 421. NATIONAL COMMISSION ON THE FUTURE OF THE**  
21                           **FEDERAL HOUSING ADMINISTRATION.**

22           (a) *PURPOSE.*—*The purpose of this section is to estab-*  
23   *lish a national commission to develop recommendations re-*  
24   *garding the appropriate future role of the Federal Govern-*  
25   *ment in providing mortgage insurance, for modernizing*

1 *and improving the structure and operations of the Federal*  
2 *Housing Administration, for protecting the safety and*  
3 *soundness of the insurance funds of the FHA, and for serv-*  
4 *ing families currently underserved by the mortgage finance*  
5 *system.*

6 (b) *ESTABLISHMENT.*—*There is hereby established a*  
7 *commission to be known as the National Commission on*  
8 *the Future of the Federal Housing Administration.*

9 (c) *MEMBERSHIP.*—

10 (1) *IN GENERAL.*—*The Commission shall consist*  
11 *of the Secretary of Housing and Urban Development*  
12 *and 16 members appointed, not later than 60 days*  
13 *after amounts to carry out this section are made*  
14 *available under subsection (h), as follows:*

15 (A) *4 members shall be appointed by the*  
16 *Chairman of the Committee on Banking, Hous-*  
17 *ing, and Urban Affairs of the Senate and 4*  
18 *members shall be appointed by the Ranking Mi-*  
19 *nority Member of such Committee.*

20 (B) *4 members shall be appointed by the*  
21 *Chairman of the Committee on Banking, Fi-*  
22 *nance and Urban Affairs of the House of Rep-*  
23 *resentatives and 4 members shall be appointed*  
24 *by the Ranking Minority Member of such Com-*  
25 *mittee.*



1           (2) *QUALIFICATIONS.*—*The 8 members of the*  
2 *Commission appointed under each of subparagraphs*  
3 *(A) and (B) of paragraph (1) shall include—*

4                   (A) *1 individual who represents the mort-*  
5 *gage finance industry;*

6                   (B) *1 individual with knowledge and expe-*  
7 *rience from a secondary mortgage market entity;*

8                   (C) *1 individual with knowledge and expe-*  
9 *rience concerning home sales or multifamily*  
10 *housing management;*

11                   (D) *1 individual who represents the private*  
12 *mortgage insurance industry;*

13                   (E) *1 individual with knowledge and expe-*  
14 *rience concerning single family or multifamily*  
15 *housing asset management;*

16                   (F) *1 individual who represents a State or*  
17 *local housing agency active in single family or*  
18 *multifamily housing activities;*

19                   (G) *1 individual who represents the inter-*  
20 *ests of consumers or communities, in single fam-*  
21 *ily or multifamily housing; and*

22                   (H) *1 individual who represents or resides*  
23 *in an urban or rural neighborhood whose resi-*  
24 *dents consist predominantly of members of mi-*  
25 *norities.*

1           (3) *CHAIRPERSON.*—*The Commission shall elect*  
2           *a chairperson from among members of the Commis-*  
3           *sion.*

4           (4) *QUORUM.*—*A majority of the members of the*  
5           *Commission shall constitute a quorum for the trans-*  
6           *action of business.*

7           (5) *VOTING.*—*Each member of the Commission*  
8           *shall be entitled to 1 vote, and all votes shall be given*  
9           *equal weight.*

10          (6) *VACANCIES.*—*Any vacancy on the Commis-*  
11          *sion shall not affect the powers of the Commission*  
12          *and shall be filled in the manner in which the origi-*  
13          *nal appointment was made.*

14          (7) *PROHIBITION ON ADDITIONAL PAY.*—*Members*  
15          *of the Commission shall serve without compensation,*  
16          *but shall be reimbursed for travel, subsistence, and*  
17          *other necessary expenses incurred in the performance*  
18          *of their duties as members of the Commission.*

19          (d) *SUBCOMMITTEES.*—*In carrying out its duties*  
20          *under subsection (e), the Commission shall establish 2 sub-*  
21          *committees, 1 of which shall carry out such duties with re-*  
22          *spect to issues relating to mortgage insurance for multifam-*  
23          *ily housing and 1 of which shall carry out such duties with*  
24          *respect to issues relating to mortgage insurance for single*  
25          *family housing.*

1       (e) *DUTIES.*—

2           (1) *IN GENERAL.*—*The Commission shall conduct*  
3 *a study of the existing operations of the FHA and*  
4 *shall make recommendations regarding the future*  
5 *mission, organization, responsibilities, and function*  
6 *of the FHA. In conducting the study and formulating*  
7 *recommendations, the Commission shall—*

8                   (A) *determine the most appropriate role for*  
9 *the Federal Government in extending the avail-*  
10 *ability of mortgage credit and review various al-*  
11 *ternative mortgage products and, with regard to*  
12 *the mission and functions of the FHA, the ap-*  
13 *propriateness of the use of such products by the*  
14 *FHA;*

15                   (B) *determine whom FHA programs are in-*  
16 *tended to serve;*

17                   (C) *consider whether the FHA could func-*  
18 *tion more effectively if organized as a govern-*  
19 *ment corporation, a government-sponsored enter-*  
20 *prise, or with any other organizational structure*  
21 *different from the existing structure;*

22                   (D) *consider whether the personnel, procure-*  
23 *ment, budgeting, and other requirements gen-*  
24 *erally applicable to the Federal agencies should*  
25 *be modified in their applicability to the FHA;*

1           (E) review the laws establishing and relat-  
2           ing to the FHA and determine whether amend-  
3           ments to such law would be appropriate to re-  
4           structure the FHA, or to provide new authority  
5           or increased flexibility for the operations of the  
6           FHA;

7           (F) determine ways in which the FHA can  
8           more effectively contribute to the revitalization of  
9           inner cities and increase housing opportunities  
10          for low-income families;

11          (G) determine ways to improve the manage-  
12          ment and sale of assets owned by the FHA;

13          (H) determine ways to reduce the risk of fu-  
14          ture insurance losses from the existing inventory  
15          of outstanding mortgages insured by the FHA;  
16          and

17          (I) determine ways to improve the private  
18          management of multifamily properties insured  
19          by the FHA.

20          (2) *INTERIM REPORT.*—Not later than the expi-  
21          ration of the 10-month period beginning upon the ap-  
22          pointment of all of the members of the Commission  
23          under subsection (c), the Commission shall submit to  
24          the Secretary of Housing and Urban Development  
25          and to the Congress an interim report containing the

1     *preliminary information and evaluations specified in*  
2     *paragraph (1) and initial recommendations for legis-*  
3     *lative and administrative actions to carry out the de-*  
4     *terminations made pursuant to paragraph (1).*

5             (3) *REPORT.*—*Not later than the expiration of*  
6     *the 18-month period beginning upon the appointment*  
7     *of all of the members of the Commission under sub-*  
8     *section (c), the Commission shall submit to the Sec-*  
9     *retary of Housing and Urban Development and to the*  
10    *Congress a report containing the information and*  
11    *evaluations specified in paragraph (1) and specific*  
12    *recommendations for legislative and administrative*  
13    *actions to carry out the determinations made pursu-*  
14    *ant to paragraph (1).*

15    *(f) POWERS.*—

16             (1) *HEARINGS.*—*The Commission may, for the*  
17    *purpose of carrying out this section, hold such hear-*  
18    *ings and sit and act at such times and places as the*  
19    *Commission considers appropriate.*

20             (2) *RULES AND REGULATIONS.*—*The Commis-*  
21    *sion may adopt such rules and regulations as may be*  
22    *necessary to establish its procedures and to govern the*  
23    *manner of its operations, organization, and person-*  
24    *nel.*

25             (3) *ASSISTANCE FROM FEDERAL AGENCIES.*—

1           (A) *INFORMATION.*—*The Commission may*  
2 *secure directly from any department or agency of*  
3 *the United States such data and information as*  
4 *the Commission may require for the purpose of*  
5 *carrying out this section. Upon request of the*  
6 *Commission, any such department or agency*  
7 *shall furnish such data or information. The*  
8 *Commission may acquire data or information*  
9 *directly from such departments or agencies to the*  
10 *same extent that the Secretary may acquire such*  
11 *data or information.*

12           (B) *ADMINISTRATIVE SUPPORT.*—*The Gen-*  
13 *eral Services Administration shall provide to the*  
14 *Commission, on a reimbursable basis, adminis-*  
15 *trative support services requested by the Commis-*  
16 *sion.*

17           (C) *PERSONNEL DETAILS.*—*Upon the re-*  
18 *quest of the chairperson of the Commission, the*  
19 *Secretary shall, to the extent possible and subject*  
20 *to the discretion of the Secretary, detail any of*  
21 *the personnel of the Department of Housing and*  
22 *Urban Development, on a nonreimbursable basis,*  
23 *to assist the Commission in carrying out its du-*  
24 *ties under this section.*

1           (4) *MAILS.*—*The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.*

4           (5) *CONTRACTING.*—*The Commission may, to such extent and in such amounts as are provided in appropriations Acts, enter into contracts necessary to carry out its duties under this section.*

8           (6) *ADVISORY COMMITTEE.*—*The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act.*

11          (7) *STAFF.*—

12           (A) *EXECUTIVE DIRECTOR.*—*The Commission shall appoint an executive director of the Commission who shall be compensated at a rate fixed by the Commission, but which may not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.*

18           (B) *PERSONNEL.*—*In addition to the executive director, the Commission may appoint and fix the compensation of such personnel as the Commission considers appropriate, in accordance with the provisions of title 5, United States Code, governing appointments in the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relat-*

1            *ing to classification and General Schedule pay*  
2            *rates.*

3            (C) *LIMITATION.—This paragraph shall be*  
4            *effective only to the extent amounts are made*  
5            *available in appropriation Acts.*

6            (g) *DEFINITIONS.—For purposes of this section, the*  
7            *following definitions shall apply:*

8            (1) *The term “Commission” means the National*  
9            *Commission on the Future of the Federal Housing*  
10           *Administration.*

11           (2) *The term “FHA” means the Federal Housing*  
12           *Administration of the Department of Housing and*  
13           *Urban Development.*

14           (3) *The term “Secretary” means the Secretary of*  
15           *Housing and Urban Development.*

16           (h) *FUNDING.—Of any amounts appropriated pursu-*  
17           *ant to section 501 of the Housing and Urban Development*  
18           *Act of 1970, the Secretary shall set aside to carry out this*  
19           *section \$1,000,000 for fiscal year 1995. Any amounts made*  
20           *available pursuant to this subsection shall remain available*  
21           *until expended.*

22           (i) *SUNSET.—The Commission shall terminate upon*  
23           *the expiration of the 18-month period that begins upon the*  
24           *appointment of all of the members of the Commission under*  
25           *subsection (c).*



1 **SEC. 422. ACTION AND REPORT ON COOPERATIVE HOME-**  
2 **OWNERSHIP FOR LOW- AND MODERATE-IN-**  
3 **COME FAMILIES.**

4 (a) *REVIEW.*—The Secretary of Housing and Urban  
5 Development, acting through the Assistant Secretary who  
6 is the Federal Housing Commissioner, shall review the re-  
7 port of The Urban Institute, dated May 1994 and entitled  
8 “Performance of HUD Subsidized Loans: Does Cooperative  
9 Housing Matter?”.

10 (b) *ACTION.*—Not later than 9 months after the date  
11 of the enactment of this Act, the Secretary shall implement  
12 any recommendations made in the report referred to in sub-  
13 section (a) that (1) the Secretary considers appropriate and  
14 feasible, (2) are within the jurisdiction of the Assistant Sec-  
15 retary referred to in subsection (a), and (3) the Secretary  
16 has authority under law to implement.

17 (c) *REPORT.*—The Secretary shall submit a report to  
18 the Congress not later than 9 months after the date of the  
19 enactment of this Act, which shall—

20 (1) evaluate the report referred to in subsection

21 (a);

22 (2) describe any action taken under subsection

23 (b);

24 (3) identify and proposes the elimination of any  
25 Federal housing policies or programs that, in the de-  
26 termination of the Secretary, inhibit the development

1       of cooperative homeownership for low- and moderate-  
2       income families; and

3               (4) recommend any legislative action necessary  
4       to eliminate the policies or programs identified under  
5       paragraph (3).

6       **SEC. 423. STUDY OF ACTIVITY OF PRIVATE MORTGAGE**

7                       **BANKERS AND INSURERS.**

8               (a) *STUDY.*—The Secretary of Housing and Urban De-  
9       velopment shall conduct a study to determine the patterns  
10       of lending and insurance activity of private mortgage lend-  
11       ers and private mortgage insurers, respectively. The study  
12       shall be designed to determine—

13               (1) the geographical areas in which properties  
14       are located for which loans are made by private mort-  
15       gage lenders and the characteristics of such areas;

16               (2) the extent of lending activity by private  
17       mortgage lenders, in terms of number of loans and  
18       principal amount, in areas having a low median in-  
19       come, a moderate median income, and other areas;

20               (3) the types of loans made by private mortgage  
21       lenders, and the extent of lending activity, in each of  
22       the areas described in paragraph (2), which shall in-  
23       clude the types and extent of any lending activity  
24       made in connection with economic development of  
25       low- and moderate-income areas;

1           (4) *the geographical areas in which properties*  
2 *are located for which mortgage insurance is provided*  
3 *by private mortgage insurers and the characteristics*  
4 *of such areas;*

5           (5) *the extent of insurance activity by private*  
6 *mortgage insurers, in terms of number of loans in-*  
7 *sured and principal amount insured, in areas having*  
8 *a low median income, a moderate median income,*  
9 *and other areas; and*

10          (6) *the types of loans insured and extent of in-*  
11 *sureance activity by private mortgage insurers in each*  
12 *of the areas described in paragraph (5), which shall*  
13 *include the types and extent of any insurance activity*  
14 *made in connection with mortgages or loans for eco-*  
15 *nomic development activity in low- and moderate-in-*  
16 *come areas.*

17          (b) *REPORT.*—*The Secretary shall submit a report to*  
18 *the Congress describing the results of the study under this*  
19 *section not later than the expiration of the 6-month period*  
20 *beginning on the date of the enactment of this Act.*

21          (c) *DEFINITIONS.*—*For purposes of this section—*

22           (1) *the term “private mortgage insurer” means*  
23 *a person who provides insurance against the*  
24 *nonpayment of, or default on, a mortgage or loan for*  
25 *residential or commercial property that is not insur-*

1        *ance made available under the National Housing Act,*  
2        *title 38 of the United States Code, or title V of the*  
3        *Housing Act of 1949; and*

4            *(2) the term “private mortgage lender” means*  
5        *any lender that is not subject to the supervision, ap-*  
6        *proval, regulation, or insuring of the Board of Gov-*  
7        *ernors of the Federal Reserve System, the Federal De-*  
8        *posit Insurance Corporation, the Comptroller of the*  
9        *Currency, the Office of Thrift Supervision, the Na-*  
10       *tional Credit Union Administration, or any other*  
11       *Federal agency that regulates lending activity. The*  
12       *term does not include institutions engage primarily*  
13       *in the purchase of mortgage loans.*

14        ***Subtitle B—Secondary Mortgage***  
15            ***Market Programs***

16        ***SEC. 441. LIMITATION ON GNMA GUARANTEES OF MORT-***  
17            ***GAGE-BACKED SECURITIES.***

18        *Section 306(g)(2) of the Federal National Mortgage As-*  
19        *sociation Charter Act (12 U.S.C. 1721(g)(2)) is amended*  
20        *to read as follows:*

21            *“(2) Notwithstanding any other provision of law and*  
22        *subject only to the absence of qualified requests for guaran-*  
23        *tees, to the authority provided in this subsection, and to*  
24        *the extent of or in such amounts as any funding limitation*  
25        *approved in appropriation Acts, the Association shall enter*

1 *into commitments to issue guarantees under this subsection*  
2 *in an aggregate amount of \$130,000,000,000 during fiscal*  
3 *year 1995 and \$130,000,000,000 during fiscal year 1996.*  
4 *There are authorized to be appropriated to cover the costs*  
5 *(as such term is defined in section 502 of the Congressional*  
6 *Budget Act of 1974) of guarantees issued under this Act*  
7 *by the Association such sums as may be necessary for each*  
8 *of fiscal years 1995 and 1996.”.*

9 **SEC. 442. ASSESSMENT COLLECTION DATES FOR OFFICE OF**  
10 **FEDERAL HOUSING ENTERPRISE OVERSIGHT.**

11 *Section 1316(b) of the Housing and Community Devel-*  
12 *opment Act of 1992 (12 U.S.C. 4516(b)) is amended by*  
13 *striking paragraph (2) and inserting the following new*  
14 *paragraph:*

15 *“(2) TIMING OF PAYMENT.—The annual assess-*  
16 *ment shall be payable semiannually for each fiscal*  
17 *year, on October 1st and April 1st.”.*

18 **Subtitle C—Emergency Mortgage**  
19 **Relief**

20 **SEC. 461. AMENDMENTS TO EMERGENCY HOMEOWNERS’ RE-**  
21 **LIEF ACT.**

22 *(a) FINDINGS.—Section 102(a) of the Emergency*  
23 *Homeowners’ Relief Act (12 U.S.C. 2701(a)) is amended—*

24 *(1) by striking paragraph (1) and inserting the*  
25 *following new paragraph:*

1           “(1) certain homeowners in the United States  
2           are encountering severe economic hardships as a re-  
3           sult of unemployment or a reduction in income;”;

4           (2) in paragraph (2), by striking “adverse eco-  
5           nomic conditions” and inserting “economic hard-  
6           ships”; and

7           (3) in paragraph (3), by striking “economic con-  
8           ditions” and inserting “their economic conditions”.

9           (b) MORTGAGES ELIGIBLE FOR ASSISTANCE.—Section  
10          103 of the Emergency Homeowners’ Relief Act (12 U.S.C.  
11          2702) is amended—

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

14           (2) in paragraph (6)—

15           (A) by inserting “a 1- to 4-family residence  
16          that is” after “is”; and

17           (B) by striking the period at the end and  
18          inserting “; and”; and

19           (3) by adding at the end the following new para-  
20          graph:

21           “(7) the delinquency for which the holder of the  
22          mortgage intends to foreclose commenced after the  
23          date of the enactment of the Housing and Community  
24          Development Act of 1994.”.

1           (c) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
2 109(a) of the Emergency Homeowners' Relief Act (12  
3 U.S.C. 2708(a)) is amended by striking “, except that” and  
4 all that follows through “\$500,000,000” and inserting “for  
5 fiscal years 1995 and 1996”.

6           (d) *EXPIRATION DATE.*—Section 109(b) of the Emer-  
7 gency Homeowners' Relief Act (12 U.S.C. 2708(b)) is  
8 amended by striking “September 30, 1977” and inserting  
9 “September 30, 1996”.

10          (e) *NOTIFICATION.*—Section 110 of the Emergency  
11 Homeowners' Relief Act (12 U.S.C. 2709) is amended—

12               (1) in paragraph (1) of the 1st sentence—

13                       (A) by striking “October 1, 1977” and in-  
14 serting “September 30, 1996”; and

15                       (B) by inserting “single family” before “res-  
16 idential”;

17               (2) in paragraph (2) of the 1st sentence, by strik-  
18 ing “until one year from the date of the enactment of  
19 this title” and inserting “during fiscal years 1995  
20 and 1996”; and

21               (3) in the 2d sentence, by striking “Federal  
22 Home Loan Bank Board, the Federal Savings and  
23 Loan Insurance Corporation” and inserting “Office of  
24 Thrift Supervision”.

1       (f) *REPORTS.*—Section 111 of the Emergency Home-  
2 owners' Relief Act (12 U.S.C. 2710) is amended—

3           (1) by striking “Within” and all that follows  
4 through “Congress on” and inserting the following:  
5 “For fiscal year 1995 and each fiscal year thereafter  
6 that begins before the date in section 109(b), the Sec-  
7 retary shall submit a report under this section to the  
8 Congress. The report for a fiscal year shall be submit-  
9 ted not later than 60 days after the end of the fiscal  
10 year and shall describe”;

11           (2) by striking “purposes” and inserting “pur-  
12 pose”;

13           (3) by inserting “and” before “(4)”; and

14           (4) by striking “; and (5)” and all that follows  
15 and inserting a period.

16 **Subtitle D—Nonjudicial Fore-**  
17 **closure of Defaulted Single Fam-**  
18 **ily Mortgages**

19 **SEC. 481. SHORT TITLE.**

20       This subtitle may be cited as the “Single Family Mort-  
21 gage Foreclosure Act of 1994”.

22 **SEC. 482. FINDINGS AND PURPOSE.**

23       (a) *FINDINGS.*—The Congress finds that—

24           (1) disparate State laws under which mortgages  
25 are foreclosed on behalf of the Secretary of Housing



1     *and Urban Development covering one- to four-family*  
2     *residential properties burden certain programs ad-*  
3     *ministered by the Secretary, increase the costs of col-*  
4     *lecting these obligations, and cause detriment to the*  
5     *community generally;*

6             *(2) long periods to complete the foreclosure of*  
7     *these mortgages under certain State laws lead to dete-*  
8     *rioration in the condition of the properties involved;*  
9     *necessitate substantial Federal holding expenditures;*  
10    *increase the risk of vandalism, fire loss, depreciation,*  
11    *damage, and waste with respect to the properties; and*  
12    *adversely affect the neighborhoods in which the prop-*  
13    *erties are located;*

14            *(3) these conditions seriously impair the Sec-*  
15    *retary's ability to protect the Federal financial inter-*  
16    *est in the affected properties and frustrate attainment*  
17    *of the objectives of the underlying Federal program*  
18    *authority;*

19            *(4) the availability of a uniform and more expe-*  
20    *ditious procedure, with no right of redemption in the*  
21    *mortgagor or others, for the foreclosure of these mort-*  
22    *gages by the Secretary will tend to ameliorate these*  
23    *conditions; and*

24            *(5) providing the Secretary with a nonjudicial*  
25    *foreclosure procedure will reduce unnecessary litiga-*

1        *tion by removing many foreclosures from the courts*  
2        *where they contribute to overcrowded calendars.*

3        *(b) PURPOSE.—The purpose of this subtitle is to create*  
4        *a uniform Federal foreclosure remedy for single family*  
5        *mortgages that (1) are held by the Secretary of Housing*  
6        *and Urban Development pursuant to title I or title II of*  
7        *the National Housing Act or (2) secure loans obligated by*  
8        *the Secretary under section 312 of the Housing Act of 1964.*

9        **SEC. 483. DEFINITIONS.**

10        *As used in this subtitle—*

11                *(1) the term “bona fide purchaser” means a pur-*  
12                *chaser for value in good faith and without notice of*  
13                *any adverse claim, who will, therefore, acquire the se-*  
14                *curity property free of any adverse claim;*

15                *(2) the term “mortgage” means a deed of trust,*  
16                *mortgage, deed to secure debt, security agreement, or*  
17                *any other form of instrument under which any inter-*  
18                *est in property, real, personal or mixed, or any inter-*  
19                *est in property including leaseholds, life estates, rever-*  
20                *sionary interests, and any other estates under appli-*  
21                *cable State law, is conveyed in trust, mortgaged, en-*  
22                *cumbered, pledged, or otherwise rendered subject to a*  
23                *lien for the purpose of securing the payment of money*  
24                *or the performance of an obligation;*

1           (3) the term “single family mortgage” means a  
2 mortgage that covers property on which there is lo-  
3 cated a one- to four-family residence, which mort-  
4 gage—

5                   (A) is held by the Secretary pursuant to  
6 title I or title II of the National Housing Act,  
7 or

8                   (B) secures a loan obligated by the Sec-  
9 retary under section 312 of the Housing Act of  
10 1964, as it existed before its repeal by section  
11 289 of the Cranston-Gonzalez National Afford-  
12 able Housing Act (except that a mortgage secur-  
13 ing such a loan that covers property containing  
14 non-residential space and a one- to four-family  
15 dwelling shall not be subject to this Act);

16           (4) the term “mortgage agreement” means the  
17 note or debt instrument and the mortgage instrument,  
18 deed of trust instrument, trust deed, or instrument or  
19 instruments creating the mortgage, including any in-  
20 strument incorporated by reference therein and any  
21 instrument or agreement amending or modifying any  
22 of the foregoing;

23           (5) the term “mortgagor” means the obligor,  
24 grantor, or trustor named in the mortgage agreement  
25 and, unless the context otherwise indicates, includes

1     *the current owner of record of the security property*  
2     *whether or not personally liable on the mortgage debt;*

3             (6) *the term “owner” means any person who has*  
4     *an ownership interest in property and includes heirs,*  
5     *devisees, executors, administrators, and other personal*  
6     *representatives, and trustees of testamentary trusts if*  
7     *the owner of record is deceased;*

8             (7) *the term “person” includes any individual,*  
9     *group of individuals, association, partnership, cor-*  
10    *poration, or organization;*

11            (8) *the terms “record” and “recorded” include*  
12    *“register” and “registered” in the instance of reg-*  
13    *istered land;*

14            (9) *the term “security property” means the prop-*  
15    *erty (real, personal or mixed) or an interest in prop-*  
16    *erty (including leaseholds, life estates, reversionary*  
17    *interests, and any other estates under applicable*  
18    *State law), together with fixtures and other interests*  
19    *subject to the lien of the mortgage under applicable*  
20    *State law;*

21            (10) *the term “State” means the several States,*  
22    *the District of Columbia, the Commonwealth of Puer-*  
23    *to Rico, the United States Virgin Islands, Guam,*  
24    *American Samoa, the Northern Mariana Islands, the*

1       *Trust Territory of the Pacific Islands, and Indian*  
2       *tribes as defined by the Secretary;*

3               *(11) the term “county” means county as defined*  
4       *in section 2 of title I, United States Code; and*

5               *(12) the term “Secretary” means the Secretary of*  
6       *Housing and Urban Development.*

7       ***SEC. 484. APPLICABILITY.***

8       *Single family mortgages encumbering real estate lo-*  
9       *cated in any State may be foreclosed by the Secretary in*  
10       *accordance with this subtitle, or pursuant to other fore-*  
11       *closure procedures available, at the option of the Secretary.*

12       ***SEC. 485. DESIGNATION OF FORECLOSURE COMMISSIONER.***

13       *A foreclosure commissioner or commissioners des-*  
14       *ignated pursuant to this subtitle shall have a nonjudicial*  
15       *power of sale as provided in this subtitle. Where the Sec-*  
16       *retary wishes to foreclose upon a single family mortgage,*  
17       *the Secretary may designate a foreclosure commissioner*  
18       *and, with or without cause, may designate a substitute fore-*  
19       *closure commissioner to replace a previously designated*  
20       *foreclosure commissioner, by executing a duly acknowl-*  
21       *edged, written designation stating the name and business*  
22       *or residential address of the commissioner or substitute*  
23       *commissioner. The designation shall be effective upon execu-*  
24       *tion. The foreclosure commissioner, if a natural person,*  
25       *shall be a resident of the State in which the security prop-*

1 *erty is located and, if not a natural person, the foreclosure*  
2 *commissioner must be duly authorized to transact business*  
3 *under the laws of the State in which the security property*  
4 *is located. The foreclosure commissioner shall be a person*  
5 *who is responsible, financially sound, and competent to con-*  
6 *duct the foreclosure. More than one foreclosure commissioner*  
7 *may be designated. If a natural person is designated as*  
8 *foreclosure commissioner or substitute foreclosure commis-*  
9 *sioner, such person shall be designated by name, except that*  
10 *where such person is designated in his or her capacity as*  
11 *an official or employee of a government or corporate entity,*  
12 *such person may be designated by his or her unique title*  
13 *or position instead of by name.*

14 **SEC. 486. PREREQUISITES TO FORECLOSURE.**

15 *Foreclosure by the Secretary under this subtitle of a*  
16 *single family mortgage may be commenced, as provided in*  
17 *section 488, upon the breach of a covenant or condition in*  
18 *the mortgage agreement for which foreclosure is authorized*  
19 *under the mortgage, except that no such foreclosure may*  
20 *be commenced unless any previously pending proceeding,*  
21 *judicial or nonjudicial, separately instituted by the Sec-*  
22 *retary to foreclose the mortgage other than under this sub-*  
23 *title has been withdrawn, dismissed, or otherwise termi-*  
24 *nated. No such separately instituted foreclosure proceeding*  
25 *on the mortgage shall be instituted by the Secretary during*

1 *the pendency of foreclosure pursuant to this subtitle. Noth-*  
2 *ing in this subtitle shall preclude the Secretary from enforc-*  
3 *ing any right, other than foreclosure, under applicable Fed-*  
4 *eral or State law, including any right to obtain a monetary*  
5 *judgment. Nothing in this subtitle shall preclude the Sec-*  
6 *retary from foreclosing under this subtitle where the Sec-*  
7 *retary has obtained or is seeking any other remedy avail-*  
8 *able pursuant to Federal or State law or under the mort-*  
9 *gage agreement, including, but not limited to, the appoint-*  
10 *ment of a receiver, mortgagee-in-possession status, or relief*  
11 *under an assignment of rents.*

12 **SEC. 487. NOTICE OF FORECLOSURE SALE.**

13 *The notice of foreclosure sale to be served in accordance*  
14 *with this subtitle shall be subscribed with the name and*  
15 *address of the foreclosure commissioner and the date on*  
16 *which subscribed, and shall set forth the following informa-*  
17 *tion:*

18 *(1) The names of the Secretary, the original*  
19 *mortgagee (if other than the Secretary), and the origi-*  
20 *nal mortgagor.*

21 *(2) The street address or a description of the lo-*  
22 *cation of the security property, and a description of*  
23 *the security property, sufficient to identify the prop-*  
24 *erty to be sold.*

1           (3) *The date of the mortgage, the office in which*  
2 *the mortgage is recorded, and the liber and folio or*  
3 *other description of the location of recordation of the*  
4 *mortgage.*

5           (4) *The failure to make payment, including the*  
6 *due date of the earliest installment payment remain-*  
7 *ing wholly unpaid as of the date the notice is sub-*  
8 *scribed, or the description of other default or defaults*  
9 *upon which foreclosure is based, and the acceleration*  
10 *of the secured indebtedness.*

11           (5) *The date, time, and place of the foreclosure*  
12 *sale.*

13           (6) *A statement that the foreclosure is being con-*  
14 *ducted pursuant to this subtitle.*

15           (7) *The types of costs, if any, to be paid by the*  
16 *purchaser upon transfer of title.*

17           (8) *The amount and method of deposit to be re-*  
18 *quired at the foreclosure sale (except that no deposit*  
19 *shall be required of the Secretary), the time and meth-*  
20 *od of payment of the balance of the foreclosure pur-*  
21 *chase price, and other appropriate terms of sale.*

22 **SEC. 488. COMMENCEMENT OF FORECLOSURE.**

23           (a) *REQUEST.*—*If the Secretary as holder of a single*  
24 *family mortgage determines that the prerequisites to fore-*  
25 *closure set forth in section 486 are satisfied, the Secretary*



1 *may request the foreclosure commissioner to commence fore-*  
2 *closure of a single family mortgage. Upon such request, the*  
3 *foreclosure commissioner shall commence foreclosure of the*  
4 *mortgage, by commencing service of a notice of default and*  
5 *foreclosure sale in accordance with section 489.*

6       **(b) SUBSTITUTE COMMISSIONER.**—*After commence-*  
7 *ment of a foreclosure under this subtitle, the Secretary may*  
8 *designate a substitute foreclosure commissioner at any time*  
9 *before the time of foreclosure sale, and the foreclosure shall*  
10 *continue without prejudice, unless the substitute commis-*  
11 *sioner, in his or her sole discretion, finds that continuation*  
12 *of the foreclosure sale will unfairly affect the interests of*  
13 *the mortgagor. If the substitute commissioner makes such*  
14 *a finding, the substitute commissioner shall cancel the fore-*  
15 *closure sale, or adjourn such sale in the manner provided*  
16 *in section 491(c). Upon designation of a substitute fore-*  
17 *closure commissioner, a copy of the written notice of such*  
18 *designation referred to in section 485 shall be served (1)*  
19 *by mail, as provided in such section 489 (except that the*  
20 *minimum time periods between mailing and the date of*  
21 *foreclosure sale prescribed in such section shall not apply),*  
22 *or (2) in any other manner which, in the substitute commis-*  
23 *sioner's sole discretion, is conducive to achieving timely no-*  
24 *tice of such substitution.*

1 **SEC. 489. SERVICE OF NOTICE OF FORECLOSURE.**

2 *The foreclosure commissioner shall serve the notice of*  
3 *foreclosure sale provided for in section 487 upon the follow-*  
4 *ing persons and in the following manner, and no additional*  
5 *notice shall be required to be served, notwithstanding any*  
6 *notice requirements of any State or local law:*

7 (1) *TIMING.*—*At least 45 days prior to the date*  
8 *of the foreclosure sale, the notice of foreclosure sale re-*  
9 *quired by section 488 of this subtitle shall be filed in*  
10 *the manner authorized for filing a notice of an action*  
11 *concerning real property according to the law of the*  
12 *State where the security property is located or, if*  
13 *none, in the manner authorized by section 3201 of*  
14 *title 28, United States Code.*

15 (2) *NOTICE BY MAIL.*—*The notice of foreclosure*  
16 *sale shall be sent by certified or registered mail, post-*  
17 *age prepaid and return receipt requested to the fol-*  
18 *lowing:*

19 (A) *The current security property owner of*  
20 *record, as the record exists 60 days before the*  
21 *date originally set for foreclosure sale, whether or*  
22 *not the notice describes a sale adjourned as pro-*  
23 *vided in this subtitle.*

24 (B) *All mortgagors of record or other per-*  
25 *sons who appear of record or in the mortgage*  
26 *agreement to be liable for part or all of the mort-*

1            *gage debt, as the record exists 60 days before the*  
2            *date originally set for foreclosure sale, whether or*  
3            *not the notice describes a sale adjourned as pro-*  
4            *vided in this subtitle, except any such mortga-*  
5            *gors or persons who have been released.*

6            *(C) All dwelling units in the security prop-*  
7            *erty, whether or not the notice describes a sale*  
8            *adjourned as provided in this subtitle.*

9            *(D) All persons holding liens of record upon*  
10           *the security property, as the record exists 60*  
11           *days before the date originally set for foreclosure*  
12           *sale, whether or not the notice describes a sale*  
13           *adjourned as provided in this subtitle.*

14           *Notice under subparagraphs (A) and (B) of this para-*  
15           *graph shall be mailed at least 45 days before the date*  
16           *of foreclosure sale, and shall be mailed to the owner*  
17           *or mortgagor at the last known address of the owner*  
18           *or mortgagor, or, if none, to the address of the secu-*  
19           *rity property, or, at the discretion of the foreclosure*  
20           *commissioner, to any other address believed to be that*  
21           *of such owner or mortgagor. Notice under subpara-*  
22           *graph (C) of this paragraph shall be mailed at least*  
23           *45 days before the date of foreclosure sale. If the*  
24           *names of the occupants of the security property are*  
25           *not known to the Secretary, or the security property*

1     *has more than one dwelling, the notice shall be posted*  
2     *at the security property at least 45 days prior to the*  
3     *foreclosure sale. Notice under subparagraph (D) of*  
4     *this paragraph shall be mailed at least 45 days before*  
5     *the date of foreclosure sale, and shall be mailed to*  
6     *each such lienholder's address as stated of record or,*  
7     *at the discretion of the foreclosure commissioner, to*  
8     *any other address believed to be that of such*  
9     *lienholder. Notice by mail pursuant to this subsection*  
10    *or section 488(b) shall be deemed duly given upon*  
11    *mailing, whether or not received by the addressee and*  
12    *whether or not a return receipt is received or the let-*  
13    *ter is returned.*

14           (3) *PUBLICATION.*—*A copy of the notice of de-*  
15    *fault and foreclosure sale shall be published, as pro-*  
16    *vided herein, once a week during three successive cal-*  
17    *endar weeks before the sale date. Such publication*  
18    *shall be in a newspaper or newspapers having general*  
19    *circulation in the county or counties in which the se-*  
20    *curity property being sold is located. To the extent*  
21    *practicable, the newspaper or newspapers chosen shall*  
22    *be a newspaper or newspapers, if any is available,*  
23    *having circulation conducive to achieving notice of*  
24    *foreclosure by publication. A legal newspaper that is*  
25    *accepted as a newspaper of legal record in the county*

1        *or counties in which the security property being sold*  
2        *is located shall be considered a newspaper having gen-*  
3        *eral circulation for the purposes of this paragraph.*  
4        *Should there be no newspaper published at least week-*  
5        *ly which has a general circulation in one of the coun-*  
6        *ties in which the security property being sold is lo-*  
7        *cated, copies of the notice of default and foreclosure*  
8        *sale shall be posted at the courthouse of any county*  
9        *or counties in which the security property is located*  
10       *and at the place where the sale is to be held at least*  
11       *21 days before the date of sale.*

12       **SEC. 490. PRESALE REINSTATEMENT.**

13       *(a) IN GENERAL.—Except as provided in sections*  
14       *488(b) and 491(c), the foreclosure commissioner shall with-*  
15       *draw the security property from foreclosure and cancel the*  
16       *foreclosure sale only if—*

17                *(1) the Secretary so directs the commissioner*  
18                *prior to or at the time of sale;*

19                *(2) the commissioner finds, upon application of*  
20                *the mortgagor at least three days before the date of*  
21                *sale, that the default or defaults upon which the fore-*  
22                *closure is based did not exist at the time of service of*  
23                *the notice of default and foreclosure sale; or*

24                *(3)(A) in the case of a foreclosure involving a*  
25                *monetary default, there is tendered to the foreclosure*

1       *commissioner before public auction is completed the*  
2       *entire amount of principal and interest which would*  
3       *be due if payments under the mortgage had not been*  
4       *accelerated;*

5               *(B) in the case of a foreclosure involving a*  
6       *nonmonetary default, the foreclosure commissioner,*  
7       *upon application of the mortgagor before the date of*  
8       *foreclosure sale, finds that such default is cured; and*

9               *(C) there is tendered to the foreclosure commis-*  
10       *sioner before public auction is completed all amounts*  
11       *due under the mortgage agreement (excluding addi-*  
12       *tional amounts which would have been due if mort-*  
13       *gage payments had been accelerated), all amounts of*  
14       *expenditures secured by the mortgage, and all costs of*  
15       *foreclosure incurred for which payment from the pro-*  
16       *ceeds of foreclosure is provided in section 492, except*  
17       *that the Secretary shall have discretion to refuse to*  
18       *cancel a foreclosure pursuant to this paragraph if the*  
19       *current mortgagor or owner of record has on one or*  
20       *more previous occasions caused a foreclosure of the*  
21       *mortgage, commenced pursuant to this subtitle or oth-*  
22       *erwise, to be canceled by curing a default.*

23               *(b) OPPORTUNITY TO SECRETARY.—Before withdraw-*  
24       *ing the security property from foreclosure in the cir-*  
25       *cumstances described in subsection (a)(2) or (a)(3), the fore-*

1 *closure commissioner shall afford the Secretary a reasonable*  
2 *opportunity to demonstrate why the security property*  
3 *should not be so withdrawn.*

4 (c) *EFFECT ON MORTGAGE.*—*In any case in which a*  
5 *foreclosure commenced under this subtitle is canceled, the*  
6 *mortgage shall continue in effect as though acceleration had*  
7 *not occurred.*

8 (d) *EFFECT ON SUBSEQUENT FORECLOSURE.*—*If the*  
9 *foreclosure commissioner cancels a foreclosure sale under*  
10 *this subtitle a new foreclosure may be subsequently com-*  
11 *menced as provided in this subtitle.*

12 (e) *NOTICE OF CANCELLATION.*—*The foreclosure com-*  
13 *missioner shall file a notice of cancellation in the same*  
14 *place and manner provided for filing the notice of fore-*  
15 *closure sale in section 489.*

16 **SEC. 491. CONDUCT OF SALE AND ADJOURNMENT.**

17 (a) *TIME AND LOCATION.*—*Foreclosure sale pursuant*  
18 *to this subtitle shall be at public auction, and shall be sched-*  
19 *uled to begin between the hours of 9 a.m. and 4 p.m. local*  
20 *time. The foreclosure sale shall be held at a location speci-*  
21 *fied in the notice of default and foreclosure sale, which shall*  
22 *be a location where foreclosure real estate auctions are cus-*  
23 *tomarily held in the county or one of the counties in which*  
24 *the property to be sold is located, or at a courthouse therein,*  
25 *or at or on the property to be sold. Sale of security property*

1 *situated in two or more counties may be held in any one*  
2 *of the counties in which any part of the security property*  
3 *is situated. The foreclosure commissioner may designate the*  
4 *order in which multiple tracts of security are sold.*

5       **(b) SALE PROCEDURES.**—*The foreclosure commis-*  
6 *sioner shall conduct the foreclosure sale in accordance with*  
7 *the provisions of this subtitle and in a manner fair to both*  
8 *the mortgagor and the Secretary. Written one-price sealed*  
9 *bids shall be accepted by the foreclosure commissioner from*  
10 *the Secretary and other persons for entry by announcement*  
11 *by the commissioner at the sale. The Secretary and any*  
12 *other person may bid at the foreclosure sale, including the*  
13 *Secretary or any other person who has submitted a written*  
14 *one-price bid. The foreclosure commissioner or any relative,*  
15 *related business entity, or employee of such commissioner*  
16 *or entity shall not be permitted to bid in any manner on*  
17 *the security property subject to foreclosure sale, except that*  
18 *the foreclosure commissioner or an auctioneer may be di-*  
19 *rected by the Secretary to enter a bid on the Secretary's*  
20 *behalf. The foreclosure commissioner may serve as auc-*  
21 *tioneer, or, in accordance with regulations of the Secretary,*  
22 *may employ an auctioneer to be paid from the commission*  
23 *provided for in section 492(5).*

24       **(c) ADJOURNMENT OR CANCELLATION.**—*The fore-*  
25 *closure commissioner shall have discretion, prior to or at*



1 *the time of sale to adjourn or cancel the foreclosure sale*  
2 *if the commissioner determines, in the commissioner's dis-*  
3 *cretion, that circumstances are not conducive to a sale*  
4 *which is fair to the mortgagor and the Secretary or that*  
5 *additional time is necessary to determine whether the secu-*  
6 *rity property should be withdrawn from foreclosure as pro-*  
7 *vided in section 490. The foreclosure commissioner may ad-*  
8 *journal a sale to a later hour the same day by announcing*  
9 *or posting the new time and place of the foreclosure sale,*  
10 *or may adjourn the foreclosure sale for not less than 9 nor*  
11 *more than 31 days, in which case the commissioner shall*  
12 *serve a notice of default and foreclosure sale revised to recite*  
13 *that the foreclosure sale has been adjourned to a specified*  
14 *date and to include any corrections the foreclosure commis-*  
15 *sioner deems appropriate. Such notice shall be served by*  
16 *publication and mailing in accordance with section 489,*  
17 *except that publication may be made on any of 3 separate*  
18 *days before the revised date of foreclosure sale, and mailing*  
19 *may be made at any time at least 7 days before the date*  
20 *to which the foreclosure sale has been adjourned.*

21 *(d) DEPOSIT.—The foreclosure commissioner may re-*  
22 *quire a bidder to make a cash deposit in an amount or*  
23 *percentage set by him and stated in the notice of foreclosure*  
24 *sale before the bid is accepted. A successful bidder at the*  
25 *foreclosure sale who fails to comply with the terms of the*

1 *sale may be required to forfeit the cash deposit or, at the*  
2 *election of the foreclosure commissioner after consultation*  
3 *with the Secretary, shall be liable to the agency for any*  
4 *costs incurred by the agency as a result of such failure.*

5 *(e) PRESUMPTION.—Any foreclosure sale held in ac-*  
6 *cordance with this subtitle shall be conclusively presumed*  
7 *to have been conducted in a legal, fair, and reasonable man-*  
8 *ner. The sale price shall be conclusively presumed to be rea-*  
9 *sonable and equal to the fair market value of the property.*

10 **SEC. 492. FORECLOSURE COSTS.**

11 *The following foreclosure costs shall be paid from the*  
12 *sale proceeds before satisfaction of any other claim to such*  
13 *sale proceeds:*

14 *(1) Necessary advertising costs and postage in-*  
15 *curring in giving notice pursuant to sections 489 and*  
16 *491.*

17 *(2) Mileage for posting notices and for the fore-*  
18 *closure commissioner's or auctioneer's attendance at*  
19 *the sale as provided in section 1921 of title 28,*  
20 *United States Code, for mileage by the most reason-*  
21 *able road distance.*

22 *(3) Reasonable and necessary costs actually in-*  
23 *curring in connection with any necessary search of*  
24 *title and lien records.*

1           (4) *Necessary out-of-pocket costs incurred by the*  
2           *foreclosure commissioner to record documents.*

3           (5) *A commission for the foreclosure commis-*  
4           *sioner other than an employee of the United States for*  
5           *the conduct of the foreclosure to the extent authorized*  
6           *by the Secretary.*

7   **SEC. 493. DISPOSITION OF SALE PROCEEDS.**

8           *Money realized from a foreclosure sale shall be made*  
9           *available for obligation and expenditure—*

10           (1) *first, to cover the costs of foreclosure provided*  
11           *for in section 492;*

12           (2) *then, to pay valid tax liens or assessments if*  
13           *required by the notice of foreclosure sale;*

14           (3) *then, to pay any liens recorded before the re-*  
15           *coding of the mortgage which are required to be paid*  
16           *in conformity with the terms of sale in the notice of*  
17           *foreclosure sale;*

18           (4) *then, to service charges and advances for*  
19           *taxes, assessments, and property insurance premiums;*

20           (5) *then, to the interest;*

21           (6) *then, to the principal balance secured by the*  
22           *mortgage (including expenditures for the necessary*  
23           *protection, preservation, and repair of the security*  
24           *property as authorized under the mortgage agreement*

1        *and interest thereon if provided for in the mortgage*  
2        *agreement); and*

3                *(7) then, to late charges.*

4 *Any surplus after payment of the foregoing shall be paid*  
5 *to holders of liens recorded after the mortgage in the order*  
6 *of priority under Federal law or the law of the State where*  
7 *the security property is located and then to the appropriate*  
8 *mortgagor. If the person to whom such surplus is to be paid*  
9 *cannot be located, or if the surplus available is insufficient*  
10 *to pay all claimants and the claimants cannot agree on*  
11 *the allocation of the surplus, or if any person claiming an*  
12 *interest in the mortgage proceeds does not agree that some*  
13 *or all of the sale proceeds should be paid to a claimant as*  
14 *provided in this section, that part of the sale proceeds in*  
15 *question may be deposited by the foreclosure commissioner*  
16 *with an appropriate official or court authorized under law*  
17 *to receive disputed funds in such circumstances. If such a*  
18 *procedure for the deposit of disputed funds is not available,*  
19 *and the foreclosure commissioner files a bill of interpleader*  
20 *or is sued as a stakeholder to determine entitlement to such*  
21 *funds, the foreclosure commissioner's necessary costs in tak-*  
22 *ing or defending such action shall be deductible from the*  
23 *disputed funds.*

1 **SEC. 494. TRANSFER OF TITLE AND POSSESSION.**

2       (a) *DELIVERY OF DEED.*—The foreclosure commis-  
3 sioner shall deliver a deed or deeds to the purchaser or pur-  
4 chasers without warranty or covenants to the purchaser or  
5 purchasers and obtain the balance of the purchase price in  
6 accordance with the terms of sale provided in the notice of  
7 default and foreclosure sale. Notwithstanding State law to  
8 the contrary, the commissioner's deed shall be a conveyance  
9 of property, and no judicial proceeding shall be required  
10 ancillary or supplementary to the procedures provided in  
11 this subtitle to assure the validity of the conveyance or con-  
12 firmation of such conveyance.

13       (b) *POSSESSION.*—A purchaser at a foreclosure sale  
14 held pursuant to this subtitle shall be entitled to possession  
15 upon passage of title to the mortgaged property, subject to  
16 an interest or interests not barred under section 496. Any  
17 person remaining in possession after the passage of title  
18 shall be deemed a tenant at sufferance subject to eviction  
19 under local law.

20       (c) *DEATH OF PURCHASER.*—If a purchaser dies before  
21 execution and delivery of the deed conveying the property  
22 to the purchaser, the foreclosure commissioner shall execute  
23 and deliver the deed to the representative of the purchaser's  
24 estate upon payment of the purchase price in accordance  
25 with the terms of sale. Such delivery to the representative

1 *of the purchaser's estate shall have the same effect as if ac-*  
2 *complished during the lifetime of the purchaser.*

3 *(d) BONA FIDE PURCHASER.—The purchaser of prop-*  
4 *erty under this subtitle shall be presumed to be a bona fide*  
5 *purchaser without notice of defects, if any, in the title con-*  
6 *veyed to said purchaser if the purchaser would have been*  
7 *considered a bona fide purchaser without notice had the sale*  
8 *been made voluntarily and in person by the debtor.*

9 *(e) NULLIFICATION OF RIGHT OF REDEMPTION.—*  
10 *There shall be no right of redemption, or right of possession*  
11 *based upon right of redemption, in the mortgagor or others*  
12 *subsequent to a foreclosure pursuant to this subtitle. Section*  
13 *204(l) of the National Housing Act and section 701 of the*  
14 *Department of Housing and Urban Development Reform*  
15 *Act of 1989 shall not apply to mortgages foreclosed under*  
16 *this subtitle.*

17 *(f) TAX.—When conveyance is made to the Secretary,*  
18 *no tax shall be imposed or collected with respect to the fore-*  
19 *closure commissioner's deed, whether as a tax upon the in-*  
20 *strument or upon the privilege of conveying or transferring*  
21 *title to the property. Failure to collect or pay a tax of the*  
22 *type and under the circumstances stated in the preceding*  
23 *sentence shall not be grounds for refusing to record such*  
24 *a deed, for failing to recognize such recordation as impart-*

1 *ing notice, or for denying the enforcement of such a deed*  
2 *and its provisions in any State or Federal court.*

3 **SEC. 495. RECORD OF FORECLOSURE AND SALE.**

4 *(a) RECORD.—To establish a sufficient record of fore-*  
5 *closure and sale, the foreclosure commissioner shall include*  
6 *in the recitals of the deed to the purchaser or prepare an*  
7 *affidavit or addendum to the deed stating—*

8 *(1) the date, time and place of sale;*

9 *(2) that the mortgage was held by the Secretary,*  
10 *the date of the mortgage, the office in which the mort-*  
11 *gage was recorded, and the liber and folio or other de-*  
12 *scription of the recordation of the mortgage;*

13 *(3) the particulars of the foreclosure commis-*  
14 *sioner's service of notice of default and foreclosure sale*  
15 *in accordance with sections 489 and 491;*

16 *(4) the date and place of filing the notice of fore-*  
17 *closure sale;*

18 *(5) that the foreclosure was conducted in accord-*  
19 *ance with the provisions of this subtitle and with the*  
20 *terms of the notice of default and foreclosure sale; and*

21 *(6) the sale amount.*

22 *(b) EFFECT OF STATEMENTS.—The statements set*  
23 *forth in subsection (a) shall be prima facie evidence of the*  
24 *truth of such recitals and statement of facts in any Federal*  
25 *or State court; and shall be a conclusive presumption in*

1 *favor of bona fide purchasers and encumbrancers for value*  
2 *without notice. Encumbrancers for value include liens*  
3 *placed by lenders who provide the purchaser with purchase*  
4 *money in exchange for a security interest in the newly-con-*  
5 *veyed property.*

6 (c) *RECORDATION.—The deed executed by the fore-*  
7 *closure commissioner, the foreclosure commissioner’s affida-*  
8 *vit and any other instruments submitted for recordation in*  
9 *relation to the foreclosure of the security property under this*  
10 *subtitle shall be accepted for recordation by the registrar*  
11 *of deeds or other appropriate official of the county or coun-*  
12 *ties in which the security property is located upon ten-*  
13 *dering of payment of the usual recording fees for such in-*  
14 *struments without regard to the compliance of those instru-*  
15 *ments with local filing requirements.*

16 **SEC. 496. EFFECT OF SALE.**

17 *A sale, made and conducted as prescribed in this sub-*  
18 *title to a bona fide purchaser, shall be an entire bar of all*  
19 *claims upon, or with respect to, the property sold, of each*  
20 *of the following persons:*

21 (1) *Any person to whom the notice of foreclosure*  
22 *sale was mailed as provided in this subtitle, and the*  
23 *heir, devisee, executor, administrator, successor or as-*  
24 *signee claiming under any such person.*



1           (2) Any person claiming any interest in the  
2           property subordinate to that of the mortgage, if such  
3           person had actual knowledge of the sale.

4           (3) Each person, claiming any interest in the  
5           property, whose assignment, mortgage, or other con-  
6           veyance was not duly recorded or filed in the proper  
7           place for recording or filing, or whose judgment or de-  
8           cree was not duly docketed or filed in the proper place  
9           for docketing or filing, prior to the date on which the  
10          notice of sale was first served by publication, as re-  
11          quired by section 489(2); and the executor, adminis-  
12          trator, or assignee of such a person.

13          (4) Every other person claiming under a statu-  
14          tory lien or encumbrance created subsequent to the re-  
15          cording or filing of the mortgage being foreclosed, at-  
16          taching to the title or interest of any person des-  
17          ignated in any of the foregoing subsections of this sec-  
18          tion.

19   **SEC. 497. COMPUTATION OF TIME.**

20          Periods of time provided for in this subtitle shall be  
21          calculated in consecutive calendar days including the day  
22          or days on which the actions or events occur or are to occur  
23          for which the period of time is provided and including the  
24          day on which an event occurs or is to occur from which  
25          the period is to be calculated.

1 **SEC. 498. SEPARABILITY.**

2 *If any clause, sentence, paragraph, or part of this sub-*  
3 *title shall, for any reason, be adjudged by a court of com-*  
4 *petent jurisdiction to be invalid or invalid as applied to*  
5 *a class of cases, such judgment shall not affect, impair, or*  
6 *invalidate the remainder thereof and of this subtitle, but*  
7 *shall be confined in its operation to the clause, sentence,*  
8 *paragraph, or part thereof directly involved in the con-*  
9 *troversy in which such judgment shall have been rendered.*

10 **SEC. 499. DEFICIENCY JUDGMENT.**

11 *(a) IN GENERAL.—If after deducting the disburse-*  
12 *ments provided for in section 493 of this subtitle, the price*  
13 *at which the security property is sold at a foreclosure sale*  
14 *is less than the unpaid balance of the debt secured by the*  
15 *security property, resulting in a deficiency, the Secretary*  
16 *may refer the matter to the Attorney General who may com-*  
17 *mence an action or actions against any or all debtors to*  
18 *recover the deficiency, unless specifically prohibited by the*  
19 *mortgage. The United States is also entitled to recover any*  
20 *amount authorized by section 3011 of title 28, United*  
21 *States Code, and costs of the action.*

22 *(b) LIMITATION.—Any action commenced to recover*  
23 *the deficiency must be brought within 6 years of the last*  
24 *sale of the security property.*

1           **TITLE V—RURAL HOUSING**

2   **SEC. 501. PROGRAM AUTHORIZATIONS.**

3           (a) *INSURANCE AND GUARANTEE AUTHORITY.*—Sec-  
4   tion 513(a) of the Housing Act of 1949 (42 U.S.C. 1483(a))  
5   is amended to read as follows:

6           “(a) *INSURANCE AND GUARANTEE AUTHORITY.*—

7           “(1) *IN GENERAL.*—The Secretary may, to the  
8   extent approved in appropriation Acts, insure and  
9   guarantee loans under this title during fiscal years  
10   1995 and 1996, in aggregate amounts not to exceed  
11   \$3,231,103,950 and \$3,360,037,069, respectively, as  
12   follows:

13           “(A) *For insured or guaranteed loans under*  
14   *section 502 on behalf of low-income borrowers re-*  
15   *ceiving assistance under section 521(a)(1),*  
16   *\$1,802,500,000 for fiscal year 1995 and*  
17   *\$1,856,575,000 for fiscal year 1996.*

18           “(B) *For guaranteed loans under section*  
19   *502(h) on behalf of low- and moderate-income*  
20   *borrowers, \$772,500,000 for fiscal year 1995 and*  
21   *\$795,675,000 for fiscal year 1996.*

22           “(C) *For loans under section 504,*  
23   *\$36,050,000 for fiscal year 1995 and \$37,131,500*  
24   *for fiscal year 1996.*

1           “(D) For insured loans under section 514,  
2           \$18,053,950 for fiscal year 1995 and \$18,595,569  
3           for fiscal year 1996.

4           “(E) For insured loans under section 515,  
5           \$600,000,000 for fiscal year 1995 and  
6           \$650,000,000 for fiscal year 1996.

7           “(F) For loans under section 523(b)(1)(B),  
8           \$1,000,000 for fiscal year 1995 and \$1,030,000  
9           for fiscal year 1996.

10          “(G) For site loans under section 524,  
11          \$1,000,000 for fiscal year 1995 and \$1,030,000  
12          for fiscal year 1996.

13          “(2) LIMITATION ON USE.—Notwithstanding any  
14          other provision of law, insured or guaranteed loan  
15          authority in this title for any fiscal year shall not be  
16          transferred or used for any purpose not specified in  
17          this title.”.

18          (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
19          513(b) of the Housing Act of 1949 (42 U.S.C. 1483(b)) is  
20          amended to read as follows:

21          “(b) AUTHORIZATION OF APPROPRIATIONS.—There  
22          are authorized to be appropriated for fiscal years 1995 and  
23          1996, and to remain available until expended, the following  
24          amounts:

1           “(1) For grants under section 502(c)(5)(C)(i),  
2           \$10,000,000 for fiscal year 1995, and \$10,000,000 for  
3           fiscal year 1996.

4           “(2) For grants under section 504, \$31,000,000  
5           for fiscal year 1995 and \$31,930,000 for fiscal year  
6           1996.

7           “(3) For purposes of section 509(c), \$1,000,000  
8           for fiscal year 1995 and \$1,030,000 for fiscal year  
9           1996.

10           “(4) For project preparation grants under sec-  
11           tion 509(f)(6), \$5,688,278 for fiscal year 1995 and  
12           \$5,858,926 for fiscal year 1996.

13           “(5) In fiscal years 1995 and 1996, such sums  
14           as may be necessary to meet payments on notes or  
15           other obligations issued by the Secretary under section  
16           511 equal to—

17                   “(A) the aggregate of the contributions  
18                   made by the Secretary in the form of credits on  
19                   principal due on loans made pursuant to section  
20                   503; and

21                   “(B) the interest due on a similar sum rep-  
22                   resented by notes or other obligations issued by  
23                   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 facili-  
7 ties for domestic farm labor under subsections  
8 (a) through (j) of such section, \$15,000,000 for  
9 fiscal year 1995 and \$18,000,000 for fiscal year  
10 1996; and

11                   “(B) for housing for rural homeless and mi-  
12 grant farmworkers under subsection (k) of such  
13 section, \$10,269,230 for fiscal year 1995 and  
14 \$11,407,307 for fiscal year 1996.

15           “(8) For grants under section 523(f),  
16 \$14,918,314 for fiscal year 1995 and \$15,365,863 for  
17 fiscal year 1996.

18           “(9) For grants under section 533, \$33,056,408  
19 for fiscal year 1993 and \$34,048,100 for fiscal year  
20 1994.

21           “(10) For grants under section 538, \$10,000,000  
22 for fiscal year 1995, which shall remain available  
23 until the end of fiscal year 1997.

1           “(11) For assistance under section 539,  
2           \$10,000,000 for fiscal year 1995 and \$12,000,000 for  
3           fiscal year 1996.”.

4           (c) RENTAL ASSISTANCE PAYMENT CONTRACTS.—Sec-  
5           tion 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) The  
10           Secretary, to the extent approved in appropriations Acts  
11           for fiscal years 1995 and 1996, may enter into rental assist-  
12           ance payment contracts under section 521(a)(2)(A) and  
13           contracts for operating assistance under section 521(a)(5),  
14           aggregating \$454,079,620 for fiscal year 1995 and  
15           \$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 year  
24           1995 and \$13,462,265 for fiscal year 1996.”.

1           (e) *RURAL HOUSING VOUCHER AUTHORITY.*—Section  
2 513(e) of the Housing Act of 1949 (42 U.S.C. 1483(e)) is  
3 amended to read as follows:

4           “(e) *RURAL HOUSING VOUCHERS.*—There are author-  
5 ized to be appropriated for rural housing vouchers under  
6 section 542, \$30,000,000 for fiscal year 1995 and  
7 \$40,000,000 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)) is  
10 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. ELIGIBILITY OF NATIVE AMERICANS FOR RURAL**  
15 **HOUSING PROGRAMS.**

16           Section 501(b)(6) of the Housing Act of 1949 (42  
17 U.S.C. 1471(b)(6)) is amended by adding at the end the  
18 following new sentence: “In any case in which assistance  
19 made available under this title may be provided to a State  
20 or State agency or in which a State or State agency is eligi-  
21 ble to participate in a program or activity under this title,  
22 such assistance may also be provided to Indian tribes and  
23 tribal agencies and Indian tribes and tribal agencies shall  
24 be eligible to participate, respectively.”.



1 **SEC. 503. ESCROW FUND.**

2        *Section 501(e) of the Housing Act of 1949 (42 U.S.C.*  
3 *1471(e)) is amended by striking the third and fourth sen-*  
4 *tences and inserting the following: “The Secretary may es-*  
5 *tablish in the Treasury of the United States an escrow fund*  
6 *for the deposit of such periodic payments. The Secretary*  
7 *may direct the Secretary of the Treasury to invest and rein-*  
8 *vest amounts in the escrow fund in public debt securities*  
9 *with maturities suitable for the needs of the escrow fund*  
10 *and bearing interest at rates determined by the Secretary*  
11 *of the Treasury, taking into consideration the current aver-*  
12 *age market yield on outstanding marketable obligations of*  
13 *the United States of comparable maturities. Any interest*  
14 *earned shall be credited to the escrow fund. The Secretary*  
15 *shall disburse amounts at the appropriate time or times for*  
16 *the purposes for which the amounts were escrowed in the*  
17 *fund. The interest rate to be paid on escrowed amounts shall*  
18 *be determined annually based on the interest earned less*  
19 *an amount not to exceed 1 percent which shall be used for*  
20 *expenses in carrying out the provisions of this title.”.*

21 **SEC. 504. SECTION 502 HOMEOWNERSHIP LOANS.**

22        (a) *REMOTE RURAL AREAS.*—*Section 502(f) of the*  
23 *Housing Act of 1949 (42 U.S.C. 1472(f)) is amended—*

24                (1) *by striking paragraph (1);*

25                (2) *by redesignating paragraph (2) as para-*  
26 *graph (1); and*

1           (3) by adding at the end the following new para-  
2 graph:

3           “(2) SECURITY.—In making a loan under this  
4 section for housing located in a rural area that is a  
5 remote rural area (which shall include tribal allotted  
6 or Indian trust land) where the borrower resides or  
7 is employed, the Secretary shall consider the actual  
8 replacement cost of the property and structure for  
9 which the loan is made as adequate security for the  
10 loan required under subsection (b).”.

11          (b) PERMANENT DEFERRED MORTGAGE PROGRAM.—  
12 Section 502(g) of the Housing Act of 1949 (42 U.S.C.  
13 1472(g)) is amended to read as follows:

14          “(g) DEFERRED MORTGAGE PROGRAM.—With respect  
15 to families or persons otherwise eligible for assistance under  
16 subsection (d) but having incomes below the amount deter-  
17 mined to qualify for a loan under this section, the Secretary  
18 may defer mortgage payments beyond the amount afford-  
19 able at 1 percent interest, taking into consideration income,  
20 taxes and insurance. Deferred mortgage payments shall be  
21 converted to payment status when the ability of the bor-  
22 rower to repay improves.”.

23          (c) REAMORTIZATION.—Section 505 of the Housing  
24 Act of 1949 (42 U.S.C. 1475) is amended—

1           (1) *in the section heading, by inserting “*  
2 *REAMORTIZATION,” after “MORATORIUM”;*

3           (2) *in subsection (a), by inserting before the last*  
4 *sentence the following: “The Secretary may not fore-*  
5 *close such a mortgage securing such a loan upon*  
6 *which a moratorium has been granted solely because*  
7 *the borrower does not have the ability to repay the*  
8 *loan. Upon the expiration of a moratorium, the Sec-*  
9 *retary shall enter into an agreement with the bor-*  
10 *rower providing to the borrower such assistance as the*  
11 *Secretary is authorized to provide under this title and*  
12 *may foreclose with respect to the loan only if the bor-*  
13 *rower fails to make 3 monthly payments required*  
14 *under such agreement.”;*

15           (3) *by redesignating subsection (b) as subsection*  
16 *(c); and*

17           (4) *by inserting after subsection (a) the following*  
18 *new subsection:*

19           “(b) *REAMORTIZATION.—*

20           “(1) *AUTHORITY.—With respect to a loan made*  
21 *under section 502, after a moratorium under sub-*  
22 *section (a) of this section for the loan or at any other*  
23 *time the Secretary considers appropriate, the Sec-*  
24 *retary may reamortize the outstanding indebtedness,*  
25 *including principal and interest, under the loan for*

1       *a period not to exceed 38 years from the date of the*  
2       *making of the loan, subject to the provisions of para-*  
3       *graph (2).*

4               “(2) *GRADUATED REPAYMENT AGREEMENT.*—*In*  
5       *reamortizing a loan pursuant to paragraph (1), the*  
6       *Secretary may lower the interest rate to the existing*  
7       *lending rate for loans under section 502 or establish*  
8       *a schedule of payments under the loan that provides,*  
9       *after the application of interest credit, for payments*  
10       *in an amount less than the amount of the payments*  
11       *originally provided for under the loan agreement for*  
12       *a period not exceeding that required to amortize the*  
13       *loan over its term, except that such period may not*  
14       *exceed 3 years.”.*

15       (d) *ELIGIBILITY OF AREA.*—*Section 502 of the Hous-*  
16       *ing Act of 1949 (42 U.S.C. 1472) is amended by adding*  
17       *at the end the following new subsection:*

18               “(i) *Notwithstanding section 520, the Secretary may*  
19       *make loans under this section for properties in the Pinewest*  
20       *Subdivision, located in Gibsonville, North Carolina, in the*  
21       *same manner as provided under this section for properties*  
22       *in rural areas.”.*

23       **SEC. 505. LOAN GUARANTEES.**

24       *Section 502(h)(11) of the Housing Act of 1949 (42*  
25       *U.S.C. 1472(h)(11)) is amended by adding at the end the*

1 following new sentence: “The Secretary may not pool or re-  
2 allocate any authority to guarantee loans under this section  
3 that was allocated for use in any State before August 1 of  
4 the fiscal year in which such authority was allocated.”.

5 **SEC. 506. PREPAYMENT OF RURAL RENTAL HOUSING**  
6 **LOANS.**

7 (a) TECHNICAL ASSISTANCE GRANTS AND LOANS FOR  
8 NONPROFIT AND PUBLIC AGENCY PURCHASERS OF PRE-  
9 PAYMENT PROPERTIES.—Section 502(c)(5)(C)(i) of the  
10 Housing Act of 1949 (42 U.S.C. 1472(c)(5)(C)(i)) is amend-  
11 ed to read as follows:

12 “(i) to the extent provided in appropriation  
13 Acts, make a grant or predevelopment loan in an  
14 amount not exceeding \$50,000 to the nonprofit orga-  
15 nization or public agency whose offer to purchase is  
16 accepted under this paragraph to cover reasonable  
17 costs, as determined by the Secretary and not includ-  
18 ing the purchase price, incurred by the organization  
19 or agency in purchasing and assuming responsibil-  
20 ities for the housing and related facilities involved,  
21 which may include costs for pursuing acquisition, ap-  
22 praisals, financing fees, accounting, administration,  
23 consultants, legal assistance, architectural assistance,  
24 engineering assistance, application fees, overhead, and  
25 other expenses;”.

1       (b) *EQUITY TAKEOUT LOANS.*—

2           (1) *AUTHORITY AND LIMITATION.*—Section  
3       502(c)(4)(B)(iv) of the Housing Act of 1949 (42  
4       U.S.C. 1472(c)(4)(B)(iv)) is amended by inserting be-  
5       fore the period at the end the following: “or under  
6       paragraphs (1) and (2) of section 514(j), except that  
7       an equity loan referred to in this clause may not be  
8       made available after the date of the enactment of the  
9       Housing and Community Development Act of 1994  
10      unless the Secretary determines that the other incen-  
11      tives available under this subparagraph are not ade-  
12      quate to provide a fair return on the investment of  
13      the borrower, to prevent prepayment of the loan in-  
14      sured under section 514 or 515, or to prevent the dis-  
15      placement of tenants of the housing for which the loan  
16      was made”.

17           (2) *APPROVAL OF ASSISTANCE.*—Subparagraph  
18      (C) of section 502(c)(4) of the Housing Act of 1949  
19      is amended by striking the matter preceding clause (i)  
20      and inserting the following:

21      “(C) *APPROVAL OF ASSISTANCE.*—The Secretary may  
22      approve assistance under subparagraph (B) for assisted  
23      housing only if the restrictive period has expired for any  
24      loan for the housing made or insured under section 514 or  
25      515 pursuant to a contract entered into after December 21,

1 1979, but before the date of the enactment of the Department  
2 of Housing and Urban Development Reform Act of 1989,  
3 and the Secretary determines that the combination of assist-  
4 ance provided—”.

5 (3) *LOAN TERMS.*—Section 514 of the Housing  
6 Act of 1949 (42 U.S.C. 1484) is amended by adding  
7 at the end the following new subsection:

8 “(j) *EQUITY TAKEOUT LOANS FOR PRESERVATION OF*  
9 *LOW-INCOME HOUSING.*—With respect to a loan insured  
10 under subsection (a), the Secretary may—

11 “(1) make or insure an equity loan in the form  
12 of a supplemental loan for the purpose of equity take-  
13 out to the owner of housing financed with a loan in-  
14 sured under this section pursuant to a contract en-  
15 tered into before December 15, 1989, for the purpose  
16 of extending the affordability of the housing for low-  
17 income families or persons and very low-income fami-  
18 lies or persons for not less than 20 years, except that  
19 such loan may not exceed 90 percent of the value of  
20 the equity in the project as determined by the Sec-  
21 retary;

22 “(2) transfer and reamortize an existing loan in  
23 connection with assistance provided under paragraph  
24 (1); and

1           “(3) make or insure a loan to enable a nonprofit  
2           organization or public agency to make a purchase de-  
3           scribed in section 502(c)(5).”.

4           (4) *TECHNICAL CORRECTION RELATING TO SEC-*  
5           *TION 515 HOUSING.*—Section 515(c)(1) of the Housing  
6           Act of 1949 (42 U.S.C. 1485(c)(1)) is amended by  
7           striking “December 21, 1979” and inserting “Decem-  
8           ber 15, 1989”.

9           (c) *PHASE-IN OF RENT INCREASES.*—Section  
10          502(c)(4)(B)(vi) of the Housing Act of 1949 (42 U.S.C.  
11          1472(c)(4)(B)(vi)) is amended by inserting before the period  
12          at the end the following: “, except that any such increase  
13          in rents for current tenants (except for increases made nec-  
14          essary by increases in operating costs) shall (I) be phased  
15          in equally over a period of not less than 3 years, if such  
16          increase is 30 percent or more, and (II) be limited to not  
17          more than 10 percent per year if such increase is more than  
18          10 percent but less than 30 percent”.

19          (d) *TREATMENT OF ACCELERATION UPON DEFAULT.*—  
20          Section 502 of the Housing Act of 1949 (42 U.S.C. 1472)  
21          is amended—

22                 (1) in subsection (b)(2), by inserting “or any  
23                 payment in the case of acceleration of the amount due  
24                 under such a loan pursuant to any default,” after  
25                 “515”; and



1           (2) in subsection (c)—

2                   (A) in paragraph (1)(A), by inserting before  
3           the 1st comma the following: “, accept any pay-  
4           ment tendered in the case of acceleration of the  
5           amount due pursuant to any default on”;

6                   (B) in paragraph (1)(B), 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           (C) in paragraph (2)—

11                   (i) by inserting after “prepaid” the fol-  
12           lowing: “, paid in full pursuant to accelera-  
13           tion of the amount due resulting from de-  
14           fault,”; and

15                   (ii) by inserting “, payment,” after  
16           “prepayment”;

17                   (D) in paragraph (4)(A), by inserting after  
18           “prepay,” the following: “accepting any pay-  
19           ment tendered in the case of acceleration of the  
20           amount due pursuant to any default on,”; and

21           (E) in paragraph (5)—

22                   (i) in subparagraph (A)(ii), by insert-  
23           ing after “prepay,” the following: “accept  
24           the payment tendered in the case of accel-

1            *eration of the amount due pursuant to de-*  
2            *fault on,”;*

3            *(ii) in the 1st sentence of subparagraph*  
4            *(F), by inserting after “prepay,” the follow-*  
5            *ing: “accept payment tendered in the case of*  
6            *acceleration of the amount due pursuant to*  
7            *default on,”;*

8            *(iii) in the 2d sentence of subpara-*  
9            *graph (F), by inserting after “prepay,” the*  
10           *following: “payment tendered in the case of*  
11           *acceleration of the amount due pursuant to*  
12           *default,”;*

13           *(iv) in the last sentence of subpara-*  
14           *graph (F), by striking “offers to prepay,”*  
15           *and inserting the following: “such offers to*  
16           *prepay, payments in the case of acceleration*  
17           *of the amount due pursuant to default,”;*  
18           *and*

19           *(v) in the matter in subparagraph (G)*  
20           *that precedes clause (i), by inserting after*  
21           *“prepay,” the following: “any payment ten-*  
22           *dered in the case of acceleration of the*  
23           *amount due pursuant to default on,”.*

1       (e) *TEST FOR ALLOWABLE PREPAYMENT.*—Section  
2 502(c)(5)(G)(ii) of the Housing Act of 1949 (42 U.S.C.  
3 1472(c)(5)(G)(ii)) is amended to read as follows:

4           “(ii) the Secretary makes a written finding  
5 that—

6                   “(I) prepayment, payment in the case of ac-  
7 celeration, or refinancing will not (a) materially  
8 increase economic hardship for current tenants,  
9 and (b) involuntarily displace current tenants  
10 (except for good cause), where comparable and  
11 affordable housing is not readily available at the  
12 time of displacement, determined without regard  
13 to the availability of Federal housing assistance  
14 that would address any such hardship or invol-  
15 untary displacement; and

16                   “(II) the supply of vacant, comparable  
17 housing is sufficient to ensure that such prepay-  
18 ment will not materially affect (a) the availabil-  
19 ity of decent, safe, and sanitary housing afford-  
20 able to low-income and very low-income families  
21 or persons in the area that the housing could  
22 reasonably be expected to serve, (b) the ability of  
23 low-income and very low-income families or per-  
24 sons to find affordable, decent, safe, and sanitary  
25 housing near employment opportunities, or (c)

1           *the housing opportunities of minorities in the*  
2           *community within which the housing is lo-*  
3           *cated.”.*

4   **SEC. 507. DESIGNATION OF UNDERSERVED AREAS AND RES-**  
5           **ERVATION OF ASSISTANCE.**

6           (a) *REAUTHORIZATION AND SET-ASIDE.*—Section  
7   509(f)(4) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4))  
8   is amended—

9           (1) *in subparagraph (A)*—

10           (A) *in the first sentence*—

11                   (i) *by striking “5.0 percent in fiscal*  
12                   *years 1993 and 1994” and inserting “not*  
13                   *less than 5 percent or more than 10 percent*  
14                   *for each of fiscal years 1995 and 1996”; and*

15                   (ii) *by striking “514, 515, and 524”*  
16                   *and inserting “and 515”; and*

17                   (B) *in the second sentence, by striking “sec-*  
18                   *tions 514 and 515” and inserting “section 515”;*  
19                   *and*

20           (2) *in subparagraph (B)(ii), by striking “5 per-*  
21           *cent” and inserting “10 percent”.*

22           (b) *POVERTY LEVEL FOR DESIGNATION.*—Section  
23   509(f)(1) of the Housing Act of 1949 is amended—

24           (1) *in subparagraph (A), by striking “20 per-*  
25           *cent” and inserting “15 percent”; and*

1           (2) in subparagraph (B), by striking “10 per-  
2           cent” and inserting “5 percent”.

3           (c) *POVERTY LEVEL FOR PREFERENCE*.—Section  
4           509(f)(2) of the Housing Act of 1949 is amended—

5           (1) in subparagraph (A), by striking “28 per-  
6           cent” and inserting “20 percent”; and

7           (2) in subparagraph (B), by striking “13 per-  
8           cent” and inserting “7 percent”.

9           (d) *ADDITIONAL QUALIFICATION AS UNDERSERVED*  
10          *AREA*.—Section 509(f)(1) of the Housing Act of 1949 is  
11          amended by inserting after subparagraph (B) the following  
12          new flush sentence:

13          “The Secretary may also designate a county or com-  
14          munity as a targeted underserved area if the Sec-  
15          retary determines that the county or community has  
16          severe unmet housing needs, including needs caused  
17          by severe economic and social dislocation such as nat-  
18          ural disasters, structural employment changes, or per-  
19          sistent poverty, or has experienced long-term popu-  
20          lation and job losses.”.

21          (e) *GEOGRAPHICAL DIVERSITY*.—Section 509(f)(1) of  
22          the Housing Act of 1949 is amended by adding at the end  
23          the following: “In designating targeted underserved areas  
24          under this paragraph for any fiscal year, the Secretary may  
25          not designate more than 10 counties and communities lo-

1 cated in any single State or in the Commonwealth of Puerto  
2 Rico. If more than 10 counties and communities in any  
3 single State or the Commonwealth of Puerto Rico qualify  
4 under this paragraph for designation as an underserved  
5 area, the Secretary shall designate the counties and commu-  
6 nities for which the sum of the percentages under subpara-  
7 graphs (A) and (B) are the greatest.”.

8 (f) 2-YEAR AND 3-YEAR DESIGNATIONS.—Section  
9 509(f) of the Housing Act of 1949 (42 U.S.C. 1479(f)) is  
10 amended—

11 (1) in paragraph (1)—

12 (A) in the 1st sentence, by striking “in each  
13 fiscal year”; and

14 (B) in the 2d sentence, by striking “year  
15 in” and inserting “first year for”;

16 (2) in paragraph (2)—

17 (A) in the first sentence, by striking “para-  
18 graph (4)” and inserting “paragraph (5)”; and

19 (B) by striking the last sentence;

20 (3) in paragraph (3)(B), by striking “paragraph  
21 (2)” and inserting “paragraph (3)”;

22 (4) in paragraph (4)(A), by striking “paragraph  
23 (7)” and inserting “paragraph (8)”;

24 (5) by redesignating paragraphs (2) through (8)  
25 as paragraphs (3) through (9), respectively; and

1           (6) by inserting after paragraph (1) the follow-  
2           ing new paragraph:

3           “(2) *TIMING AND DURATION OF DESIGNA-*  
4           *TIONS.—*

5                     “(A) *IN GENERAL.—*Except as provided in  
6                     subparagraph (B), the Secretary shall redesign-  
7                     nate the targeted underserved areas under this  
8                     subsection once every 2 fiscal years and such des-  
9                     ignations shall remain in effect for a period of  
10                    2 fiscal years. The first such 2-year designation  
11                    shall be made for fiscal years 1995 and 1996.

12                   “(B) *DESIGNATIONS FOR INDIAN AREAS.—*  
13                   The Secretary shall ensure that, at all times, not  
14                   less than 5 counties or communities that contain  
15                   tribal allotted or Indian trust land are included  
16                   among the 100 counties and communities des-  
17                   ignated as targeted underserved areas. The Sec-  
18                   retary shall redesignate the counties or commu-  
19                   nities designated as a targeted underserved area  
20                   in compliance with this subparagraph once every  
21                   3 fiscal years and such designations shall remain  
22                   in effect for 3 fiscal years. The first such 3-year  
23                   designation shall be made for fiscal years 1995  
24                   through 1997. Upon designation, the Secretary

1           *shall specify any targeted underserved area des-*  
2           *ignated in compliance with this subparagraph.”.*

3   **SEC. 508. ADMINISTRATIVE APPEALS.**

4           (a) *APPEALS.*—Section 510(g) of the Housing Act of  
5 1949 (42 U.S.C. 1480(g)) is amended—

6           (1) *by inserting after “termination and” the fol-*  
7           *lowing: “; in the case of any eviction not related to*  
8           *any drug-related or criminal activity, nonpayment of*  
9           *rent, or activity that threatens the health, safety, or*  
10           *right to peaceful enjoyment of the premises by other*  
11           *residents,”; and*

12           (2) *by inserting after “reverse the decision” the*  
13           *following: “and is mutually selected within a reason-*  
14           *able period of time by the person adversely affected by*  
15           *the reduction or termination of assistance and the*  
16           *person reducing or terminating assistance”.*

17           (b) *ATTORNEYS.*—Section 510(d)(1) of the Housing  
18 *Act of 1949 is amended—*

19           (1) *in the matter preceding subparagraph (A),*  
20           *by inserting “or 515” after “502”; and*

21           (2) *in subparagraph (C)(ii), by inserting “with*  
22           *respect to litigation under section 502,” before “rep-*  
23           *resentation”.*



1 **SEC. 509. SECTION 515 RURAL RENTAL HOUSING.**

2 (a) *LOAN TERM.*—Section 515(a)(2) of the Housing  
3 Act of 1949 (42 U.S.C. 1485(a)(2)) is amended by inserting  
4 before the semicolon the following: “, except that the Sec-  
5 retary may also make loans for a period of up to 30 years  
6 from the making of the loan”.

7 (b) *DEVELOPMENT COST.*—Section 515(e)(4) of the  
8 Housing Act of 1949 is amended by inserting “franchise  
9 fees,” after “impact fees,”.

10 (c) *LIMITATION ON PROJECT TRANSFERS.*—Section  
11 515 of the Housing Act of 1949 (42 U.S.C. 1485) is amend-  
12 ed by inserting after subsection (g) the following new sub-  
13 section:

14 “(h) *PROJECT TRANSFERS.*—After the date of the en-  
15 actment of the Housing and Community Development Act  
16 of 1994, any interest in the ownership of a project for which  
17 a loan is made or insured under this section may be trans-  
18 ferred only if the Secretary determines that such transfer  
19 would be in the best interests of the tenants of the housing  
20 for which the loan was made or insured and of the Federal  
21 Government.”.

22 (d) *EQUITY LOANS.*—Section 515(t) of the Housing  
23 Act of 1949 is amended—

24 (1) by striking paragraphs (4) and (5); and

25 (2) by redesignating paragraphs (6) through (8)

26 as paragraphs (4) through (6), respectively.

1       (e) *SET-ASIDE FOR NONPROFIT ENTITIES.*—The first  
2 sentence of section 515(w)(1) of the Housing Act of 1949  
3 (42 U.S.C. 1485(w)(1)) is amended by striking “fiscal years  
4 1993 and 1994” and inserting “fiscal years 1995 and  
5 1996”.

6       (f) *AUTHORITY FOR STREAMLINED MORTGAGE MODI-*  
7 *FICATIONS.*—Section 515 of the Housing Act of 1949 (42  
8 U.S.C. 1485) is amended by adding at the end the following  
9 new subsection:

10       “(aa) *MORTGAGE MODIFICATIONS.*—

11               “(1) *PURPOSE AND AUTHORITY.*—In order to re-  
12 duce the amount of debt service payments and operat-  
13 ing costs of borrowers under loans made or insured  
14 under this section, reduce rents paid by residents of  
15 housing financed with such loans, and reduce the  
16 amount of rental assistance necessary for such hous-  
17 ing, the Secretary may refinance the outstanding  
18 principal obligation of a loan made under this sub-  
19 section in accordance with the provisions applicable  
20 (at the time of such refinancing) to loans made under  
21 this section that the Secretary determines are appro-  
22 priate for purposes of this subsection and the terms  
23 and conditions of the original loan.

24               “(2) *USE OF HOUSING.*—Any terms of the origi-  
25 nal loan relating to use of the housing and related fa-

1        *cilities for the purposes specified in this section shall*  
2        *continue to apply to the housing in the same manner*  
3        *as if the loan were not modified under this subsection.*

4            “(3) *TREATMENT OF MODIFIED MORTGAGE*  
5        *UNDER PREPAYMENT RESTRICTIONS.—Any loan*  
6        *modified under this subsection shall be considered a*  
7        *loan originally made under this section, for purposes*  
8        *of the limitations under subsection (c) on prepayment*  
9        *and refinancing under subsection (b)(3). For purposes*  
10       *of determining the financial status of the loan or the*  
11       *housing securing the loan, the Secretary may consider*  
12       *the terms of the refinancing.*

13           “(4) *TERMS.—The Secretary shall, by regula-*  
14        *tion, establish any requirements and conditions the*  
15        *Secretary considers appropriate to provide for refi-*  
16        *nancing under this subsection, including any limita-*  
17        *tions on term of the refinancing loan.*

18           “(5) *EXPEDITED PROCEDURE.—The Secretary*  
19        *shall establish an expedited procedure for providing*  
20        *refinancing under this subsection, which—*

21                    “(A) *shall not require application under the*  
22                    *same procedures applicable to loans made under*  
23                    *subsection (a); and*

24                    “(B) *shall take into consideration any in-*  
25                    *formation obtained by the Secretary in making*

1           and servicing the loan under subsection (a) for  
2           which refinancing under this subsection is re-  
3           quested.”.

4   **SEC. 510. OPTIONAL CONVERSION OF RENTAL ASSISTANCE**  
5                   **PAYMENTS TO OPERATING SUBSIDY FOR MI-**  
6                   **GRANT FARMWORKER PROJECTS.**

7           (a) *IN GENERAL.*—Section 521(a) of the Housing Act  
8   of 1949 (42 U.S.C. 1490a(a)) is amended by adding at the  
9   end the following new paragraph:

10           “(5) *OPERATING ASSISTANCE FOR MIGRANT FARM-*  
11 *WORKER PROJECTS.*—

12                   “(A) *AUTHORITY.*—In the case of housing (and  
13   related facilities) for migrant farmworkers provided  
14   or assisted with a loan under section 514 or a grant  
15   under section 516, the Secretary may, at the request  
16   of the owner of the project, use amounts provided for  
17   rental assistance payments under paragraph (2) to  
18   provide assistance for the costs of operating the  
19   project. Any project assisted under this paragraph  
20   may not receive rental assistance under paragraph  
21   (2).

22                   “(B) *AMOUNT.*—In any fiscal year, the assist-  
23   ance provided under this paragraph for any project  
24   shall not exceed an amount equal to 90 percent of the  
25   operating costs for the project for the year, as deter-

1        *mined by the Secretary. The amount of assistance to*  
2        *be provided for a project under this paragraph shall*  
3        *be an amount that makes units in the project avail-*  
4        *able to migrant farmworkers in the area of the project*  
5        *at rates generally not exceeding 30 percent of the*  
6        *monthly adjusted incomes of such farmworkers, based*  
7        *on the prevailing incomes of such farmworkers in the*  
8        *area.*

9            *“(C) SUBMISSION OF INFORMATION.—The owner*  
10        *of a project assisted under this paragraph shall be re-*  
11        *quired to provide to the Secretary, at least annually,*  
12        *a budget of operating expenses and estimated rental*  
13        *income, which the Secretary shall use to determine the*  
14        *amount of assistance for the project.*

15            *“(D) DEFINITIONS.—For purposes of this para-*  
16        *graph, the following definitions shall apply:*

17            *“(i) The term ‘migrant farmworker’ shall*  
18        *have the same meaning given the term in section*  
19        *516(k)(7).*

20            *“(ii) The term ‘operating cost’ means ex-*  
21        *penses incurred in operating a project, including*  
22        *expenses for—*

23            *“(I) administration, maintenance, re-*  
24        *pair, and security of the project;*

1                   “(II) utilities, fuel, furnishings, and  
2                   equipment for the project; and

3                   “(III) maintaining adequate reserve  
4                   funds for the project.”.

5           (b) *CONFORMING AMENDMENTS.*—Title V of the Hous-  
6   ing Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

7           (1) in section 502—

8                   (A) in subsection (c)(1)(A)(i), by striking  
9                   “or (a)(2)” and inserting “, (a)(2), or (5)”;

10                   (B) in subsection (c)(4)(B)(ii), by inserting  
11                   before the period at the end the following: “, or  
12                   additional assistance or an increase in assist-  
13                   ance provided under section 521(a)(5)”;

14                   (C) in subsection (c)(4)(B)(iii), by inserting  
15                   before the period at the end the following: “, or  
16                   current tenants of projects not assisted under sec-  
17                   tion 521(a)(5)”;

18                   (D) in subsection (c)(5)(C)(iii)—

19                           (i) by striking the 2d comma; and

20                           (ii) by inserting “or any assistance  
21                   payments received under section 521(a)(5),”  
22                   before “with respect”;

23                   (E) in subsection (c)(5)(D), by inserting be-  
24                   fore the period at the end the following: “or, in  
25                   the case of housing assisted under section

1           521(a)(5), does not exceed the rents established  
2           for the project under such section”;

3           (2) in the second sentence of section 509(f)(5) (as  
4           redesignated by the preceding provisions of this title),  
5           by striking “an amount of section 521 rental assist-  
6           ance” and inserting “, from amounts available for as-  
7           sistance under paragraphs (2) and (5) of section  
8           521(a), an amount”;

9           (3) in section 513(c)(2)—

10           (A) in the matter preceding subparagraph  
11           (A), by inserting “or contracts for operating as-  
12           sistance under section 521(a)(5)” after  
13           “521(a)(2)(A)”;

14           (B) in subparagraph (A), by inserting “or  
15           operating assistance contracts” after “contracts”;

16           (C) in subparagraph (B), by striking “rent-  
17           al” each place it appears; and

18           (D) in subparagraph (C), by inserting “or  
19           operating assistance contracts” after “contracts”;

20           (4) in section 521(a)(2)(B)—

21           (A) by inserting “or paragraph (5)” after  
22           “this paragraph”; and

23           (B) by striking “which shall” and all that  
24           follows through the period at the end and insert-  
25           ing the following: “. The budget (and the income,

1           *in the case of a project assisted under this para-*  
2           *graph) shall be used to determine the amount of*  
3           *the assistance for each project.”;*

4           *(5) in section 521(c), by striking “subsection*  
5           *(a)(2)” and inserting “subsections (a)(2) and (a)(5)”;*

6           *(6) in section 521(e), by inserting after “recipi-*  
7           *ent” the following: “or any tenant in a project as-*  
8           *sisted under subsection (a)(5)”;* and

9           *(7) in section 530, by striking “rental assistance*  
10          *payments with respect to such project under section*  
11          *521(a)(2)(A)” and inserting “assistance payments*  
12          *with respect to such project under section*  
13          *521(a)(2)(A) or 521(a)(5)”.*

14   **SEC. 511. DEFINITION OF RURAL AREA.**

15          *The last sentence of section 520 of the Housing Act*  
16          *of 1949 (42 U.S.C. 1490) is amended by striking “city of”*  
17          *and inserting “cities of South Tucson, Arizona, and”.*

18   **SEC. 512. ELIGIBILITY OF MANUFACTURED HOME PARKS**  
19                    **FOR BUILDING SITE LOANS FOR COOPERA-**  
20                    **TIVES.**

21          *The first sentence of section 524(a)(1) of the Housing*  
22          *Act of 1949 (42 U.S.C. 1490d(a)(1)) is amended by insert-*  
23          *ing before the period at the end the following: “, and for*  
24          *the acquisition and development of manufactured home*



1 parks owned by nonprofit organizations for future owner-  
2 ship by low- and moderate-income residents of the park”.

3 **SEC. 513. RURAL HOUSING ASSISTANCE TARGETING RE-**  
4 **PORT.**

5 Section 532(a) of the Housing Act of 1949 (42 U.S.C.  
6 1490l) is amended by adding at the end the following new  
7 flush material:

8 “The Secretary shall submit a report to the Congress for  
9 each fiscal year describing the geographical distribution of  
10 housing for which eligible loan applications for assistance  
11 under this title are submitted in such year and for which  
12 amounts are obligated in such year. The report shall de-  
13 scribe the areas in which the housing to be assisted under  
14 the applications is located, the number of eligible applica-  
15 tions received for housing in such areas, the number of eligi-  
16 ble applications for housing in such areas that were ap-  
17 proved and funded and the amounts of such funding, the  
18 extent of the rural character of such areas, and any actions  
19 taken by the Secretary to comply with the requirement  
20 under paragraph (3). The report for a fiscal year shall be  
21 submitted not later than 180 days after the conclusion of  
22 such fiscal year.”.

1 **SEC. 514. PRIORITY FOR RURAL HOUSING VOUCHER AS-**  
2 **SISTANCE.**

3 *Section 542 of the Housing Act of 1949 (42 U.S.C.*  
4 *1490r) is amended by adding at the end the following new*  
5 *subsection:*

6 “(c) *PRIORITY.*—

7 “(1) *REQUIREMENT.*—*In providing assistance*  
8 *under this section, the Secretary shall give preference*  
9 *to providing assistance for rental housing that—*

10 “(A) *is financed or assisted with a loan,*  
11 *guarantee, insurance, or other assistance pro-*  
12 *vided under this title; and*

13 “(B)(i) *has a significant number of units,*  
14 *as determined by the Secretary, that have been*  
15 *vacant for extended periods; or*

16 “(ii) *is occupied by a significant number of*  
17 *families, as determined by the Secretary, who*  
18 *pay as rent for a unit in the housing an amount*  
19 *exceeding 30 percent of the family’s monthly ad-*  
20 *justed income.*

21 “(2) *PROJECT-BASED ASSISTANCE.*—*To provide*  
22 *assistance according to the preference under para-*  
23 *graph (1), the Secretary may enter into contracts*  
24 *with owners of housing described in paragraph (1) to*  
25 *provide voucher assistance payments that are at-*



1 year 1996, and 30 percent shall be so disbursed in fiscal  
2 year 1997.

3 “(c) *USE OF ASSISTANCE.*—

4 “(1) *ELIGIBLE ACTIVITIES.*—Any amounts pro-  
5 vided to a technical assistance provider under a grant  
6 under this section shall be used by the technical as-  
7 sistance provider only—

8 “(A) to train individuals for employment as  
9 local project coordinators under paragraph (2),  
10 which shall include training regarding the avail-  
11 ability, application for, and use of housing as-  
12 sistance under this title with respect to tribes  
13 and members of tribes;

14 “(B) to provide ongoing technical assistance  
15 and training to local project coordinators;

16 “(C) to provide assistance to the tribes se-  
17 lected under subsection (e) in the selected areas,  
18 or to Native American or Alaskan Native hous-  
19 ing organizations serving such tribes, to employ  
20 local project coordinators trained pursuant to  
21 subparagraph (A); and

22 “(D) to establish a revolving fund to pro-  
23 vide loans to tribes and members of tribes for  
24 customary and reasonable costs incurred in pre-  
25 paring and submitting applications for housing

1           *assistance under this title to be used in the se-*  
2           *lected areas (including costs of credit reports),*  
3           *except that not more than \$1,500 may be pro-*  
4           *vided for the purpose under this subparagraph to*  
5           *any single tribe or Native American or Alaskan*  
6           *Native housing organization.*

7           “(2) *LOCAL PROJECT COORDINATOR.*—*For pur-*  
8           *poses of this section, a local project coordinator shall*  
9           *be an individual who—*

10                   “(A) *is employed by a tribe selected under*  
11                   *subsection (e) in, or Native American or Alaskan*  
12                   *Native housing organization serving, the selected*  
13                   *area;*

14                   “(B) *provides advice and assistance to the*  
15                   *tribe or the tribes served by the organization*  
16                   *(and members of such tribes), regarding the*  
17                   *availability, application for, and use of housing*  
18                   *assistance under this title;*

19                   “(C) *otherwise facilitates the use of such as-*  
20                   *stance by the tribes and their members; and*

21                   “(D) *assists the tribes and their members in*  
22                   *obtaining loans from the revolving fund estab-*  
23                   *lished under paragraph (1)(D).*

24           “(d) *TRIBAL CONTRIBUTIONS TO DEMONSTRATION*  
25           *PROGRAM.*—*Each tribe selected under subsection (e) for*

1 participation in the demonstration program under this sec-  
2 tion shall enter into an agreement with the technical assist-  
3 ance provider to provide in-kind or financial assistance, in  
4 addition to amounts provided under this section, for activi-  
5 ties under the demonstration program, in an amount deter-  
6 mined by the tribe and the technical assistance provider.  
7 The assistance provided pursuant to such agreement may  
8 include assistance in the form of office space, equipment,  
9 transportation, salary enhancement, and fringe benefits,  
10 and other forms of assistance.

11 “(e) SELECTION OF TRIBES AND AREAS.—

12 “(1) ELIGIBILITY.—The Secretary shall provide  
13 for the technical assistance providers receiving grants  
14 under this section to select for participation in the  
15 demonstration under this section not more than a  
16 total of 15 tribes—

17 “(A) that are located in counties or commu-  
18 nities—

19 “(i) that are eligible for designation as  
20 targeted underserved areas under section  
21 509(f); or

22 “(ii) that include tribal allotted or In-  
23 dian trust land; and

24 “(B) that—

1           “(i) have agreed to participate in the  
2           demonstration under this section by des-  
3           ignating individuals for training as local  
4           project coordinators under subsection (c); or

5           “(ii) are located in a county or com-  
6           munity within which is located a Native  
7           American or Alaskan Native housing orga-  
8           nization that has so agreed to participate in  
9           the demonstration under this section.

10           “(2) CRITERIA FOR SELECTION.—Each technical  
11           assistance provider selecting tribes pursuant to para-  
12           graph (1) shall make such selections according to cri-  
13           teria that include—

14           “(A) the extent of substandard housing on  
15           the reservation of the tribe;

16           “(B) the extent of the waiting list for hous-  
17           ing assistance under Federal housing programs  
18           in the community or community under para-  
19           graph (1)(A);

20           “(C) the extent of interest in and willing-  
21           ness to participate in the demonstration pro-  
22           gram under this section for a 3-year period; and

23           “(D) the extent of willingness to provide in-  
24           kind or financial assistance in addition to

1           *amounts provided under this section for activi-*  
2           *ties under the demonstration program.*

3           “(3) *TREATMENT AS TARGETED UNDERSERVED*  
4           *AREAS.—Notwithstanding the designation of counties*  
5           *and communities as targeted underserved areas under*  
6           *section 509(f)(1) and the provisions of section 520,*  
7           *any selected area under this section shall be consid-*  
8           *ered a targeted underserved area for fiscal years 1995,*  
9           *1996, and 1997, for purposes of eligibility for assist-*  
10          *ance with amounts reserved under section*  
11          *509(f)(4)(A).*

12          “(f) *SELECTION OF TECHNICAL ASSISTANCE PROVID-*  
13          *ERS.—*

14                 “(1) *ELIGIBILITY.—The Secretary may make a*  
15                 *grant under this section only to a nonprofit organiza-*  
16                 *tion having experience in providing training and*  
17                 *technical assistance regarding the use of housing as-*  
18                 *sistance under this title and in administering revolv-*  
19                 *ing loan funds for costs relating to housing assistance*  
20                 *programs under this title.*

21                 “(2) *APPLICATION.—The Secretary shall provide*  
22                 *for nonprofit organizations meeting the requirements*  
23                 *under paragraph (1) to submit applications for a*  
24                 *grant under this section during a period of not more*



1 *than 45 days that begins upon publication of the no-*  
2 *tice of funding availability under subsection (i).*

3 *“(3) SELECTION.—Not more than 30 days after*  
4 *expiration of such period, the Secretary shall select, to*  
5 *receive grants under this section, 1 or more nonprofit*  
6 *organizations submitting applications that are—*

7 *“(A) capable of carrying out the duties of*  
8 *technical assistance providers under this section;*

9 *“(B) knowledgeable and experienced regard-*  
10 *ing housing needs and issues of Native Ameri-*  
11 *cans and Alaskan Natives and housing assist-*  
12 *ance programs under this title; and*

13 *“(C) agree to comply with the provisions of*  
14 *this section.*

15 *“(g) REPORTS.—*

16 *“(1) LOCAL PROJECT COORDINATORS.—Each*  
17 *local project coordinator trained or assisted by a tech-*  
18 *nical assistance provider with amounts from a grant*  
19 *under this section shall submit a report to the tech-*  
20 *nical assistance provider for each of fiscal years 1995*  
21 *through 1997, regarding the activities of the coordina-*  
22 *tor. The report shall be submitted not later than 30*  
23 *days after the conclusion of the fiscal year for which*  
24 *the report is made.*

1           “(2) *TECHNICAL ASSISTANCE PROVIDERS.*—Each  
2           *technical assistance provider receiving a grant under*  
3           *this section shall submit a report to the Secretary for*  
4           *each of fiscal years 1995 through 1997, summarizing*  
5           *the information submitted under paragraph (1) for*  
6           *the fiscal year and describing the activities of the*  
7           *technical assistance provider under the demonstration*  
8           *under this section during the fiscal year. The report*  
9           *shall be submitted not later than 60 days after the*  
10          *conclusion of the fiscal year for which the report is*  
11          *made.*

12          “(3) *SECRETARY.*—The Secretary shall submit a  
13          *report to the Congress for each of fiscal years 1995*  
14          *through 1997 describing the demonstration under this*  
15          *section and the findings of the Secretary as a result*  
16          *of the demonstration. The report shall be submitted*  
17          *not later than 90 days after the conclusion of the fis-*  
18          *cal year for which the report is made.*

19          “(h) *DEFINITIONS.*—For purposes of this section:

20                 “(1) *ALASKAN NATIVE VILLAGE.*—The term  
21                 ‘Alaskan Native Village’ has the same meaning given  
22                 the term ‘Native village’ in section 3 of the Alaska  
23                 Native Claims Settlement Act.

24                 “(2) *NATIVE AMERICAN OR ALASKAN NATIVE*  
25                 *HOUSING ORGANIZATION.*—The term ‘Native Amer-

1     *ican or Alaskan Native housing organization’ means*  
2     *a nonprofit organization that primarily serves a tribe*  
3     *or tribes, and includes Indian housing authorities*  
4     *and other housing entities of a tribe.*

5             “(3) *NONPROFIT ORGANIZATION.*—The term  
6     *‘nonprofit organization’ means any private, nonprofit*  
7     *organization that—*

8                     “(A) *is organized or chartered under State,*  
9                     *tribal, or local laws;*

10                    “(B) *has no part of its net earning inuring*  
11                    *to the benefit of any member, founder, contribu-*  
12                    *tor, or individual;*

13                    “(C) *complies with standards of financial*  
14                    *accountability acceptable to the Secretary; and*

15                    “(D) *through its articles of incorporation or*  
16                    *through resolution of the governing body of a*  
17                    *tribe, has among its purposes significant activi-*  
18                    *ties related to the provision of decent housing*  
19                    *that is affordable to low- and moderate-income*  
20                    *families.*

21             “(4) *SELECTED AREA.*—The term *‘selected area’*  
22     *means, with respect to any tribe selected under sub-*  
23     *section (e), the county or community meeting the re-*  
24     *quirements of subsection (e)(1) in which the tribe se-*  
25     *lected is located.*

1           “(5) *TECHNICAL ASSISTANCE PROVIDER.*—The  
2           term ‘technical assistance provider’ means a nonprofit  
3           organization (including a tribe and an Indian hous-  
4           ing authority) that is selected under subsection (f) to  
5           receive a grant under this section.

6           “(6) *TRIBE.*—The term ‘tribe’ means any Indian  
7           tribe, band, group, or nation, including Alaska Indi-  
8           ans, Aleuts, and Eskimos, and any Alaskan Native  
9           Village, of the United States, that is considered an el-  
10          igible recipient under the Indian Self-Determination  
11          and Education Assistance Act or was considered an  
12          eligible recipient under chapter 67 of title 31, United  
13          States Code, prior to the repeal of such chapter.

14          “(i) *NOTICE OF FUNDING AVAILABILITY.*—

15                 “(1) *PUBLICATION.*—The Secretary shall cause to  
16                 be published in the Federal Register notice of the  
17                 availability of any amounts made available for  
18                 grants under this section. Such notice shall be pub-  
19                 lished not later than the expiration of the 90-day pe-  
20                 riod beginning on the date that amounts are appro-  
21                 priated to carry out this section.

22                 “(2) *CONTENTS.*—The notice referred to in para-  
23                 graph (1) shall—

1           “(A) describe the requirements for eligibility  
2           to receive a grant, the purposes of the grant, and  
3           the permissible uses of grant amounts;

4           “(B) contain an address to which requests  
5           for additional information regarding the dem-  
6           onstration under this section may be made; and

7           “(C) state the deadline established by the  
8           Secretary pursuant to subsection (f)(2) for the  
9           submission of applications for a grant.”.

10 **SEC. 516. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

11           Title V of the Housing Act of 1949 (42 U.S.C. 1471  
12           et seq.) is amended by inserting after section 538 (as added  
13           by the preceding provisions of this title) the following new  
14           section:

15 **“SEC. 539. RURAL COMMUNITY DEVELOPMENT INITIATIVE.**

16           “(a) *IN GENERAL.*—The Secretary is authorized to  
17           provide assistance to develop the capacity and ability of  
18           community development corporations, community housing  
19           development organizations, and other nonprofit organiza-  
20           tions to undertake community development and affordable  
21           housing projects and programs in rural areas.

22           “(b) *FORM OF ASSISTANCE.*—Assistance under this  
23           section may be used for—

24           “(1) training, education, support, and advice to  
25           enhance the technical and administrative capabilities

1 *of community development corporations, community*  
2 *housing development organizations, and nonprofit or-*  
3 *ganizations in rural areas;*

4 *“(2) loans, grants, or predevelopment assistance*  
5 *to community development corporations, community*  
6 *housing development organizations, and nonprofit or-*  
7 *ganizations to carry out community development and*  
8 *affordable housing activities that benefit low-income*  
9 *families in rural areas; and*

10 *“(3) such other activities for rural areas as may*  
11 *be determined by the Secretary.*

12 *“(c) MATCHING REQUIREMENT.—Assistance provided*  
13 *under this section shall be matched from private sources in*  
14 *an amount equal to 3 times the amount made available*  
15 *under this section.*

16 *“(d) IMPLEMENTATION.—The Secretary shall by notice*  
17 *establish such requirements as may be necessary to carry*  
18 *out the provisions of this section. The notice shall take effect*  
19 *upon issuance.”.*

20 **SEC. 517. LOAN GUARANTEES FOR MULTIFAMILY RENTAL**  
21 **HOUSING IN RURAL AREAS.**

22 *Title V of the Housing Act of 1949 (42 U.S.C. 1471*  
23 *et seq.) is amended by inserting after section 539 (as added*  
24 *by the preceding provision of this title) the following new*  
25 *section:*

1 **“SEC. 540. LOAN GUARANTEES FOR MULTIFAMILY RENTAL**  
2 **HOUSING IN RURAL AREAS.**

3 “(a) *AUTHORITY.*—The Secretary may make commit-  
4 ments to guarantee eligible loans for the development costs  
5 of eligible housing and related facilities, and may guarantee  
6 such eligible loans, in accordance with this section.

7 “(b) *EXTENT OF GUARANTEE.*—A guarantee made  
8 under this section shall guarantee repayment of an amount  
9 not exceeding 90 percent of the amount of the unpaid prin-  
10 cipal and interest of the loan for which the guarantee is  
11 made. The liability of the United States under any guaran-  
12 tee under this section shall decrease or increase pro rata  
13 with any decrease or increase of the amount of the unpaid  
14 portion of the obligation.

15 “(c) *ELIGIBLE BORROWERS.*—A loan guaranteed  
16 under this section may be made to a nonprofit organization,  
17 an agency or body of any State government or political sub-  
18 division thereof, or a private entity.

19 “(d) *ELIGIBLE HOUSING.*—A loan may be guaranteed  
20 under this section only if the loan is used for the develop-  
21 ment costs of housing and related facilities (as such terms  
22 are defined in section 515(e)) that—

23 “(1) consists of 5 or more adequate dwellings;

24 “(2) is available for occupancy only by low or  
25 moderate income families or persons, whose incomes  
26 at the time of initial occupancy do not exceed 115

1     *percent of the median income of the area, as deter-*  
2     *mined by the Secretary;*

3             *“(3) will remain available as provided in para-*  
4     *graph (2), according to such binding commitments as*  
5     *the Secretary may require, for the period of the origi-*  
6     *nal term of the loan guaranteed, unless the Secretary*  
7     *waives the applicability of such requirement for the*  
8     *loan only after determining, based on objective infor-*  
9     *mation, that—*

10            *“(A) there is no longer a need for low- and*  
11     *moderate-income housing in the market area in*  
12     *which the housing is located;*

13            *“(B) housing opportunities for low-income*  
14     *households and minorities will not be reduced as*  
15     *a result of the waiver; and*

16            *“(C) additional Federal assistance will not*  
17     *be necessary as a result of the waiver; and*

18            *“(4) is located in a rural area.*

19     *“(e) ELIGIBLE LENDERS.—*

20            *“(1) REQUIREMENT.—A loan may be guaranteed*  
21     *under this subsection only if the loan is made by a*  
22     *lender that the Secretary determines—*

23            *“(A) meets the qualifications, and has been*  
24     *approved by the Secretary of Housing and*  
25     *Urban Development, to make loans for multifam-*



1            *ily housing that are to be insured under the Na-*  
2            *tional Housing Act;*

3            *“(B) meets the qualifications, and has been*  
4            *approved by the Federal National Mortgage As-*  
5            *sociation and the Federal Home Loan Mortgage*  
6            *Corporation, to make loans for multifamily*  
7            *housing that are to be sold to such corporations;*  
8            *or*

9            *“(C) meets any qualifications that the Sec-*  
10           *retary may, by regulation, establish for partici-*  
11           *pation of lenders in the loan guarantee program*  
12           *under this section.*

13           *“(2) ELIGIBILITY LIST AND ANNUAL AUDIT.—The*  
14           *Secretary shall establish a list of eligible lenders and*  
15           *shall annually conduct an audit of each lender in-*  
16           *cluded in the list for purposes of determining whether*  
17           *such lender continues to be an eligible lender.*

18           *“(f) LOAN TERMS.—Each loan guaranteed pursuant*  
19           *to this subsection shall—*

20           *“(1) provide for complete amortization by peri-*  
21           *odic payments to be made for a term not to exceed*  
22           *40 years;*

23           *“(2) involve a rate of interest agreed upon by the*  
24           *borrower and the lender that does not exceed the max-*  
25           *imum allowable rate established by the Secretary for*

1 *purposes of this section and is fixed over the term of*  
2 *the loan;*

3 *“(3) involve a principal obligation (including*  
4 *initial service charges, appraisal, inspection, and*  
5 *other fees as the Secretary may approve) not to ex-*  
6 *ceed—*

7 *“(A) in the case of a borrower that is a*  
8 *nonprofit organization or an agency or body of*  
9 *any State or local government, 97 percent of the*  
10 *development costs of the housing and related fa-*  
11 *cilities or the value of the housing and facilities,*  
12 *whichever is less;*

13 *“(B) in the case of a borrower that is a for-*  
14 *profit entity not referred to in subparagraph*  
15 *(A), 90 percent of the development costs of the*  
16 *housing and related facilities or the value of the*  
17 *housing and facilities, whichever is less; and*

18 *“(C) in the case of any borrower, for such*  
19 *part of the property as may be attributable to*  
20 *dwelling use, the applicable maximum per unit*  
21 *dollar amount limitations under section 207(c)*  
22 *of the National Housing Act;*

23 *“(4) be secured by a first mortgage on the hous-*  
24 *ing and related facilities for which the loan is made,*

1       or otherwise, as the Secretary may determine nec-  
2       essary to ensure repayment of the obligation; and

3           “(5) for at least 20 percent of the loans made  
4       under this section, the Secretary shall provide the bor-  
5       rower with assistance in the form of credits pursuant  
6       to section 521(a)(1)(B) to the extent necessary to re-  
7       duce the rate of interest under paragraph (2) to the  
8       applicable Federal rate, as such term is used in sec-  
9       tion 42(i)(2)(D) of the Internal Revenue Code of  
10      1986.

11      “(g) *GUARANTEE FEE.*—At the time of issuance of a  
12      loan guaranteed under this section, the Secretary may col-  
13      lect from the lender a fee equal to not more than 1 percent  
14      of the principal obligation of the loan.

15      “(h) *AUTHORITY FOR LENDERS TO ISSUE CERTIFI-*  
16      *CATES OF GUARANTEE.*—The Secretary may authorize cer-  
17      tain eligible lenders to determine whether a loan meets the  
18      requirements for guarantee under this section and, subject  
19      to the availability of authority to enter into guarantees  
20      under this section, execute a firm commitment for a guar-  
21      antee binding upon the Secretary and issue a certificate  
22      of guarantee evidencing a guarantee, without review and  
23      approval by the Secretary of the specific loan. The Sec-  
24      retary may establish standards for approving eligible lend-  
25      ers for a delegation of authority under this subsection.

1       “(i) *PAYMENT UNDER GUARANTEE.*—

2               “(1) *NOTICE OF DEFAULT.*—*In the event of de-*  
3 *fault by the borrower on a loan guaranteed under this*  
4 *section, the holder of the guarantee certificate for the*  
5 *loan shall provide written notice of the default to the*  
6 *Secretary.*

7               “(2) *FORECLOSURE.*—*After receiving notice*  
8 *under paragraph (1) and providing written notice of*  
9 *action under this paragraph to the Secretary, the*  
10 *holder of the guarantee certificate for the loan may*  
11 *initiate foreclosure proceedings for the loan in a court*  
12 *of competent jurisdiction, in accordance with regula-*  
13 *tions issued by the Secretary, to obtain possession of*  
14 *the security property. After the court issues a final*  
15 *order authorizing foreclosure on the property, the*  
16 *holder of the certificate shall be entitled to payment*  
17 *by the Secretary under the guarantee (in the amount*  
18 *provided under subsection (b)) upon (A) conveyance*  
19 *to the Secretary of title to the security property, (B)*  
20 *submission to the Secretary of a claim for payment*  
21 *under the guarantee, and (C) assignment to the Sec-*  
22 *retary of all the claims of the holder of the guarantee*  
23 *against the borrower or others arising out of the loan*  
24 *transaction or foreclosure proceedings, except claims*  
25 *released with the consent of the Secretary.*

1           “(3) *ASSIGNMENT BY SECRETARY.*—After receiv-  
2           ing notice under paragraph (1), the Secretary may  
3           accept assignment of the loan if the Secretary deter-  
4           mines that the assignment is in the best interests of  
5           the United States. Assignment of a loan under this  
6           paragraph shall include conveyance to the Secretary  
7           of title to the security property, assignment to the  
8           Secretary of all rights and interests arising under the  
9           loan, and assignment to the Secretary of all claims  
10          against the borrower or others arising out of the loan  
11          transaction. Upon assignment of a loan under this  
12          paragraph, the holder of a guarantee certificate for  
13          the loan shall be entitled to payment by the Secretary  
14          under the guarantee (in the amount provided under  
15          subsection (b)).

16          “(4) *REQUIREMENTS.*—Before any payment  
17          under a guarantee is made under paragraph (2) or  
18          (3), the holder of the guarantee certificate shall ex-  
19          haust all reasonable possibilities of collection on the  
20          loan guaranteed. Upon payment, in whole or in part,  
21          to the holder, the note or judgment evidencing the debt  
22          shall be assigned to the United States and the holder  
23          shall have no further claim against the borrower or  
24          the United States. The Secretary shall then take such

1       *action to collect as the Secretary determines appro-*  
2       *priate.*

3       “(j) VIOLATION OF GUARANTEE REQUIREMENTS BY  
4       LENDERS ISSUING GUARANTEES.—

5               “(1) INDEMNIFICATION.—If the Secretary deter-  
6       mines that a loan guaranteed by an eligible lender  
7       pursuant to delegation of authority under subsection  
8       (h) was not originated in accordance with the re-  
9       quirements under this section and the Secretary pays  
10      a claim under the guarantee for the loan, the Sec-  
11      retary may require the eligible lender authorized  
12      under subsection (h) to issue the guarantee certificate  
13      for the loan—

14               “(A) to indemnify the Secretary for the loss,  
15      if the payment under the guarantee was made  
16      within a reasonable period specified by the Sec-  
17      retary; or

18               “(B) to indemnify the Secretary for the loss  
19      regardless of when payment under the guarantee  
20      was made, if the Secretary determines that fraud  
21      or misrepresentation was involved in connection  
22      with the origination of the loan.

23               “(2) TERMINATION OF AUTHORITY TO ISSUE  
24      GUARANTEES.—The Secretary may cancel a delega-  
25      tion of authority under subsection (h) to an eligible

1        *lender if the Secretary determines that the lender has*  
2        *violated the requirements and procedures for guaran-*  
3        *teed loans under this section or for other good cause.*  
4        *Any such cancellation shall be made by giving notice*  
5        *to the eligible lender and shall take effect upon receipt*  
6        *of the notice by the mortgagee or at a later date, as*  
7        *the Secretary may provide. A decision by the Sec-*  
8        *retary to cancel a delegation shall be final and con-*  
9        *clusive and shall not be subject to judicial review.*

10        *“(k) REFINANCING.—Any loan guaranteed under this*  
11        *section may be refinanced and extended in accordance with*  
12        *terms and conditions that the Secretary shall prescribe, but*  
13        *in no event for an additional amount or term that exceeds*  
14        *the limitations under subsection (f).*

15        *“(l) NONASSUMPTION.—The borrower under a loan*  
16        *that is guaranteed under this section and under which any*  
17        *portion of the principal obligation or interest remains out-*  
18        *standing may not be relieved of liability with respect to*  
19        *the loan, notwithstanding the transfer of property for which*  
20        *the loan was made.*

21        *“(m) GEOGRAPHICAL TARGETING.—*

22                *“(1) STUDY.—The Secretary shall provide for an*  
23        *independent entity to conduct a study to determine*  
24        *the extent to which borrowers in the United States*  
25        *will utilize loan guarantees under this section, the*

1 *rural areas in the United States in which borrowers*  
2 *can best utilize and most need loans guaranteed*  
3 *under this section, and the rural areas in the United*  
4 *States in which housing of the type eligible for a loan*  
5 *guarantee under this section is most needed by low-*  
6 *and moderate-income families. The Secretary shall re-*  
7 *quire the independent entity conducting the study to*  
8 *submit a report to the Secretary and to the Congress*  
9 *describing the results of the study not later than the*  
10 *expiration of the 90-day period beginning on the date*  
11 *of the enactment of the Housing and Community De-*  
12 *velopment Act of 1994.*

13 *“(2) TARGETING.—In providing loan guarantees*  
14 *under this section, the Secretary shall establish stand-*  
15 *ards to target and give priority to rural areas in*  
16 *which borrowers can best utilize and most need loans*  
17 *guaranteed under this section, as determined by the*  
18 *Secretary based on the results of the study under*  
19 *paragraph (1) and any other information the Sec-*  
20 *retary considers appropriate.*

21 *“(n) INAPPLICABILITY OF CREDIT-ELSEWHERE*  
22 *TEST.—Section 501(c) shall not apply to guarantees, or*  
23 *loans guaranteed, under this section.*

24 *“(o) TENANT PROTECTIONS.—The Secretary shall es-*  
25 *tablish standards for the treatment of tenants of housing*



1 *developed using amounts from a loan guaranteed under this*  
2 *section, which shall incorporate, to the extent applicable,*  
3 *existing standards applicable to tenants of housing devel-*  
4 *oped with loans made under section 515. Such standards*  
5 *shall include standards for fair housing and equal oppor-*  
6 *tunity, lease and grievance procedures, and tenant appeals*  
7 *of adverse actions.*

8       “(p) *HOUSING STANDARDS.*—*The standards estab-*  
9 *lished under section 515(m) for housing and related facili-*  
10 *ties assisted under section 515 shall apply to housing and*  
11 *related facilities the development costs of which are financed*  
12 *in whole or in part with a loan guaranteed under this sec-*  
13 *tion.*

14       “(q) *LIMITATION ON COMMITMENTS TO GUARANTEE*  
15 *LOANS.*—

16               “(1) *REQUIREMENT OF APPROPRIATIONS.*—*The*  
17 *authority of the Secretary to enter into commitments*  
18 *to guarantee loans under this section, and to guaran-*  
19 *tee loans, shall be effective for any fiscal year only to*  
20 *the extent or in such amounts as are or have been*  
21 *provided in appropriations Acts for such fiscal year.*

22               “(2) *LIMITATION ON PROJECTS AND OUTSTAND-*  
23 *ING AGGREGATE PRINCIPAL AMOUNT.*—*Subject to the*  
24 *limitation in paragraph (1), the Secretary may enter*  
25 *into commitments to guarantee loans under this sec-*

1        *tion for not more than 25 housing projects in each of*  
2        *fiscal years 1995 and 1996, having an aggregate out-*  
3        *standing principal amount not exceeding \$50,000,000*  
4        *in each of such fiscal years.*

5        *“(r) REPORT.—*

6                *“(1) IN GENERAL.—The Secretary shall submit a*  
7        *report to the Congress, not later than the expiration*  
8        *of the 2-year period beginning on the date of the en-*  
9        *actment of the Housing and Community Development*  
10        *Act of 1994, describing the program under this section*  
11        *for guaranteeing loans.*

12                *“(2) CONTENTS.—The report shall—*

13                        *“(A) describe the types of borrowers provid-*  
14        *ing housing with loans guaranteed under this*  
15        *section, the areas served by the housing provided*  
16        *and the geographical distribution of the housing,*  
17        *the levels of income of the residents of the hous-*  
18        *ing, the number of dwelling units provided, the*  
19        *extent to which borrowers under such loans have*  
20        *obtained other financial assistance for develop-*  
21        *ment costs of housing provided with the loans,*  
22        *and the extent to which borrowers under such*  
23        *loans have used low-income housing tax credits*  
24        *provided under section 42 of the Internal Reve-*

1           *nue Code of 1986 in connection with the housing*  
2           *provided with the loans;*

3           “(B) *analyze the financial viability of the*  
4           *housing provided with loans guaranteed under*  
5           *this section and the need for project-based rental*  
6           *assistance for such housing;*

7           “(C) *include any recommendations of the*  
8           *Secretary for expanding or improving the pro-*  
9           *gram under this section for guaranteeing loans;*  
10          *and*

11          “(D) *include any other information regard-*  
12          *ing the program for guaranteeing loans under*  
13          *this section that the Secretary considers appro-*  
14          *priate.*

15          “(s) *DEFINITIONS.—For purposes of this subsection,*  
16          *the following definitions shall apply:*

17                 “(1) *The term ‘development cost’ has the mean-*  
18                 *ing given the term in section 515(e).*

19                 “(2) *The term ‘eligible lender’ means a lender de-*  
20                 *termined by the Secretary to meet the requirements of*  
21                 *subparagraph (A), (B), (C), or (D) of subsection*  
22                 *(e)(1).*

23                 “(3) *The terms ‘housing’ and ‘related facilities’*  
24                 *have the meanings given such terms in section 515(e).*



1       (c) *REPORT.*—The Secretary of Agriculture shall sub-  
2 mit an interim report to the Congress not later than 12  
3 months after the date of the initial implementation of the  
4 delegated processing system under this section describing  
5 the activities taken under the system and evaluating the ef-  
6 fectiveness of the system.

7       (d) *TERMINATION OF AUTHORITY.*—The Secretary of  
8 Agriculture may not carry out the delegated processing sys-  
9 tem under this section after September 30, 1996.

10                   **TITLE VI—COMMUNITY**  
11                   **DEVELOPMENT**

12                   **Subtitle A—Community**

13                   **Development Block Grant Program**

14                   **SEC. 601. AUTHORIZATION OF APPROPRIATIONS AND GUAR-**  
15                   **ANTEE AUTHORITY.**

16       (a) *COMMUNITY DEVELOPMENT BLOCK GRANTS.*—The  
17 second sentence of section 103 of the Housing and Commu-  
18 nity Development Act of 1974 (42 U.S.C. 5303) is amended  
19 to read as follows: “For purposes of assistance under section  
20 106, there are authorized to be appropriated \$4,400,000,000  
21 for fiscal year 1995 and \$4,500,000,000 for fiscal year  
22 1996.”

23       (b) *LIMITATION ON LOAN GUARANTEES.*—The fifth  
24 sentence of section 108(a) of the Housing and Community  
25 Development Act of 1974 (42 U.S.C. 5308(a)) is amended

1 *to read as follows: “Notwithstanding any other provision*  
2 *of law and subject only to the absence of qualified appli-*  
3 *cants or proposed activities and to the authority provided*  
4 *in this section, to the extent approved or provided in appro-*  
5 *priation Acts, the Secretary shall enter into commitments*  
6 *to guarantee notes and obligations under this section with*  
7 *an aggregate principal amount of \$2,054,000,000 for fiscal*  
8 *year 1995 and \$2,054,000,000 for fiscal year 1996.”.*

9 (c) *SPECIAL PURPOSE GRANTS.*—Section 107 of the  
10 *Housing and Community Development Act of 1974 (42*  
11 *U.S.C. 5307) is amended—*

12 (1) *by striking “SEC. 107” and all that follows*  
13 *through the end of paragraph (1) of subsection (a)*  
14 *and inserting the following:*

15 “*SEC. 107. (a) AUTHORIZATION OF APPROPRIA-*  
16 *TIONS.—*

17 “*(1) IN GENERAL.—There are authorized to be*  
18 *appropriated for each of fiscal years 1995 and 1996,*  
19 *\$60,000,000, for grants under subsection (b). Of such*  
20 *amounts—*

21 “*(A) \$7,000,000 shall be available in each*  
22 *such year for grants under subsection (b)(1);*

23 “*(B) such sums as may be necessary shall*  
24 *be available in each such year for grants under*  
25 *subsection (b)(2);*

1           “(C) \$7,000,000 shall be available in each  
2 such year for grants under subsection (b)(3);

3           “(D) \$28,000,000 shall be available in each  
4 such year for grants under subsection (b)(4);

5           “(E) \$6,000,000 shall be available in each  
6 such year for grants under subsection (b)(5);

7           “(F) \$2,000,000 shall be available in each  
8 such year for grants under subsection (b)(6);

9           “(G) \$8,000,000 shall be available in each  
10 such year for grants under subsection (b)(7);

11           “(H) such sums as may be necessary shall  
12 be available in each such year for grants under  
13 subsection (b)(8);

14           “(I) \$3,000,000 shall be available in each  
15 such year for grants under subsection (c); and

16           “(J) such sums as may be necessary shall be  
17 available in fiscal year 1995 for a grant to the  
18 City of Bridgeport, Connecticut, subject to bind-  
19 ing commitments made by the City of Bridgeport  
20 and the State of Connecticut that the amount  
21 made available pursuant to this subparagraph  
22 will be supplemented with an additional amount  
23 equal to such amount under this subparagraph,  
24 which shall be provided by the city and the State  
25 in equal amounts.”; and

1           (2) in subsection (b)—

2                   (A) in paragraph (6), by striking “and” at  
3           the end;

4                   (B) in paragraph (7), by striking the period  
5           at the end and inserting a semicolon; and

6                   (C) by adding at the end the following new  
7           paragraph:

8                   “(8) to 10 metropolitan cities and urban coun-  
9           ties that receive grants under section 106, have high  
10           rates of fire incidents, a substantial number of low-  
11           income residents, and a high rate of death and serious  
12           injury caused by fire among youth, elderly, and mi-  
13           norities, for obtaining a nitrogen enhanced, bio-  
14           degradable, noncorrosive fire suppression liquid and  
15           for training firefighters to use such liquid; and in  
16           any year in which grants are made under this para-  
17           graph, the Secretary shall include in the report re-  
18           quired under section 113 a description of the effective-  
19           ness of grants made under this paragraph in prevent-  
20           ing loss of life and property; and”.

21   **SEC. 602. MANAGEMENT INFORMATION SYSTEMS.**

22           Section 103 of the Housing and Community Develop-  
23           ment Act of 1974 (42 U.S.C 5303) is amended—

24                   (1) by inserting “(a) IN GENERAL.—” after  
25           “103.”; and



1           (2) by adding at the end the following new sub-  
2           section:

3           “(b) *RESERVATION FOR MANAGEMENT INFORMATION*  
4 *SYSTEMS.*—Of the amount approved in an appropriation  
5 Act for each of fiscal years 1995 and 1996 under this sec-  
6 tion, the Secretary may reserve not more than 0.5 percent  
7 for improving management information systems used by the  
8 Secretary and recipients under this title.”.

9           **SEC. 603. ELIGIBLE ACTIVITIES.**

10          (a) *RECONSTRUCTION ACTIVITIES AND REMOVAL OF*  
11 *TOXIC MATERIALS.*—Section 105(a) of the Housing and  
12 Community Development Act of 1974 (42 U.S.C. 5305(a))  
13 is amended—

14           (1) in paragraph (4), by striking “, demolition,  
15 removal,” and inserting “(including the removal of  
16 toxic materials and other contaminants from prop-  
17 erties), demolition, removal, reconstruction,”;

18           (2) in paragraph (8), by striking “fiscal year  
19 1994” and inserting “fiscal years 1994, 1995, and  
20 1996”;

21           (3) in paragraph (13), by striking “and” at the  
22 end;

23           (4) by striking paragraph (19);

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

1           (6) in paragraph (25), by striking the period at  
2           the end and inserting “; and”;

3           (7) by redesignating paragraphs (20) through  
4           (25) as paragraphs (19) through (24), respectively;  
5           and

6           (8) by redesignating paragraph (21) (as added  
7           by section 1012(f)(3) of the Housing and Community  
8           Development Act of 1992 (Public Law 102–550; 106  
9           Stat. 3905) as paragraph (25).

10          (b) HOMEOWNERSHIP ACTIVITIES.—Section 907(b)(2)  
11         of the Cranston-Gonzalez National Affordable Housing Act  
12         (42 U.S.C. 5305 note) is hereby repealed.

13         **SEC. 604. REALLOCATIONS.**

14         Section 106(c) of the Housing and Community Devel-  
15         opment Act of 1974 (42 U.S.C. 5304(c)) is amended by  
16         striking paragraph (4).

17         **SEC. 605. LIMITATION ON EXTENT OF USE OF LOAN GUAR-**  
18                 **ANTEES FOR HOUSING PURPOSES.**

19         Section 108 of the Housing and Community Develop-  
20         ment Act of 1974 (42 U.S.C. 5308) is amended by inserting  
21         after subsection (h) the following new subsection:

22                 “(i) LIMITATION ON USE.—Of any amounts obtained  
23         from notes or other obligations issued by an eligible public  
24         entity or public agency designated by an eligible public en-  
25         tity and guaranteed under this section pursuant to an ap-

1 plication for a guarantee submitted after the date of the  
2 enactment of the Housing and Community Development  
3 Act of 1992, the aggregate amount used for the purposes  
4 described in clauses (2) and (4) of subsection (a), and for  
5 other housing activities under the purposes described in  
6 clauses (1) and (3) of subsection (a), may not exceed 10  
7 percent of such amounts obtained by the eligible public en-  
8 tity or agency.”.

9 **SEC. 606. ECONOMIC DEVELOPMENT GRANTS.**

10 (a) *ELIGIBLE ACTIVITIES.*—Section 108(q)(2) of the  
11 Housing and Community Development Act of 1974 (42  
12 U.S.C. 5308(q)(2)) is amended by inserting before the pe-  
13 riod at the end the following: “and for the construction, re-  
14 habilitation, or financing of retail and service facilities,  
15 mixed-use projects, projects that link economic development  
16 and housing, community centers, farmers’ markets, and  
17 community-based business expansions”.

18 (b) *ELIGIBLE PUBLIC ENTITIES.*—Section 108(q)(1) of  
19 the Housing and Community Development Act of 1974 is  
20 amended by inserting after “eligible public entities” the fol-  
21 lowing: “; and to eligible public entities in conjunction with  
22 community- or neighborhood-based organizations,”.

23 (c) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
24 108(q) of the Housing and Community Development Act

1 of 1974 is amended by adding at the end the following new  
2 paragraph:

3           “(5) *AUTHORIZATION OF APPROPRIATIONS.*—  
4           *There are authorized to be appropriated for grants*  
5           *under this subsection \$100,000,000 for fiscal year*  
6           *1995 and \$100,000,000 for fiscal year 1996.*”.

7 **SEC. 607. USE OF UDAG RECAPTURES.**

8           *Section 119(o) of the Housing and Community Devel-*  
9           *opment Act of 1974 (42 U.S.C. 5318(o)) is amended by*  
10           *striking “October 1, 1993” and inserting in lieu thereof*  
11           *“April 11, 1994”.*

12 **SEC. 608. EXTENSION OF CERTAIN CDBG ASSISTANCE.**

13           (a) *EXTENSION.*—*Section 916(f) of the Cranston-Gon-*  
14           *zalez National Affordable Housing Act (42 U.S.C. 5306*  
15           *note) is amended by striking “1991” and all that follows*  
16           *through “1994” and inserting “beginning before the com-*  
17           *mencement of fiscal year 1998”.*

18           (b) *ELIGIBILITY.*—*Section 916(e)(4) of the Cranston-*  
19           *Gonzalez National Affordable Housing Act (42 U.S.C. 5306*  
20           *note) is amended by inserting “other than Riverside Coun-*  
21           *ty, California,” after “area”.*

1           **Subtitle B—Other Community**  
2           **Development Programs**

3   **SEC. 631. NEIGHBORHOOD REINVESTMENT CORPORATION.**

4           *The first sentence of section 608(a)(1) of the Neighbor-*  
5 *hood Reinvestment Corporation Act (42 U.S.C. 8107(a)) is*  
6 *amended to read as follows: “There are authorized to be ap-*  
7 *propriated to the corporation to carry out this title*  
8 *\$35,000,000 for fiscal year 1995 and \$35,000,000 for fiscal*  
9 *year 1996.”.*

10   **SEC. 632. JOHN HEINZ NEIGHBORHOOD DEVELOPMENT**  
11           **PROGRAM.**

12           *Section 123(g) of the Housing and Urban-Rural Re-*  
13 *covery Act of 1983 (42 U.S.C. 5318 note) is amended to*  
14 *read as follows:*

15           “(g) *AUTHORIZATION OF APPROPRIATIONS.—There*  
16 *are authorized to be appropriated to carry out this section*  
17 *\$10,000,000 for fiscal year 1995 and \$10,000,000 for fiscal*  
18 *year 1996.”.*

19   **SEC. 633. CAPACITY BUILDING FOR COMMUNITY DEVELOP-**  
20           **MENT AND AFFORDABLE HOUSING.**

21           *(a) AUTHORIZATION OF APPROPRIATIONS.—Section 4*  
22 *of the HUD Demonstration Act of 1993 (42 U.S.C. 9816*  
23 *note) is amended by striking subsection (e) and inserting*  
24 *the following new subsection:*

1       “(f) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
2 authorized to be appropriated to carry out this section  
3 \$60,000,000 for fiscal year 1995 and \$60,000,000 for fiscal  
4 year 1996.”.

5       (b) *DELIVERY OF ASSISTANCE.*—Section 4 of the HUD  
6 Demonstration Act of 1993 (42 U.S.C. 9816 note) is amend-  
7 ed—

8           (1) in subsection (a)—

9               (A) by inserting “and directly to commu-  
10 nity-based organizations and capacity-building  
11 organizations” after “Initiative”;

12               (B) by inserting “neighborhood” after “un-  
13 dertake”; and

14               (C) by striking “and affordable housing”  
15 and inserting “, affordable housing, revitaliza-  
16 tion, economic development, youth and family  
17 support, and community service”;

18           (2) in subsection (b)—

19               (A) in paragraph (1), by striking “and  
20 community housing development organizations”  
21 and inserting “, community housing develop-  
22 ment organizations, and community-based orga-  
23 nizations” before the semicolon at the end;

24               (B) in paragraph (2)—

1           (i) by striking “and community hous-  
2           ing development organizations” and insert-  
3           ing “, community housing development or-  
4           ganizations, and community-based organi-  
5           zations”;

6           (ii) by inserting “neighborhood” after  
7           “carry out”; and

8           (iii) by striking “low-income” and in-  
9           serting “low- and moderate-income”; and

10          (C) in paragraph (3), by inserting “or the  
11          community-based organization” after “Initia-  
12          tive”;

13          (3) in subsection (c), by inserting “to the Na-  
14          tional Community Development Initiative” after  
15          “provided”;

16          (4) by redesignating subsection (d) as subsection  
17          (e); and

18          (5) by inserting after subsection (c) the following  
19          new subsection:

20          “(d) *SELECTION CRITERIA.*—The Secretary shall select  
21          community-based organizations and capacity-building or-  
22          ganizations to receive assistance under this section based  
23          upon selection criteria established by the Secretary, which  
24          shall include the extent to which the activities proposed to

1 *be conducted by the organization with assistance under this*  
2 *section will—*

3           “(1) *develop new community-based organizations*  
4 *in unorganized or underserved areas;*

5           “(2) *assist eligible private nonprofit community-*  
6 *based organizations located in low- or moderate-in-*  
7 *come neighborhoods or areas having a concentration*  
8 *of low- and moderate-income persons;*

9           “(3) *be targeted to areas in economic distress;*

10           “(4) *be conducted by an organization that pro-*  
11 *vides for neighborhood resident participation in the*  
12 *activities of the organization (including participation*  
13 *of low- and moderate-income residents) and the extent*  
14 *to which the households and businesses in the area*  
15 *served are members of the organization;*

16           “(5) *benefit low- and moderate-income persons*  
17 *residing in the area served by the applicant;*

18           “(6) *encourage linking and coordinating hous-*  
19 *ing, economic, and human development;*

20           “(7) *be coordinated with local law enforcement*  
21 *agencies, local public housing agencies, and local pub-*  
22 *lic housing resident management corporations and*  
23 *resident councils, with respect to anti crime initia-*  
24 *tives; and*



1           “(8) leverage contributions to support a wide va-  
2           riety of community development initiatives from the  
3           private sector, foundations, colleges and universities,  
4           civic groups, social, cultural, religious, and other in-  
5           stitutions, and the national service program, in a  
6           manner that achieves the greatest long-term private  
7           sector support.”.

8   **SEC. 634. COLONIAS ASSISTANCE PROGRAM.**

9           (a) *GRANT AUTHORITY.*—The Secretary may make  
10          grants in accordance with the provisions of this section to  
11          units of general local government, States, non-profit organi-  
12          zations, or entities or instrumentalities established under  
13          the authority of any of such entities, for use in addressing  
14          the community development and housing needs of colonias.

15          (b) *ELIGIBLE ACTIVITIES.*—Assistance under this sec-  
16          tion may be used only to carry out the following activities:

17                 (1) Any activity eligible under section 105 of the  
18                 Housing and Community Development Act of 1974 or  
19                 section 212(a) of the HOME Investment Partnerships  
20                 Act.

21                 (2) Refinancing the existing debt of homeowners  
22                 to convert existing land transactions and interests  
23                 into mortgages.

1           (3) *Constructing new housing, including self-*  
2 *help, energy-efficient, and innovative housing design*  
3 *initiatives.*

4           (4) *Developing new subdivisions for affordable*  
5 *housing.*

6           (5) *Re-platting and redeveloping existing sub-*  
7 *divisions.*

8           (6) *Planning for and constructing infrastructure*  
9 *necessary for the development of housing, economic*  
10 *development, and community facilities and amenities.*

11           (7) *Such other activities as the Secretary deems*  
12 *appropriate to further the purposes of this section.*

13           (c) *MODEL PROGRAMS.—*

14           (1) *IN GENERAL.—Of amounts allocated under*  
15 *subsection (j)(2), the Secretary shall make grants*  
16 *under this subsection to the entities referred to in sub-*  
17 *section (a) for the purpose of establishing model pro-*  
18 *grams of assistance for addressing the community de-*  
19 *velopment, housing, and other needs of the residents*  
20 *of the colonias.*

21           (d) *SELECTION OF GRANTEES.—*

22           (1) *GEOGRAPHIC DISTRIBUTION.—The Secretary*  
23 *shall designate—*

24                   (A) *at least one project in each State to re-*  
25 *ceive a grant under this subsection; and*

1           (B) at least one project within a metropoli-  
2           tan area in any State to receive a grant under  
3           this subsection.

4           (2) *SELECTION PROCESS.*—The Secretary shall  
5           select grantees under this subsection on a non-com-  
6           petitive basis, through negotiation with the grantee.

7           (3) *SELECTION CRITERIA.*—In selecting projects  
8           for grants under this subsection, the Secretary shall  
9           consider—

10           (A) the extent of need in the colonia;

11           (B) the likely effectiveness of the proposed  
12           approach in addressing identified needs;

13           (C) the extent to which funding for the  
14           project is committed from sources other than  
15           under this section;

16           (D) the need to consider a variety of solu-  
17           tions to a variety of needs situations; and

18           (E) such other factors as the Secretary  
19           deems appropriate to carry out the objectives of  
20           this section.

21           (e) *COMPETITIVE GRANTS.*—

22           (1) *PURPOSE.*—Grants under this subsection  
23           shall be made, in accordance with paragraph (2), to  
24           the entities referred to in subsection (a) for the pur-  
25           pose of assisting the community development and

1        *housing needs of the residents of one or more colonias*  
2        *in an area or region.*

3            (2) *RESERVATION OF FUNDS.—Of amounts allo-*  
4        *cated under subsection (j)(2), the Secretary shall re-*  
5        *serve a target amount for grants under this subsection*  
6        *for use in colonias in each State. The Secretary shall*  
7        *determine the amount be reserved based on such objec-*  
8        *tive factors of need as the Secretary deems appro-*  
9        *priate, which may include rates of poverty in, and*  
10       *the population of, colonias. The Secretary shall reallo-*  
11       *cate any amounts set-aside under this paragraph for*  
12       *which the Secretary determines there will not be suffi-*  
13       *cient approvable applications in a fiscal year.*

14           (3) *USE OF FUNDS.—Any amount not reserved*  
15       *or reallocated under paragraph (2) may be used in*  
16       *colonias in any State.*

17           (4) *APPLICATIONS.—Applications for grants*  
18       *under this subsection shall be submitted at such time*  
19       *and in accordance with such procedures, as the Sec-*  
20       *retary shall prescribe. Applications shall contain the*  
21       *following information, which the Secretary shall con-*  
22       *sider in selecting projects for grants under this sub-*  
23       *section:*

24           (A) *The extent of need in the colonia.*

1           (B) *An estimate of the likely effectiveness of*  
2           *the proposed approach in addressing identified*  
3           *needs.*

4           (C) *A description of the extent to which*  
5           *funding for the project is committed from sources*  
6           *other than under this section.*

7           (D) *Any other information that the Sec-*  
8           *retary deems appropriate to carry out the objec-*  
9           *tives of this section.*

10          (5) *SELECTION OF GRANTEES.—The Secretary*  
11          *shall select grantees for grants under this subsection*  
12          *on the basis of a competition, following publication of*  
13          *a notice of funding availability in the Federal Reg-*  
14          *ister.*

15          (f) *RECORDS, REPORTS, AND AUDITS.—*

16               (1) *KEEPING OF RECORDS.—Each grantee under*  
17               *this section shall keep such records as may be reason-*  
18               *ably necessary to disclose the amounts and the dis-*  
19               *position of grant amounts received under this section*  
20               *and to ensure compliance with the requirements of*  
21               *this section.*

22               (2) *GRANTEE REPORTS.—Each grantee under*  
23               *this section shall submit to the Secretary a report, or*  
24               *series of reports, in a form and at a time specified*  
25               *by the Secretary. Each report shall—*

1           (A) describe the use of funds made available  
2           to the grantee under this section; and

3           (B) describe and analyze the effect of as-  
4           sisted activities in addressing the community de-  
5           velopment and housing needs of the residents of  
6           colonias.

7           (g) *ACCESS TO DOCUMENTS BY SECRETARY.*—The Sec-  
8           retary shall have access for the purpose of audit and exam-  
9           ination to any books, documents, papers, and records of a  
10          grantee that are pertinent to assistance received in connec-  
11          tion with, and the requirements of, this section.

12          (h) *ACCESS TO DOCUMENTS BY COMPTROLLER GEN-*  
13          *ERAL.*—The Comptroller General of the United States, or  
14          any of the duly authorized representatives of the Comptrol-  
15          ler General, shall have access for the purpose of audit and  
16          examination to any books, documents, papers, and records  
17          of a grantee that are pertinent to assistance received under,  
18          and the requirements of, this section.

19          (i) *DEFINITIONS.*—For purposes of this section, the fol-  
20          lowing definitions shall apply:

21               (1) The terms “colonia” and “United States-  
22               Mexico Border Region” have the meanings given the  
23               terms in section 916(e) of the Cranston-Gonzalez Na-  
24               tional Affordable Housing Act.

1           (2) *The term “metropolitan area” has the mean-*  
2 *ing given the term in section 102(a) of the Housing*  
3 *and Community Development Act of 1974.*

4           (3) *The term “nonprofit organization” means—*

5           (A) *an organization—*

6           (i) *that is described in section 501(c)*  
7 *of the Internal Revenue Code of 1986; and*

8           (ii) *is exempt from taxation under sec-*  
9 *tion 501(a) of such Code; or*

10          (B) *an organization—*

11          (i) *no part of the net earnings of which*  
12 *inures to the benefit of any member, found-*  
13 *er, contributor, or individual;*

14          (ii) *that in the case of a private non-*  
15 *profit organization, has a voluntary board;*

16          (iii) *that has an accounting system, or*  
17 *has designated a fiscal agent in accordance*  
18 *with requirements established by the Sec-*  
19 *retary; and*

20          (iv) *that practices nondiscrimination*  
21 *in the provision of assistance.*

22           (4) *The term “Secretary” means the Secretary of*  
23 *Housing and Urban Development.*

24           (5) *The term “State” means the States of Cali-*  
25 *fornia, Arizona, New Mexico, and Texas.*

1           (6) *The term “unit of general local government”*  
2           *means—*

3                   (A) *a city, town, township, county, parish,*  
4                   *village, or other general purpose political sub-*  
5                   *division of a State; and*

6                   (B) *any agency or instrumentality thereof*  
7                   *that is established pursuant to legislation and*  
8                   *designated by the chief executive to act on behalf*  
9                   *of the jurisdiction with regard to provisions of*  
10                  *this section.*

11           *The term includes a consortium of geographically con-*  
12           *tiguous units of general local government, if the Sec-*  
13           *retary determines that the consortium—*

14                   (i) *has sufficient authority and administra-*  
15                   *tive capability to carry out the purposes of this*  
16                   *section on behalf of its member jurisdictions; and*

17                   (ii) *meets such other requirements as the*  
18                   *Secretary may prescribe.*

19           (j) *FUNDING.—*

20                   (1) *AUTHORIZATION OF APPROPRIATIONS.—*

21                   *There are authorized to be appropriated for grants*  
22                   *under this section \$100,000,000 for each of fiscal*  
23                   *years 1995 and 1996. Any amount appropriated to*  
24                   *carry out this section shall remain available until ex-*  
25                   *pended.*



1           (2) *ALLOCATION OF FUNDS.*—*Of the amounts ap-*  
2           *propriated under paragraph (1) for any fiscal year—*

3                   (A) *80 percent shall be available for grants*  
4                   *to establish model programs under subsection (c);*  
5                   *and*

6                   (B) *20 percent shall be available for com-*  
7                   *petitive grants under subsection (e).*

8   **SEC. 635. GRANTS FOR EMPOWERMENT ZONES AND ENTER-**  
9                   **PRISE COMMUNITIES.**

10           (a) *GRANT AUTHORITY.*—*The Secretary of Housing*  
11           *and Urban Development may make grants to units of gen-*  
12           *eral local government in which empowerment zones and en-*  
13           *terprise communities have been designated pursuant to sec-*  
14           *tion 1391 of the Internal Revenue Code of 1986.*

15           (b) *USE.*—*Grants under this section may be used only*  
16           *to assist units of general local government in implementing*  
17           *the strategic plan for community revitalization required for*  
18           *each designated empowerment zone and enterprise commu-*  
19           *nity by expanding business opportunities and job creation*  
20           *through economic development activities and by stimulating*  
21           *the use of project-based rental assistance certificates and*  
22           *other activities to construct or rehabilitate rental housing,*  
23           *as follows:*

24                   (1) *ECONOMIC DEVELOPMENT ACTIVITIES.*—  
25           *Grants amounts under this section used for economic*

1        *development activities may be used only for activities*  
2        *eligible to be carried out with amounts provided*  
3        *under title I of the Housing and Community Develop-*  
4        *ment Act of 1974.*

5            (2) *ASSISTED HOUSING.*—*Grant amounts under*  
6        *this section used for housing activities may be used*  
7        *for—*

8            (A) *project-based assistance activities eligi-*  
9        *ble under section 8 of the United States Housing*  
10       *Act of 1937 or similar State and local programs;*

11          (B) *activities eligible for assistance under*  
12       *title II of the Cranston-Gonzalez National Af-*  
13       *fordable Housing Act or a similar local afford-*  
14       *able housing program; and*

15          (C) *other housing activities that meet the*  
16       *requirements of this subsection, as the Secretary*  
17       *may approve.*

18          (c) *TECHNICAL ASSISTANCE.*—*From amounts reserved*  
19       *under subsection (i)(2), the Secretary shall carry out, di-*  
20       *rectly or through contracts, training and information ac-*  
21       *tivities in connection with the program under this section.*

22          (d) *APPLICATIONS.*—*A locality in which an*  
23       *empowerment zone or enterprise community has been des-*  
24       *ignated, which designation remains in effect, may submit*  
25       *an application to the Secretary for a grant under this sec-*

1 *tion. The application shall contain such information and*  
2 *certifications as the Secretary may require, including a cer-*  
3 *tification that the grant will be used in accordance with*  
4 *the approved strategic plan. Where a zone or community*  
5 *is within the jurisdiction of more than one unit of general*  
6 *local government, the application shall be submitted jointly*  
7 *by the units of general local government and shall specify*  
8 *whether and, if so, how the grant is to be divided among*  
9 *the units.*

10 *(e) FUNDING.—To the extent amounts are available to*  
11 *carry out this section, for applications approved by the Sec-*  
12 *retary the amount of a grant under this section for a fiscal*  
13 *year shall be —*

14 *(1) \$50,000,000 for each urban empowerment*  
15 *zone;*

16 *(2) \$20,000,000 for each rural empowerment*  
17 *zone; and*

18 *(3) \$1,400,000 for each enterprise community.*

19 *(f) TERMS AND CONDITIONS.—Grants made under this*  
20 *section shall be subject to such terms and conditions as the*  
21 *Secretary may establish.*

22 *(g) USE IN CONJUNCTION WITH LOAN GUARAN-*  
23 *TEES.—Grants made under this section may be used in con-*  
24 *junction with loans guaranteed under section 108 of the*

1 *Housing and Community Development Act of 1974 and the*  
2 *Home Investment Partnerships Act.*

3 *(h) RECORDS, REPORTS, AND AUDITS.—*

4 *(1) KEEPING OF RECORDS.—Each grantee under*  
5 *this section shall keep such records as may be reason-*  
6 *ably necessary to disclose the amounts and the dis-*  
7 *position of grant amounts received under this subtitle*  
8 *and to ensure compliance with the requirements of*  
9 *this section.*

10 *(2) GRANTEE REPORTS.—Each grantee under*  
11 *this section shall submit to the Secretary a report, or*  
12 *series of reports, in a form and at a time specified*  
13 *by the Secretary. Each report shall—*

14 *(A) describe the use of amounts made avail-*  
15 *able under this section; and*

16 *(B) describe and analyze the effect of as-*  
17 *sisted activities in addressing the objectives of*  
18 *this section.*

19 *(3) ACCESS TO DOCUMENTS BY SECRETARY.—*  
20 *The Secretary shall have access for the purpose of*  
21 *audit and examination to any books, documents, pa-*  
22 *pers, and records of the grantee that are pertinent to*  
23 *assistance received in connection with, and the re-*  
24 *quirements of, this section.*

1           (4) *ACCESS TO DOCUMENTS BY COMPTROLLER*  
2           *GENERAL.*—*The Comptroller General of the United*  
3           *States, or any of the duly authorized representatives*  
4           *of the Comptroller General, shall have access for the*  
5           *purpose of audit and examination to any books, docu-*  
6           *ments, papers, and records of the grantee that are*  
7           *pertinent to assistance received under, and the re-*  
8           *quirements of, this section.*

9           (i) *FUNDING.*—

10           (1) *AUTHORIZATION OF APPROPRIATIONS.*—  
11           *There are authorized to be appropriated for purposes*  
12           *of this section \$250,000,000 for fiscal year 1995 and*  
13           *\$250,000,000 for fiscal year 1996. Any amount ap-*  
14           *propriated to carry out this section shall remain*  
15           *available until expended.*

16           (2) *RESERVATION OF AMOUNTS FOR TRAINING*  
17           *AND INFORMATION ACTIVITIES.*—*Of the amounts ap-*  
18           *propriated pursuant to paragraph (1) for any fiscal*  
19           *year, the Secretary shall reserve not more than 0.5*  
20           *percent for use only to carry out the training and in-*  
21           *formation activities referred to in subsection (c).*

22   **SEC. 636. USE OF GRANT AMOUNTS.**

23           (a) *BUFFALO, NEW YORK.*—*Notwithstanding any*  
24           *other provision of law, the City of Buffalo, New York, may*  
25           *retain amounts provided under an urban development ac-*

1 *tion grant under section 119 of the Housing and Commu-*  
2 *nity Development Act of 1974 for Project No. B-87-AA-*  
3 *36-0540 and use such funds for the Towne Gardens Plaza*  
4 *project, and may retain amounts provided under such a*  
5 *grant for Project No. B-87-AA-36-0521 and use such*  
6 *funds for the American Axle project, if such projects are*  
7 *commenced not later than 6 months after the date of the*  
8 *enactment of this Act.*

9       (b) *PITTSBURGH, PENNSYLVANIA.—Notwithstanding*  
10 *any other provision of law, the city of Pittsburgh, Penn-*  
11 *sylvania, may retain any amounts provided under an*  
12 *urban development action grant for Project No. B-86-AA-*  
13 *42-0275 and use such funds for the Central Pittsburgh*  
14 *Plaza project, if such project is commenced not later than*  
15 *6 months after the date of the enactment of this Act.*

16       (c) *RICHMOND, VIRGINIA.—The Secretary of Housing*  
17 *and Urban Development shall cancel the indebtedness of the*  
18 *city of Richmond, Virginia, relating to the categorical pro-*  
19 *gram settlement grant provided to the city to settle four*  
20 *urban renewal programs (Project No. B-78-UR-51-0019).*  
21 *The city of Richmond, Virginia, is hereby relieved of all*  
22 *liability to the Federal Government for such grant and any*  
23 *fees and charges payable in connection with such grant.*

24       (d) *LOCKPORT TOWNSHIP, ILLINOIS.—The Secretary*  
25 *of Housing and Urban Development shall cancel the indebt-*

1 edness of Lockport Township, Illinois, relating to the public  
2 facilities loan for Project No. ILL-11-PFL0112. Lockport  
3 Township, Illinois, is hereby relieved of all liability to the  
4 Federal Government for the outstanding principal balance  
5 on such loan, the amount of accrued interest on such loan,  
6 and any other fees and charges payable in connection with  
7 such loan.

8 (e) BUDGET COMPLIANCE.—Subsections (c) and (d) of  
9 this section shall be effective only to the extent, or in such  
10 amounts, as are provided in appropriation Acts.

11 **TITLE VII—REGULATORY AND**  
12 **MISCELLANEOUS PROGRAMS**

13 **SEC. 701. FAIR HOUSING INITIATIVES PROGRAM.**

14 Section 561(g) of the Housing and Community Devel-  
15 opment Act of 1987 (42 U.S.C. 3616 note) is amended to  
16 read as follows:

17 “(g) AUTHORIZATION OF APPROPRIATIONS.—There  
18 are authorized to be appropriated to carry out the provi-  
19 sions of this section \$26,000,000 for fiscal year 1995 and  
20 \$27,000,000 for fiscal year 1996, of which—

21 “(1) not less than \$9,000,000 for fiscal year 1995  
22 and \$9,000,000 for fiscal year 1996 shall be for pri-  
23 vate enforcement initiatives authorized under sub-  
24 section (b), divided equally between activities speci-

1 *fied under subsection (b)(1) and those specified under*  
2 *subsection (b)(2);*

3 *“(2) not less than \$3,000,000 for fiscal year 1995*  
4 *and \$3,000,000 for fiscal year 1996 shall be for quali-*  
5 *fied fair housing enforcement organizations author-*  
6 *ized under subsection (c)(1);*

7 *“(3) not less than \$7,000,000 for fiscal year 1995*  
8 *and \$7,000,000 for fiscal year 1996 shall be for the*  
9 *creation of new fair housing enforcement organiza-*  
10 *tions authorized under subsection (c)(2); and*

11 *“(4) not less than \$7,000,000 for fiscal year 1995*  
12 *and \$7,000,000 for fiscal year 1996 shall be for edu-*  
13 *cation and outreach programs authorized under sub-*  
14 *section (d), to be divided equally between activities*  
15 *specified under subsection (d)(1) and those specified*  
16 *under subsections (d)(2) and (d)(3).*

17 *Any amount appropriated under this section shall remain*  
18 *available until expended.”.*

19 **SEC. 702. HUD PROGRAM MONITORING AND EVALUATION.**

20 *The first sentence of section 7(r)(6) of the Department*  
21 *of Housing and Urban Development Act (42 U.S.C.*  
22 *3535(r)(6)) is amended to read as follows: “There are au-*  
23 *thorized to be appropriated to carry out this subsection such*  
24 *sums as may be necessary for fiscal years 1995 and 1996.”.*



1 **SEC. 703. HUD SALARIES AND EXPENSES.**

2 *Section 7(s) of the Department of Housing and Urban*  
3 *Development Act (42 U.S.C. 3535(s)) is amended to read*  
4 *as follows:*

5 *“(s) AUTHORIZATION OF APPROPRIATIONS FOR SALA-*  
6 *RIES AND EXPENSES.—Notwithstanding any other provi-*  
7 *sion of law, there are authorized to be appropriated such*  
8 *sums as may be necessary for each of fiscal years 1995 and*  
9 *1996 for salaries and expenses to carry out the purposes*  
10 *of this section. There is also authorized to be appropriated*  
11 *for fiscal year 1996, \$40,000,000, for the training, travel*  
12 *to training, continuing education, professional develop-*  
13 *ment, and improvement of skills of employees of the Depart-*  
14 *ment.”.*

15 **SEC. 704. USE OF TECHNICAL ASSISTANCE AMOUNTS BY OR**  
16 **FOR HUD STAFF.**

17 *Section 7 of the Department of Housing and Urban*  
18 *Development Act (42 U.S.C. 3535) is amended by adding*  
19 *at the end the following new subsection:*

20 *“(t) USE OF TECHNICAL ASSISTANCE AMOUNTS.—The*  
21 *Secretary may transfer to any of the accounts of the Depart-*  
22 *ment for salaries and expenses from any other account from*  
23 *which amounts may be drawn for technical assistance such*  
24 *amounts as the Secretary determines are reasonable to re-*  
25 *imburse such salaries and expenses account, but only if such*  
26 *reimbursement is made for expenditures for the costs of per-*

1 *sonal services, travel, and transportation, and other object*  
2 *classifications that are incurred for the technical assistance,*  
3 *training, and related activities provided by or to officials*  
4 *and employees of the Department for a program that is*  
5 *funded from such other account and in which the costs of*  
6 *technical assistance are otherwise eligible for expenditure.*  
7 *Up to 10 percent of the amount transferred may be used*  
8 *for technical assistance, training, travel, and related ex-*  
9 *penses provided to officials and employees of the Depart-*  
10 *ment. The authority under this subsection to transfer*  
11 *amounts shall be in addition to any other authority of the*  
12 *Secretary to transfer funds among accounts which exists on*  
13 *the date of the enactment of the Housing and Community*  
14 *Development Act of 1992 or is provided after such date.”.*

15 **SEC. 705. ANNUAL REPORT REGARDING REPEAL OF UN-**  
16 **FUNDED PROGRAMS.**

17 *Section 8 of the Department of Housing and Urban*  
18 *Development Act (42 U.S.C. 3536) is amended—*

19 *(1) by inserting “(a) IN GENERAL.—” after*  
20 *“SEC. 8.”; and*

21 *(2) by adding at end the following new sub-*  
22 *section:*

23 *“(b) UNFUNDED PROGRAMS.—In each annual report*  
24 *under this section, the Secretary shall—*

1           “(1) identify each program under the jurisdic-  
2           tion of the Department for which amounts have been  
3           authorized to be appropriated for each of the 3 most  
4           recently completed fiscal years but for which, for all  
5           3 of such years, amounts have not been appropriated;  
6           and

7           “(2) include proposed legislation repealing the  
8           provisions of Federal law authorizing the programs  
9           identified pursuant to paragraph (1) and providing  
10          requirements for the treatment, after such repeal, of  
11          any assistance provided under such provisions before  
12          the repeal.”.

13 **SEC. 706. REQUIREMENTS FOR PARTICIPATION OF WOMEN**  
14                   **IN CONSTRUCTION ASSISTED UNDER HUD**  
15                   **PROGRAMS.**

16          *The Department of Housing and Urban Development*  
17 *Act (42 U.S.C. 3531 et seq.) is amended by adding at the*  
18 *end the following new section:*

19 **“SEC. 15. REQUIREMENTS FOR PARTICIPATION OF WOMEN**  
20                   **IN CONSTRUCTION ASSISTED UNDER HUD**  
21                   **PROGRAMS.**

22          “(a) *BIDS.*—*Except as provided in subsection (c), each*  
23 *contractor submitting a bid or contract proposal for a cov-*  
24 *ered construction contract (and each applicant for construc-*  
25 *tion assistance that will carry out construction) shall in-*

1 *clude in the bid or proposal (or application for construction*  
2 *assistance) documentation sufficient to ensure that the con-*  
3 *tractor will comply with the requirements of this section*  
4 *or certifications that the contractor will make a good faith*  
5 *effort to comply with such requirements. The Secretary*  
6 *shall, by regulation, establish standards for such docu-*  
7 *mentation and certifications and shall provide for contrac-*  
8 *tors (and applicants) making certifications to periodically*  
9 *provide to the Secretary evidence of such good faith efforts.*

10       “(b) *PARTICIPATION REQUIREMENTS.—Any contrac-*  
11 *tor who enters into a covered construction contract (and*  
12 *any recipient of construction assistance carrying out con-*  
13 *struction), and any subcontractor thereof, shall employ and*  
14 *maintain the employment of construction trades workers in*  
15 *construction covered by the covered construction contract*  
16 *(or assisted with the construction assistance)—*

17               “(1) *for any contractor or subcontractor (or re-*  
18 *ipient of construction assistance) whose total number*  
19 *of employees is not less than 6 and not more than 19,*  
20 *not less than 1 woman; and*

21               “(2) *for any contractor or subcontractor (or re-*  
22 *ipient of construction assistance) whose total number*  
23 *of employees is 20 or more, a number of women that*  
24 *is not less than 10 percent of the positions in each of*

1       *the construction trades performed by the contractor or*  
2       *subcontractor (or recipient of construction assistance).*

3       “(c) *EXEMPTION FOR SMALL CONTRACTORS.*—Any  
4       *contractor (or recipient) whose total number of employees*  
5       *is 5 or less shall not be subject to the requirements of this*  
6       *section.*

7       “(d) *DEFINITIONS.*—For purposes of this section:

8               “(1) *The term ‘construction assistance’ means*  
9               *any assistance provided under any program adminis-*  
10              *tered by the Secretary that is used for any construc-*  
11              *tion, but does not include mortgage insurance under*  
12              *the National Housing Act.*

13              “(2) *The term ‘construction trades workers’*  
14              *means workers in any construction trade, includ-*  
15              *ing—*

16                      “(A) *brickmasons, stonemasons, and tile set-*  
17                      *ters;*

18                      “(B) *carpenters;*

19                      “(C) *electricians and power transmission*  
20                      *installers;*

21                      “(D) *painters, paperhangers, and plasterers;*

22                      “(E) *plumbers, pipefitters, and steamfitters;*

23                      “(F) *carpet installers;*

24                      “(G) *drywall installers and drywall finish-*  
25                      *ers;*

1           “(H) concrete and terrazzo finishers;

2           “(I) glaziers;

3           “(J) insulation workers;

4           “(K) paving, surfacing, and tamping equip-  
5           ment operators;

6           “(L) roofers;

7           “(M) sheetmetal duct installers;

8           “(N) structural metal workers;

9           “(O) power equipment operators (including  
10           truck drivers, and backhoe, bulldozer, crane,  
11           loader, and grader operators);

12           “(P) sprinkler installers;

13           “(Q) elevator installers;

14           “(R) laborers; and

15           “(S) landscapers.

16           “(3) The term ‘contractor’ includes firms, part-  
17           nerships, corporations, and any other persons, and  
18           any combination thereof.

19           “(4) The term ‘covered construction contract’  
20           means an agreement to provide labor and related ma-  
21           terials, supplies, or services for any construction  
22           that—

23           “(A) involves any construction assistance;

24           and

1           “(B) if such construction assistance is pro-  
2           vided—

3                   “(i) under the community development  
4                   block grant program under title I of the  
5                   Housing and Community Development Act  
6                   of 1974 or the HOME Investment Partner-  
7                   ships Act, involves a total project cost of not  
8                   less than \$100,000; or

9                   “(ii) under any other program admin-  
10                  istered by the Secretary, involves a total  
11                  project cost of not less than \$200,000.

12           “(5) The term ‘subcontractor’ means any firm,  
13           partnership, corporation, or any other person, or any  
14           combination thereof, who enters into a contract or  
15           agreement with a contractor to perform a substantial  
16           specified portion of a covered construction contract.”.

17 **SEC. 707. NOTIFICATION OF HUD FUNDING AWARDS.**

18           Section 102(a)(1) of the Department of Housing and  
19           Urban Development Reform Act of 1989 (42 U.S.C.  
20           3545(a)(1)) is amended by adding at the end the following  
21           new sentence: “Each notice of the availability of assistance  
22           shall include an estimate of the date by which the Depart-  
23           ment will notify applicants for such assistance whose appli-  
24           cations or requests for assistance are approved of such ap-  
25           proval.”.

1 **SEC. 708. EXCLUSION OF GNMA FROM HUD PERSONNEL**  
2 **CEILINGS.**

3 *Section 502(a) of the Housing Act of 1948 (12 U.S.C.*  
4 *1701c(a)) is amended by adding at the end the following*  
5 *new sentence: “Notwithstanding any other provision of law,*  
6 *employees of the Government National Mortgage Associa-*  
7 *tion Department in the Department of Housing and Urban*  
8 *Development shall not be considered employees of the De-*  
9 *partment for purposes of any limitation on the number of*  
10 *employees of the Department.”.*

11 **SEC. 709. HUD RESEARCH AND DEVELOPMENT.**

12 *The second sentence of section 501 of the Housing and*  
13 *Urban Development Act of 1970 (12 U.S.C. 1701z-1) is*  
14 *amended to read as follows: “There are authorized to be ap-*  
15 *propriated to carry out this title \$40,000,000 for fiscal year*  
16 *1995 and \$42,000,000 for fiscal year 1996.”.*

17 **SEC. 710. PREVENTING FRAUD AND ABUSE IN RURAL RENT-**  
18 **AL HOUSING PROGRAM.**

19 *(a) IN GENERAL.—Section 904 of the Stewart B.*  
20 *McKinney Homeless Assistance Amendments Act of 1988*  
21 *(42 U.S.C. 3544) is amended—*

22 *(1) in the heading for the section, by inserting*  
23 *“**AND RURAL RENTAL HOUSING PROGRAM**” be-*  
24 *fore the period at the end;*

25 *(2) by striking paragraph (1) of subsection (a)*  
26 *and inserting the following new paragraph:*



1           “(1) *SECRETARY CONCERNED*.—The term ‘Sec-  
2           *retary concerned*’ means—

3                   “(A) *the Secretary of Housing and Urban*  
4                   *Development, with respect to programs of the De-*  
5                   *partment of Housing and Urban Development;*  
6                   *and*

7                   “(B) *the Secretary of Agriculture, with re-*  
8                   *spect to the program for rural rental housing*  
9                   *under section 515 of the Housing Act of 1949.”;*

10           (3) *in subsection (b), in the matter preceding*  
11           *paragraph (1), by inserting after “income,” the fol-*  
12           *lowing: “and as a condition of initial or continuing*  
13           *eligibility for participation in the program for rural*  
14           *rental housing under section 515 of the Housing Act*  
15           *of 1949,”;*

16           (4) *in subsection (c)(2)(A)—*

17                   (A) *by inserting before “from the improper”*  
18                   *the following: “or the program for rural rental*  
19                   *housing under section 515 of the Housing Act of*  
20                   *1949”;* *and*

21                   (B) *by inserting before “and (in” the follow-*  
22                   *ing: “and the Department of Agriculture”;*

23           (5) *in the last sentence of subsection (c)(3)(A), by*  
24           *inserting “an officer or employee of the Department*  
25           *of Agriculture,” after “Development,”;*

1           (6) in subsection (e), by inserting after “Develop-  
2           ment” the following: “or the program for rural rental  
3           housing under section 515 of the Housing Act of  
4           1949,”;

5           (7) in subsection (a)(2), in the matter in sub-  
6           section (b) that precedes paragraph (1), and in para-  
7           graphs (1) and (2) of subsection (b), by striking “the  
8           Secretary” each place it appears and inserting “the  
9           Secretary concerned”; and

10          (8) in subsection (b)(3)—

11                (A) by striking “the Secretary authorizing  
12                the Secretary” and inserting “the Secretary con-  
13                cerned authorizing the Secretary concerned”; and

14                (B) by striking “of the Secretary” and in-  
15                serting “of the Secretary concerned”.

16          (b) ACCESS TO RECORDS.—Section 303(i)(1) of the  
17          Social Security Act (42 U.S.C. 503(i)(1)) is amended—

18                (1) in subparagraph (A), in the matter preceding  
19                clause (i)—

20                    (A) by inserting “or the Department of Ag-  
21                    riculture, as applicable,” before “and to rep-  
22                    resentatives”;

23                    (B) by inserting “of Housing and Urban  
24                    Development or in the program for rural rental

1           *housing under section 515 of the Housing Act of*  
2           *1949” after “by the Department”; and*

3                   *(C) by inserting “or the Secretary of Agri-*  
4                   *culture, as applicable” before the dash at the end;*  
5           *and*

6                   *(2) in subparagraph (B), by inserting “or under*  
7           *the program for rural rental housing under section*  
8           *515 of the Housing Act of 1949” before the period at*  
9           *the end.*

10          *(c) RETURN INFORMATION.—Section 6103(l)(7)(D)(ix)*  
11         *of the Internal Revenue Code of 1986 is amended—*

12                   *(1) by inserting “and the program for rural*  
13           *rental housing under section 515 of the Housing Act*  
14           *of 1949” after “income,”;*

15                   *(2) by inserting “or the Secretary of Agriculture,*  
16           *as applicable,” after “Secretary of Housing and*  
17           *Urban Development”; and*

18                   *(3) by inserting “or the Department of Agri-*  
19           *culture” before “with respect to”.*

20         **SEC. 711. NATIONAL INSTITUTE OF BUILDING SCIENCES.**

21           *The second sentence of section 809(i) of the Housing*  
22         *and Community Development Act of 1974 (12 U.S.C.*  
23         *1701j-2(i)) is amended to read as follows: “In addition to*  
24         *the amounts authorized to be appropriated under the first*  
25         *sentence of this subsection, there are authorized to be appro-*

1 *priated to the Institute to carry out the provisions of this*  
2 *section \$2,000,000 for fiscal year 1995 and \$2,000,000 for*  
3 *fiscal year 1996.”.*

4 **SEC. 712. RESIDENTIAL LEAD-BASED PAINT HAZARD RE-**  
5 **DUCTION.**

6 (a) *TARGET HOUSING HAZARD REDUCTION.—*

7 (1) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
8 *1011(p) of the Housing and Community Devel-*  
9 *opment Act of 1992 (42 U.S.C. 4852(p)) is amended*  
10 *to read as follows:*

11 “(p) *AUTHORIZATION OF APPROPRIATIONS.—For the*  
12 *purposes of carrying out this Act, there are authorized to*  
13 *be appropriated \$100,000,000 for fiscal year 1995 and*  
14 *\$110,000,000 for fiscal year 1996.”.*

15 (2) *TECHNICAL ASSISTANCE AND CAPACITY*  
16 *BUILDING.—Section 1011(g) of the Housing and*  
17 *Community Development Act of 1992 (42 U.S.C.*  
18 *4852(g)) is amended—*

19 (A) *in paragraph (1)—*

20 (i) *in the first sentence, by inserting*  
21 *before the period at the end the following: “,*  
22 *by providing technical assistance, either di-*  
23 *rectly, or indirectly under contracts or oth-*  
24 *erwise”;* and

1                   (ii) by striking the second sentence;

2                   and

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

5                   “(2) *SET-ASIDE.*—Of the total amount approved  
6                   in appropriation Acts under subsection (p), there  
7                   shall be set aside to carry out this subsection  
8                   \$3,000,000 for fiscal year 1995 and \$3,000,000 for  
9                   fiscal year 1996.”.

10                  (b) *HUD RESEARCH.*—

11                   (1) *CONDUCTING OF RESEARCH.*—Section 1052  
12                   of the Housing and Community Development Act of  
13                   1992 (42 U.S.C. 4854a) is amended by inserting after  
14                   “other Federal agencies,” the following: “either di-  
15                   rectly, or indirectly under contract or otherwise.”.

16                   (2) *FUNDING.*—Section 1053 of the Housing and  
17                   Community Development Act of 1992 (42 U.S.C.  
18                   4854b) is amended to read as follows:

19                  “**SEC. 1054. FUNDING.**

20                   “Of the total amount approved in appropriation Acts  
21                   under section 1011(p), there shall be set aside to carry out  
22                   this part \$5,000,000 for fiscal year 1995 and \$5,000,000  
23                   for fiscal year 1996.”.

24                   (3) *OTHER ACTIVITIES.*—Part 1 of subtitle D of  
25                   title X of the Housing and Community Development

1       Act of 1992 (42 U.S.C. 4854 et seq.) is amended by  
2       inserting after section 1052 the following new section:

3       **“SEC. 1053. OTHER RESEARCH AND ASSISTANCE ACTIVI-**  
4                                   **TIES.**

5               *“The Secretary may use amounts available to carry*  
6 *out this part to undertake, either directly, or indirectly*  
7 *under contract or otherwise, pursuant to title V of the Hous-*  
8 *ing and Urban Development Act of 1970, such studies, tests*  
9 *(including pilot tests of new or revised programs), evalua-*  
10 *tions, demonstrations, education of the public, and prepara-*  
11 *tion of training materials, as are consistent with the pur-*  
12 *poses of this Act.”.*

13       **SEC. 713. GAO STUDY OF LEAD-BASED PAINT DETECTION**  
14                                   **TECHNOLOGIES AND TENANT NOTIFICATION**  
15                                   **PROCEDURES.**

16       (a) *IN GENERAL.*—The Comptroller General of the  
17 United States shall conduct a study of the lead-based paint  
18 detection and abatement programs of the Department of  
19 Housing and Urban Development, which shall include—

20               (1) *analysis of existing lead-based paint detec-*  
21 *tion technologies including an analysis of the effec-*  
22 *tiveness of x-ray fluorescence analyzers (in this sec-*  
23 *tion referred to as “XRF”);*



1           (1) in subsection (b)—

2                   (A) in paragraph (2), by inserting “and” at  
3           the end;

4                   (B) in paragraph (3), by striking “; and”  
5           at the end and inserting a period; and

6                   (C) by striking paragraph (4);

7           (2) by redesignating subsection (c) as subsection  
8           (d); and

9           (3) by inserting after subsection (b) the following  
10          new subsection:

11          “(c) *POWERS OF THE SECRETARY OF HOUSING AND*  
12          *URBAN DEVELOPMENT.*—

13                   “(1) *IN GENERAL.*—The Secretary of Housing  
14                   and Urban Development (in this subsection referred  
15                   to as the ‘Secretary’) shall enforce compliance with  
16                   the requirements imposed under this title with regard  
17                   to lending institutions not described in subsection (b).

18                   “(2) *CIVIL MONEY PENALTIES.*—Pursuant to  
19                   paragraph (1) of this subsection, the Secretary may  
20                   impose a civil money penalty for failure to comply  
21                   with the requirements of this title.

22                   “(3) *AMOUNT OF PENALTY.*—The amount of the  
23                   penalty, as determined by the Secretary, may not ex-  
24                   ceed \$5,000 for each violation, except that the maxi-  
25                   mum penalty for all violations by any particular



1        *lending institution during any 1-year period shall*  
2        *not exceed \$1,000,000.*

3            *“(4) VIOLATIONS FOR WHICH A PENALTY MAY BE*  
4        *IMPOSED.—A civil money penalty may be imposed*  
5        *for the late submission of a report, failure to submit*  
6        *a report, submission of an illegible report, submission*  
7        *of an erroneous report, and failure to submit a cor-*  
8        *rected report for a report that was illegible or erro-*  
9        *neous.*

10          *“(5) AGENCY PROCEDURES.—*

11            *“(A) ESTABLISHMENT.—The Secretary shall*  
12        *establish standards and procedures governing the*  
13        *imposition of civil money penalties under this*  
14        *section. The standards and procedures shall pro-*  
15        *vide for the Secretary to make the determination*  
16        *to impose the penalty or to use an administra-*  
17        *tive entity (such as the Mortgagee Review Board,*  
18        *established pursuant to section 202(c) of the Na-*  
19        *tional Housing Act) to make the determination;*  
20        *shall provide for the imposition of a penalty*  
21        *only after the lending institution has been given*  
22        *an opportunity for a hearing on the record; and*  
23        *may provide for review by the Secretary of a de-*  
24        *termination or order, or interlocutory ruling,*  
25        *arising from a hearing.*

1           “(B) *FINAL ORDERS.*—If no hearing is re-  
2           quested within 15 days of receipt of the notice of  
3           opportunity for hearing, the imposition of the  
4           penalty shall constitute a final and unappealable  
5           determination. If the Secretary reviews the deter-  
6           mination or order, the Secretary may affirm,  
7           modify, or reverse that determination or order. If  
8           the Secretary does not review the determination  
9           or order within 90 days of the issuance of the de-  
10          termination or order, the determination or order  
11          shall be final.

12           “(C) *FACTORS IN DETERMINING AMOUNT OF*  
13          *PENALTY.*—In determining the amount of a pen-  
14          alty under this subsection, consideration shall be  
15          given to such factors as the gravity of the offense,  
16          any history of prior offenses, ability to pay the  
17          penalty, deterrence of future violations, and such  
18          other factors as the Secretary may determine to  
19          be appropriate.

20           “(D) *REVIEWABILITY OF IMPOSITION OF*  
21          *PENALTY.*—The Secretary’s determination or  
22          order imposing a penalty under this subsection  
23          shall not be subject to review, except as provided  
24          in this subsection.

1           “(6) *JUDICIAL REVIEW OF AGENCY DETERMINA-*  
2           *TION.—*

3           “(A) *IN GENERAL.—*After exhausting all ad-  
4           *ministrative remedies established by the Sec-*  
5           *retary under this subsection, a lending institu-*  
6           *tion against whom the Secretary has imposed a*  
7           *civil money penalty under this subsection may*  
8           *obtain a review of the penalty as may be ad-*  
9           *ressed in the notice of determination to impose*  
10           *a penalty in the appropriate court of appeals of*  
11           *the United States, by filing in such court, within*  
12           *20 days after the entry of such order or deter-*  
13           *mination, a written petition praying that the*  
14           *Secretary’s determination or order be modified*  
15           *or set aside in whole or in part.*

16           “(B) *OBJECTIONS NOT RAISED IN HEAR-*  
17           *ING.—*The court shall not consider any objection  
18           *that was not raised in the hearing conducted*  
19           *pursuant to this subsection unless a demonstra-*  
20           *tion is made of extraordinary circumstances*  
21           *causing the failure to raise the objection. If any*  
22           *party demonstrates to the satisfaction of the*  
23           *court that additional evidence not presented at*  
24           *the hearing is material and that there were rea-*  
25           *sonable grounds for the failure to present such*

1           *evidence at the hearing, the court shall remand*  
2           *the matter to the Secretary for consideration of*  
3           *the additional evidence.*

4           “(C) *SCOPE OF REVIEW.*—*The decisions,*  
5           *findings, and determinations of the Secretary*  
6           *shall be reviewed pursuant to section 706 of title*  
7           *5, United States Code.*

8           “(D) *ORDER TO PAY PENALTY.*—*Notwith-*  
9           *standing any other provision of law, in any such*  
10          *review, the court shall have the power to order*  
11          *payment of the penalty imposed by the Sec-*  
12          *retary.*

13          “(7) *ACTION TO COLLECT PENALTY.*—*If a lend-*  
14          *ing institution fails to comply with the Secretary’s*  
15          *determination or order imposing a civil money pen-*  
16          *alty under this subsection, after the determination or*  
17          *order is no longer subject to review as provided by*  
18          *this subsection, the Secretary may bring an action in*  
19          *an appropriate United States district court to obtain*  
20          *a monetary judgment against the lending institution.*  
21          *In such an action, the validity and appropriateness*  
22          *of the Secretary’s determination or order imposing*  
23          *the penalty shall not be subject to review. The mone-*  
24          *tary judgment may, in the court’s discretion, include*

1     *the attorneys fees and other expenses incurred by the*  
2     *United States in connection with the action.*

3             “(8) *SETTLEMENT BY SECRETARY.*—*The Sec-*  
4     *retary may compromise, modify, or remit any civil*  
5     *money penalty which may be imposed under this sub-*  
6     *section.*

7             “(9) *REGULATIONS.*—*The Secretary shall issue*  
8     *such regulations as the Secretary deems appropriate*  
9     *to implement this subsection.*

10            “(10) *DEPOSIT OF PENALTIES IN TREASURY.*—  
11     *All civil money penalties collected under this sub-*  
12     *section shall be deposited in the Miscellaneous Re-*  
13     *ceipts Account of the Treasury.”.*

14     **SEC. 715. REMOVAL OF REGULATORY BARRIERS TO AF-**  
15             **FORDABLE HOUSING.**

16            (a) *PURPOSES.*—*Section 1202 of the Housing and*  
17     *Community Development Act of 1992 (42 U.S.C. 12705a)*  
18     *is amended—*

19            (1) *in paragraph (1), by striking “State and*  
20     *local governments to further identify and remove”*  
21     *and inserting “the further identification and removal*  
22     *of”; and*

23            (2) *by striking paragraph (2) and inserting the*  
24     *following new paragraph:*

1           “(2) to encourage the establishment of partner-  
2           ships between local governments and builders and de-  
3           velopers of affordable housing to facilitate develop-  
4           ment of innovative land use and building practices to  
5           overcome regulatory barriers.”.

6           (b) GRANTS.—Section 1204 of the Housing and Com-  
7           munity Development Act of 1992 (42 U.S.C. 12705c) is  
8           amended—

9           (1) by striking subsection (a) and inserting the  
10          following new subsection:

11          “(a) IN GENERAL.—The amounts available for use  
12          under this Act may be used for grants under subsections  
13          (b) and (c), for evaluation of grantees, and for contracts  
14          with intermediaries for the administration of such grants.”;

15          (2) in subsection (b)—

16                (A) in the heading for the subsection, by  
17                striking “GRANTS” and inserting “AND RE-  
18                GIONAL STRATEGIES FOR BARRIER REMOVAL”;

19                (B) in matter preceding paragraph (1), by  
20                inserting after “States” the following: “, consor-  
21                tia of units of general local government, associa-  
22                tions of units of general local government, and  
23                metropolitan or regional governments”;

1           (C) in paragraph (3), by striking “a State  
2           program to reduce State and local” and insert-  
3           ing “State or regional programs to reduce”;

4           (D) in paragraph (4), by inserting “or  
5           local” after “State”;

6           (E) in paragraph (5), by striking “State”;  
7           and

8           (F) by striking paragraph (6) and inserting  
9           the following new paragraph:

10           “(6) developing proposed legislation or adminis-  
11           trative policies for enactment by the State or local  
12           government addressing expanded housing opportunity  
13           and barrier removal, including implementation of ac-  
14           tive programs encouraging housing opportunities for  
15           low- and moderate-income families through activities  
16           such as comprehensive planning requirements, metro-  
17           politan fair-share requirements for affordable housing,  
18           inclusionary zoning legislation, establishment of new  
19           land development standards, and review of zoning  
20           standards and plans.”;

21           (3) by striking subsection (c) and inserting the  
22           following new subsection:

23           “(c) *BARRIER REMOVAL DEMONSTRATION.*—The Sec-  
24           retary may make grants to units of general local govern-  
25           ment to encourage the establishment of partnerships between

1 *local governments and builders and developers under which*  
2 *the local government commits to modify existing land use*  
3 *and building practices and the builder or developer agrees*  
4 *to use innovative land planning and development ap-*  
5 *proaches to build affordable housing in ways which would*  
6 *overcome regulatory barriers. Assistance under this sub-*  
7 *section may be used to assist the builder or developer obtain*  
8 *additional architectural, engineering, and land planning*  
9 *services to build affordable housing and to provide assist-*  
10 *ance to the locality in providing specialized review and in*  
11 *meeting technical responsibilities resulting from the re-*  
12 *moval of the regulatory barriers. During and after comple-*  
13 *tion of these demonstration projects, the Secretary may*  
14 *evaluate the cost impact of the modified regulations and*  
15 *the long-term impact of the project on regulatory reform.”;*

16 *(4) by striking subsections (d) through (g) and*  
17 *inserting the following new subsection:*

18 *“(d) APPLICATION AND SELECTION.—*

19 *“(1) APPLICATION.—The Secretary shall provide*  
20 *for the form and manner of applications for grants*  
21 *under this section, which in the case of grants under*  
22 *subsection (c), shall include resolutions and other evi-*  
23 *dence by the applicable regulating bodies evidencing*  
24 *commitments—*



1           “(A) to waive or modify existing applicable  
2 zoning, building code, site planning, and other  
3 related development requirements;

4           “(B) to approve the project based upon an  
5 individual review of the technical data, site  
6 plans, and architectural submissions of the  
7 project, utilizing the most recent research and  
8 practices of building engineering and land devel-  
9 opment; and

10           “(C) to accelerate development review and  
11 processing.

12           “(2) CRITERIA FOR APPROVAL.—The Secretary  
13 shall establish criteria for approval of applications  
14 under this subsection and for the competitive selection  
15 of grantees under this section.”;

16           (5) in subsection (h), by striking “State and unit  
17 of general local government receiving” and inserting  
18 “recipient of”; and

19           (6) by redesignating subsections (h) and (i) as  
20 subsections (e) and (f), respectively.

21           (c) REPORTS.—Section 1207 of the Housing and Com-  
22 munity Development Act of 1992 (42 U.S.C. 12705a note)  
23 is amended by striking “this Act” and inserting “the Hous-  
24 ing and Community Development Act of 1994”.

1       (d) *CDBG SPECIAL PURPOSE GRANTS.*—Section  
2 *107(b) of the Housing and Community Development Act*  
3 *of 1974 (42 U.S.C. 5307(b)) is amended by inserting at the*  
4 *end the following new paragraph:*

5             “(9) *to eligible grantees, and for other purposes,*  
6             *under the Removal for Regulatory Barriers to Afford-*  
7             *able Housing Act of 1992.”*

8   **SEC. 716. NEW TOWNS DEMONSTRATION PROGRAM FOR**  
9             **EMERGENCY RELIEF OF LOS ANGELES.**

10       (a) *INSURANCE AUTHORITY.*—The first sentence of sec-  
11 *tion 1104(d) of the Housing and Community Development*  
12 *Act of 1992 (42 U.S.C. 5318 note) is amended to read as*  
13 *follows: “To the extent provided in appropriation Acts, the*  
14 *Secretary shall use any authority provided pursuant to sec-*  
15 *tion 531(b) of the National Housing Act to enter into com-*  
16 *mitments to insure loans and mortgages under this section*  
17 *in fiscal years 1995 and 1996 with an aggregate principal*  
18 *amount not exceeding such sums as may be necessary to*  
19 *carry out the demonstration under this title.”*

20       (b) *SECOND MORTGAGE ASSISTANCE.*—Section  
21 *1105(e) of the Housing and Community Development Act*  
22 *of 1992 (42 U.S.C. 5318 note) is amended to read as follows:*

23             “(e) *AUTHORIZATION OF APPROPRIATIONS.*—There are  
24 *authorized to be appropriated for fiscal years 1995 and*

1 1996 such sums as may be necessary for providing assist-  
2 ance under this section.”.

3 (c) *COMMUNITY DEVELOPMENT ASSISTANCE*.—Section  
4 1106(h) of the Housing and Community Development Act  
5 of 1992 (42 U.S.C. 5318 note) is amended to read as follows:

6 “(h) *AUTHORIZATION OF APPROPRIATIONS*.—There  
7 are authorized to be appropriated for fiscal years 1995 and  
8 1996 such sums as may be necessary for assistance under  
9 this section.”.

10 **SEC. 717. AUTHORIZATION OF APPROPRIATIONS FOR PUB-**  
11 **LIC SERVICES FACILITY.**

12 (a) *AUTHORIZATION OF APPROPRIATIONS*.—There are  
13 authorized to be appropriated for fiscal year 1995 such  
14 sums as may be necessary for a grant by the Secretary of  
15 Housing and Urban Development to the City of Springfield,  
16 Massachusetts (in this section referred to as the “City”),  
17 for the redevelopment of a facility formerly used as a United  
18 States Post Office for use as a consolidated facility for city  
19 public services in accordance with the plans, budgets, and  
20 timetables for such facility developed by the City.

21 (b) *CITY CONTRIBUTION*.—Notwithstanding any other  
22 provision of this section, the Secretary may not make any  
23 amount provided pursuant to this section available to the  
24 City unless the City contributes for redevelopment of the  
25 facility referred to in subsection (a) an amount constituting

1 *not less than 25 percent of the total cost of the redevelop-*  
2 *ment project.*

3 (c) *AVAILABILITY OF AMOUNTS.*—*Of any amounts ap-*  
4 *propriated pursuant to this section, the Secretary shall pro-*  
5 *vide \$2,500,000 to the City in fiscal year 1995 and the re-*  
6 *mainder shall remain available until the end of fiscal 1996*  
7 *and shall be provided to the City in such year.*

8 (d) *REPORTS.*—*The Secretary may require the City to*  
9 *submit such reports and other information as the Secretary*  
10 *considers necessary to ensure that the amounts provided*  
11 *under this section are used in accordance with this section*  
12 *and that amounts are provided by the City in accordance*  
13 *with subsection (b).*

14 **SEC. 718. NATIONAL AMERICAN INDIAN HOUSING COUNCIL.**

15 *There is authorized to be appropriated for assistance*  
16 *for the National American Indian Housing Council*  
17 *\$1,000,000 for fiscal year 1995 and \$1,000,000 for fiscal*  
18 *year 1996, for providing training and technical assistance*  
19 *to Indian Housing Authorities.*

20 **SEC. 719. HOUSING ASSISTANCE COUNCIL.**

21 *There is authorized to be appropriated for assistance*  
22 *for the Housing Assistance Council \$5,000,000 for fiscal*  
23 *year 1995 and \$5,000,000 for fiscal year 1996, for provid-*  
24 *ing training, technical assistance, and financial assistance*  
25 *to develop affordable housing in rural areas.*

1 **SEC. 720. DEMONSTRATION PROGRAM FOR OUTREACH TO**  
2 **AVOID DISCONNECTION OF UTILITIES.**

3 (a) *ACTION OF SECRETARY.*—The Secretary of Hous-  
4 ing and Urban Development shall provide technical advice  
5 and assistance to Maryland Energy Advocates to establish  
6 and carry out a program under (b).

7 (b) *OUTREACH PROGRAM.*—The program under this  
8 subsection shall be a program, carried out by Maryland En-  
9 ergy Advocates, to—

10 (1) *identify low-income families living in Balti-*  
11 *more, Maryland, and the surrounding areas, includ-*  
12 *ing low-income families residing in housing for which*  
13 *assistance is provided by the Federal Government,*  
14 *whose electricity or other utility services have been*  
15 *disconnected because of failure to pay amounts owed;*

16 (2) *provide counseling and advice to such fami-*  
17 *lies regarding utility payments, family budgeting,*  
18 *sources and programs of assistance for utility pay-*  
19 *ments, and such other matters as may be necessary to*  
20 *avoid the disconnection of utility service in the future;*  
21 *and*

22 (3) *determine the most effective manners of iden-*  
23 *tifying low-income families in need of advice or as-*  
24 *sistance to avoid disconnection of utility services and*  
25 *the most effective actions to help low-income families*  
26 *avoid such disconnection.*

1       (c) *REPORT.*—After consultation with Maryland En-  
2       ergy Advocates regarding the implementation and results  
3       of the program under subsection (b), but not later than the  
4       expiration of the 18-month period beginning on the date  
5       of the enactment of this Act, the Secretary of Housing and  
6       Urban Development shall submit a report to the Congress  
7       that—

8               (1) describes the program and the activities car-  
9       ried out under the program;

10              (2) describes the extent to which the utility serv-  
11       ices of low-income families are disconnected; and

12              (3) identifies the most effective manners of iden-  
13       tifying low-income families in need of advice or as-  
14       sistance to avoid disconnection of utility services and  
15       the most effective actions to help low-income families  
16       avoid such disconnection, including any such actions  
17       appropriate for the Federal Government.

18       **SEC. 721. FEDERAL DEPOSIT INSURANCE CORPORATION AF-**

19                               **FORDABLE HOUSING PROGRAM.**

20       (a) *REAUTHORIZATION.*—Section 40(b) of the Federal  
21       Deposit Insurance Act (12 U.S.C. 1831q(b)) is amended—

22              (1) in paragraph (1), by striking “during” and  
23       all that follows through “paragraph (2)(A)” and in-  
24       serting “until the end of fiscal year 1997”;

1           (2) in paragraph (2)(A), in the matter preceding  
2           clause (i), by striking “3-year”; and

3           (3) in paragraph (2)(C), by striking “3-year”.

4           (b) *FACILITATION OF PROGRAM.*—Section 40 of the  
5 *Federal Deposit Insurance Act* is amended by adding at  
6 *the end the following new subsection:*

7           “(r) *FACILITATION OF PROGRAM.*—Notwithstanding  
8 *any provision of this section or any other provision of law,*  
9 *the Corporation shall be considered to be in compliance with*  
10 *this section if (in the sole discretion of the Corporation)*  
11 *the Corporation at any time modifies, amends, or waives*  
12 *any provisions of this section to maximize the efficient use*  
13 *of amounts appropriated to carry out this section. The Cor-*  
14 *poration shall not be subject to suit for any failure to com-*  
15 *ply with the requirements of this section.”.*

16 ***SEC. 722. STATE AGENCIES AS SURETIES.***

17           Section 9304 of title 31, *United States Code*, is amend-  
18 *ed by adding at the end the following new subsection:*

19           “(c) *STATE AGENCIES.*—A *State agency, including*  
20 *any financing authority established by any State, which*  
21 *meets the requirements of paragraphs (2) and (3) of sub-*  
22 *section (a) may be treated as a surety corporation for pur-*  
23 *poses of this chapter.”.*

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 **CHAPTER 1—REORGANIZATION OF CER-**  
10 **TAIN MCKINNEY ACT HOUSING PROVI-**  
11 **SIONS**

12 **SEC. 811. FLEXIBLE GRANT PROGRAM.**

13 *Title IV of the Stewart B. McKinney Homeless Assist-*  
14 *ance Act (42 U.S.C. 11361 et seq.) is amended—*

15 *(1) by striking subtitles A, B, C, D, and F;*

16 *(2) by striking the headings for subtitles E and*  
17 *G;*

18 *(3) by redesignating sections 441 (as amended by*  
19 *the preceding provisions of this Act), 491, and 592*  
20 *(as added by section 1414 of the Housing and Com-*  
21 *munity Development Act of 1992) as sections 451,*  
22 *453, and 454, respectively;*

23 *(4) by striking sections 442 and 443; and*

24 *(5) by inserting after the heading for the title the*  
25 *following:*



1           **“Subtitle A—Flexible Grant**  
2                           **Program**

3           **“CHAPTER 1—GENERAL PROVISIONS**

4   **“SEC. 401. PURPOSES.**

5           *“The purposes of this subtitle are to—*

6                   *“(1) expand and reorganize the Federal commit-*  
7                   *ment to alleviate homelessness by providing States,*  
8                   *Indian tribes, and localities with the resources to*  
9                   *more efficiently and effectively design a comprehen-*  
10                   *sive system to address the shelter, service, and perma-*  
11                   *nent housing needs of homeless individuals and fami-*  
12                   *lies in the United States;*

13                   *“(2) help very low-income families avoid becom-*  
14                   *ing homeless;*

15                   *“(3) meet the emergency shelter needs of homeless*  
16                   *persons and families;*

17                   *“(4) provide transitional or specialized perma-*  
18                   *nent housing to facilitate the movement of homeless*  
19                   *persons and families to independent living;*

20                   *“(5) provide supportive services to help homeless*  
21                   *persons and families lead independent and dignified*  
22                   *lives;*

23                   *“(6) encourage the cooperation and participation*  
24                   *of the States and units of general local government,*  
25                   *together with private nonprofit organizations, in*

1 *planning and implementing comprehensive homeless*  
2 *assistance programs;*

3 *“(7) reduce the costs to States, units of general*  
4 *local government, and private nonprofit organizations*  
5 *in applying for and using Federal housing assistance*  
6 *for families and persons who are homeless; and*

7 *“(8) begin meeting the needs of most of the Na-*  
8 *tion’s homeless population through the existing Fed-*  
9 *eral programs providing basic assistance for low-in-*  
10 *come families and persons.*

11 **“SEC. 402. AUTHORIZATION OF APPROPRIATIONS.**

12 *“There are authorized to be appropriated—*

13 *“(1) \$635,000,000 for fiscal year 1995 for grants*  
14 *in accordance with section 813 of the Housing and*  
15 *Community Development Act of 1994; and*

16 *“(2) \$786,620,000 for fiscal year 1996 for grants*  
17 *under this subtitle.*

18 *Any amounts appropriated pursuant to this section shall*  
19 *remain available until expended.*

20 **“SEC. 403. DEFINITIONS.**

21 *“For purposes of this subtitle, the following definitions*  
22 *shall apply:*

23 *“(1) The term ‘allocation unit of general local*  
24 *government’ means a metropolitan city and an urban*  
25 *county.*

1           “(2) The term ‘applicant’ means an eligible  
2           grantee that submits an application under section  
3           408 for a grant under this subtitle.

4           “(3) The term ‘disability’ means—

5                   “(A) a disability as defined in section 223  
6                   of the Social Security Act;

7                   “(B) to be determined to have, pursuant to  
8                   regulations issued by the Secretary, a physical,  
9                   mental, or emotional impairment which (i) is  
10                  expected to be a long-continued and indefinite  
11                  duration, (ii) substantially impedes an individ-  
12                  ual’s ability to live independently, and (iii) of  
13                  such a nature that such ability could be im-  
14                  proved by more suitable housing conditions;

15                  “(C) a developmental disability as defined  
16                  in section 102 of the Developmental Disabilities  
17                  Assistance and Bill of Rights Act; or

18                  “(D) the disease of acquired  
19                  immunodeficiency syndrome or any conditions  
20                  arising from the etiologic agency for acquired  
21                  immunodeficiency syndrome.

22           Subparagraph (D) shall not be construed to limit eli-  
23           gibility under subparagraphs (A) through (C) or the  
24           provisions referred to in subparagraphs (A) through  
25           (C).

1           “(4) The term ‘eligible grantee’ means—

2                   “(A) an allocation unit of general local gov-  
3 ernment, Indian Tribe, or insular area that  
4 elects to administer a grant under section  
5 410(a)(1);

6                   “(B) a public agency or a private nonprofit  
7 organization (or a consortium of such organiza-  
8 tions) designated by the Secretary under section  
9 410(a)(3) to administer grant amounts for an  
10 allocation unit of general local government, In-  
11 dian tribe, or insular area;

12                   “(C) an entity eligible to receive grant  
13 amounts from the Secretary under section  
14 410(a)(4);

15                   “(D) a State that elects under section  
16 410(b)(1)(A) to administer a grant;

17                   “(E) a unit of general local government se-  
18 lected under section 410(b)(5) to receive grant  
19 amounts from the Secretary; and

20                   “(F) a private nonprofit organization se-  
21 lected under section 410(b)(4) to receive grant  
22 amounts from the Secretary.

23           “(5) The term ‘families’ has the same meaning  
24 given the term under section 3(b) of the United States  
25 Housing Act of 1937.

1           “(6) The term ‘grantee’ means—

2                   “(A) an allocation unit of general local gov-  
3 ernment, Indian Tribe, or insular area that re-  
4 ceives a grant under this subtitle and admin-  
5 isters the grant under section 410(a)(1);

6                   “(B) an allocation unit of general local gov-  
7 ernment, Indian tribe, or insular area that re-  
8 ceives a grant under this subtitle and designates  
9 a public agency or private nonprofit organiza-  
10 tion (or a consortium of such organizations) to  
11 administer grant amounts for the jurisdiction  
12 under section 410(a)(2);

13                   “(C) a public agency or a private nonprofit  
14 organization (or a consortium or such organiza-  
15 tions) designated by the Secretary under section  
16 410(a)(3) to administer grant amounts for an  
17 allocation unit of general local government, In-  
18 dian tribe, or insular area, and that receives  
19 grant amounts under this subtitle;

20                   “(D) an entity that receives grant amounts  
21 from the Secretary under section 410(a)(4);

22                   “(E) a State that receives grant amounts  
23 under this subtitle and administers such  
24 amounts under section 410(b)(1)(A);

1           “(F) a unit of general local government that  
2           receives grant amounts from the Secretary under  
3           section 410(b)(5); and

4           “(G) a private nonprofit organization that  
5           receives grant amounts from the Secretary under  
6           section 410(b)(4);

7           “(7) The term ‘homeless family’ means a group  
8           of one or more related individuals who are homeless  
9           individuals.

10          “(8) The term ‘Indian tribe’ means any Indian  
11          tribe, band, group, and nation, including Alaska In-  
12          dians, Aleuts, and Eskimos, and any Alaskan Native  
13          Village, of the United States, which is considered an  
14          eligible recipient under the Indian Self-Determination  
15          and Education Assistance Act or was considered an  
16          eligible recipient under chapter 67 of title 31, United  
17          States Code, before the repeal of such chapter.

18          “(9) The term ‘insular area’ means the Virgin  
19          Islands, Guam, American Samoa, and the Common-  
20          wealth of the Northern Mariana Islands.

21          “(10) The term ‘low-demand services and refer-  
22          rals’ means the provision of health care, mental  
23          health, substance abuse, and other supportive services  
24          and referrals for services in a noncoercive manner,  
25          which may include medication management, edu-

1        *cation, counseling, job training, and assistance in ob-*  
2        *taining entitlement benefits and in obtaining other*  
3        *supportive service including mental health treatment*  
4        *and substance abuse treatment.*

5                *“(11) The term ‘metropolitan city’ has the mean-*  
6        *ing given the term in section 102(a) of the Housing*  
7        *and Community Development Act of 1974.*

8                *“(12) The term ‘operating costs’ means expenses*  
9        *of operating any housing assisted under this subtitle*  
10        *with respect to—*

11                *“(A) the administration, maintenance, re-*  
12        *pair, and security of such housing;*

13                *“(B) utilities, fuels, furnishings, and equip-*  
14        *ment for such housing; and*

15                *“(C) the conducting of the assessments of*  
16        *and the provision of supportive services to the*  
17        *residents of such housing.*

18                *“(13) The term ‘outpatient health services’ means*  
19        *outpatient health care, outpatient mental health serv-*  
20        *ices, outpatient substance abuse services, case manage-*  
21        *ment services and child immunization.*

22                *“(14) The term ‘private nonprofit organization’*  
23        *means an organization—*

1           “(A) no part of the net earnings of which  
2           inures to the benefit of any member, founder,  
3           contributor, or individual;

4           “(B) that has a voluntary board;

5           “(C) that has an accounting system or has  
6           designated a fiscal agent in accordance with re-  
7           quirements established by the Secretary; and

8           “(D) that practices nondiscrimination in  
9           the provision of assistance.

10          “(15) The term ‘project’ means a structure or a  
11          portion of a structure that is acquired or rehabilitated  
12          with assistance provided under this subtitle or with  
13          respect to which the Secretary provides technical as-  
14          sistance or annual payments for operation costs.

15          “(16) The term ‘project sponsor’ means an entity  
16          that—

17                 “(A) provides housing or assistance for  
18                 homeless individuals or families by carrying out  
19                 eligible activities under chapter 2 that are as-  
20                 sisted under this subtitle; and

21                 “(B) meets such minimum standards as the  
22                 Secretary considers appropriate.

23          “(17) The term ‘recipient’ means a grantee  
24          (other than a State distributing grant amounts to  
25          State recipients) and a State recipient.



1           “(18) The term ‘Secretary’ means the Secretary  
2 of Housing and Urban Development.

3           “(19) The term ‘State’ means a State of the  
4 United States and the Commonwealth of Puerto Rico,  
5 or any agency or instrumentality thereof that is es-  
6 tablished pursuant to legislation and designated by  
7 the chief executive to act on behalf of the jurisdiction  
8 with regard to provisions of this subtitle.

9           “(20) The term ‘State recipient’ means—

10           “(A) a unit of general local government  
11 within a State (other than an allocation unit of  
12 general local government) that receives grant  
13 amounts from the State under section 410(b)(3);  
14 and

15           “(B) a private nonprofit organization that  
16 receives grant amounts from a State under sec-  
17 tion 410(b)(4).

18           “(21)(A) The term ‘supportive services’ means  
19 assistance that—

20           “(i) addresses the special needs of homeless  
21 person, such as deinstitutionalized persons, fami-  
22 lies with children, persons with mental disabili-  
23 ties, other persons with disabilities, the elderly,  
24 and veterans intended to be served by a project;  
25 and

1           “(i) assists in accomplishing the purposes  
2 of the different types of housing for the homeless  
3 eligible for assistance under this subtitle.

4           “(B) Such term includes—

5           “(i) food services, child care, substance  
6 abuse treatment, assistance in obtaining perma-  
7 nent housing, outpatient health services, employ-  
8 ment counseling, nutritional counseling, security  
9 arrangements for the protection of residents of  
10 facilities to assist the homeless, and such other  
11 services essential for maintaining or moving to-  
12 ward independent living as the Secretary deter-  
13 mines to be appropriate; and

14           “(ii) assistance to homeless persons in ob-  
15 taining other Federal, State, and local assistance  
16 available for such individuals, including public  
17 assistance benefits, mental health benefits, em-  
18 ployment counseling, and medical assistance.

19           “(C) Such term does not include the provi-  
20 sion of major medical equipment.

21           “(D) All or part of the supportive services  
22 may be provided directly by the project sponsor  
23 or by arrangements with other public or private  
24 service providers.

1           “(22) The term ‘unit of general local government’  
2       *means—*

3           “(A) a city, town, township, county, parish,  
4       village, or other general purpose political sub-  
5       division of a State;

6           “(B) the District of Columbia; and

7           “(C) any agency or instrumentality thereof  
8       that is established pursuant to legislation and  
9       designated by the chief executive to act on behalf  
10      of the jurisdiction with regard to provisions of  
11      this subtitle.

12       *The term includes a consortium of geographically con-*  
13       *tiguous units of general local government if the Sec-*  
14       *retary determines that the consortium—*

15           “(i) has sufficient authority and adminis-  
16       trative capability to carry out the purposes of  
17       this subtitle on behalf of its member jurisdic-  
18       tions; and

19           “(ii) will, according to a written certifi-  
20       cation by the State (or State, if the consortium  
21       includes jurisdictions in more than one State),  
22       direct its activities to alleviation of problems of  
23       homeless individuals or families within the State  
24       or States.

1           “(23) The term ‘urban county’ has the meaning  
2           given the term in section 102(a) of the Housing and  
3           Community Development Act of 1974.

4           “(24) The term ‘very low-income families’ has  
5           the same meaning given the term under section 104  
6           of the Cranston-Gonzalez National Affordable Hous-  
7           ing Act.

8           **“SEC. 404. PROVISION OF GRANTS.**

9           “(a) *AUTHORITY AND USE.*—The Secretary may make  
10          grants to eligible grantees in accordance with the provisions  
11          of this subtitle. Grants under this subtitle may be used  
12          only—

13                 “(1) to carry out activities under chapter 2 for  
14                 assisting homeless individuals and families that are  
15                 conducted to provide comprehensive homeless assist-  
16                 ance required under section 405; and

17                 “(2) for administrative expenses, to the extent  
18                 provided in section 436.

19           “(b) *GENERAL RULE FOR AWARD OF GRANTS.*—Ex-  
20          cept as provided in subsection (c), the Secretary shall make  
21          grants using amounts appropriated under section 402 in  
22          the manner provided in this subtitle.

23           “(c) *INSUFFICIENT APPROPRIATIONS.*—

24                 “(1) *TRIGGER.*—If the amounts appropriated  
25                 pursuant to section 402 for any fiscal year are less

1     *than 50 percent of the amount authorized to be ap-*  
2     *propriated under such section for the year, the Sec-*  
3     *retary shall use such amounts to make grants under*  
4     *the provisions of this title as in effect immediately be-*  
5     *fore the enactment of the Housing and Community*  
6     *Development Act of 1994.*

7             “(2) *GRANT REQUIREMENTS.*—*The Secretary*  
8     *shall establish requirements for grants made under*  
9     *this subsection, as the Secretary considers appro-*  
10    *priate, that are additional or alternative to the re-*  
11    *quirements under the provisions of this title as in ef-*  
12    *fect immediately before the enactment of the Housing*  
13    *and Community Development Act of 1994.*

14            “(3) *GRANT CRITERIA.*—*The criteria for award-*  
15    *ing grants under this subsection shall include—*

16                    “(A) *the extent to which there is a need for*  
17                    *assistance for homeless individuals and families*  
18                    *in the jurisdiction in which the grant will be*  
19                    *used;*

20                    “(B) *the extent to which the activities pro-*  
21                    *posed to be carried out with grant amounts will*  
22                    *further the provision of comprehensive homeless*  
23                    *assistance required under section 405(b)(1);*

24                    “(C) *the extent to which private nonprofit*  
25                    *organizations providing assistance to homeless*

1           *individuals and families in the jurisdiction have*  
2           *been, and will be, included in planning for the*  
3           *receipt of assistance under this subtitle, the de-*  
4           *velopment of the application under section 408,*  
5           *and the execution of the proposed activities; and*

6           “(D) *such other criteria as the Secretary*  
7           *considers appropriate to further the purposes of*  
8           *this subsection and this subtitle.*

9           “(4) *SET ASIDE FOR INDIAN TRIBES AND INSU-*  
10          *LAR AREAS.—In making grants under this subsection,*  
11          *the Secretary may to set aside such amounts as the*  
12          *Secretary considers appropriate for grants for Indian*  
13          *tribes and insular areas.*

14          **“SEC. 405. COMPREHENSIVE HOMELESS ASSISTANCE.**

15          “(a) *ESTABLISHMENT AND MAINTENANCE.—Each ap-*  
16          *plicant shall, based on information provided in the current*  
17          *comprehensive affordable housing strategy for the appro-*  
18          *priate jurisdiction under section 105 of the Cranston-Gon-*  
19          *zalez National Affordable Housing Act or such other plan*  
20          *as the Secretary may prescribe, use assistance provided*  
21          *under this subtitle in a manner that ensures that com-*  
22          *prehensive homeless assistance is established and main-*  
23          *tained within the jurisdiction of the applicant.*

1       “(b) *REQUIREMENTS.*—*For purposes of this subtitle,*  
2 *comprehensive homeless assistance required under this sec-*  
3 *tion shall include—*

4               “(1) *providing a system of outreach and assess-*  
5 *ment for—*

6                       “(A) *determining whether an individual or*  
7 *family is homeless, needs assistance to avoid*  
8 *being homeless, or needs other assistance; and*

9                       “(B) *ensuring that individuals and families*  
10 *so identified receive appropriate housing and*  
11 *supportive services;*

12               “(2) *providing assistance to the extent necessary*  
13 *to avoid eviction (or foreclosure) and termination of*  
14 *utility services of low- and very low-income families*  
15 *to prevent such families from becoming homeless;*

16               “(3) *making emergency shelters with appropriate*  
17 *supportive services available to the extent necessary to*  
18 *ensure that homeless individuals and families for*  
19 *which such housing is appropriate receive adequate*  
20 *shelter, including during any period in which an as-*  
21 *essment referred to in paragraph (1) is performed for*  
22 *such an individual or family;*

23               “(4) *making transitional housing with appro-*  
24 *priate supportive services available to the extent nec-*  
25 *essary to ensure that homeless individuals and fami-*

1        *lies for which such housing is appropriate are pre-*  
2        *pared for increased responsibility and permanent*  
3        *housing, or permanent supportive housing, after the*  
4        *transition period;*

5            *“(5) making permanent supportive housing,*  
6            *available to the extent necessary to meet the long-term*  
7            *housing needs of all homeless individuals and fami-*  
8            *lies;*

9            *“(6) providing assistance to meet specific needs*  
10          *of various subpopulations of the homeless, especially*  
11          *the unique needs of homeless veterans; and*

12          *“(7) providing for coordination of assistance*  
13          *provided under this subtitle and assistance provided*  
14          *under other Federal, State, and local programs that*  
15          *may be used to assist homeless individuals and fami-*  
16          *lies, including—*

17                *“(A) assistance under the programs for pub-*  
18                *lic and Indian housing and section 8 rental as-*  
19                *stance under the United States Housing Act of*  
20                *1937 (including the program for section 8 assist-*  
21                *ance for moderate rehabilitation under section*  
22                *451 of this Act and the shelter plus care program*  
23                *for such assistance under section 452 of this Act),*  
24                *the HOME Investment Partnerships Act, the*  
25                *community development block grant program*



1           *under title I of the Housing and Community De-*  
2           *velopment Act of 1974, the program for support-*  
3           *ive housing for the elderly under section 202 of*  
4           *the Housing Act of 1959, the program for sup-*  
5           *portive housing for persons with disabilities*  
6           *under section 811 of the Cranston-Gonzalez Na-*  
7           *tional Affordable Housing Act, and the program*  
8           *for housing opportunities for persons with AIDS*  
9           *under subtitle D of title VIII of the Cranston-*  
10           *Gonzalez National Affordable Housing Act;*

11           *“(B) programs administered by the Director*  
12           *of the Federal Emergency Management Agency;*

13           *“(C) programs administered by the Sec-*  
14           *retary of Labor, including programs for employ-*  
15           *ment and training;*

16           *“(D) programs administered by the Sec-*  
17           *retary of Health and Human Services, including*  
18           *programs for health care, mental health care, so-*  
19           *cial services, income support services, runaway*  
20           *youth, and unfit transient facilities;*

21           *“(E) programs administered by the Sec-*  
22           *retary of Veterans Affairs (including programs*  
23           *for compensation benefits, health care, and men-*  
24           *tal health care, and other services and programs)*

1           *that are specifically designed to assist homeless*  
2           *veterans;*

3           “(F) *programs administered by the Sec-*  
4           *retary of Education, including programs for*  
5           *adult education and education for homeless chil-*  
6           *dren and youth;*

7           “(G) *programs administered by the Cor-*  
8           *poration for National and Community Service,*  
9           *including programs for national service; and*

10           “(H) *such other assistance as the Secretary*  
11           *shall prescribe upon consultation with the Inter-*  
12           *agency Council on the Homeless.*

13   **“SEC. 406. MATCHING REQUIREMENTS.**

14           “(a) *IN GENERAL.—Except as provided in subsection*  
15           *(c), each recipient shall supplement the amount of grants*  
16           *provided under this subtitle to the recipient with an equal*  
17           *amount of funds from non-Federal sources, which shall in-*  
18           *clude funds from project sponsors receiving assistance from*  
19           *the recipient.*

20           “(b) *SUPPLEMENTAL FUNDS.—Supplemental funds*  
21           *may include (1) the value of any donated material or build-*  
22           *ing, the value of any lease on a building, (2) any salary*  
23           *paid to staff to carry out the program of a project sponsor,*  
24           *(3) the value of the time and services contributed by volun-*  
25           *teers to carry out the program of project sponsor at a rate*

1 *determined by the Secretary, and (4) the proceeds from*  
2 *bond financing validly issued by a State or unit of general*  
3 *local government, agency, or instrumentality thereof, and*  
4 *repayable with revenues derived from a project assisted*  
5 *under this subtitle, except that not more than 25 percent*  
6 *of the contribution required may be derived from the pro-*  
7 *ceeds of such bond financings. Any State or local govern-*  
8 *ment funds used independently from the program under*  
9 *this title, or designated for such use, to assist the homeless*  
10 *by carrying out activities that would be eligible for assist-*  
11 *ance under this subtitle shall be considered supplemental*  
12 *funds under this section.*

13       “(c) STATES.—

14               “(1) REQUIRED SUPPLEMENTATION.—Except as  
15       *provided in paragraph (3), in the case of a State ad-*  
16       *ministering grant amounts under section*  
17       *410(b)(1)(A), in each fiscal year, the State shall sup-*  
18       *plement the amount of grants provided under this*  
19       *subtitle with an amount of funds from sources other*  
20       *than this subtitle equal to the difference between the*  
21       *amount received under this subtitle and \$100,000.*

22               “(2) BENEFIT OF MATCH.—Each grantee that is  
23       *a State shall obtain any supplemental amounts re-*  
24       *quired under paragraph (1) from State recipients re-*  
25       *ceiving amounts under the grant in a manner so that*

1        *the benefit of the \$100,000 subtrahend under para-*  
2        *graph (1) is appropriately divided among State re-*  
3        *ipients for which providing such supplemental*  
4        *amounts would—*

5                *“(A) create a significant hardship for the*  
6                *recipient; or*

7                *“(B) interfere with the overall purpose of*  
8                *the homeless assistance program of the recipient.*

9                *“(3) EXCEPTION.—If, in any fiscal year, a State*  
10              *receives \$100,000 or less in grant amounts under this*  
11              *subtitle, paragraph (1) shall not apply to the State*  
12              *for the fiscal year.*

13              *“(d) CERTIFICATION.—Each recipient shall certify, to*  
14              *the satisfaction of the Secretary, its compliance with the*  
15              *provisions of this section, which shall describe the sources*  
16              *and amounts of supplemental funds provided pursuant to*  
17              *this section.*

18        **“SEC. 407. RESPONSIBILITIES OF RECIPIENTS AND**  
19                      **PROJECT SPONSORS.**

20              *“(a) USE OF ASSISTANCE THROUGH PRIVATE NON-*  
21              *PROFIT ORGANIZATIONS.—Each recipient shall make avail-*  
22              *able more than 50 percent of the grant amounts it receives*  
23              *for any fiscal year to project sponsors that are private non-*  
24              *profit organizations to carry out eligible activities under*  
25              *chapter 2, except that the Secretary may waive the applica-*

1 *bility of this requirement if the recipient demonstrates to*  
2 *the Secretary that the requirement interferes with the abil-*  
3 *ity of the recipient to provide assistance under this subtitle*  
4 *because of a paucity of qualified private nonprofit organi-*  
5 *zations in the jurisdiction of the recipient.*

6       “(b) *HOUSING QUALITY.*—Each recipient shall ensure  
7 *that housing assisted with grant amounts provided under*  
8 *this subtitle is decent, safe, and sanitary and, when appro-*  
9 *priate, complies with all applicable State and local housing*  
10 *codes, building codes, and licensing requirements in the ju-*  
11 *risdiction in which the housing is located.*

12       “(c) *PREVENTION OF UNDUE BENEFIT.*—The Sec-  
13 *retary may prescribe such terms and conditions as the Sec-*  
14 *retary considers necessary to prevent project sponsors from*  
15 *unduly benefiting from the sale or other disposition of*  
16 *projects other than a sale or other disposition resulting in*  
17 *the use of the project for the direct benefit of very low-in-*  
18 *come families.*

19       “(d) *CONFIDENTIALITY.*—Each recipient shall develop  
20 *and implement procedures to ensure the confidentiality of*  
21 *records pertaining to any individual provided family vio-*  
22 *lence prevention or treatment services under any project*  
23 *and to ensure that the address or location or any family*  
24 *violence shelter project assisted with grant amounts under*  
25 *this subtitle will, except with written authorization of the*

1 *person or person responsible for the operation of such shel-*  
2 *ter, not be made public.*

3       “(e) *EMPLOYMENT OF HOMELESS INDIVIDUALS.—To*  
4 *the maximum extent practicable, the Secretary shall ensure*  
5 *that recipients involve, through employment, volunteer serv-*  
6 *ices, or otherwise, homeless individuals and families in con-*  
7 *structing, renovating, maintaining, and operating facilities*  
8 *assisted with grant amounts under this subtitle, in provid-*  
9 *ing services so assisted, and in providing services for occu-*  
10 *pants of facilities so assisted.*

11       “(f) *PARTICIPATION OF HOMELESS INDIVIDUALS.—*  
12 *The Secretary shall, by regulation, provide that each recipi-*  
13 *ent shall require each project sponsor receiving assistance*  
14 *under this subtitle from the recipient to provide for the par-*  
15 *ticipation of not less than one homeless individual or for-*  
16 *merly homeless individual on the board of directors or other*  
17 *equivalent policy making entity of the project sponsor, to*  
18 *the extent that such entity considers and makes policies and*  
19 *decision regarding any project, facility, services, or other*  
20 *activities assisted with grant amounts under this subtitle.*  
21 *A recipient may grant waivers to project sponsors unable*  
22 *to meet the requirement under the preceding sentence if the*  
23 *project sponsor agrees to otherwise consult with homeless or*  
24 *formerly homeless individuals in considering and making*  
25 *such policies and decisions.*

1 **“SEC. 408. APPLICATION.**

2 “(a) *REQUIREMENT.*—Except as otherwise provided in  
3 section 404(c), the Secretary may make a grant under this  
4 subtitle only to an eligible grantee that submits an applica-  
5 tion under this section that is approved by the Secretary.

6 “(b) *FORM AND PROCEDURE.*—Applications shall be  
7 submitted in such form and in accordance with such proce-  
8 dures as the Secretary shall, by regulation, establish.

9 “(c) *CONTENT.*—An application under this section  
10 shall—

11 “(1) include a detailed description, based on in-  
12 formation provided in the current comprehensive  
13 housing affordability strategy under section 105 of the  
14 Cranston-Gonzalez National Affordable Housing Act  
15 for the appropriate jurisdiction or such other plan as  
16 the Secretary may prescribe, of—

17 “(A) the existing population of homeless in-  
18 dividuals and families for the jurisdiction of the  
19 applicant; and

20 “(B) the existing facilities and services de-  
21 signed to assist such population;

22 “(2) include a detailed description of the com-  
23 prehensive homeless assistance under section 405 to be  
24 established and maintained within the jurisdiction of  
25 the applicant;

1           “(3) provide an assessment of what is required  
2           to establish and maintain the provision of comprehen-  
3           sive homeless assistance required under section 405  
4           for the jurisdiction of the applicant;

5           “(4) set forth a multiyear strategy for establish-  
6           ing and maintaining the provision of comprehensive  
7           homeless assistance for the jurisdiction, as described  
8           pursuant to paragraph (2), and include timetables,  
9           goals, and budget estimates for accomplishing each  
10          element of the strategy;

11          “(5) set forth a 1-year action plan that identifies  
12          all activities to be carried out with assistance under  
13          this subtitle and demonstrates how such activities will  
14          further the strategy set forth pursuant to paragraph  
15          (4);

16          “(6) except in the case of an application by a  
17          State that elects under section 410(b)(1)(A) to admin-  
18          ister grants under this subtitle, describe the means the  
19          applicant will use to distribute grant amounts to  
20          project sponsors and whether such amounts will be  
21          awarded on a competitive or noncompetitive basis;

22          “(7) contain certifications or other such forms of  
23          proof of commitments of financial and other resources  
24          from each public agency or private nonprofit organi-  
25          zation that has a role in establishing and maintain-



1     *ing the provision of comprehensive homeless assistance*  
2     *for the jurisdiction of the applicant, required under*  
3     *section 405;*

4             *“(8) contain assurances satisfactory to the Sec-*  
5     *retary that activities carried out under chapter 2*  
6     *with grant amounts under this subtitle will comply*  
7     *with the requirements of this subtitle;*

8             *“(9) in the case of an application by a State*  
9     *that elects to under section 410(b)(1)(A) administer*  
10    *grants under this subtitle, describe the method of dis-*  
11    *tribution of such amounts to State recipients;*

12            *“(10) except with respect to an application by a*  
13    *State that elects to under section 410(b)(1)(A) to ad-*  
14    *minister grants under this subtitle, contain a certifi-*  
15    *cation from the public official responsible for submit-*  
16    *ting the comprehensive housing affordability strategy*  
17    *under section 105 of the Cranston-Gonzalez National*  
18    *Affordable Housing Act for the State or unit of gen-*  
19    *eral local government within which a project is to be*  
20    *located (or such other plan as the Secretary may re-*  
21    *quire) that the proposed project is consistent with the*  
22    *approved housing strategy of such State or unit of*  
23    *general local government;*

24            *“(11) contain a certification that the applicant*  
25    *will comply with the requirements of the Fair Hous-*

1        *ing Act, title VI of the Civil Rights Act of 1964, sec-*  
2        *tion 504 of the Rehabilitation Act of 1973, and the*  
3        *Age Discrimination Act of 1975, and will affirma-*  
4        *tively further fair housing; and*

5            *“(12) contain a certification that the applicant*  
6        *will comply with the requirements of this subtitle and*  
7        *other applicable laws.*

8            *“(d) RELATIONSHIP TO CHAS AND CONSOLIDATED*  
9        *PLAN.—In establishing requirements for applications under*  
10       *this section, the Secretary shall provide that if an applicant*  
11       *includes in the application information also required under*  
12       *the comprehensive housing affordability strategy for the ap-*  
13       *propriate jurisdiction under section 105 of the Cranston-*  
14       *Gonzalez National Affordable Housing Act or such other*  
15       *plan as the Secretary may require, the requirements under*  
16       *such subsection regarding such information shall be consid-*  
17       *ered to be fulfilled by the submission of the application.*

18        **“SEC. 409. ALLOCATION AND DISTRIBUTION OF FUNDS.**

19            *“(a) INSULAR AREAS.—In each fiscal year, from any*  
20        *amounts appropriated for such year to carry out this sub-*  
21        *title, the Secretary shall allocate amounts to insular areas*  
22        *in accordance with an allocation formula established by the*  
23        *Secretary.*

24            *“(b) STATES AND ALLOCATION UNITS OF GENERAL*  
25        *LOCAL GOVERNMENT.—*

1           “(1) *FORMULA ALLOCATION.*—

2                   “(A) *IN GENERAL.*—For each fiscal year, of  
3           the amounts that remain after amounts are re-  
4           served for insular areas under subsection (a), the  
5           Secretary shall allocate assistance according to  
6           this paragraph.

7                   “(B) *FORMULA.*—The Secretary shall allo-  
8           cate amounts under this paragraph using a for-  
9           mula established by the Secretary that allocates  
10          amounts for allocation units of general local gov-  
11          ernment and States, and for Indian tribes, in a  
12          manner that provides that the percentage of the  
13          total amount referred to in subparagraph (A) for  
14          any fiscal year that is allocated for any State or  
15          allocation unit of general local government, or  
16          for Indian tribes, is equal to the percentage of  
17          the total amount available for section 106 of the  
18          Housing and Community Development Act of  
19          1974 for the prior fiscal year that was allocated  
20          for such State or allocation unit of general local  
21          government, or for Indian tribes.

22                  “(C) *MINIMUM AMOUNT.*—If, in any fiscal  
23          year, allocation under the provisions of subpara-  
24          graphs (A) and (B) would result in any alloca-  
25          tion unit of general local government receiving a

1       *grant of less than 0.05 percent of the amounts*  
2       *appropriated to carry out this subtitle for the*  
3       *fiscal year, such amount shall instead be reallo-*  
4       *cated to the State for use under section 410(b).*

5               “(D) 70 PERCENT FOR UNITS OF GENERAL  
6       LOCAL GOVERNMENT.—In each fiscal year, the  
7       amount allocated under this paragraph for each  
8       allocation unit of general local government shall  
9       be the amount that results from increasing all of  
10      the amounts determined pursuant to the preced-  
11      ing subparagraphs for allocation units of general  
12      local government on a pro rata basis so that the  
13      sum of such amounts is equal to 70 percent of  
14      the remainder of the amount appropriated for  
15      the year to carry out this subtitle after amounts  
16      are allocated for insular areas under subsection  
17      (a).

18              “(E) 30 PERCENT FOR STATES.—In each  
19      fiscal year, the amount allocated under this  
20      paragraph for each State shall be the amount  
21      that results from decreasing all of the amounts  
22      determined pursuant to the preceding subpara-  
23      graphs for States on a pro rata basis so that the  
24      sum of such amounts is equal to 30 percent of  
25      the remainder of the amount appropriated for

1           *the year to carry out this subtitle after amounts*  
2           *are allocated for insular areas under subsection*  
3           *(a).*

4           “(2) *GRANT AMOUNT FOR STATES AND ALLOCA-*  
5           *TION UNITS OF GENERAL LOCAL GOVERNMENT.—*

6                     “(A) *IN GENERAL.—The amount allocated*  
7                     *for a fiscal year under paragraph (1) for an al-*  
8                     *location unit of general local government or a*  
9                     *State shall be the maximum amount that the al-*  
10                    *location unit or State may receive under this*  
11                    *subtitle for the fiscal year.*

12                   “(B) *REDUCTION.—In any fiscal year, the*  
13                    *Secretary may provide a grant under this sub-*  
14                    *title for a State or for an allocation unit of gen-*  
15                    *eral local government in an amount less than the*  
16                    *amount allocated under paragraph (1), if the*  
17                    *Secretary determines based upon review of the*  
18                    *application of the jurisdiction under section 408*  
19                    *or as a result of the annual performance review*  
20                    *and audit under section 413, that the jurisdic-*  
21                    *tion has failed to comply fully with the require-*  
22                    *ments under section 408 or 411 or that such ac-*  
23                    *tion is otherwise appropriate.*

24                   “(c) *REALLOCATIONS.—Any amounts that a State or*  
25                    *an allocation unit of general local government is eligible*

1 *to receive for a fiscal year under subsection (b) that are*  
2 *not received for use in the jurisdiction, as provided by sub-*  
3 *sections (a) and (b) of section 410, or that become available*  
4 *as a result of actions under section 413(b), shall be added*  
5 *to amounts available for allocation under this section for*  
6 *the succeeding fiscal year.*

7 ***“SEC. 410. ADMINISTRATION OF PROGRAM.***

8 *“(a) GRANTS TO ALLOCATION UNITS OF GENERAL*  
9 *LOCAL GOVERNMENT, INDIAN TRIBES, AND INSULAR*  
10 *AREAS.—*

11 *“(1) IN GENERAL.—Except as provided in para-*  
12 *graphs (2), (3), and (4), an allocation unit of general*  
13 *local government, Indian tribe, or insular area shall*  
14 *administer grant amounts for any fiscal year received*  
15 *under section 409 by such grantees.*

16 *“(2) ADMINISTRATION BY DESIGNEES OF JURIS-*  
17 *DICTION.—*

18 *“(A) AUTHORITY TO ELECT.—An allocation*  
19 *unit of general local government, Indian tribe, or*  
20 *insular area may elect for any fiscal year to des-*  
21 *ignate a public agency or a private nonprofit or-*  
22 *ganization (or a consortium of such organiza-*  
23 *tions) to administer grant amounts under sec-*  
24 *tion 409 for the jurisdiction.*

1           “(B) *ELECTION REQUIREMENTS.*—*The Sec-*  
2           *retary shall prescribe the manner and time for*  
3           *making an election under subparagraph (A), and*  
4           *shall establish criteria for the approval of agen-*  
5           *cies and organizations designated, which shall*  
6           *require such agencies and organizations to dem-*  
7           *onstrate experience of the entity in providing as-*  
8           *stance to homeless individuals and families in*  
9           *the jurisdiction.*

10           “(C) *DIRECT PROVISION OF ASSISTANCE.*—  
11           *The Secretary may, at the request of the jurisdic-*  
12           *tion, provide grant amounts directly to the agen-*  
13           *cy or organization designated under this para-*  
14           *graph.*

15           “(3) *ADMINISTRATION BY DESIGNEES OF SEC-*  
16           *RETARY.*—*If an allocation unit of general local gov-*  
17           *ernment, Indian tribe, or insular area, or (if appro-*  
18           *priate) a public agency or private nonprofit organi-*  
19           *zation designated by the jurisdiction under paragraph*  
20           *(2), does not receive a grant under section 409 for*  
21           *any fiscal year because of failure to meet the applica-*  
22           *tion requirements of section 408, the Secretary may*  
23           *designate an agency or organization meeting the cri-*  
24           *teria established under paragraph (2)(B) to receive*  
25           *the grant.*

1           “(4) *ADMINISTRATION BY SECRETARY.*—If for  
2           any fiscal year the Secretary determines that the  
3           grant amounts allocated under section 409 for an al-  
4           location unit of general local government, Indian  
5           tribe, or insular area will not be used in the jurisdic-  
6           tion as provided by the preceding provisions of this  
7           subsection, the Secretary may administer such  
8           amounts for the jurisdiction. The Secretary shall pre-  
9           scribe such procedures and requirements as the Sec-  
10          retary considers appropriate for administering grant  
11          amounts under this paragraph.

12          “(b) *GRANTS TO STATES.*—

13                 “(1) *IN GENERAL.*—To receive an allocation  
14                 under section 409, each State shall elect—

15                         “(A) to administer grant amounts received  
16                         under section 409, as provided in paragraphs (2)  
17                         and (3); or

18                         “(B) to have the Secretary administer such  
19                         grant amounts for the State, as provided in  
20                         paragraph (5).

21           If a State elects to administer grant amounts under  
22           subparagraph (A), the election shall be irrevocable.

23                 “(2) *STATE PROGRAM.*—A State administering  
24                 grant amounts as provided in paragraph (1)(A)—



1           “(A) shall distribute the amounts remaining  
2 after use in accordance with subparagraph (B)  
3 to State recipients for use under this subtitle;

4           “(B) may use up to 15 percent of the grant  
5 amounts received under section 409 to carry out  
6 its own homeless assistance program under this  
7 subtitle, except that—

8                   “(i) such amounts may only be used  
9 for eligible activities under chapter 2 for  
10 which States are eligible recipients under  
11 this subtitle; and

12                   “(ii) the Secretary may increase the  
13 percentage limitation under this subpara-  
14 graph in the case of any State homeless as-  
15 sistance program that is limited to provid-  
16 ing assistance in areas of the State that are  
17 not allocation units of general local govern-  
18 ment; and

19           “(C) may retain not to exceed 5.0 percent  
20 of the amount to be distributed under subpara-  
21 graph (A) to State recipients to defray the cost  
22 of carrying out its responsibilities under this  
23 subtitle.

24           Unless a State demonstrates to the satisfaction of the  
25 Secretary that the needs for assistance for activities

1       *under this subtitle in areas of the State that are not*  
2       *allocation units of general local government have been*  
3       *fulfilled, grant amounts received by State may only*  
4       *be used to carry out activities in areas of the State*  
5       *that do not include allocation units of general local*  
6       *government.*

7               “(3) *DISTRIBUTION OF AMOUNTS TO STATE RE-*  
8       *CIPIENTS.—*

9               “(A) *CHOICE OF ADMINISTRATION.—A*  
10       *State administering grant amounts as provided*  
11       *in paragraph (1)(A) shall, for each fiscal year,*  
12       *afford each such recipient the options of—*

13                       “(i) *administering the grant amounts*  
14                       *on its own behalf;*

15                       “(ii) *designating a public agency or a*  
16                       *private nonprofit organization (as provided*  
17                       *by subsection (a)(2)) to administer the*  
18                       *grant amounts for the jurisdiction; or*

19                       “(iii) *entering into an agreement with*  
20                       *the State, in consultation with private non-*  
21                       *profit organizations providing assistance to*  
22                       *homeless individuals and families in the ju-*  
23                       *risdiction, under which the State will ad-*  
24                       *minister the grant amounts for the jurisdic-*  
25                       *tion.*

1        *A recipient may choose to exercise such options*  
2        *at such time and in accordance with such cri-*  
3        *teria as the Secretary may prescribe.*

4                *“(B) DIRECT PROVISION OF ASSISTANCE.—*  
5        *A State may, at the request of the State recipi-*  
6        *ent, provide grant amounts directly to the agen-*  
7        *cy or organization designated under subpara-*  
8        *graph (A)(ii).*

9                *“(C) DISTRIBUTION OF AMOUNTS.—The*  
10        *State shall distribute amounts to State recipients*  
11        *(or to agencies or organizations designated under*  
12        *subparagraph (A)(ii), as appropriate) on the*  
13        *basis of an application containing such informa-*  
14        *tion as the State may prescribe. Each applica-*  
15        *tion shall evidence an intent to establish and*  
16        *maintain the provision of comprehensive home-*  
17        *less assistance in the jurisdiction of the recipient,*  
18        *except that the State may waive this requirement*  
19        *with respect to one or more proposed activities,*  
20        *where the State determines that—*

21                        *“(i) the activities are necessary to meet*  
22                        *the needs of homeless individuals and fami-*  
23                        *lies within the jurisdiction; and*

1                   “(ii) *comprehensive homeless assistance*  
2                   *is not necessary, due to the nature and ex-*  
3                   *tent of homelessness in the jurisdiction.*

4                   “(D) *PREFERENCE FOR CERTAIN STATE RE-*  
5                   *CIPIENTS.—In selecting State recipients and*  
6                   *making awards under subparagraph (C), the*  
7                   *State shall give preference to applications that*  
8                   *demonstrate higher relative levels of homeless*  
9                   *need and fiscal distress.*

10                  “(4) *STATE OR HUD ADMINISTRATION OF*  
11                  *GRANTS FOR INDIVIDUAL STATE RECIPIENTS.—If in*  
12                  *any fiscal year a State distributes grant amounts to*  
13                  *a State recipient, but the recipient fails to receive the*  
14                  *amounts pursuant to paragraph (3)(A), the Secretary*  
15                  *or the State, as the Secretary may provide, may dis-*  
16                  *tribute the amounts to private nonprofit organiza-*  
17                  *tions in the jurisdiction. If the Secretary distributes*  
18                  *the amounts, the Secretary shall deduct the amounts*  
19                  *distributed from the grant provided to the State for*  
20                  *the fiscal year.*

21                  “(5) *HUD ADMINISTRATION OF STATE PRO-*  
22                  *GRAM.—If a State elects pursuant to paragraph*  
23                  *(1)(B) to have the Secretary administer grant*  
24                  *amounts for the State received under section 409, the*  
25                  *Secretary may distribute grant amounts to State re-*

1        *recipients for the State, in accordance with require-*  
2        *ments and procedures prescribed by the Secretary.*  
3        *The Secretary shall establish criteria for selecting re-*  
4        *cipients and making awards under this paragraph,*  
5        *which shall include giving preference to applications*  
6        *that demonstrate higher relative levels of homeless*  
7        *need and fiscal distress.*

8        **“SEC. 411. CITIZEN PARTICIPATION.**

9            *“(a) IN GENERAL.—Each grantee who is not a State*  
10        *recipient shall ensure that citizens, and appropriate private*  
11        *nonprofit organizations and other interested groups and en-*  
12        *tities, participate fully in developing and carrying out the*  
13        *program for providing assistance under this subtitle in the*  
14        *jurisdiction of the recipient. The Secretary shall prescribe*  
15        *such requirements to carry out this section as the Secretary*  
16        *deems appropriate, which shall include requirements appli-*  
17        *cable to the homeless assistance planning boards referred*  
18        *to in subsection (b) and the citizen participation provisions*  
19        *of subsection (c), and the timing of, and sequence for, carry-*  
20        *ing out the requirements of such subsections.*

21            *“(b) HOMELESS ASSISTANCE PLANNING BOARDS.—*

22            *“(1) ESTABLISHMENT.—As a condition of a*  
23        *grantee who is not a State recipient receiving assist-*  
24        *ance under this subtitle, the chief executive officer of*  
25        *the appropriate unit government in the jurisdiction of*

1       *the grantee shall establish a homeless assistance plan-*  
2       *ning board under this subsection.*

3               “(2) *FUNCTIONS.*—*Each board under this sub-*  
4       *section shall assist the recipient in—*

5                       “(A) *determining whether grant amounts of*  
6       *the grantee should be administered by the grant-*  
7       *ee, a public agency or private nonprofit organi-*  
8       *zation, or the State or the Secretary, under sub-*  
9       *sections (a) and (b) of section 410;*

10                      (B) *developing the application under sec-*  
11       *tion 408;*

12                      (C) *overseeing the activities carried out*  
13       *with assistance under this subtitle; and*

14                      (D) *evaluating the performance of the*  
15       *grantee (and recipients of the grantee) in carry-*  
16       *ing out such activities.*

17               “(3) *MEMBERSHIP.*—*Each board under this sub-*  
18       *section shall consist of members appointed by the*  
19       *chief executive officer referred to in paragraph (1)*  
20       *(subject to recommendations in accordance with para-*  
21       *graph (4)), and shall include—*

22                      “(A) *not less than one member representing*  
23       *homeless individuals and families;*

24                      “(B) *not less than one member representing*  
25       *homeless advocates;*

1           “(C) not less than one member representing  
2 individuals and entities providing assistance to  
3 homeless individuals and families, including  
4 agencies of units of general local government  
5 providing Federal assistance;

6           “(D) not less than one member representing  
7 the business community;

8           “(E) not less than 1 member representing  
9 labor;

10          “(F) not less than one member who is a  
11 community representative;

12          “(G) not less than one member of the local  
13 board established for the jurisdiction for purposes  
14 of allocating amounts under the emergency food  
15 and shelter program of the Federal Emergency  
16 Management Agency;

17          “(H) not less than one member representing  
18 the grantee; and

19          “(I) in the case of a grantee that is a  
20 State—

21                 “(i) one member representing the State  
22 agency or instrumentality dealing with  
23 mental health; and

1                   “(ii) one member representing the  
2                   State agency or instrumentality dealing  
3                   with education.

4                   “(4) *DISTRIBUTION OF MEMBERSHIP.*—Not less  
5                   than 50 percent of the members of each board under  
6                   this subsection (including the members required under  
7                   subparagraphs (A), (B), (C), and (G) of paragraph  
8                   (3)) shall be individuals who were recommended for  
9                   membership by individuals and entities other than a  
10                  unit of general local government or any agency there-  
11                  of.

12                  “(5) *BOARD REVIEW.*—

13                         “(A) *APPLICANTS.*—No eligible grantee may  
14                         submit an application to the Secretary under  
15                         section 408, and no grantee may submit to the  
16                         Secretary a performance report under subsection  
17                         413(a), unless the board under this subsection for  
18                         the jurisdiction of the grantee has reviewed, and  
19                         been provided an opportunity to include any  
20                         comments of the board in, the application or re-  
21                         port.

22                         “(B) *STATE RECIPIENTS.*—No State recipi-  
23                         ent may submit an application under section  
24                         410(b)(3) or a performance report to a State,  
25                         unless the board under this subsection for the ju-



1           *jurisdiction has reviewed, and been provided an*  
2           *opportunity to include any comments of the*  
3           *board in, the application or report.*

4           “(6) *REVIEW BY SECRETARY.*—*A member or*  
5           *members of the board under this subsection for a ju-*  
6           *risdiction or other members of the community may*  
7           *request the Secretary to review process for constitut-*  
8           *ing or operating the board to determine whether the*  
9           *process is fair. If the Secretary finds that the process*  
10           *is unfair and submits a written justification to the*  
11           *board within 15 days of the request for review, the*  
12           *Secretary may disapprove the application under sec-*  
13           *tion 408 for the jurisdiction or refuse to accept a per-*  
14           *formance report under section 413(a).*

15           “(7) *CONFLICTS OF INTEREST.*—*The Secretary*  
16           *shall prescribe standards governing potential conflicts*  
17           *of interest under which members of boards under this*  
18           *subsection may participate in activities carried out*  
19           *under this subtitle.*

20           “(c) *INVOLVEMENT OF CITIZENS AND OTHERS.*—

21           “(1) *IN GENERAL.*—*Each recipient shall—*

22                   “(A) *make available to its citizens, public*  
23                   *agencies, and other interested parties informa-*  
24                   *tion concerning the amount of assistance the ju-*  
25                   *risdiction expects to receive and the range of ac-*

1            *tivities that may be undertaken with the assist-*  
2            *ance;*

3            *“(B) publish the proposed application in a*  
4            *manner that, in the determination of the Sec-*  
5            *retary, affords affected citizens, public agencies,*  
6            *and other interested parties a reasonable oppor-*  
7            *tunity to examine its content and to submit com-*  
8            *ments on it;*

9            *“(C) hold one or more public hearings to ob-*  
10           *tain the views of citizens, public agencies, and*  
11           *other interested parties on the housing needs of*  
12           *the jurisdiction; and*

13           *“(D) provide citizens, public agencies, and*  
14           *other interested parties with reasonable access to*  
15           *records regarding any uses of any assistance the*  
16           *recipient may have received under this subtitle*  
17           *during the preceding 5 years.*

18           *“(2) NOTICE AND COMMENT.—Before submitting*  
19           *any performance report under section 413(a) or any*  
20           *substantial amendment to an application under sec-*  
21           *tion 408, a recipient shall provide citizens with rea-*  
22           *sonable notice of, and opportunity to comment on, the*  
23           *performance report or application.*

24           *“(3) CONSIDERATION OF COMMENTS.—A recipi-*  
25           *ent shall consider any comments or views of citizens*

1 *in preparing a final application, amendment to an*  
2 *application, or performance report for submission. A*  
3 *summary of such comments or views shall be attached*  
4 *when an application, amendment to an application,*  
5 *or performance report is submitted. The submitted*  
6 *application, amendment, or report shall be made*  
7 *available to the public.*

8 “(4) *AUTHORITY OF SECRETARY.*—*The Secretary*  
9 *shall establish procedures appropriate and practicable*  
10 *for providing a fair hearing and timely resolution of*  
11 *citizen complaints related to applications or perform-*  
12 *ance reports under this subtitle.*

13 “(d) *REQUIREMENTS FOR CITIZEN PARTICIPATION*  
14 *FOR STATE RECIPIENTS AND RECIPIENTS OF AMOUNTS*  
15 *FROM THE SECRETARY.*—

16 “(1) *STATE RECIPIENTS.*—*The State may pre-*  
17 *scribe citizen participation requirements comparable*  
18 *(to the extent appropriate) to the requirements under*  
19 *the preceding provisions of this section for cases in*  
20 *which a State distributes grant amounts to State re-*  
21 *cipients, as provided in section 410(b)(2).*

22 “(2) *RECIPIENTS FROM SECRETARY.*—*The Sec-*  
23 *retary may prescribe citizen participation require-*  
24 *ments comparable (to the extent appropriate) to the*

1        *requirements under the preceding provisions of this*  
2        *section for cases in which the Secretary—*

3                *“(A) administers the grant amounts of an*  
4                *allocation unit of general local government, as*  
5                *provided in section 410(a)(4); or*

6                *“(B) distributes grant amounts to recipi-*  
7                *ents, as provided in paragraph (3), (4), or (5)*  
8                *of section 410(b).*

9                *“(3) INAPPLICABLE LAWS.—The Federal Advi-*  
10              *sory Committee Act and section 12 of the Department*  
11              *of Housing and Urban Development Act shall not*  
12              *apply with respect to the actions of the Secretary re-*  
13              *ferred to in paragraph (2). The Secretary shall estab-*  
14              *lish appropriate standards under this paragraph to*  
15              *ensure the integrity of the process for awarding assist-*  
16              *ance.*

17        **“SEC. 412. APPLICABILITY OF OTHER PROVISIONS.**

18              *“(a) FLOOD ELEVATION REQUIREMENTS.—Flood pro-*  
19              *tection standards applicable to housing acquired, rehabili-*  
20              *tated, or assisted under this subtitle shall be no more restric-*  
21              *tive than the standards applicable to any other program*  
22              *administered by the Secretary.*

23              *“(b) ENVIRONMENTAL PROTECTION.—The provisions*  
24              *of, and regulations and procedures applicable under, section*  
25              *104(g) of the Housing and Community Development Act*

1 of 1974 shall apply to assistance and projects under this  
2 subtitle.

3       “(c) GAO AUDITS.—Insofar as they relate to funds  
4 provided under this subtitle, the financial transactions of  
5 grantees and project sponsors may be audited by the Gen-  
6 eral Accounting Office under such rules and regulations as  
7 may be prescribed by the Comptroller General of the United  
8 States. The representatives of the General Accounting Office  
9 shall have access to all books, accounts, records, reports, files  
10 and other papers, things, or property belonging to, or in  
11 use by such grantees, and project sponsors pertaining to the  
12 financial transactions and necessary to facilitate the audit.

13 **“SEC. 413. REPORTS, REVIEWS, AND AUDITS.**

14       “(a) GRANTEE PERFORMANCE REPORT.—Each grant-  
15 ee shall submit to the Secretary a performance and evalua-  
16 tion report concerning the use of funds made available  
17 under this subtitle. The report shall be submitted at such  
18 time and contain such information as the Secretary shall  
19 prescribe, and shall be made available to the relevant boards  
20 referred to in section 411(b) and to citizens, public agencies,  
21 and other interested parties in the jurisdiction of the grant-  
22 ee in sufficient time to permit the board and the citizens,  
23 public agencies, and other interested parties to comment on  
24 the report before submission.

1       “(b) *REVIEWS AND AUDITS.*—*The Secretary shall, at*  
2 *least on an annual basis, make such reviews and audits*  
3 *as may be necessary or appropriate to determine—*

4               “(1) *in the case of a grantee (other than a grant-*  
5 *ee referred to in paragraph (2)), whether the grant-*  
6 *ee—*

7                       “(A) *has carried out its activities in a time-*  
8 *ly manner;*

9                       “(B) *has made progress toward establishing*  
10 *and maintaining the comprehensive homeless as-*  
11 *sistance system in conformity with its applica-*  
12 *tion under this subtitle;*

13                      “(C) *has carried out its activities and cer-*  
14 *tifications in accordance with the requirements*  
15 *of this subtitle and other applicable laws; and*

16                      “(D) *has a continuing capacity to carry out*  
17 *its activities in a timely manner; and*

18               “(2) *in the case of States distributing grant*  
19 *amounts to State recipients, whether the State—*

20                      “(A) *has distributed amounts to State re-*  
21 *cipients in a timely manner and in conformance*  
22 *with the method of distribution described in its*  
23 *application;*

1           “(B) has carried out its activities and cer-  
2           tifications in compliance with the requirements  
3           of this subtitle and other applicable laws; and

4           “(C) has made such reviews and audits of  
5           the State recipients as may be necessary or ap-  
6           propriate to determine whether they have satis-  
7           fied the applicable performance criteria con-  
8           tained in paragraph (1).

9   *The Secretary may make appropriate adjustments in the*  
10 *amount of grants in accordance with the Secretary’s find-*  
11 *ings under this subsection. With respect to assistance made*  
12 *available for State recipients, the Secretary may adjust, re-*  
13 *duce, or withdraw such assistance, or take other action as*  
14 *appropriate in accordance with the Secretary’s reviews and*  
15 *audits under this subsection, except that amounts already*  
16 *properly expended on eligible activities under this subtitle*  
17 *shall not be recaptured or deducted from future assistance*  
18 *to such recipients.*

19 **“SEC. 414. NONDISCRIMINATION IN PROGRAMS AND ACTIVI-**  
20 **TIES.**

21           “(a) *IN GENERAL.*—No person in the United States  
22 *shall on the ground of race, color, national origin, religion,*  
23 *or sex be excluded from participation in, be denied the bene-*  
24 *fits of, or be subjected to discrimination under any program*  
25 *or activity funded in whole or in part with funds made*

1 *available under this subtitle. Any prohibition against dis-*  
2 *crimination on the basis of age under the Age Discrimina-*  
3 *tion Act of 1975 or with respect to an otherwise qualified*  
4 *handicapped individual, as provided in section 504 of the*  
5 *Rehabilitation Act of 1973, shall also apply to any such*  
6 *program or activity.*

7       “(b) *LIMITATIONS.*—

8               “(1) *INDIAN TRIBES.*—No grant may be made  
9       under this subtitle to an Indian tribe unless the ap-  
10      plicant provides satisfactory assurances that its pro-  
11      gram will be conducted and administered in conform-  
12      ity with title II of Public Law 90–284. The Secretary  
13      may waive, in connection with grants to Indian  
14      tribes, the provisions of subsection (a).

15              “(2) *HAWAIIAN HOME LANDS.*—The provisions of  
16      this subtitle relating to discrimination on the basis of  
17      race shall not apply to the provision of assistance  
18      under this subtitle to the Hawaiian Home Lands.

19      “**SEC. 415. CONSULTATION.**

20              “*In carrying out the provisions of this subtitle, includ-*  
21 *ing the issuance of regulations, the Secretary shall consult*  
22 *with other Federal agencies administering programs affect-*  
23 *ing homeless individuals and families through the Inter-*  
24 *agency Council on the Homeless established under title II.*



1 **“SEC. 416. RECORDS, REPORTS, AND AUDITS.**

2       “(a) *KEEPING OF RECORDS.*—Any recipient (includ-  
3 ing a State distributing grant amounts to State recipients  
4 as provided in section 410(b)(2)) shall keep such records  
5 as may be reasonably necessary—

6           “(1) to disclose the amounts and the disposition  
7 of the grant amounts; and

8           “(2) to ensure compliance with the requirements  
9 of this subtitle.

10       “(b) *ACCESS TO DOCUMENTS BY SECRETARY.*—The  
11 Secretary shall have access for the purpose of audit and ex-  
12 amination to any books, documents, papers, and records of  
13 any recipient specified in subsection (a) that are pertinent  
14 to grant amounts received in connection with, and the re-  
15 quirements of, this subtitle.

16       “(c) *ACCESS TO DOCUMENTS BY COMPTROLLER GEN-*  
17 *ERAL.*—The Comptroller General of the United States, or  
18 any of the duly authorized representatives of the Comptrol-  
19 ler General, shall have access for the purpose of audit and  
20 examination to any books, documents, papers, and records  
21 of any recipient specified in subsection (a) that are perti-  
22 nent to grant amounts received in connection with, and the  
23 requirements of, this subtitle.

24 **“SEC. 417. REPORTS TO CONGRESS.**

25       “The Secretary shall submit a report to the Congress  
26 annually, summarizing the activities carried out under this

1 *subtitle and setting forth the findings, conclusions, and rec-*  
2 *ommendations of the Secretary as a result of the activities.*  
3 *The report shall be submitted not later than 4 months after*  
4 *the end of each fiscal year (except that, in the case of fiscal*  
5 *year 1995, the report shall be submitted not later than 6*  
6 *months after the end of the fiscal year).*

7           **“CHAPTER 2—ELIGIBLE ACTIVITIES**

8           **“SEC. 431. HOMELESSNESS PREVENTION.**

9           “(a) *ELIGIBLE ACTIVITIES.*—A recipient may use  
10 *grant amounts under this subtitle for activities designed to*  
11 *help persons and families described in subsection (b) avoid*  
12 *becoming homeless, which shall include assistance for mak-*  
13 *ing mortgage payments, rental payments, and utility pay-*  
14 *ments and any activities other than those found by the Sec-*  
15 *retary to be inconsistent with the purposes of this Act.*

16           “(b) *REQUIREMENTS FOR ASSISTANCE.*—Assistance  
17 *may be provided under this section only to very low-income*  
18 *persons and families who have received eviction (or mort-*  
19 *gage delinquency or foreclosure) notices or notices of termi-*  
20 *nation of utility services and who—*

21                   “(1) *are unable to make the required payments*  
22 *due to a sudden reduction in income;*

23                   “(2) *need such assistance to avoid the eviction or*  
24 *termination of services; and*

1           “(3) *have a reasonable prospect of being able to*  
2           *resume payments within a reasonable period of time.*

3   **“SEC. 432. EMERGENCY SHELTER.**

4           “(a) *ELIGIBLE ACTIVITIES.*—A recipient may use  
5           *grant amounts under this subtitle for—*

6           “(1) *the renovation, major rehabilitation, or con-*  
7           *version of a building or buildings to be used as emer-*  
8           *gency shelters;*

9           “(2) *the provision of supportive services, if such*  
10          *services do not supplant any services provided by the*  
11          *local government during any part of the 12-month pe-*  
12          *riod ending on the date of the commencement of the*  
13          *operation of the emergency shelter; and*

14          “(3) *maintenance, operation, insurance, utilities,*  
15          *and furnishings for emergency shelters.*

16          “(b) *DEFINITION.*—A project shall be considered emer-  
17          *gency shelter for purposes of this section if the project is*  
18          *designed to provide overnight sleeping accommodations for*  
19          *homeless persons. An emergency shelter may include appro-*  
20          *priate eating and cooking accommodations.*

21          “(c) *PROGRAM REQUIREMENTS.*—A recipient may use  
22          *grant amounts under this subtitle for an emergency shelter*  
23          *project only if the project sponsor has agreed that it will—*

24                 “(1) *in the case of assistance involving major re-*  
25                 *habilitation or conversion of a building, maintain the*

1 *building as a shelter for homeless individuals and*  
2 *families for not less than a 10-year period unless,*  
3 *within such 10-year period, the need for maintaining*  
4 *the building as a full-time shelter ceases to exist and*  
5 *the building is used for the remainder of such period*  
6 *to carry out other eligible activities under this sub-*  
7 *title;*

8 *“(2) in the case of assistance involving rehabili-*  
9 *tation (other than major rehabilitation or conversion*  
10 *of a building), maintain the building as a shelter for*  
11 *homeless individuals and families for not less than a*  
12 *3-year period; or*

13 *“(3) in the case of assistance involving only ac-*  
14 *tivities described in paragraphs (2) and (3) of sub-*  
15 *section (a), provide services or shelter to homeless in-*  
16 *dividuals and families at the original site or struc-*  
17 *ture or other sites or structures serving the same gen-*  
18 *eral population for the period during which such as-*  
19 *sistance is provided;*

20 *“(4) comply with the standards of habitability*  
21 *prescribed under subsection (d) by the Secretary and*  
22 *(if applicable) the State or unit of general local gov-*  
23 *ernment; and*

24 *“(5) assist homeless persons in obtaining—*

1           “(A) appropriate supportive service, includ-  
2           ing permanent housing, medical and mental  
3           health treatment, counseling, supervision, and  
4           other services essential for achieving independent  
5           living; and

6           “(B) other Federal, State, local, and private  
7           assistance available for homeless persons.

8           “(d) *MINIMUM STANDARDS OF HABITABILITY.*—The  
9           Secretary shall prescribe such minimum standards of habit-  
10          ability as the Secretary determines to be appropriate to en-  
11          sure that emergency shelters assisted under this section are  
12          environments that provide appropriate privacy, safety, and  
13          sanitary and other health-related conditions for homeless  
14          persons and families. Grantees may establish standards of  
15          habitability in addition to those prescribed by the Sec-  
16          retary.

17          **“SEC. 433. SUPPORTIVE HOUSING FOR THE HOMELESS.**

18          “(a) *ELIGIBLE ACTIVITIES.*—A recipient may use  
19          grant amounts under this subtitle to provide assistance to  
20          a project sponsor of supportive housing in the following  
21          manners:

22                 “(1) *ACQUISITION AND REHABILITATION.*—As-  
23                 sistance may be provided in the form of an advance  
24                 in an amount not exceeding cost of acquisition, sub-  
25                 stantial rehabilitation, or acquisition and rehabilita-

1     *tion of an existing structure for use as supportive*  
2     *housing. The repayment of any outstanding debt owed*  
3     *on a loan made to purchase an existing structure*  
4     *shall be considered to be a cost of acquisition eligible*  
5     *for an advance under this paragraph if the structure*  
6     *was not used as supportive housing before the receipt*  
7     *of assistance.*

8             “(2) *MODERATE REHABILITATION.*—Assistance  
9     *may be provided in the form of a grant for moderate*  
10    *rehabilitation of an existing structure for use as sup-*  
11    *portive housing. Assistance under this paragraph*  
12    *shall not preclude assistance under paragraph (1).*

13            “(3) *OPERATING COSTS.*—Assistance may be pro-  
14    *vided in the form of annual payments for operating*  
15    *costs of supportive housing (including supportive*  
16    *housing that is newly constructed with assistance pro-*  
17    *vided from sources other than this subtitle) in an*  
18    *amount not exceeding 75 percent of the annual oper-*  
19    *ating costs of such housing.*

20            “(4) *TECHNICAL ASSISTANCE.*—Technical assist-  
21    *ance may be provided in—*

22                    “(A) *establishing supportive housing in an*  
23                    *existing structure;*

24                    “(B) *operating supportive housing in exist-*  
25                    *ing structures and in structures that are newly*

1           *constructed with assistance provided from*  
2           *sources other than this subtitle; and*

3           “(C) *providing supportive services to the*  
4           *residents of supportive housing (including sup-*  
5           *portive housing that is newly constructed with*  
6           *assistance provided from sources other than this*  
7           *subtitle).*

8           “(5) *EMPLOYMENT ASSISTANCE PROGRAM.—As-*  
9           *stance may be provided in the form of a grant for*  
10           *establishing and operating an employment assistance*  
11           *program for the residents of supportive housing,*  
12           *which shall include—*

13           “(A) *employment of residents in the oper-*  
14           *ation and maintenance of the housing; and*

15           “(B) *the payment of the transportation*  
16           *costs of residents to places of employment.*

17           “(6) *SUPPORTIVE SERVICES.—Assistance may be*  
18           *provided in the form of a grant for costs of supportive*  
19           *services provided to homeless individuals. Any project*  
20           *sponsor, including program recipients under title IV*  
21           *of this Act before the date of the enactment of the*  
22           *Housing and Community Development Act of 1994,*  
23           *may reapply for such assistance or for the renewal of*  
24           *such assistance to continue services funded under*  
25           *prior grants or to provide other services.*

1           “(7) *CHILD CARE SERVICES.*—Assistance may be  
2           provided in the form of a grant to establish and oper-  
3           ate a child care services program for homeless fami-  
4           lies, which shall—

5                   “(A) include—

6                           “(i) establishing, licensing, and operat-  
7                           ing an on-site child care facility for the  
8                           residents of transitional housing;

9                           “(ii) making contributions for the child  
10                          care costs of residents of transitional hous-  
11                          ing to existing community child care pro-  
12                          grams and facilities; and

13                          “(iii) counseling designed to inform the  
14                          residents of transitional housing of public  
15                          and private child care services for which  
16                          they are eligible; and

17                   “(B) provide only child care services that  
18                   comply with any applicable State and local laws  
19                   and regulations.

20           A grant under this paragraph for any child care serv-  
21           ices program may not exceed the amount equal to 75  
22           percent of the cost of operating the program for a pe-  
23           riod not exceeding 5 years.



1       “(b) *SUPPORTIVE HOUSING.*—*Housing for homeless*  
2 *individuals shall be considered to be supportive housing for*  
3 *purposes of this section if—*

4               “(1) *the housing is safe and sanitary and meets*  
5 *any applicable State and local housing codes and li-*  
6 *censing requirements in the jurisdiction in which the*  
7 *housing is located;*

8               “(2) *the housing is—*

9                       “(A) *transitional housing;*

10                      “(B) *permanent housing for homeless per-*  
11 *sons with disabilities; or*

12                      “(C) *a particularly innovative project for,*  
13 *or alternative methods of, meeting the immediate*  
14 *and long-term needs of homeless individuals and*  
15 *families (or is part of such a project); and*

16               “(3) *supportive services are provided in connec-*  
17 *tion with the housing to address the special needs of*  
18 *homeless individuals intended to be served by the*  
19 *housing.*

20       “(c) *TRANSITIONAL HOUSING.*—*For purposes of this*  
21 *section, the term ‘transitional housing’ means housing, the*  
22 *purpose of which is to facilitate the movement of homeless*  
23 *individuals and families to permanent housing within 24*  
24 *months or such longer period as the Secretary determines*  
25 *necessary.*

1       “(d) *PERMANENT HOUSING FOR HOMELESS PERSONS*  
2 *WITH DISABILITIES.*—For purposes of this section, the term  
3 ‘permanent housing for homeless persons with disabilities’  
4 means community-based housing for homeless persons with  
5 disabilities that—

6           “(1) is a home designed solely for housing home-  
7 less persons with disabilities or dwelling units in a  
8 multifamily housing project, condominium project, or  
9 cooperative project;

10          “(2) in the case of a home, is located on a site  
11 that does not contain another home used for the same  
12 purposes and that is not contiguous to another site  
13 containing a home used for the same purposes; and

14          “(3) provides long-term housing and supportive  
15 services for not more than—

16           “(A) 8 such persons in a single structure or  
17 contiguous structures;

18           “(B) 16 such persons, but only if not more  
19 than 20 percent of the units in a structure are  
20 designated for such persons; or

21           “(C) more than 16 persons if the applicant  
22 demonstrates that local market conditions dictate  
23 the development of a large project and such de-  
24 velopment will achieve the neighborhood integra-

1            *tion objectives of the program within the context*  
2            *of the affected community.*

3            *“(e) PROGRAM REQUIREMENTS.—*

4            *“(1) REQUIRED AGREEMENTS.—A recipient may*  
5            *use grant amounts under this subtitle for a supportive*  
6            *housing project under this section only if the project*  
7            *sponsor for the project has agreed—*

8            *“(A) to operate the proposed project as sup-*  
9            *portive housing for not less than 10 years;*

10           *“(B) to conduct an ongoing assessment of*  
11           *the supportive services required by the residents*  
12           *of the project;*

13           *“(C) to provide such residential supervision*  
14           *as the Secretary determines is necessary to facili-*  
15           *tate the adequate provision of supportive services*  
16           *to the residents of the project; and*

17           *“(D) to comply with such other terms and*  
18           *conditions as the Secretary or recipient may es-*  
19           *tablish for purposes of carrying out this program*  
20           *in an effective and efficient manner.*

21           *“(2) OCCUPANT CHARGE.—Each homeless indi-*  
22           *vidual or family residing in a project assisted under*  
23           *this section that provides supportive housing may be*  
24           *required to pay an occupancy charge in an amount*  
25           *determined by the project sponsor, which may not ex-*

1        *ceed the amount determined under section 3(a) of the*  
2        *United States Housing Act of 1937. Occupancy*  
3        *charges paid may be reserved, in whole or in part, to*  
4        *assist residents in moving to permanent housing.*

5        *“(f) SINGLE ROOM OCCUPANCY DWELLINGS.—A*  
6        *project assisted under this section may provide supportive*  
7        *housing or supportive services in dwelling units that do not*  
8        *contain bathrooms or kitchen facilities and are appropriate*  
9        *for use as supportive housing or in projects containing some*  
10       *or all such dwelling units.*

11       **“SEC. 434. SAFE HAVENS FOR HOMELESS INDIVIDUALS.**

12       *“(a) ELIGIBLE ACTIVITIES.—A recipient may use*  
13       *grant amounts under this subtitle for—*

14                *“(1) the construction of a structure for use in*  
15                *providing a safe haven or the acquisition, rehabilita-*  
16                *tion, or acquisition and rehabilitation of an existing*  
17                *structure for use in providing a safe haven;*

18                *“(2) the leasing of an existing structure for use*  
19                *in providing a safe haven;*

20                *“(3) operating costs of a safe haven;*

21                *“(4) costs of administering a safe haven pro-*  
22                *gram, in an amount not exceeding 10 percent of the*  
23                *amounts made available for activities under para-*  
24                *graphs (1) through (3);*

1           “(5) *conducting outreach activities designed to*  
2           *inform eligible persons about and attract them to a*  
3           *safe haven program;*

4           “(6) *the provision of low-demand services and re-*  
5           *errals for residents of a safe haven; and*

6           “(7) *conducting other activities that further the*  
7           *purposes of this section, including the modification of*  
8           *an existing facility to use a portion of a facility to*  
9           *provide a safe haven.*

10          “(b) *DEFINITION.—For purposes of this section, the*  
11          *term ‘safe haven’ means housing for homeless persons who,*  
12          *at the time, are unwilling or unable to participate in men-*  
13          *tal health treatment programs or to receive other supportive*  
14          *services. Such a facility may provide—*

15                 “(1) *24-hour residence for eligible persons who*  
16                 *may reside for an unspecified duration;*

17                 “(2) *private or semiprivate accommodations;*

18                 “(3) *common use of kitchen facilities, dining*  
19                 *rooms, and bathrooms;*

20                 “(4) *supportive services to eligible persons who*  
21                 *are not residents on a drop-in basis; and*

22                 “(5) *overnight occupancy limited to no more*  
23                 *than 25 persons.*

24          “(c) *ELIGIBILITY FOR SSI AND MEDICAID.—*

1           “(1) *SUPPLEMENTAL SECURITY INCOME.*—All  
2           *provisions of the supplemental security income pro-*  
3           *gram under title XVI of the Social Security Act and*  
4           *of State programs in supplementation thereof shall*  
5           *apply to participants in the safe havens demonstra-*  
6           *tion program under this subtitle, except that no indi-*  
7           *vidual living in a safe haven shall—*

8                     “(A) *be considered an inmate of a public*  
9                     *institution (as provided in section 1611(e)(1)(A)*  
10                    *of such Act); or*

11                   “(B) *have benefits under such title XVI re-*  
12                    *duced or terminated because of the receipt of sup-*  
13                    *port and maintenance (as provided in section*  
14                    *1612(a)(2)(A) of such Act), to the extent such*  
15                    *support and maintenance is received as a result*  
16                    *of participation in the safe havens demonstra-*  
17                    *tion program.*

18           “(2) *MEDICAID.*—A safe haven shall not be con-  
19           *sidered a hospital, nursing facility, institution for*  
20           *mental disease as defined under section 1905(i) of the*  
21           *Social Security Act, or any other inpatient facility,*  
22           *for purposes of the programs under title XIX of such*  
23           *Act, and individuals shall not be denied eligibility for*  
24           *Medicaid because of residency in such residence.*

1 **“SEC. 435. SHELTER PLUS CARE.**

2       “(a) *ELIGIBLE ACTIVITIES.*—A recipient may use  
3 grant amounts under this subtitle to provide shelter plus  
4 care for homeless persons with disabilities (primarily per-  
5 sons who have severe and persistent mental or emotional  
6 impairments that seriously limit a person’s ability to live  
7 independently, have chronic problems with alcohol, drugs,  
8 or both, or have acquired immunodeficiency syndrome and  
9 related diseases) and the families of such persons.

10       “(b) *DEFINITION.*—For purposes of this section, the  
11 term ‘shelter plus care’ means rental housing assistance, in  
12 connection with supportive services funded from sources  
13 other than under this section. Such rental housing assist-  
14 ance may be tenant-based, project-based, or sponsor-based.

15 **“SEC. 436. ADMINISTRATIVE AND CAPACITY-BUILDING EX-**  
16 **PENSES.**

17       “(a) *AVAILABILITY OF GRANT AMOUNTS.*—A recipient  
18 may use grant amounts under this subtitle for the following  
19 expenses:

20       “(1) *ADMINISTRATIVE EXPENSES.*—During—

21               “(A) the first year in which a recipient re-  
22 ceives grant amounts under this subtitle, for ad-  
23 ministrative expenses in connection with plan-  
24 ning the development of, and establishing, its  
25 program under this subtitle;

1           “(B) subsequent years, to defray the cost of  
2           administering the program; and

3           “(C) any year in which a recipient receives  
4           grant amounts under this subtitle, to defray the  
5           cost of establishing and operating the board re-  
6           ferred to in section 411(b).

7           Not more than 5 percent of any amounts provided to  
8           a recipient under this subtitle for a fiscal year may  
9           be used for activities under this paragraph.

10           “(2) CAPACITY BUILDING FOR NONPROFIT ORGA-  
11           NIZATIONS.—For building the capacity of private  
12           nonprofit organizations to participate in the com-  
13           prehensive homeless assistance system of the recipient,  
14           except that not more than 2 percent of any amounts  
15           provided to a recipient under this subtitle for a fiscal  
16           year may be used for activities under this paragraph.

17           “(b) PROVISION OF ADMINISTRATIVE EXPENSES FOR  
18           CERTAIN ENTITIES.—

19           “(1) PROVISION OF AMOUNTS.—Any recipient  
20           under paragraph (2) shall make available, to defray  
21           the administrative expenses of the designee or the  
22           State, not more than 5 percent from amounts eligible  
23           for this purpose under subsection (a)(1).

24           “(2) RECIPIENTS COVERED.—The recipients  
25           under this paragraph shall be—



1           “(A) any allocation unit of general local  
2           government, Indian Tribe, or insular area, that  
3           designates a public agency or a private nonprofit  
4           organization under section 410(a)(2);

5           “(B) any State recipient that designates a  
6           public agency or a private nonprofit organiza-  
7           tion under section 410(b)(3)(A)(ii); and

8           “(C) any State recipient that enters into an  
9           agreement under section 410(b)(3)(A)(iii) with a  
10          State.

11   **“SEC. 437. OTHER APPROVED ACTIVITIES.**

12          *“The Secretary, in cooperation with grantees, recipi-*  
13 *ents, and other appropriate parties, shall develop additional*  
14 *activities to carry out the purposes of this subtitle. A recipi-*  
15 *ent may use grants amounts under this subtitle to carry*  
16 *out any such activities developed and approved by the Sec-*  
17 *retary.*

18   **“Subtitle    B—Other    Permanent**  
19       **Housing Assistance Programs**  
20       **for the Homeless”.**

21   **SEC. 812. REGULATIONS.**

22          *Not later than 60 days after the date of enactment of*  
23 *this Act, the Secretary of Housing and Urban Development*  
24 *shall by notice establish any requirements necessary to*  
25 *carry out the provisions contained in the amendments made*

1 *by this chapter. Based on such notice, the Secretary shall*  
2 *issue regulations to carry out such provisions not later than*  
3 *12 months after the date of the enactment of this Act.*

4 **SEC. 813. TRANSITION PROVISIONS.**

5       (a) *IN GENERAL.*—Notwithstanding the provisions of  
6 *subtitle A of title IV of the Stewart B. McKinney Homeless*  
7 *Assistance Act (as amended by this chapter), during fiscal*  
8 *year 1995, the Secretary of Housing and Urban Develop-*  
9 *ment shall allocate homeless assistance made available*  
10 *under title IV of the Stewart B. McKinney Homeless Assist-*  
11 *ance Act in accordance with the regulations for such title*  
12 *in effect immediately before the enactment of this Act. Of*  
13 *any amounts appropriated to carry out section 2 of the*  
14 *HUD Demonstration Act of 1993 in fiscal year 1995, the*  
15 *Secretary may use not more than 10 percent for providing*  
16 *technical assistance to assist recipients under subtitle A of*  
17 *title IV of the Stewart B. McKinney Homeless Assistance*  
18 *Act (as amended by this chapter) to establish a program*  
19 *for providing homeless assistance in accordance with the*  
20 *provisions of such subtitle.*

21       (b) *REPORT ON SINGLE ROOM OCCUPANCY ASSIST-*  
22 *ANCE.*—Not later than July 1, 1995, the Secretary shall  
23 *submit a report to the Congress evaluating the effectiveness*  
24 *of combining the programs for assistance for single room*  
25 *occupancy dwellings under sections 451 and 452 of the*

1 *Stewart B. McKinney Homeless Assistance Act (as so redesi-*  
2 *gnated and amended by this Act) into the program for as-*  
3 *sistance under subtitle A of title IV of such Act and, if effec-*  
4 *tive, describing how to provide such assistance under the*  
5 *program under such subtitle A.*

6 **CHAPTER 2—OTHER HOUSING ASSIST-**  
7 **ANCE PROGRAMS FOR THE HOMELESS**  
8 **UNDER MCKINNEY ACT**

9 **SEC. 821. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCU-**  
10 **PANCY DWELLINGS.**

11 (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
12 *451(a) of the Stewart B. McKinney Homeless Assistance*  
13 *Act (42 U.S.C. 11401(a)), as so redesignated by section*  
14 *811(3) of this Act, is amended to read as follows:*

15 “(a) *INCREASE IN BUDGET AUTHORITY.*—The budget  
16 *authority available under section 5(c) of the United States*  
17 *Housing Act of 1937 for assistance under section 8(e)(2)*  
18 *of such Act (as in effect immediately before October 1, 1991)*  
19 *is authorized to be increased by \$200,000,000 on or after*  
20 *October 1, 1994, and by \$206,000,000 on or after October*  
21 *1, 1995.”*

22 (b) *PROGRAM CHANGES.*—Section 451 of the Stewart  
23 *B. McKinney Homeless Assistance Act (42 U.S.C.*  
24 *11401(a)), as so redesignated by section 811(3) of this Act,*  
25 *is amended—*

1           (1) in the second sentence of subsection (c), in  
2           the matter preceding paragraph (1), by striking “con-  
3           taining” and inserting the following: “for the provi-  
4           sion of assistance under this section that is specifi-  
5           cally provided for in the comprehensive homeless as-  
6           sistance described in the application under section  
7           408 of the relevant eligible grantee and that con-  
8           tains”; and

9           (2) in subsection (j)(1), by inserting “recipient  
10          under subtitle A,” after “authority,”.

11 **SEC. 822. SECTION 8 ASSISTANCE FOR SHELTER PLUS CARE**

12                                   **SINGLE ROOM OCCUPANCY DWELLINGS.**

13           Title IV of the Stewart B. McKinney Homeless Assist-  
14          ance Act (42 U.S.C. 11361 et seq.) is amended by inserting  
15          after section 451, as so redesignated by section 811(3) of  
16          this Act, the following new section:

17 **“SEC. 452. SECTION 8 ASSISTANCE FOR SHELTER PLUS**

18                                   **CARE SINGLE ROOM OCCUPANCY DWELLINGS.**

19           “(a) *PURPOSE.*—The purpose of the program under  
20          this section is to provide assistance for the moderate reha-  
21          bilitation of single room occupancy housing to be made  
22          available for rental, in connection with supportive services  
23          funded from sources other than this section, to homeless per-  
24          sons with disabilities (primarily persons who are seriously  
25          mentally ill, have chronic problems with alcohol, drugs, or

1 *both, or have acquired immunodeficiency syndrome and re-*  
2 *lated diseases) and the families of such persons.*

3       “(b) *MODERATE REHABILITATION ASSISTANCE.*—The  
4 *Secretary may use amounts made available to carry out*  
5 *this section for moderate rehabilitation of single room occu-*  
6 *pancy housing described in section 8(l) of the United States*  
7 *Housing Act of 1937 for occupancy by eligible persons in*  
8 *accordance with this section. Such amounts may be used*  
9 *in connection with the moderate rehabilitation of efficiency*  
10 *units if the building owner agrees to pay the additional*  
11 *cost of rehabilitating and operating the efficiency units.*

12       “(c) *FUNDING LIMITATIONS.*—

13               “(1) *TARGETED POPULATIONS.*—To the maxi-  
14 *mum extent practicable, the Secretary shall reserve*  
15 *not less than 50 percent of all amounts made avail-*  
16 *able to carry out this section for homeless individuals*  
17 *who are seriously mentally ill or have chronic prob-*  
18 *lems with alcohol, drugs, or both.*

19               “(2) *GEOGRAPHICAL LIMITATION.*—Of the assist-  
20 *ance made available under this section for any fiscal*  
21 *year, not more than 10 percent may be used for pro-*  
22 *grams located within any one unit of general local*  
23 *government.*

24       “(d) *SUPPORTIVE SERVICES REQUIREMENTS.*—

1           “(1) *REQUIREMENT OF MATCHING AMOUNTS.*—  
2       *Each recipient of assistance under this section shall*  
3       *supplement the assistance provided under this section*  
4       *with an equal amount of funds for supportive services*  
5       *from sources other than this section. Each recipient*  
6       *shall certify to the Secretary its compliance with this*  
7       *paragraph, and shall include with the certification a*  
8       *description of the sources and amounts of such sup-*  
9       *plemental funds.*

10           “(2) *DETERMINATION OF MATCHING AMOUNTS.*—  
11       *In calculating the amount of supplemental funds pro-*  
12       *vided under this section, a recipient may include the*  
13       *value of any lease on a building, any salary paid to*  
14       *staff to carry out the program of the recipient, and*  
15       *the value of the time and services contributed by vol-*  
16       *unteers to carry out the program of the recipient at*  
17       *a rate determined by the Secretary.*

18           “(3) *RECAPTURE.*—*If the supportive services and*  
19       *funding for the supportive services required by this*  
20       *subsection are not provided by a recipient, the Sec-*  
21       *retary may recapture any unexpended housing assist-*  
22       *ance provided under this section to the recipient.*

23           “(e) *CONTRACT REQUIREMENTS.*—*Each contract for*  
24       *annual contributions entered into by the Secretary with a*

1 *public housing agency to obligate budget authority made*  
2 *available to carry out this section shall—*

3           “(1) *commit the Secretary to make the authority*  
4 *available to the public housing agency for an aggre-*  
5 *gate period of 10 years, and require that any amend-*  
6 *ments increasing the authority shall be available for*  
7 *the remainder of such 10-year period;*

8           “(2) *provide the Secretary with the option to*  
9 *renew the contract for an additional period of 10*  
10 *years, subject to the availability of authority;*

11           “(3) *provide that, notwithstanding any other*  
12 *provision of law, first priority for occupancy of hous-*  
13 *ing rehabilitated under this section shall be given to*  
14 *homeless persons; and*

15           “(4) *require installation in the housing assisted*  
16 *of a sprinkler system that protects all major spaces,*  
17 *hard-wired smoke detectors, and any other fire safety*  
18 *improvements as may be required by State or local*  
19 *law.*

20 *For purposes of this subsection, the term ‘major spaces’*  
21 *means hallways, large common areas, and other areas speci-*  
22 *fied in local fire, building, or safety codes.*

23           “(f) *APPLICATIONS.—*

24           “(1) *IN GENERAL.—An application for rental*  
25 *housing assistance under this section shall be submit-*

1        *ted by an applicant in such form and in accordance*  
2        *with such procedures as the Secretary shall establish.*

3            *“(2) MINIMUM CONTENTS.—The Secretary shall*  
4        *require that an application identify the need for the*  
5        *assistance in the community to be served and shall*  
6        *contain at a minimum—*

7            *“(A) a request for housing assistance under*  
8        *this section specifying the number of units re-*  
9        *quested and the amount of necessary budget au-*  
10       *thority;*

11           *“(B) a description of the size and character-*  
12       *istics of the population of eligible persons;*

13           *“(C) an identification of the need for the*  
14       *program in the community to be served;*

15           *“(D) the identity of the proposed service*  
16       *provider or providers (which may be, or include,*  
17       *the applicant) and a statement of the qualifica-*  
18       *tions of the provider or providers;*

19           *“(E) a description of the supportive services*  
20       *that the applicant proposes to assure will be*  
21       *available for eligible persons;*

22           *“(F) a description of the resources that are*  
23       *expected to be made available to provide the sup-*  
24       *portive services required by subsection (d);*



1           “(G) a description of the mechanisms for  
2           developing a housing and supportive services  
3           plan for each person and for monitoring each  
4           person’s progress in meeting that plan;

5           “(H) reasonable assurances satisfactory to  
6           the Secretary that the supportive services will be  
7           provided for the full term of the housing assist-  
8           ance under this section and a certification from  
9           the applicant that it will fund the supportive  
10          services itself if the planned resources do not be-  
11          come available for any reason;

12          “(I) a certification by the public official re-  
13          sponsible for submitting the comprehensive hous-  
14          ing affordability strategy under section 105 of  
15          the Cranston-Gonzalez National Affordable  
16          Housing Act that the proposed activities are con-  
17          sistent with the approved housing strategy of the  
18          unit of general local government within which  
19          housing assistance under this section will be pro-  
20          vided; and

21          “(J) identification of the specific structures  
22          that the recipient is proposing for assistance.

23          “(g) *SELECTION CRITERIA.*—The Secretary shall es-  
24          tablish selection criteria for a national competition for as-  
25          sistance under this section which shall include—

1           “(1) the ability of the applicant to develop and  
2           operate the proposed assisted housing and supportive  
3           services program, taking into account the quality of  
4           any ongoing program of the applicant;

5           “(2) geographic diversity among the projects to  
6           be assisted;

7           “(3) the need for a program providing housing  
8           assistance and supportive services for eligible persons  
9           in the area to be served;

10          “(4) the quality of the proposed program for pro-  
11          viding supportive services and housing assistance;

12          “(5) the extent to which the proposed funding for  
13          the supportive services is or will be available;

14          “(6) the extent to which the project would meet  
15          the needs of the homeless persons proposed to be served  
16          by the program;

17          “(7) the extent to which the program integrates  
18          program recipients into the community served by the  
19          program;

20          “(8) the cost-effectiveness of the proposed pro-  
21          gram; and

22          “(9) such other factors as the Secretary specifies  
23          in regulations to be appropriate for purposes of car-  
24          rying out the program established by this section in  
25          an effective and efficient manner.

1       “(h) *PARTICIPATION OF HOMELESS INDIVIDUALS.*—  
2       *The Secretary shall, by regulation, require each recipient*  
3       *of assistance under this section to provide for the consulta-*  
4       *tion and participation of not less than one homeless indi-*  
5       *vidual or former homeless individual on the board of direc-*  
6       *tors or other equivalent policymaking entity of the recipi-*  
7       *ent, to the extent that such entity considers and makes poli-*  
8       *cies and decisions regarding any housing assisted under*  
9       *this section or services for such housing. The Secretary may*  
10       *grant waivers to recipients unable to meet the requirement*  
11       *under the preceding sentence if the recipient agrees to other-*  
12       *wise consult with homeless or formerly homeless individuals*  
13       *in considering and making such policies and decisions.*

14       “(i) *REQUIRED AGREEMENTS.*—*The Secretary may*  
15       *not approve assistance under this section for an applicant*  
16       *unless the applicant agrees—*

17               “(1) *to operate the proposed program in accord-*  
18               *ance with the provisions of this section;*

19               “(2) *to conduct an ongoing assessment of the*  
20               *housing assistance and supportive services required by*  
21               *the participants in the program;*

22               “(3) *to ensure the adequate provision of support-*  
23               *ive services to the participants in the program;*

24               “(4) *to comply with such other terms and condi-*  
25               *tions as the Secretary may establish for purposes of*

1       *carrying out the program in an effective and efficient*  
2       *manner; and*

3               “(5) *to the maximum extent practicable, to in-*  
4       *volve homeless individuals and families, through em-*  
5       *ployment volunteer services, or otherwise, in con-*  
6       *structing or rehabilitating housing assisted under this*  
7       *section and in providing services required under this*  
8       *section.*

9       “(j) *HOUSING STANDARDS AND RENT REASONABLE-*  
10       *NESS.—*

11               “(1) *STANDARDS REQUIRED.—The Secretary*  
12       *shall require that—*

13                       “(A) *before any assistance may be provided*  
14       *to or on behalf of a person, each unit assisted*  
15       *under this section shall be inspected by the ap-*  
16       *plicant directly or by another entity, including*  
17       *the local public housing agency, to determine*  
18       *that the unit meets the housing quality stand-*  
19       *ards under section 8 of the United States Hous-*  
20       *ing Act of 1937 and that the occupancy charge*  
21       *for the dwelling unit is reasonable; and*

22                       “(B) *the recipient shall make at least an-*  
23       *annual inspections of each unit assisted under this*  
24       *section during the term of the contract for such*  
25       *assistance.*

1           “(2) *PROHIBITION.*—No assistance may be pro-  
2           vided under this section for a dwelling unit (A) for  
3           which the occupancy charge is not reasonable, or (B)  
4           which fails to meet the housing standards, unless the  
5           owner promptly corrects the deficiency and the recipi-  
6           ent verifies the correction.

7           “(k) *TENANT RENT.*—Each tenant of a dwelling unit  
8           assisted under this section shall pay as rent an amount de-  
9           termined in accordance with the provisions of section  
10          3(a)(1) of the United States Housing Act of 1937.

11          “(l) *ADMINISTRATIVE FEES.*—From amounts made  
12          available to carry out this section, the Secretary shall make  
13          amounts available to pay the entity administering the hous-  
14          ing assistance an administrative fee in an amount deter-  
15          mined appropriate by the Secretary for the costs of admin-  
16          istering the housing assistance.

17          “(m) *OCCUPANCY.*—

18                 “(1) *OCCUPANCY AGREEMENT.*—The occupancy  
19                 agreement between a tenant and an owner of a dwell-  
20                 ing unit assisted under this section shall be for at  
21                 least one month.

22                 “(2) *VACANCY PAYMENTS.*—If an eligible person  
23                 vacates a dwelling unit assisted under this section be-  
24                 fore the expiration of the occupancy agreement, no as-  
25                 sistance payment may be made with respect to the

1        *unit after the month that follows the month during*  
2        *which the unit was vacated, unless it is occupied by*  
3        *another eligible person.*

4        *“(n) TERMINATION OF ASSISTANCE.—*

5            *“(1) AUTHORITY.—If an eligible individual who*  
6            *receives assistance under this section violates program*  
7            *requirements, the recipient may terminate assistance*  
8            *in accordance with the process established pursuant to*  
9            *paragraph (2).*

10           *“(2) PROCEDURE.—In terminating assistance*  
11           *under this paragraph, the recipient shall provide a*  
12           *formal process that recognizes the rights of individ-*  
13           *uals receiving such assistance to due process of law.*

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

16           *“(1) The term ‘acquired immunodeficiency syn-*  
17           *drome and related diseases’ has the meaning given*  
18           *such term in section 853 of the Cranston-Gonzalez*  
19           *National Affordable Housing Act.*

20           *“(2) The term ‘applicant’ means a State, unit of*  
21           *general local government, Indian tribe, or public*  
22           *housing agency.*

23           *“(3) The term ‘eligible person’ means a homeless*  
24           *person with disabilities (primarily persons who are*  
25           *seriously mentally ill, have chronic problems with al-*

1        *cohol, drugs, or both, or have acquired*  
2        *immunodeficiency syndrome and related diseases)*  
3        *and the family of such a person.*

4                *“(4) The term ‘Indian tribe’ has the meaning*  
5        *given such term in section 102 of the Housing and*  
6        *Community Development Act of 1974.*

7                *“(5) The term ‘nonprofit organization’ has the*  
8        *meaning given such term by section 104 of the Cran-*  
9        *ston-Gonzalez National Affordable Housing Act, and*  
10       *includes community mental health centers established*  
11       *as public nonprofit organizations.*

12               *“(6) The term ‘person with disabilities’ has the*  
13       *meaning given such term in section 811 of the Cran-*  
14       *ston-Gonzalez National Affordable Housing Act.*

15               *“(7) The term ‘public housing agency’ has the*  
16       *meaning given such term in section 3(b) of the United*  
17       *States Housing Act of 1937.*

18               *“(8) The term ‘recipient’ means an applicant*  
19       *approved for participation in the program to provide*  
20       *assistance under this section.*

21               *“(9) The term ‘Secretary’ means the Secretary of*  
22       *Housing and Urban Development.*

23               *“(10) The term ‘seriously mentally ill’ means*  
24       *having a severe and persistent mental or emotional*

1 *impairment that seriously limits a person's ability to*  
2 *live independently.*

3 *“(11) The term ‘State’ means each of the several*  
4 *States, the District of Columbia, the Commonwealth*  
5 *of Puerto Rico, the Commonwealth of the Northern*  
6 *Mariana Islands, the Virgin Islands, Guam, Amer-*  
7 *ican Samoa, and any other territory or possession of*  
8 *the United States.*

9 *“(12) The term ‘supportive services’ means as-*  
10 *sistance that the Secretary determines (A) addresses*  
11 *the special needs of eligible persons; and (B) provides*  
12 *appropriate services or assists such persons in obtain-*  
13 *ing appropriate services, including health care, men-*  
14 *tal health services, substance and alcohol abuse serv-*  
15 *ices, child care services, case management services,*  
16 *counseling, supervision, education, job training, and*  
17 *other services essential for achieving and maintaining*  
18 *independent living. Inpatient acute hospital care*  
19 *shall not qualify as a supportive service.*

20 *“(13) The term ‘unit of general local government’*  
21 *has the meaning given such term in section 102 of the*  
22 *Housing and Community Development Act of 1974.*

23 *“(p) AUTHORIZATION OF APPROPRIATIONS.—For pur-*  
24 *poses of providing assistance under this section, there are*



1 *authorized to be appropriated \$75,000,000 for fiscal year*  
2 *1995 and \$75,000,000 for fiscal year 1996.”.*

3 **SEC. 823. RURAL HOMELESSNESS GRANT PROGRAM.**

4 (a) *AUTHORIZATION OF APPROPRIATIONS.—Section*  
5 *453(l)(1) of the Stewart B. McKinney Homeless Assistance*  
6 *Act (42 U.S.C. 11408(l)(1)), as so redesignated by section*  
7 *811(3) of this Act, is amended to read as follows:*

8 “(1) *IN GENERAL.—There are authorized to be*  
9 *appropriated to carry out this section \$32,197,800 for*  
10 *fiscal year 1995 and \$33,163,734 for fiscal year*  
11 *1996.”.*

12 (b) *TRANSFER TO DEPARTMENT OF AGRICULTURE.—*  
13 *Section 453 of the Stewart B. McKinney Homeless Assist-*  
14 *ance Act, as so redesignated by section 811(3) of this Act,*  
15 *is amended—*

16 (1) *in subsection (a), by striking “Secretary of*  
17 *Housing and Urban Development” and inserting*  
18 *“Secretary of Agriculture”;* and

19 (2) *in subsection (k), by striking paragraph (3)*  
20 *and inserting the following new paragraph:*

21 “(3) *The term ‘Secretary’ means the Secretary of*  
22 *Agriculture.”.*

23 **SEC. 824. CLERICAL AMENDMENT.**

24 *The table of contents in section 101(b) of the Stewart*  
25 *B. McKinney Homeless Assistance Act is amended by strik-*

- 1 *ing the items relating to title IV and inserting the following*  
 2 *new items:*

*“TITLE IV—HOUSING ASSISTANCE*

*“Subtitle A—Flexible Grant Program*

*“CHAPTER 1—GENERAL PROVISIONS*

- “Sec. 401. Purposes.*  
*“Sec. 402. Authorization of appropriations.*  
*“Sec. 403. Definitions.*  
*“Sec. 404. Provision of grants.*  
*“Sec. 405. Comprehensive homeless assistance.*  
*“Sec. 406. Matching requirements.*  
*“Sec. 407. Responsibilities of grantees and project sponsors.*  
*“Sec. 408. Application.*  
*“Sec. 409. Allocation and distribution of funds.*  
*“Sec. 410. Administration of program.*  
*“Sec. 411. Citizen participation.*  
*“Sec. 412. Applicability of other provisions.*  
*“Sec. 413. Reports, reviews, and audits.*  
*“Sec. 414. Nondiscrimination in programs and activities.*  
*“Sec. 415. Consultation.*  
*“Sec. 416. Records, reports, and audits.*  
*“Sec. 417. Reports to Congress.*

*“CHAPTER 2—ELIGIBLE ACTIVITIES*

- “Sec. 431. Homelessness prevention.*  
*“Sec. 432. Emergency shelter.*  
*“Sec. 433. Supportive housing for the homeless.*  
*“Sec. 434. Safe havens for homeless individuals.*  
*“Sec. 435. Shelter plus care.*  
*“Sec. 436. Administrative and capacity-building expenses.*  
*“Sec. 437. Other approved activities.*

*“Subtitle B—Other Permanent Housing Assistance Programs for the Homeless*

- “Sec. 451. Section 8 assistance for single room occupancy dwellings.*  
*“Sec. 452. Section 8 assistance for shelter plus care single room occupancy dwellings.*  
*“Sec. 453. Rural homelessness grant program.*  
*“Sec. 454. Use of FMHA inventory for transitional housing for homeless persons and for turnkey housing.”.*

1    **CHAPTER 3—MISCELLANEOUS HOMELESS**  
2                            **HOUSING PROVISIONS**

3    **SEC. 831. INNOVATIVE HOMELESS PROGRAM.**

4            (a) *AUTHORIZATION OF APPROPRIATIONS.*—Section  
5    2(f) of the HUD Demonstration Act of 1993 is amended  
6    to read as follows:

7            “(f) *AUTHORIZATION OF APPROPRIATIONS.*—

8                    “(1) *IN GENERAL.*—There are authorized to be  
9            appropriated to carry out this section \$100,000,000  
10           for fiscal year 1995.

11                   “(2) *USE OF AMOUNTS.*—Any amounts appro-  
12           priated under paragraph (1) may be used only to  
13           carry out the comprehensive homeless initiative under  
14           subsection (c).”.

15           (b) *EXTENSION OF PROGRAM.*—Section 2(g) of the  
16    HUD Demonstration Act of 1993 (42 U.S.C. 11301 note)  
17    is amended by striking “1994” and inserting “1995”.

18    **SEC. 832. FHA SINGLE FAMILY PROPERTY DISPOSITION.**

19            Section 1407 of the Housing and Community Develop-  
20    ment Act of 1992 (Public Law 102-550; 106 Stat. 4034)  
21    is amended by striking subsections (a) and (b) and insert-  
22    ing the following new subsections:

23            “(a) *IMMEDIATE AVAILABILITY.*—In carrying out the  
24    program for disposition of single family properties acquired  
25    by the Department of Housing and Urban Development for

1 use by the homeless under subpart E of part 291 of title  
2 24, Code of Federal Regulations, the Secretary of Housing  
3 and Urban Development shall make any eligible property  
4 available for lease under such program without listing and  
5 making such property generally available for sale for any  
6 intervening period.

7 “(b) *DISCOUNT*.—Any property made available for  
8 sale under the program referred to in subsection (a) shall  
9 be made available at a price equal to the fair market value  
10 of the property less a 20 percent discount.”.

11 ***Subtitle B—Interagency Council on***  
12 ***the Homeless***

13 ***SEC. 841. AUTHORIZATION OF APPROPRIATIONS.***

14 Section 208 of the Stewart B. McKinney Homeless As-  
15 sistance Act (42 U.S.C. 11318) is amended to read as fol-  
16 lows:

17 ***“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.***

18 “There are authorized to be appropriated to carry out  
19 this title \$1,609,890 for fiscal year 1995 and \$1,658,187  
20 for fiscal year 1996.”.

21 ***SEC. 842. CHAIRPERSON.***

22 Section 202(b) of the Stewart B. McKinney Homeless  
23 Assistance Act (42 U.S.C. 11312(b)) is amended to read as  
24 follows:

25 “(b) *CHAIRPERSON AND VICE CHAIRPERSON.*—

1           “(1) *CHAIRPERSON.*—*The Council shall elect a*  
2           *Chairperson from among its members, who shall have*  
3           *a term of 2 years. A member of the Council by reason*  
4           *of any of paragraphs (1) through (16) of subsection*  
5           *(a) who serves as Chairperson for a term may not be*  
6           *elected to serve as Chairperson for the succeeding*  
7           *term. The preceding sentence shall not apply to any*  
8           *member serving as Chairperson on the date of the en-*  
9           *actment of the Housing and Community Development*  
10          *Act of 1994.*

11          “(2) *VICE CHAIRPERSON.*—*The Vice Chairperson*  
12          *of the Council shall have a term of 2 years and shall*  
13          *be—*

14                 “(A) *the Secretary of Housing and Urban*  
15                 *Development, if such Secretary is not elected as*  
16                 *the Chairperson of the Council; or*

17                 “(B) *elected by the Council from among its*  
18                 *members, if the Secretary of Housing and Urban*  
19                 *Development is elected as the Chairperson of the*  
20                 *Council.”.*

21          **SEC. 843. EXTENSION.**

22                 *Section 209 of the Stewart B. McKinney Homeless As-*  
23                 *sistance Act (42 U.S.C. 11319) is amended by striking “Oc-*  
24                 *tober 1, 1994” and inserting “October 1, 1996”.*

1 ***Subtitle C—Federal Emergency***  
 2 ***Management Agency Food and***  
 3 ***Shelter Program***

4 ***SEC. 851. AUTHORIZATION OF APPROPRIATIONS.***

5 *Section 322 of the Stewart B. McKinney Homeless As-*  
 6 *sistance Act (42 U.S.C. 11352) is amended to read as fol-*  
 7 *lows:*

8 ***“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.***

9 *“There are authorized to be appropriated to carry out*  
 10 *this title \$193,186,800 for fiscal year 1995 and*  
 11 *\$198,982,404 for fiscal year 1996.”.*

HR 3838 RH—2

HR 3838 RH—3

HR 3838 RH—4

HR 3838 RH—5

HR 3838 RH—6

HR 3838 RH—7

HR 3838 RH—8

HR 3838 RH—9

HR 3838 RH—10

HR 3838 RH—11

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