

104TH CONGRESS  
2D SESSION

# H. R. 3219

To provide Federal assistance for Indian tribes in a manner that recognizes the right of tribal self-governance, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 1996

Mr. LAZIO of New York (for himself, Mr. BEREUTER, Mr. HAYWORTH, and Mr. JOHNSON of South Dakota) introduced the following bill; which was referred to the Committee on Banking and Financial Services

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## A BILL

To provide Federal assistance for Indian tribes in a manner that recognizes the right of tribal self-governance, 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 “Native American Housing Assistance and Self-Deter-  
6 mination Act of 1996”.

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

Sec. 1. Short title and table of contents.

Sec. 2. Congressional findings.

- Sec. 3. Administration through Office of Native American Programs.
- Sec. 4. Definitions.

#### TITLE I—BLOCK GRANTS AND GRANT REQUIREMENTS

- Sec. 101. Block grants.
- Sec. 102. Local housing management plans.
- Sec. 103. Review of plans.
- Sec. 104. Treatment of program income and labor standards.
- Sec. 105. Environmental review.
- Sec. 106. Regulations.
- Sec. 107. Effective date.
- Sec. 108. Authorization of appropriations.

#### TITLE II—AFFORDABLE HOUSING ACTIVITIES

- Sec. 201. National objectives and occupancy by Indian families.
- Sec. 202. Eligible affordable housing activities.
- Sec. 203. Required affordable housing activities.
- Sec. 204. Types of investments.
- Sec. 205. Low-income requirement and income targeting.
- Sec. 206. Certification of compliance with subsidy layering requirements.
- Sec. 207. Lease requirements and tenant selection.
- Sec. 208. Repayment.

#### TITLE III—ALLOCATION OF GRANT AMOUNTS

- Sec. 301. Annual allocation.
- Sec. 302. Allocation formula.

#### TITLE IV—COMPLIANCE, AUDITS, AND REPORTS

- Sec. 401. Remedies for noncompliance.
- Sec. 402. Replacement of recipient.
- Sec. 403. Monitoring of compliance.
- Sec. 404. Performance reports.
- Sec. 405. Review and audit by Secretary.
- Sec. 406. GAO audits.
- Sec. 407. Reports to Congress.

#### TITLE V—TERMINATION OF ASSISTANCE FOR INDIAN TRIBES UNDER INCORPORATED PROGRAMS

- Sec. 501. Termination of Indian public housing assistance under United States Housing Act of 1937.
- Sec. 502. Termination of new commitments for rental assistance.
- Sec. 503. Termination of youthbuild program assistance.
- Sec. 504. Termination of HOME program assistance.
- Sec. 505. Termination of housing assistance for the homeless.
- Sec. 506. Savings provision.
- Sec. 507. Effective date.

#### TITLE VI—LOAN GUARANTEES FOR AFFORDABLE HOUSING ACTIVITIES

- Sec. 601. Authority and requirements.
- Sec. 602. Security and repayment.
- Sec. 603. Interest.

- Sec. 604. Treasury borrowing.  
 Sec. 605. Training and information.  
 Sec. 606. Limitations on amount of guarantees.  
 Sec. 607. Effective date.

TITLE VII—OTHER HOUSING ASSISTANCE FOR NATIVE  
 AMERICANS

- Sec. 701. Loan guarantees for Indian housing.  
 Sec. 702. 40-year leasehold interest in trust or restricted lands for housing purposes.  
 Sec. 703. National American Indian Housing Council.  
 Sec. 704. Effective date.

**1 SEC. 2. CONGRESSIONAL FINDINGS.**

2 The Congress hereby finds that—

3 (1) the Federal Government has a responsibility  
 4 to promote the general welfare of the Nation—

5 (A) by using Federal resources to aid fami-  
 6 lies and individuals seeking affordable homes  
 7 that are safe, clean, and healthy and, in par-  
 8 ticular, assisting responsible, deserving citizens  
 9 who cannot provide fully for themselves because  
 10 of temporary circumstances or factors beyond  
 11 their control;

12 (B) by working to ensure a thriving na-  
 13 tional economy and a strong private housing  
 14 market; and

15 (C) by developing effective partnerships  
 16 among the Federal Government, State and local  
 17 governments, and private entities that allow  
 18 government to accept responsibility for foster-  
 19 ing the development of a healthy marketplace

1           and allow families to prosper without govern-  
2           ment involvement in their day-to-day activities;

3           (2) there exists a unique relationship between  
4           the Government of the United States and the gov-  
5           ernments of Indian tribes and a unique Federal re-  
6           sponsibility to Indian people;

7           (3) clause 3 of section 8 of article I of the Con-  
8           stitution of the United States provides that “The  
9           Congress shall have Power . . . To regulate Com-  
10          merce . . . with the Indian tribes” and pursuant to  
11          this and other constitutional authority, the Congress  
12          has plenary power over Indian affairs;

13          (4) the Congress, through treaties, statutes,  
14          and the general course of dealing with Indian tribes,  
15          has assumed the responsibility for the protection and  
16          preservation of Indian tribes and for working with  
17          tribes and their members to improve their socio-eco-  
18          nomic status so that they are able to take greater  
19          responsibility for their own economic condition;

20          (5) providing affordable and healthy homes is  
21          an essential element in the Federal Government’s  
22          role in helping tribes and their members to achieve  
23          a socio-economic status comparable to their non-In-  
24          dian neighbors;

1           (6) the need for affordable and healthy homes  
2           on Indian reservations, in Indian communities, and  
3           in Native Alaskan villages is acute and the Federal  
4           Government should work not only to provide housing  
5           assistance, but also, to the extent practicable, to as-  
6           sist in the development of private housing finance  
7           mechanisms on Indian lands to achieve the goals of  
8           economic self-sufficiency and self-determination for  
9           tribes and their members; and

10           (7) Federal assistance to meet these respon-  
11           sibilities should be provided in a manner that recog-  
12           nizes the right of tribal self-governance by making  
13           such assistance available directly to the tribes or  
14           tribally designated entities.

15 **SEC. 3. ADMINISTRATION THROUGH OFFICE OF NATIVE**  
16 **AMERICAN PROGRAMS.**

17           The Secretary of Housing and Urban Development  
18           shall carry out this Act through the Office of Native Amer-  
19           ican Programs of the Department of Housing and Urban  
20           Development.

21 **SEC. 4. DEFINITIONS.**

22           For purposes of this Act, the following definitions  
23           shall apply:

24           (1) AFFORDABLE HOUSING.—The term “afford-  
25           able housing” means housing that complies with the

1 requirements for affordable housing under title II.  
2 The term includes permanent housing for homeless  
3 persons who are persons with disabilities, transi-  
4 tional housing, and single room occupancy housing.

5 (2) FAMILIES AND PERSONS.—

6 (A) SINGLE PERSONS.—The term “fami-  
7 lies” includes families consisting of a single per-  
8 son in the case of (i) an elderly person, (ii) a  
9 disabled person, (iii) a displaced person, (iv) the  
10 remaining member of a tenant family, and (v)  
11 any other single persons.

12 (B) FAMILIES.—The term “families” in-  
13 cludes families with children and, in the cases  
14 of elderly families, near-elderly families, and  
15 disabled families, means families whose heads  
16 (or their spouses), or whose sole members, are  
17 elderly, near-elderly, or persons with disabilities,  
18 respectively. The term includes, in the cases of  
19 elderly families, near-elderly families, and dis-  
20 abled families, 2 or more elderly persons, near-  
21 elderly persons, or persons with disabilities liv-  
22 ing together, and 1 or more such persons living  
23 with 1 or more persons determined under the  
24 regulations of the Secretary to be essential to  
25 their care or well-being.

1           (C) ABSENCE OF CHILDREN.—The tem-  
2           porary absence of a child from the home due to  
3           placement in foster care shall not be considered  
4           in determining family composition and family  
5           size for purposes of this Act.

6           (D) ELDERLY PERSON.—The term “elder-  
7           ly person” means a person who is at least 62  
8           years of age.

9           (E) PERSON WITH DISABILITIES.—The  
10          term “person with disabilities” means a person  
11          who—

12                 (i) has a disability as defined in sec-  
13                 tion 223 of the Social Security Act,

14                 (ii) is determined, pursuant to regula-  
15                 tions issued by the Secretary, to have a  
16                 physical, mental, or emotional impairment  
17                 which (I) is expected to be of long-conti-  
18                 nued and indefinite duration, (II) substan-  
19                 tially impedes his or her ability to live  
20                 independently, and (III) is of such a na-  
21                 ture that such ability could be improved by  
22                 more suitable housing conditions, or

23                 (iii) has a developmental disability as  
24                 defined in section 102 of the Developmen-

1           tal Disabilities Assistance and Bill of  
2           Rights Act.

3           Such term shall not exclude persons who have  
4           the disease of acquired immunodeficiency syn-  
5           drome or any conditions arising from the etio-  
6           logic agent for acquired immunodeficiency syn-  
7           drome.

8           (F) DISPLACED PERSON.—The term “dis-  
9           placed person” means a person displaced by  
10          governmental action, or a person whose dwell-  
11          ing has been extensively damaged or destroyed  
12          as a result of a disaster declared or otherwise  
13          formally recognized pursuant to Federal disas-  
14          ter relief laws.

15          (G) NEAR-ELDERLY PERSON.—The term  
16          “near-elderly person” means a person who is at  
17          least 50 years of age but below the age of 62.

18          (3) GRANT BENEFICIARY.—The term “grant  
19          beneficiary” means the Indian tribe or tribes on be-  
20          half of which a grant is made under this Act to a  
21          recipient.

22          (4) INDIAN.—The term “Indian” means any  
23          person who is a member of an Indian tribe.

24          (5) INDIAN AREA.—The term “Indian area”  
25          means the area within which a tribally designated



1 housing entity is authorized to provide assistance  
2 under this Act for affordable housing.

3 (6) INDIAN TRIBE.—The term “Indian tribe”  
4 means—

5 (A) any Indian or Alaska Native tribe,  
6 band, nation, pueblo, village, or community that  
7 the Secretary of the Interior acknowledges to  
8 exist as an Indian tribe pursuant to the Feder-  
9 ally Recognized Indian Tribe List Act of 1994;  
10 and

11 (B) any tribe, band, nation, pueblo, village,  
12 or community that—

13 (i) has been recognized as an Indian  
14 tribe by any State; and

15 (ii) for which an Indian housing au-  
16 thority is eligible, on the date of the enact-  
17 ment of this Act, to enter into a contract  
18 with the Secretary pursuant to the United  
19 States Housing Act of 1937.

20 (7) LOCAL HOUSING MANAGEMENT PLAN.—The  
21 term “local housing management plan” means a  
22 plan under section 102.

23 (8) LOW-INCOME FAMILY.—The term “low-in-  
24 come family” means a family whose income does not  
25 exceed 80 percent of the median income for the

1 area, except that the Secretary may, for purposes of  
2 this paragraph, establish income ceilings higher or  
3 lower than 80 percent of the median for the area on  
4 the basis of the authority's findings that such vari-  
5 ations are necessary because of unusually high or  
6 low family incomes.

7 (9) MEDIAN INCOME.—The term “median in-  
8 come” means, with respect to an area, the greater  
9 of—

10 (A) the median income for such area; or

11 (B) the median income for the United  
12 States.

13 (10) RECIPIENT.—The term “recipient” means  
14 the entity for an Indian tribe that is authorized to  
15 receive grant amounts under this Act on behalf of  
16 the tribe, which may only be the tribe or the tribally  
17 designated housing entity for the tribe.

18 (11) TRIBALLY DESIGNATED HOUSING EN-  
19 TITY.—The terms “tribally designated housing en-  
20 tity” and “housing entity” mean—

21 (A) an entity other than the tribal govern-  
22 ment that—

23 (i) is authorized to receive grant  
24 amounts and provide assistance under this  
25 Act for affordable housing for Indians; and

1 (ii) is established—

2 (I) by exercise of the power of  
3 self-government of an Indian tribe  
4 independent of State law; or

5 (II) by operation of State law  
6 providing specifically for housing au-  
7 thorities or housing entities for Indi-  
8 ans, including regional housing au-  
9 thorities in the State of Alaska; and

10 (B) any Indian housing authority that—

11 (i) was established for purposes of the  
12 United States Housing Act of 1937 before  
13 the date of the enactment of this Act and  
14 meets the requirements under the United  
15 States Housing Act of 1937; and

16 (ii) is not an Indian tribe for purposes  
17 of this Act.

18 A tribally designated housing entity may be author-  
19 ized or established by one or more Indian tribes to  
20 act on behalf of each such tribe authorizing or estab-  
21 lishing the housing entity. Nothing in this Act may  
22 be construed to affect the existence, or the ability to  
23 operate, of any Indian housing authority established  
24 before the date of the enactment of this Act by a  
25 State-recognized tribe, band, nation, pueblo, village,

1 or community of Indian or Alaska Natives that is  
2 not an Indian tribe for purposes of this Act.

3 (12) SECRETARY.—The term “Secretary”  
4 means the Secretary of Housing and Urban Develop-  
5 ment, except as otherwise specified in this Act.

## 6 **TITLE I—BLOCK GRANTS AND** 7 **GRANT REQUIREMENTS**

### 8 **SEC. 101. BLOCK GRANTS.**

9 (a) AUTHORITY.—For each fiscal year, the Secretary  
10 shall (to the extent amounts are made available to carry  
11 out this Act) make grants under this section on behalf  
12 of Indian tribes to carry out affordable housing activities.  
13 Under such a grant on behalf of an Indian tribe, the Sec-  
14 retary shall provide the grant amounts for the tribe di-  
15 rectly to the recipient for the tribe.

16 (b) CONDITION OF GRANT.—The Secretary may  
17 make a grant under this Act on behalf of an Indian tribe  
18 for a fiscal year only if—

19 (1) the Indian tribe has submitted to the Sec-  
20 retary a local housing management plan for such fis-  
21 cal year under section 102; and

22 (2) the plan has been determined under section  
23 103 to comply with the requirements of section 102.

1 (c) AMOUNT.—Except as otherwise provided under  
2 title II, the amount of a grant under this section to a re-  
3 cipient for a fiscal year shall be—

4 (1) in the case of a recipient whose grant bene-  
5 ficiary is a single Indian tribe, the amount of the al-  
6 location under section 301 for the Indian tribe; and

7 (2) in the case of a recipient whose grant bene-  
8 ficiary is more than 1 Indian tribe, the sum of the  
9 amounts of the allocations under section 301 for  
10 each such Indian tribe.

11 (d) USE FOR AFFORDABLE HOUSING ACTIVITIES.—  
12 Except as provided in subsection (f), amounts provided  
13 under a grant under this section may be used only for  
14 affordable housing activities under title II.

15 (e) EFFECTUATION OF LHMP.—Except as provided  
16 in subsection (f), amounts provided under a grant under  
17 this section may be used only for affordable housing activi-  
18 ties that are consistent with the approved local housing  
19 management plan under section 103 for the grant bene-  
20 ficiary on whose behalf the grant is made.

21 (f) ADMINISTRATIVE EXPENSES.—

22 (1) IN GENERAL.—The Secretary shall, by reg-  
23 ulation, authorize each recipient to use a percentage  
24 of any grant amounts received under this Act for  
25 any administrative and planning expenses of the re-

1 recipient relating to carrying out this Act and activi-  
2 ties assisted with such amounts, which may include  
3 costs for salaries of individuals engaged in admin-  
4 istering and managing affordable housing activities  
5 assisted with grant amounts provided under this Act  
6 and expenses of preparing a local housing manage-  
7 ment plan under section 102.

8 (2) CONTENTS OF REGULATIONS.—The regula-  
9 tions referred to in paragraph (1) shall provide  
10 that—

11 (A) the Secretary shall, for each recipient,  
12 establish a percentage referred to in paragraph  
13 (1) based on the specific circumstances of the  
14 recipient and the tribes served by the recipient;  
15 and

16 (B) the Secretary may review the percent-  
17 age for a recipient upon the written request of  
18 the recipient specifying the need for such review  
19 or the initiative of the Secretary and, pursuant  
20 to such review, may revise the percentage estab-  
21 lished for the recipient.

22 (3) DEVELOPMENT OF REGULATIONS UNDER  
23 NEGOTIATED RULEMAKING PROCEDURE.—Notwith-  
24 standing sections 563(a) and 565(a) of title 5, Unit-  
25 ed States Code, the regulations required under this

1 subsection shall be issued according to a negotiated  
2 rulemaking procedure under subchapter III of chap-  
3 ter 5 of title 5, United States Code. The Secretary  
4 shall establish a negotiated rulemaking committee  
5 for development of any such proposed regulations,  
6 which shall include representatives of Indian tribes.

7 (g) PUBLIC-PRIVATE PARTNERSHIPS.—Each recipi-  
8 ent shall make all reasonable efforts, consistent with the  
9 purposes of this Act, to maximize participation by the pri-  
10 vate sector, including nonprofit organizations and for-  
11 profit entities, in implementing the approved local housing  
12 management plan for the tribe that is the grant bene-  
13 ficiary.

14 **SEC. 102. LOCAL HOUSING MANAGEMENT PLANS.**

15 (a) IN GENERAL.—

16 (1) SUBMISSION.—The Secretary shall provide  
17 for an Indian tribe to submit to the Secretary, for  
18 each fiscal year, a local housing management plan  
19 under this section for the tribe (or for the tribally  
20 designated housing entity for a tribe to submit the  
21 plan under subsection (e) for the tribe) and for the  
22 review of such plans.

23 (2) LOCALLY DRIVEN NATIONAL OBJECTIVES.—

24 A local housing management plan shall describe—

1 (A) the mission of the tribe with respect to  
2 affordable housing or, in the case of a recipient  
3 that is a tribally designated housing entity, the  
4 mission of the housing entity;

5 (B) the goals, objectives, and policies of  
6 the recipient to meet the housing needs of low-  
7 income families in the jurisdiction of the hous-  
8 ing entity, which shall be designed to achieve  
9 the national objectives under section 201(a);  
10 and

11 (C) how the locally established mission and  
12 policies of the recipient are designed to achieve,  
13 and are consistent with, the national objectives  
14 under section 201(a).

15 (b) CONTENTS.—A local housing management plan  
16 under this section for an Indian tribe shall contain the  
17 following information relating to the upcoming fiscal year  
18 for which the assistance under this Act is to be made avail-  
19 able:

20 (1) FINANCIAL RESOURCES.—An operating  
21 budget for the recipient for the tribe that includes—

22 (A) identification and a description of the  
23 financial resources reasonably available to the  
24 recipient to carry out the purposes of this Act,  
25 including an explanation of how amounts made



1 available will leverage such additional resources  
2 and identification of any tribal or publicly  
3 owned land or property that may be utilized to  
4 carry out the purposes of this Act; and

5 (B) the uses to which such resources will  
6 be committed, including eligible and required  
7 affordable housing activities under title II to be  
8 assisted and administrative expenses.

9 (2) AFFORDABLE HOUSING.—For the jurisdic-  
10 tion within which the recipient is authorized to use  
11 assistance under this Act—

12 (A) a description of the estimated housing  
13 needs and the need for assistance for very low-  
14 income and moderate-income families, specify-  
15 ing such needs for different types of tenure and  
16 for different categories of residents, such as  
17 low-income and moderate-income families, el-  
18 derly persons, persons with disabilities, single  
19 persons, large families, families who are partici-  
20 pating in an organized program to achieve eco-  
21 nomic independence and self-sufficiency, per-  
22 sons with acquired immunodeficiency syndrome,  
23 and other categories of persons that the Sec-  
24 retary determines to be appropriate;

1 (B) a description of the nature and extent  
2 of homelessness, including an estimate of the  
3 special needs of various categories of persons  
4 who are homeless or threatened with homeles-  
5 ness, and a description of the recipient's strat-  
6 egy for (i) helping low-income families avoid be-  
7 coming homeless, (ii) addressing the emergency  
8 shelter and transitional housing needs of home-  
9 less persons (including a brief inventory of  
10 available facilities and services that meet such  
11 needs, and (iii) helping homeless persons make  
12 the transition to permanent housing and inde-  
13 pendent living;

14 (C) a description of the significant charac-  
15 teristics of the housing market, indicating how  
16 such characteristics will influence the use of  
17 amounts made available under this Act for rent-  
18 al assistance, production of new units, rehabili-  
19 tation of old units, or acquisition of existing  
20 units;

21 (D) an explanation of whether the cost of  
22 housing or the incentives to develop, maintain,  
23 or improve affordable housing are affected by  
24 public policies (including policies of the recipi-  
25 ent, tax policies affecting land and other prop-

1           erty, land use controls, zoning ordinances,  
2           building codes, fees and charges, growth limits,  
3           and policies that affect the return on residential  
4           investment) and a description of the strategy to  
5           remove or ameliorate negative effects, if any, of  
6           such policies;

7           (E) an explanation of the institutional  
8           structure, including private industry, nonprofit  
9           organizations, and public institutions, through  
10          which the recipient will carry out housing ac-  
11          tivities under the local housing management  
12          plan, assessing the strengths and gaps in the  
13          delivery system and describing what the recipi-  
14          ent will do to overcome any such gaps;

15          (F) a description of how the plan will ad-  
16          dress the housing needs identified pursuant to  
17          subparagraphs (A) and (B), describing the rea-  
18          sons for allocation priorities, and identify any  
19          obstacles to addressing underserved needs;

20          (G) a description of the means of coopera-  
21          tion and coordination between the recipient and  
22          any State or units of general local government  
23          in the development, submission, and implemen-  
24          tation of their housing plans;

1           (H) a description of the standards and  
2           procedures under which the recipient will mon-  
3           itor activities assisted under this Act and en-  
4           sure long-term compliance with the provisions  
5           of this Act;

6           (I) a certification that the recipient comply  
7           with title II of the Civil Rights Act of 1968 in  
8           carrying out this Act, to the extent that such  
9           title is applicable;

10          (J) a statement of the number of families  
11          for whom the recipient will provide affordable  
12          housing using grant amounts provided under  
13          this Act; and

14          (K) taking into consideration only factors  
15          over which the recipient has control, a descrip-  
16          tion of the goals, programs, and policies for re-  
17          ducing the number of households with incomes  
18          below the poverty line (as defined by the Office  
19          of Management and Budget and revised annu-  
20          ally) and, in consultation with other appropriate  
21          public and private agencies, a statement of how  
22          the goals, programs, and policies for producing  
23          and preserving affordable housing will be co-  
24          ordinated with other programs and services for  
25          which the recipient is responsible and the extent

1 to which they will reduce (or assist in reducing)  
2 the number of households with incomes below  
3 the poverty line; and

4 (3) INDIAN HOUSING DEVELOPED UNDER  
5 UNITED STATES HOUSING ACT OF 1937.—A plan de-  
6 scribing how the recipient for the tribe will comply  
7 with the requirements under section 203 relating to  
8 low-income housing owned or operated by the hous-  
9 ing entity that was developed pursuant to a contract  
10 between the Secretary and an Indian housing au-  
11 thority pursuant to the United States Housing Act  
12 of 1937, which shall include—

13 (A) an estimate of the market rent value  
14 of any such housing owned or operated by the  
15 housing entity;

16 (B) a statement of the policies of the recip-  
17 ient governing eligibility, admissions, and occu-  
18 pancy of families with respect to dwelling units  
19 in such housing;

20 (C) a statement of the policies of the recip-  
21 ient governing rents charged for dwelling units  
22 in such housing, including—

23 (i) the methods by which such rents  
24 are determined; and

1                   (ii) an analysis of how such methods  
2                   affect—

3                   (I) the ability of the recipient to  
4                   provide affordable housing for low-in-  
5                   come families having a broad range of  
6                   incomes;

7                   (II) the affordability of housing  
8                   for families having incomes that do  
9                   not exceed 30 percent of the median  
10                  family income for the area; and

11                  (III) the availability of other fi-  
12                  nancial resources to the recipient for  
13                  use for such housing;

14                  (D) a statement of the standards and poli-  
15                  cies of the recipient governing maintenance and  
16                  management of such housing, and management  
17                  of the recipient with respect to administration  
18                  of such housing, including—

19                   (i) housing quality standards;

20                   (ii) routine and preventative mainte-  
21                  nance policies;

22                   (iii) emergency and disaster plans;

23                   (iv) rent collection and security poli-  
24                  cies;

1 (v) priorities and improvements for  
2 management of the housing; and

3 (vi) priorities and improvements for  
4 management of the recipient, including im-  
5 provement of electronic information sys-  
6 tems to facilitate managerial capacity and  
7 efficiency;

8 (E) a plan describing—

9 (i) the capital improvements necessary  
10 to ensure long-term physical and social via-  
11 bility of such housing; and

12 (ii) the priorities of the recipient for  
13 capital improvements of such housing  
14 based on analysis of available financial re-  
15 sources, consultation with residents, and  
16 health and safety considerations;

17 (F) a description of any such housing to be  
18 demolished or disposed of, a timetable for such  
19 demolition or disposition, and any information  
20 required under law with respect to such demoli-  
21 tion or disposition;

22 (G) a description of any homeownership  
23 programs of the recipient to be carried out with  
24 respect to such housing and the requirements  
25 and assistance available under such programs;

1 (H) a description of how the recipient will  
2 coordinate with tribal and State welfare agen-  
3 cies to ensure that residents of such housing  
4 will be provided with access to resources to as-  
5 sist in obtaining employment and achieving self-  
6 sufficiency; and

7 (I) a description of the requirements estab-  
8 lished by the recipient that promote the safety  
9 of residents of such housing, facilitate the hous-  
10 ing entity undertaking crime prevention meas-  
11 ures (such as community policing, where appro-  
12 priate), allow resident input and involvement,  
13 and allow for creative methods to increase resi-  
14 dent safety by coordinating crime prevention ef-  
15 forts between the recipient and tribal or local  
16 law enforcement officials.

17 (4) INDIAN HOUSING LOAN GUARANTEES.—A  
18 description of the manner in which and extent to  
19 which loan guarantees under section 184 of the  
20 Housing and Community Development Act of 1992  
21 and title VI of this Act will be used to help in meet-  
22 ing the needs for affordable housing in the jurisdic-  
23 tion of the recipient for the tribe.

24 (5) DISTRIBUTION OF ASSISTANCE.—A descrip-  
25 tion of—



1           (A) the geographical distribution (within  
2           the jurisdiction of the recipient for the tribe) of  
3           the use of grant amounts and how such geo-  
4           graphical distribution is consistent with the geo-  
5           graphical distribution of housing need (within  
6           such jurisdiction); and

7           (B) the distribution of the use of such as-  
8           sistance for various categories of housing and  
9           how use for such various categories is consist-  
10          ent with the priorities of housing need (within  
11          the jurisdiction of the recipient).

12          (c) 5-YEAR PLAN.—Each local housing management  
13          plan under this section for an Indian tribe shall contain,  
14          with respect to the 5-year period beginning with the fiscal  
15          year for which the plan is submitted, the following infor-  
16          mation:

17               (1) LOCALLY DRIVEN NATIONAL OBJECTIVES.—  
18          The information described in subsection (a)(2).

19               (2) CAPITAL IMPROVEMENT OVERVIEW.—If the  
20          recipient will provide capital improvements for hous-  
21          ing described in subsection (b)(3) during such pe-  
22          riod, an overview of such improvements, the ration-  
23          ale for such improvements, and an analysis of how  
24          such improvements will enable the recipient to meet  
25          its goals, objectives, and mission.

1           (d) PARTICIPATION OF TRIBALLY DESIGNATED  
2 HOUSING ENTITY.—A plan under this section for an In-  
3 dian tribe may be prepared and submitted on behalf of  
4 the tribe by the tribally designated housing entity for the  
5 tribe, but only if such plan contains a certification by the  
6 recognized tribal government of the grant beneficiary that  
7 such tribe has had an opportunity to review the plan and  
8 has authorized the submission of the plan by the housing  
9 entity.

10           (e) COORDINATION OF PLANS.—A plan under this  
11 section may cover more than 1 Indian tribe, but only if  
12 the certification requirements under subsection (d) are  
13 complied with by each such grant beneficiary covered.

14           (f) PLANS FOR SMALL TRIBES.—

15               (1) SEPARATE REQUIREMENTS.—The Secretary  
16 shall establish requirements for submission of plans  
17 under this section and the information to be in-  
18 cluded in such plans applicable to small Indian  
19 tribes and small tribally designated housing entities.  
20 Such requirements shall waive any requirements  
21 under this section that the Secretary determines are  
22 burdensome or unnecessary for such tribes and  
23 housing entities.

24               (2) SMALL TRIBES.—The Secretary shall define  
25 small Indian tribes and small tribally designated

1 housing entities based on the number of dwelling  
2 units assisted under this title by the tribe or housing  
3 entity or owned or operated pursuant to a contract  
4 under the United States Housing Act of 1937 be-  
5 tween the Secretary and the Indian housing author-  
6 ity for the tribe.

7 (g) NEGOTIATED RULEMAKING.—The requirements  
8 relating to the contents of plans under this section shall  
9 be established by regulation. Notwithstanding sections  
10 563(a) and 565(a) of title 5, United States Code, any pro-  
11 posed regulation relating to the required contents of plans  
12 under this section shall be issued pursuant to a negotiated  
13 rulemaking procedure under subchapter III of chapter 5  
14 of such title. The Secretary shall establish a negotiated  
15 rulemaking committee for development of any such pro-  
16 posed regulations, which shall include representatives of  
17 Indian tribes.

18 **SEC. 103. REVIEW OF PLANS.**

19 (a) REVIEW AND NOTICE.—

20 (1) REVIEW.—The Secretary shall conduct a  
21 limited review of each local housing management  
22 plan submitted to the Secretary to ensure that the  
23 plan complies with the requirements of section 102.  
24 The Secretary shall have the discretion to review a

1 plan only to the extent that the Secretary considers  
2 review is necessary.

3 (2) NOTICE.—The Secretary shall notify each  
4 Indian tribe for which a plan is submitted and any  
5 tribally designated housing entity for the tribe  
6 whether the plan complies with such requirements  
7 not later than 45 days after receiving the plan. If  
8 the Secretary does not notify the Indian tribe, as re-  
9 quired under this subsection and subsection (b), the  
10 plan shall be considered, for purposes of this Act, to  
11 have been determined to comply with the require-  
12 ments under section 102 and the tribe shall be con-  
13 sidered to have been notified of compliance upon the  
14 expiration of such 45-day period.

15 (b) NOTICE OF REASONS FOR DETERMINATION OF  
16 NONCOMPLIANCE.—If the Secretary determines that a  
17 plan, as submitted, does not comply with the requirements  
18 under section 102, the Secretary shall specify in the notice  
19 under subsection (a) the reasons for the noncompliance  
20 and any modifications necessary for the plan to meet the  
21 requirements under section 102.

22 (c) STANDARDS FOR DETERMINATION OF NON-  
23 COMPLIANCE.—The Secretary may determine that a plan  
24 does not comply with the requirements under section 102  
25 only if—

1           (1) the plan is not consistent with the national  
2 objectives under section 201(a);

3           (2) the plan is incomplete in significant matters  
4 required under such section;

5           (3) there is evidence available to the Secretary  
6 that challenges, in a substantial manner, any infor-  
7 mation provided in the plan; or

8           (4) the Secretary determines that the plan vio-  
9 lates the purposes of this Act because it fails to pro-  
10 vide affordable housing that will be viable on a long-  
11 term basis at a reasonable cost.

12       (d) TREATMENT OF EXISTING PLANS.—Notwith-  
13 standing any other provision of this Act, a plan shall be  
14 considered to have been submitted for an Indian tribe if  
15 the appropriate Indian housing authority has submitted  
16 to the Secretary a comprehensive plan under section 14(e)  
17 of the United States Housing Act of 1937 (as in effect  
18 immediately before the enactment of this Act) or under  
19 the comprehensive improvement assistance program under  
20 such section 14, and the Secretary has approved such  
21 plan, before January 1, 1997. The Secretary shall provide  
22 specific procedures and requirements for such tribes to  
23 amend such plans by submitting only such additional in-  
24 formation as is necessary to comply with the requirements  
25 of section 102.

1 (e) ACTIONS TO CHANGE PLAN.—An Indian tribe for  
2 which a plan under section 102 has been submitted may  
3 change actions or policies described in the plan before sub-  
4 mission and review of the plan for the next fiscal year only  
5 if the tribe (or tribally designated housing entity author-  
6 ized under section 102(d))—

7 (1) in the case of costly or nonroutine changes,  
8 submits to the Secretary an amendment to the plan  
9 under subsection (f) which is reviewed in accordance  
10 with such subsection; or

11 (2) in the case of inexpensive or routine  
12 changes, describes such changes in such local hous-  
13 ing management plan for the next fiscal year.

14 (f) AMENDMENTS TO PLAN.—

15 (1) IN GENERAL.—During the annual or 5-year  
16 period covered by the plan for an Indian tribe, the  
17 tribe (or tribally designated housing entity for the  
18 tribe authorized under section 102(e)) may submit  
19 to the Secretary any amendments to the plan.

20 (2) REVIEW.—The Secretary shall conduct a  
21 limited review of each proposed amendment submit-  
22 ted under this subsection to determine whether the  
23 plan, as amended by the amendment, complies with  
24 the requirements of section 102 and notify the tribe  
25 for which the amendment is submitted whether the

1 plan, as amended, complies with such requirements  
2 not later than 30 days after receiving the amend-  
3 ment. If the Secretary determines that a plan, as  
4 amended, does not comply with the requirements  
5 under section 102, such notice shall indicate the rea-  
6 sons for the noncompliance and any modifications  
7 necessary for the plan to meet the requirements  
8 under section 102. If the Secretary does not notify  
9 the Indian tribe as required under this paragraph,  
10 the plan, as amended, shall be considered, for pur-  
11 poses of this section, to comply with the require-  
12 ments under section 102.

13 (3) STANDARDS FOR DETERMINATION OF NON-  
14 COMPLIANCE.—The Secretary may determine that a  
15 plan, as amended by a proposed amendment, does  
16 not comply with the requirements under section 102  
17 only if—

18 (A) the plan, as amended, would be subject  
19 to a determination of noncompliance in accord-  
20 ance with the provisions of subsection (e); or

21 (B) the Secretary determines that—

22 (i) the proposed amendment is plainly  
23 inconsistent with the activities specified in  
24 the plan; or

1 (ii) there is evidence that challenges,  
2 in a substantial manner, any information  
3 contained in the amendment; or

4 (C) the Secretary determines that the plan,  
5 as amended, violates the purposes of this Act  
6 because it fails to provide affordable housing  
7 that will be viable on a long-term basis at a rea-  
8 sonable cost.

9 (4) AMENDMENTS TO EXTEND TIME OF PER-  
10 FORMANCE.—Notwithstanding any other provision of  
11 this subsection, the Secretary may not determine  
12 that any amendment to the plan for an Indian tribe  
13 that extends the time for performance of activities  
14 assisted with amounts provided under this Act fails  
15 to comply with the requirements under section 102  
16 if the Secretary has not provided the amount of as-  
17 sistance set forth in the plan or has not provided the  
18 assistance in a timely manner.

19 **SEC. 104. TREATMENT OF PROGRAM INCOME AND LABOR**  
20 **STANDARDS.**

21 (a) PROGRAM INCOME.—

22 (1) AUTHORITY TO RETAIN.—Notwithstanding  
23 any other provision of law, a recipient may retain  
24 any program income that is realized from any grant  
25 amounts under this Act if—



1 (A) such income was realized after the ini-  
2 tial disbursement of the grant amounts received  
3 by the recipient; and

4 (B) the recipient has agreed that it will  
5 utilize the program income for affordable hous-  
6 ing activities in accordance with the provisions  
7 of this Act.

8 (2) PROHIBITION OF REDUCTION OF GRANT.—

9 The Secretary may not reduce the grant amount for  
10 any Indian tribe based solely on (1) whether the re-  
11 cipient for the tribe retains program income under  
12 paragraph (1), or (2) the amount of any such pro-  
13 gram income retained.

14 (3) EXCLUSION OF AMOUNTS.—The Secretary  
15 may, by regulation, exclude from consideration as  
16 program income any amounts determined to be so  
17 small that compliance with the requirements of this  
18 subsection would create an unreasonable administra-  
19 tive burden on the recipient.

20 (b) TREATMENT OF LABOR STANDARDS.—The use of  
21 amounts provided under this Act to finance (in whole or  
22 in part) a contract for construction or rehabilitation work  
23 shall not cause such contract to be subject to the require-  
24 ments of the Act of March 3, 1931 (40 U.S.C. 276a–276a-  
25 5; commonly known as the Davis-Bacon Act) or to any

1 other provision of law requiring payment of wages in ac-  
2 cordance with such Act.

3 **SEC. 105. ENVIRONMENTAL REVIEW.**

4 (a) IN GENERAL.—In order to ensure that the poli-  
5 cies of the National Environmental Policy Act of 1969 and  
6 other provisions of law which further the purposes of such  
7 Act (as specified in regulations issued by the Secretary)  
8 are most effectively implemented in connection with the  
9 expenditure of grant amounts provided under this Act,  
10 and to ensure to the public undiminished protection of the  
11 environment, the Secretary, in lieu of the environmental  
12 protection procedures otherwise applicable, may under  
13 regulations provide for the release of amounts for particu-  
14 lar projects to recipients of assistance under this Act who  
15 assume all of the responsibilities for environmental review,  
16 decisionmaking, and action pursuant to such Act, and  
17 such other provisions of law as the regulations of the Sec-  
18 retary specify, that would apply to the Secretary were the  
19 Secretary to undertake such projects as Federal projects.  
20 The Secretary shall issue regulations to carry out this sec-  
21 tion only after consultation with the Council on Environ-  
22 mental Quality. The regulations shall provide—

23 (1) for the monitoring of the environmental re-  
24 views performed under this section;

1           (2) in the discretion of the Secretary, to facili-  
2           tate training for the performance of such reviews;  
3           and

4           (3) for the suspension or termination of the as-  
5           sumption of responsibilities under this section.

6 The Secretary's duty under the preceding sentence shall  
7 not be construed to limit or reduce any responsibility as-  
8 sumed by a recipient of grant amounts with respect to any  
9 particular release of funds.

10       (b) PROCEDURE.—The Secretary shall approve the  
11 release of funds subject to the procedures authorized by  
12 this section only if, at least 15 days prior to such approval  
13 and prior to any commitment of funds to such projects  
14 the recipient of grant amounts has submitted to the Sec-  
15 retary a request for such release accompanied by a certifi-  
16 cation which meets the requirements of subsection (c).  
17 The Secretary's approval of any such certification shall be  
18 deemed to satisfy the Secretary's responsibilities under the  
19 National Environmental Policy Act of 1969 and such  
20 other provisions of law as the regulations of the Secretary  
21 specify insofar as those responsibilities relate to the re-  
22 leases of funds for projects to be carried out pursuant  
23 thereto which are covered by such certification.

24       (c) CERTIFICATION.—A certification under the proce-  
25 dures authorized by this section shall—

1 (1) be in a form acceptable to the Secretary,

2 (2) be executed by the chief executive officer or  
3 other officer of the recipient of assistance under this  
4 Act qualified under regulations of the Secretary,

5 (3) specify that the recipient has fully carried  
6 out its responsibilities as described under subsection  
7 (a), and

8 (4) specify that the certifying officer (A) con-  
9 sents to assume the status of a responsible Federal  
10 official under the National Environmental Policy Act  
11 of 1969 and each provision of law specified in regu-  
12 lations issued by the Secretary insofar as the provi-  
13 sions of such Act or such other provisions of law  
14 apply pursuant to subsection (a), and (B) is author-  
15 ized and consents on behalf of the recipient of as-  
16 sistance and such officer to accept the jurisdiction of  
17 the Federal courts for the purpose of enforcement of  
18 the certifying officer's responsibilities as such an of-  
19 ficial.

20 **SEC. 106. REGULATIONS.**

21 Except as otherwise specifically provided in this Act,  
22 the Secretary shall issue any requirements and regulations  
23 necessary to carry out this Act as follows:

24 (1) INTERIM REQUIREMENTS.—Not later than  
25 90 days after the date of the enactment of this Act,

1 the Secretary shall, by notice issued in the Federal  
2 Register, establish any requirements necessary to  
3 carry out this Act in the manner provided in section  
4 107(b), which shall be effective only for fiscal year  
5 1997. The notice shall invite public comments re-  
6 garding such interim requirements and final regula-  
7 tions to carry out this Act and shall include general  
8 notice of proposed rulemaking (for purposes of sec-  
9 tion 553(b) of title 5, United States Code) of the  
10 final regulations under paragraph (2).

11 (2) FINAL REGULATIONS.—The Secretary shall  
12 issue any final regulations necessary to carry out  
13 this Act not later than September 1, 1997, and such  
14 regulations shall take effect not later than the effec-  
15 tive date under section 107(a). The regulations shall  
16 be issued after notice and opportunity for public  
17 comment in accordance with the procedure under  
18 section 553 of title 5, United States Code, applicable  
19 to substantive rules (notwithstanding subsections  
20 (a)(2), (b)(B), and (d)(3) of such section).

21 **SEC. 107. EFFECTIVE DATE.**

22 (a) IN GENERAL.—Except as provided in subsection  
23 (b) and as otherwise specifically provided in this Act, this  
24 Act shall take effect on October 1, 1997.

1 (b) INTERIM APPLICABILITY.—For fiscal year 1997,  
2 this Act shall apply to any Indian tribe that requests the  
3 Secretary to apply this Act to such tribe, subject to the  
4 provisions of this subsection, but only if the Secretary de-  
5 termines that the tribe has the capacity to carry out the  
6 responsibilities under this Act during such fiscal year. For  
7 fiscal year 1997, this Act shall apply to any such tribe  
8 subject to the following limitations:

9 (1) USE OF ASSISTANCE AMOUNTS AS BLOCK  
10 GRANT.—Amounts shall not be made available pur-  
11 suant to this Act for grants under this Act for such  
12 fiscal year, but any amounts made available for the  
13 tribe under the United States Housing Act of 1937,  
14 title II or subtitle D of title IV of the Cranston-Gon-  
15 zalez National Affordable Housing Act, title IV of  
16 the Stewart B. McKinney Homeless Assistance Act,  
17 or section 2 of the HUD Demonstration Act of 1993  
18 shall be considered grant amounts under this Act  
19 and shall be used subject to the provisions of this  
20 Act relating to such grant amounts.

21 (2) LOCAL HOUSING MANAGEMENT PLAN.—  
22 Notwithstanding section 103 of this Act, a local  
23 housing management plan shall be considered to  
24 have been submitted for the tribe for fiscal year  
25 1997 for purposes of this Act only if—

1 (A) the appropriate Indian housing author-  
 2 ity has submitted to the Secretary a com-  
 3 prehensive plan under section 14(e) of the Unit-  
 4 ed States Housing Act of 1937 or under the  
 5 comprehensive improvement assistance program  
 6 under such section 14;

7 (B) the Secretary has approved such plan  
 8 before January 1, 1996; and

9 (C) the tribe complies with specific proce-  
 10 dures and requirements for amending such plan  
 11 as the Secretary may establish to carry out this  
 12 subsection.

13 **SEC. 108. AUTHORIZATION OF APPROPRIATIONS.**

14 There is authorized to be appropriated for grants  
 15 under title I \$650,000,000, for each of fiscal years 1998,  
 16 1999, 2000, and 2001.

17 **TITLE II—AFFORDABLE**  
 18 **HOUSING ACTIVITIES**

19 **SEC. 201. NATIONAL OBJECTIVES AND OCCUPANCY BY IN-**  
 20 **DIAN FAMILIES.**

21 (a) PRIMARY OBJECTIVE.—The national objectives of  
 22 this Act are—

23 (1) to assist and promote affordable housing ac-  
 24 tivities to develop, maintain, and operate safe, clean,  
 25 and healthy affordable housing on Indian reserva-

1 tions and in other Indian areas for occupancy by  
2 low-income Indian families;

3 (2) to ensure better access to private mortgage  
4 markets for Indian tribes and their members and to  
5 promote self-sufficiency of Indian tribes and their  
6 members;

7 (3) to coordinate activities to provide housing  
8 for Indian tribes and their members with Federal,  
9 State, and local activities to further economic and  
10 community development for Indian tribes and their  
11 members;

12 (4) to plan for and integrate infrastructure re-  
13 sources for Indian tribes with housing development  
14 for tribes; and

15 (5) to promote the development of private cap-  
16 ital markets in Indian country and to allow such  
17 markets to operate and grow, thereby benefiting In-  
18 dian communities.

19 (b) OCCUPANCY BY INDIAN FAMILIES.—The local  
20 housing management plan for an Indian tribe may require  
21 preference, for housing or housing assistance provided  
22 through affordable housing activities assisted with grant  
23 amounts provided under this Act on behalf of such tribe,  
24 to be given (to the extent practicable) to Indian families  
25 who are members of such tribe. In any case in which the



1 applicable local housing management plan for an Indian  
2 tribe provides for preference under this subsection, the re-  
3 cipient for the tribe shall ensure that housing activities  
4 that are assisted with grant amounts under this Act for  
5 such tribe are subject to such preference.

6 **SEC. 202. ELIGIBLE AFFORDABLE HOUSING ACTIVITIES.**

7 Affordable housing activities under this title are ac-  
8 tivities, in accordance with the requirements of this title,  
9 to develop or to support affordable housing for rental or  
10 homeownership, or to provide housing services with re-  
11 spect to affordable housing, through the following activi-  
12 ties:

13 (1) INDIAN HOUSING ASSISTANCE.—The provi-  
14 sion of modernization or operating assistance for  
15 housing previously developed or operated pursuant  
16 to a contract between the Secretary and an Indian  
17 housing authority.

18 (2) DEVELOPMENT.—The acquisition, new con-  
19 struction, reconstruction, or moderate or substantial  
20 rehabilitation of affordable housing, which may in-  
21 clude real property acquisition, site improvement,  
22 development of utilities and utility services, conver-  
23 sion, demolition, financing, administration and plan-  
24 ning, and other related activities.

1           (3) HOUSING SERVICES.—The provision of  
2           housing-related services for affordable housing, such  
3           as housing counseling in connection with rental or  
4           homeownership assistance, energy auditing, and  
5           other services related to assisting owners, tenants,  
6           contractors, and other entities, participating or seek-  
7           ing to participate in other housing activities assisted  
8           pursuant to this section.

9           (4) HOUSING MANAGEMENT SERVICES.—The  
10          provision of management services for affordable  
11          housing, including preparation of work specifica-  
12          tions, loan processing, inspections, tenant selection,  
13          management of tenant-based rental assistance, and  
14          management of affordable housing projects.

15          (5) CRIME PREVENTION AND SAFETY ACTIVI-  
16          TIES.—The provision of safety, security, and law en-  
17          forcement measures and activities appropriate to  
18          protect residents of affordable housing from crime.

19          (6) MODEL ACTIVITIES.—Housing activities  
20          under model programs that are designed to carry  
21          out the purposes of this Act and are approved by the  
22          Secretary as appropriate for such purpose.

23 **SEC. 203. REQUIRED AFFORDABLE HOUSING ACTIVITIES.**

24          (a) MAINTENANCE OF OPERATING ASSISTANCE FOR  
25 INDIAN HOUSING.—Any recipient who owns or operates

1 (or is responsible for funding any entity that owns or oper-  
2 ates) housing developed or operated pursuant to a contract  
3 between the Secretary and an Indian housing authority  
4 pursuant to the United States Housing Act of 1937 shall,  
5 using amounts of any grants received under this Act, re-  
6 serve and use for operating assistance under section  
7 202(1) such amounts as may be necessary to provide for  
8 the continued maintenance and efficient operation of such  
9 housing.

10 (b) DEMOLITION AND DISPOSITION.—This Act may  
11 not be construed to prevent any recipient (or entity funded  
12 by a recipient) from demolishing or disposing of Indian  
13 housing referred to in such subsection. Any provision of  
14 Federal law applicable to the demolition or disposition of  
15 public housing assisted under the United States Housing  
16 Act of 1937 (or any successor Act providing financial as-  
17 sistance for the operation of public housing) shall apply  
18 to the demolition or disposition of Indian housing referred  
19 to in subsection (a).

20 **SEC. 204. TYPES OF INVESTMENTS.**

21 (a) IN GENERAL.—Subject to section 203 and the  
22 local housing management plan for an Indian tribe, the  
23 recipient for such tribe shall have—

24 (1) the discretion to use grant amounts for af-  
25 fordable housing activities through equity invest-

1       ments, interest-bearing loans or advances,  
2       noninterest-bearing loans or advances, interest sub-  
3       sidies, leveraging of private investments under sub-  
4       section (b), or any other form of assistance that the  
5       Secretary has determined to be consistent with the  
6       purposes of this Act; and

7               (2) the right to establish the terms of assist-  
8       ance.

9       (b) LEVERAGING PRIVATE INVESTMENT.—A recipi-  
10      ent may leverage private investments in affordable housing  
11      activities by pledging existing or future grant amounts to  
12      assure the repayment of notes and other obligations of the  
13      recipient issued for purposes of carrying out affordable  
14      housing activities.

15      **SEC. 205. LOW-INCOME REQUIREMENT AND INCOME**  
16                                      **TARGETING.**

17              Housing shall qualify as affordable housing for pur-  
18      poses of this Act only if—

19                      (1) each dwelling unit in the housing—

20                                      (A) in the case of rental housing, is made  
21                                      available for occupancy only by a family that is  
22                                      a low-income family at the time of their initial  
23                                      occupancy of such unit; and

24                                      (B) in the case of housing for homeowner-  
25                                      ship, is made available for purchase only by a

1 family that is a low-income family at the time  
2 of purchase; and

3 (2) each dwelling unit in the housing will re-  
4 main affordable, according to binding commitments  
5 satisfactory to the Secretary, for the remaining use-  
6 ful life of the property (as determined by the Sec-  
7 retary) without regard to the term of the mortgage  
8 or to transfer of ownership, or for such other period  
9 that the Secretary determines is the longest feasible  
10 period of time consistent with sound economics and  
11 the purposes of this Act, except upon a foreclosure  
12 by a lender (or upon other transfer in lieu of fore-  
13 closure) if such action (A) recognizes any contrac-  
14 tual or legal rights of public agencies, nonprofit  
15 sponsors, or others to take actions that would avoid  
16 termination of low-income affordability in the case of  
17 foreclosure or transfer in lieu of foreclosure, and (B)  
18 is not for the purpose of avoiding low-income afford-  
19 ability restrictions, as determined by the Secretary.

20 **SEC. 206. CERTIFICATION OF COMPLIANCE WITH SUBSIDY**  
21 **LAYERING REQUIREMENTS.**

22 With respect to housing assisted with grant amounts  
23 provided under this Act, the requirements of section  
24 102(d) of the Department of Housing and Urban Develop-  
25 ment Reform Act of 1989 shall be considered to be satis-

1 fied upon certification by the recipient of the assistance  
2 to the Secretary that the combination of Federal assist-  
3 ance provided to any housing project is not any more than  
4 is necessary to provide affordable housing.

5 **SEC. 207. LEASE REQUIREMENTS AND TENANT SELECTION.**

6 (a) LEASES.—In renting dwelling units in affordable  
7 housing assisted with grant amounts provided under this  
8 Act, the owner or manager of the housing shall utilize  
9 leases that—

10 (1) do not contain unreasonable terms and con-  
11 ditions;

12 (2) require the owner or manager to maintain  
13 the housing in compliance with applicable housing  
14 codes and quality standards;

15 (3) require the owner or manager to give ade-  
16 quate written notice of termination of the lease,  
17 which shall not be less than—

18 (A) the period provided under the applica-  
19 ble law of the jurisdiction or 14 days, whichever  
20 is less, in the case of nonpayment of rent;

21 (B) a reasonable period of time, but not to  
22 exceed 14 days, when the health or safety of  
23 other residents or employees of the owner or  
24 manager is threatened; and

1 (C) the period of time provided under the  
2 applicable law of the jurisdiction, in any other  
3 case;

4 (4) require that the owner or manager may not  
5 terminate the tenancy except for violation of the  
6 terms or conditions of the lease, violation of applica-  
7 ble Federal, tribal, State, or local law, or for other  
8 good cause; and

9 (5) provide that the owner or manager may ter-  
10 minate the tenancy of a resident for any activity, en-  
11 gaged in by the resident, any member of the resi-  
12 dent's household, or any guest or other person under  
13 the resident's control, that—

14 (A) threatens the health or safety of, or  
15 right to peaceful enjoyment of the premises by,  
16 other residents or employees of the owner or  
17 manager of the housing;

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

22 (C) is criminal activity (including drug-re-  
23 lated criminal activity).

24 (b) TENANT SELECTION.—The owner or manager of  
25 affordable rental housing assisted under with grant

1 amounts provided under this Act shall adopt and utilize  
2 written tenant selection policies and criteria that—

3           (1) are consistent with the purpose of providing  
4 housing for low-income families;

5           (2) are reasonably related to program eligibility  
6 and the applicant's ability to perform the obligations  
7 of the lease; and

8           (3) provide for (A) the selection of tenants from  
9 a written waiting list in accordance with the policies  
10 and goals set forth in the local housing management  
11 plan for the tribe that is the grant beneficiary of  
12 such grant amounts, and (B) the prompt notification  
13 in writing of any rejected applicant of the grounds  
14 for any rejection.

15 **SEC. 208. REPAYMENT.**

16       If a recipient uses grant amounts to provide afford-  
17 able housing under activities under this title and, at any  
18 time during the useful life of the housing the housing does  
19 not comply with the requirement under section 205(a)(2),  
20 the Secretary shall reduce future grant payments on be-  
21 half of the grant beneficiary by an amount equal to the  
22 grant amounts used for such housing (under the authority  
23 under section 401(a)(2)) or require repayment to the Sec-  
24 retary of an amount equal to such grant amounts.



1           **TITLE III—ALLOCATION OF**  
2                           **GRANT AMOUNTS**

3   **SEC. 301. ANNUAL ALLOCATION.**

4           For each fiscal year, the Secretary shall allocate any  
5 amounts made available for assistance under this Act for  
6 the fiscal year, in accordance with the formula established  
7 pursuant to section 302, among Indian tribes that comply  
8 with the requirements under this Act for a grant under  
9 this Act.

10 **SEC. 302. ALLOCATION FORMULA.**

11           (a) **REQUIREMENTS.**—The Secretary shall, by regula-  
12 tion under subsection (b), establish a formula to provide  
13 for allocating amounts available for a fiscal year for block  
14 grants under this Act among Indian tribes. The formula  
15 shall be based on factors that reflect the need of the In-  
16 dian tribes and the Indian areas of the tribes for assist-  
17 ance for affordable housing activities, including the follow-  
18 ing factors:

19                   (1) The number of low-income housing dwelling  
20 units owned or operated at the time pursuant to a  
21 contract between an Indian housing authority for  
22 the tribe and the Secretary.

23                   (2) The extent of poverty and economic distress  
24 within Indian areas of the tribe.

1           (3) Other objectively measurable conditions as  
2           the Secretary may specify.

3           (b) DEVELOPMENT UNDER NEGOTIATED RULE-  
4 MAKING PROCEDURE.—Notwithstanding sections 563(a)  
5 and 565(a) of title 5, United States Code, the regulations  
6 required under subsection (a) of this section shall be is-  
7 sued according to a negotiated rulemaking procedure  
8 under subchapter III of chapter 5 of title 5, United States  
9 Code, not later than the expiration of the 12-month period  
10 beginning on the date of the enactment of this Act. The  
11 Secretary shall establish a negotiated rulemaking commit-  
12 tee for development of any such proposed regulations,  
13 which shall include representatives of Indian tribes.

14           **TITLE IV—COMPLIANCE,**  
15           **AUDITS, AND REPORTS**

16           **SEC. 401. REMEDIES FOR NONCOMPLIANCE.**

17           (a) ACTIONS BY SECRETARY AFFECTING GRANT  
18 AMOUNTS.—Except as provided in subsection (b), if the  
19 Secretary finds after reasonable notice and opportunity for  
20 hearing that a recipient of assistance under this Act has  
21 failed to comply substantially with any provision of this  
22 Act, the Secretary shall—

23           (1) terminate payments under this Act to the  
24           recipient;

1           (2) reduce payments under this Act to the re-  
2           recipient by an amount equal to the amount of such  
3           payments which were not expended in accordance  
4           with this Act;

5           (3) limit the availability of payments under this  
6           Act to programs, projects, or activities not affected  
7           by such failure to comply; or

8           (4) in the case of noncompliance described in  
9           section 402(b), provide a replacement tribally des-  
10          ignated housing entity for the recipient, under sec-  
11          tion 402.

12 If the Secretary takes an action under paragraph (1), (2),  
13 or (3), the Secretary shall continue such action until the  
14 Secretary determines that the failure to comply has  
15 ceased.

16          (b) NONCOMPLIANCE BECAUSE OF TECHNICAL INCA-  
17 PACITY.—If the Secretary makes a finding under sub-  
18 section (a), but determines that the failure to comply sub-  
19 stantially with the provisions of this Act—

20           (1) is not a pattern or practice of activities con-  
21           stituting willful noncompliance, and

22           (2) is a result of the limited capability or capac-  
23           ity of the recipient,

24 the Secretary may provide technical assistance for the re-  
25 cipient (directly or indirectly) that is designed to increase

1 the capability and capacity of the recipient to administer  
2 assistance provided under this Act in compliance with the  
3 requirements under this Act.

4 (c) REFERRAL FOR CIVIL ACTION.—

5 (1) AUTHORITY.—In lieu of, or in addition to,  
6 any action authorized by subsection (a), the Sec-  
7 retary may, if the Secretary has reason to believe  
8 that a recipient has failed to comply substantially  
9 with any provision of this Act, refer the matter to  
10 the Attorney General of the United States with a  
11 recommendation that an appropriate civil action be  
12 instituted.

13 (2) CIVIL ACTION.—Upon such a referral, the  
14 Attorney General may bring a civil action in any  
15 United States district court having venue thereof for  
16 such relief as may be appropriate, including an ac-  
17 tion to recover the amount of the assistance fur-  
18 nished under this Act which was not expended in ac-  
19 cordance with it, or for mandatory or injunctive re-  
20 lief.

21 (d) REVIEW.—

22 (1) IN GENERAL.—Any recipient who receives  
23 notice under subsection (a) of the termination, re-  
24 duction, or limitation of payments under this Act  
25 may, within 60 days after receiving such notice, file

1 with the United States Court of Appeals for the cir-  
2 cuit in which such State is located, or in the United  
3 States Court of Appeals for the District of Colum-  
4 bia, a petition for review of the Secretary's action.  
5 The petitioner shall forthwith transmit copies of the  
6 petition to the Secretary and the Attorney General  
7 of the United States, who shall represent the Sec-  
8 retary in the litigation.

9 (2) PROCEDURE.—The Secretary shall file in  
10 the court record of the proceeding on which the Sec-  
11 retary based the action, as provided in section 2112  
12 of title 28, United States Code. No objection to the  
13 action of the Secretary shall be considered by the  
14 court unless such objection has been urged before  
15 the Secretary.

16 (3) DISPOSITION.—The court shall have juris-  
17 diction to affirm or modify the action of the Sec-  
18 retary or to set it aside in whole or in part. The  
19 findings of fact by the Secretary, if supported by  
20 substantial evidence on the record considered as a  
21 whole, shall be conclusive. The court may order addi-  
22 tional evidence to be taken by the Secretary, and to  
23 be made part of the record. The Secretary may mod-  
24 ify the Secretary's findings of fact, or make new  
25 findings, by reason of the new evidence so taken and

1 filed with the court, and the Secretary shall also file  
2 such modified or new findings, which findings with  
3 respect to questions of fact shall be conclusive if  
4 supported by substantial evidence on the record con-  
5 sidered as a whole, and shall also file the Secretary's  
6 recommendation, if any, for the modification or set-  
7 ting aside of the Secretary's original action.

8 (4) FINALITY.—Upon the filing of the record  
9 with the court, the jurisdiction of the court shall be  
10 exclusive and its judgment shall be final, except that  
11 such judgment shall be subject to review by the Su-  
12 preme Court of the United States upon writ of cer-  
13 tiorari or certification as provided in section 1254 of  
14 title 28, United State Code.

15 **SEC. 402. REPLACEMENT OF RECIPIENT.**

16 (a) AUTHORITY.—As a condition of the Secretary  
17 making a grant under this Act on behalf of an Indian  
18 tribe, the tribe shall agree that, notwithstanding any other  
19 provision of law, the Secretary may, only in the cir-  
20 cumstances set forth in subsection (b), require that a re-  
21 placement tribally designated housing entity serve as the  
22 recipient for the tribe, in accordance with subsection (c).

23 (b) CONDITIONS OF REMOVAL.—The Secretary may  
24 require such replacement tribally designated housing en-  
25 tity for a tribe only upon a determination by the Secretary

1 on the record after opportunity for a hearing that the re-  
2 cipient for the tribe has engaged in a pattern or practice  
3 of activities that constitutes substantial or willful non-  
4 compliance with the requirements under this Act.

5 (c) CHOICE AND TERM OF REPLACEMENT.—If the  
6 Secretary requires that a replacement tribally designated  
7 housing entity serve as the recipient for a tribe (or  
8 tribes)—

9 (1) the replacement entity shall be an entity  
10 mutually agreed upon by the Secretary and the tribe  
11 (or tribes) for which the recipient was authorized to  
12 act, except that if no such entity is agreed upon be-  
13 fore the expiration of the 60-day period beginning  
14 upon the date that the Secretary makes the deter-  
15 mination under subsection (b), the Secretary shall  
16 act as the replacement entity until agreement is  
17 reached upon a replacement entity; and

18 (2) the replacement entity (or the Secretary, as  
19 provided in paragraph (1)) shall act as the tribally  
20 designated housing entity for the tribe (or tribes) for  
21 a period that expires upon—

22 (A) a date certain, which shall be specified  
23 by the Secretary upon making the determina-  
24 tion under subsection (b); or

1           (B) the occurrence of specific conditions,  
2           which conditions shall be specified in written  
3           notice provided by the Secretary to the tribe  
4           upon making the determination under sub-  
5           section (b).

6 **SEC. 403. MONITORING OF COMPLIANCE.**

7           (a) ENFORCEABLE AGREEMENTS.—Each recipient,  
8           through binding contractual agreements with owners and  
9           otherwise, shall ensure long-term compliance with the pro-  
10          visions of this Act. Such measures shall provide for (1)  
11          enforcement of the provisions of this Act by the grant ben-  
12          eficiary or by recipients and other intended beneficiaries,  
13          and (2) remedies for the breach of such provisions.

14          (b) PERIODIC MONITORING.—Not less frequently  
15          than annually, each recipient shall review the activities  
16          conducted and housing assisted under this Act to assess  
17          compliance with the requirements of this Act. Such review  
18          shall include on-site inspection of housing to determine  
19          compliance with applicable requirements. The results of  
20          each review shall be included in the performance report  
21          of the recipient submitted to the Secretary under section  
22          404 and made available to the public.

23 **SEC. 404. PERFORMANCE REPORTS.**

24          (a) REQUIREMENT.—For each fiscal year, each recip-  
25          ient shall—



1           (1) review the progress it has made during such  
2           fiscal year in carrying out the local housing manage-  
3           ment plan (or plans) for the Indian tribes for which  
4           it administers grant amounts; and

5           (2) submit a report to the Secretary (in a form  
6           acceptable to the Secretary) describing the conclu-  
7           sions of the review.

8           (b) CONTENT.—Each report under this section for a  
9           fiscal year shall—

10           (1) describe the use of grant amounts provided  
11           to the recipient for such fiscal year;

12           (2) assess the relationship of such use to the  
13           goals identified in the local housing management  
14           plan of the grant beneficiary;

15           (3) indicate the recipient’s programmatic ac-  
16           complishments; and

17           (4) describe how the recipient would change its  
18           programs as a result of its experiences.

19           (c) SUBMISSION.—The Secretary shall establish dates  
20           for submission of reports under this section, and review  
21           such reports and make such recommendations as the Sec-  
22           retary considers appropriate to carry out the purposes of  
23           this Act.

24           (d) PUBLIC AVAILABILITY.—A recipient preparing a  
25           report under this section shall make the report publicly

1 available to the citizens in the recipient's jurisdiction in  
2 sufficient time to permit such citizens to comment on such  
3 report prior to its submission to the Secretary, and in such  
4 manner and at such times as the recipient may determine.  
5 The report shall include a summary of any comments re-  
6 ceived by the grant beneficiary or recipient from citizens  
7 in its jurisdiction regarding its program.

8 **SEC. 405. REVIEW AND AUDIT BY SECRETARY.**

9 (a) ANNUAL REVIEW.—The Secretary shall, at least  
10 on an annual basis, make such reviews and audits as may  
11 be necessary or appropriate to determine—

12 (1) whether the recipient has carried out its eli-  
13 gible activities in a timely manner, has carried out  
14 its eligible activities and certifications in accordance  
15 with the requirements and the primary objectives of  
16 this Act and with other applicable laws, and has a  
17 continuing capacity to carry out those activities in a  
18 timely manner;

19 (2) whether the recipient has complied with the  
20 local housing management plan of the grant bene-  
21 ficiary; and

22 (3) whether the performance reports under sec-  
23 tion 404 of the recipient are accurate.

1 Reviews under this section shall include, insofar as prac-  
2 ticable, on-site visits by employees of the Department of  
3 Housing and Urban Development.

4 (b) REPORT BY SECRETARY.—The Secretary shall  
5 submit a written report to the Congress regarding each  
6 review under subsection (a). The Secretary shall give a  
7 recipient not less than 30 days to review and comment  
8 on a report under this subsection. After taking into con-  
9 sideration the comments of the recipient, the Secretary  
10 may revise the report and shall make the recipient's com-  
11 ments and the report, with any revisions, readily available  
12 to the public not later than 30 days after receipt of the  
13 recipient's comments.

14 (c) EFFECT OF REVIEWS.—The Secretary may make  
15 appropriate adjustments in the amount of the annual  
16 grants under this Act in accordance with the Secretary's  
17 findings pursuant to reviews and audits under this section.  
18 The Secretary may adjust, reduce, or withdraw grant  
19 amounts, or take other action as appropriate in accord-  
20 ance with the Secretary's reviews and audits under this  
21 section, except that grant amounts already expended on  
22 affordable housing activities may not be recaptured or de-  
23 ducted from future assistance provided on behalf of an In-  
24 dian tribe.

1 **SEC. 406. GAO AUDITS.**

2 To the extent that the financial transactions of In-  
3 dian tribes and recipients of grant amounts under this Act  
4 relate to amounts provided under this Act, such trans-  
5 actions may be audited by the Comptroller General of the  
6 United States under such rules and regulations as may  
7 be prescribed by the Comptroller General. The representa-  
8 tives of the General Accounting Office shall have access  
9 to all books, accounts, records, reports, files, and other  
10 papers, things, or property belonging to or in use by such  
11 tribes and recipients pertaining to such financial trans-  
12 actions and necessary to facilitate the audit.

13 **SEC. 407. REPORTS TO CONGRESS.**

14 (a) IN GENERAL.—Not later than 90 days after the  
15 conclusion of each fiscal year in which assistance under  
16 this Act is made available, the Secretary shall submit to  
17 the Congress a report that contains—

18 (1) a description of the progress made in ac-  
19 complishing the objectives of this Act; and

20 (2) a summary of the use of such funds during  
21 the preceding fiscal year.

22 (b) RELATED REPORTS.—The Secretary may require  
23 recipients of grant amounts under this Act to submit to  
24 the Secretary such reports and other information as may  
25 be necessary in order for the Secretary to make the report  
26 required by subsection (a).

1 **TITLE V—TERMINATION OF AS-**  
2 **SISTANCE FOR INDIAN**  
3 **TRIBES UNDER INCOR-**  
4 **PORATED PROGRAMS**

5 **SEC. 501. TERMINATION OF INDIAN PUBLIC HOUSING AS-**  
6 **SISTANCE UNDER UNITED STATES HOUSING**  
7 **ACT OF 1937.**

8 (a) IN GENERAL.—After September 30, 1997, finan-  
9 cial assistance may not be provided under the United  
10 States Housing Act of 1937 or pursuant to any commit-  
11 ment entered into under such Act, for Indian housing de-  
12 veloped or operated pursuant to a contract between the  
13 Secretary and an Indian housing authority, unless such  
14 assistance is provided from amounts made available for  
15 fiscal year 1997 and pursuant to a commitment entered  
16 into before September 30, 1997.

17 (b) TERMINATION OF RESTRICTIONS ON USE OF IN-  
18 DIAN HOUSING.—Except as provided in section 203(b) of  
19 this Act, any housing developed or operated pursuant to  
20 a contract between the Secretary and an Indian housing  
21 authority pursuant to the United States Housing Act of  
22 1937 shall not be subject to any provision of such Act  
23 or any annual contributions contract or other agreement  
24 pursuant to such Act, but shall be considered and main-  
25 tained as affordable housing for purposes of this Act.

1 **SEC. 502. TERMINATION OF NEW COMMITMENTS FOR RENT-**  
2 **AL ASSISTANCE.**

3 After September 30, 1997, financial assistance for  
4 rental housing assistance under the United States Hous-  
5 ing Act of 1937 may not be provided to any Indian hous-  
6 ing authority or tribally designated housing entity, unless  
7 such assistance is provided pursuant to a contract for such  
8 assistance entered into by the Secretary and the Indian  
9 housing authority before such date.

10 **SEC. 503. TERMINATION OF YOUTHBUILD PROGRAM AS-**  
11 **SISTANCE.**

12 (a) IN GENERAL.—Subtitle D of title IV of the Cran-  
13 ston-Gonzalez National Affordable Housing Act (42  
14 U.S.C. 12899 et seq.) is amended—

15 (1) by redesignating section 460 as section 461;

16 and

17 (2) by inserting after section 459 the following  
18 new section:

19 **“SEC. 460. INELIGIBILITY OF INDIAN TRIBES.**

20 “Indian tribes, Indian housing authorities, and other  
21 agencies primarily serving Indians or Indian areas shall  
22 not be eligible applicants for amounts made available for  
23 assistance under this subtitle for fiscal year 1997 and fis-  
24 cal years thereafter.”.

25 (b) EFFECTIVE DATE AND APPLICABILITY.—The  
26 amendments under subsection (a) shall be made on Octo-

ber 1, 1997, and shall apply with respect to amounts made available for assistance under subtitle D of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal year 1998 and fiscal years thereafter.

**5 SEC. 504. TERMINATION OF HOME PROGRAM ASSISTANCE.**

(a) IN GENERAL.—Title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12721 et seq.) is amended—

(1) in section 217(a)—

(A) in paragraph (1), by striking “reserving amounts under paragraph (2) for Indian tribes and after”; and

(B) by striking paragraph (2); and

(2) in section 288—

(A) in subsection (a), by striking “, Indian tribes,”;

(B) in subsection (b), by striking “, Indian tribe,”; and

(C) in subsection (c)(4), by striking “, Indian tribe,”.

(b) EFFECTIVE DATE AND APPLICABILITY.—The amendments under subsection (a) shall be made on October 1, 1997, and shall apply with respect to amounts made available for assistance under title II of the Cranston-Gon-

1 zalez National Affordable Housing Act for fiscal year  
2 1998 and fiscal years thereafter.

3 **SEC. 505. TERMINATION OF HOUSING ASSISTANCE FOR THE**  
4 **HOMELESS.**

5 (a) MCKINNEY ACT PROGRAMS.—Title IV of the  
6 Stewart B. McKinney Homeless Assistance Act (42 U.S.C.  
7 11361 et seq.) is amended—

8 (1) in section 411, by striking paragraph (10);

9 (2) in section 412, by striking “, and for Indian  
10 tribes,”;

11 (3) in section 413—

12 (A) in subsection (a)—

13 (i) by striking “, and to Indian  
14 tribes,”; and

15 (ii) by striking “, or for Indian tribes”  
16 each place it appears;

17 (B) in subsection (c), by striking “or In-  
18 dian tribe”; and

19 (C) in subsection (d)(3)—

20 (i) by striking “, or Indian tribe” each  
21 place it appears; and

22 (ii) by striking “, or other Indian  
23 tribes,”;

24 (4) in section 414(a)—



1 (A) by striking ‘or Indian tribe’ each place  
2 it appears; and

3 (B) by striking ‘, local government,’ each  
4 place it appears and inserting ‘or local govern-  
5 ment’;

6 (5) in section 415(c)(4), by striking ‘Indian  
7 tribes,’;

8 (6) in section 416(b), by striking ‘Indian  
9 tribe,’;

10 (7) in section 422—

11 (A) in by striking ‘Indian tribe,’; and

12 (B) by striking paragraph (3);

13 (8) in section 441—

14 (A) by striking subsection (g);

15 (B) in subsection (h), by striking ‘or In-  
16 dian housing authority’; and

17 (C) in subsection (j)(1), by striking ‘, In-  
18 dian housing authority’;

19 (9) in section 462—

20 (A) in paragraph (2), by striking ‘, Indian  
21 tribe,’; and

22 (B) by striking paragraph (4); and

23 (10) in section 491(e), by striking ‘, Indian  
24 tribes (as such term is defined in section 102(a) of

1 the Housing and Community Development Act of  
2 1974),”.

3 (b) INNOVATIVE HOMELESS DEMONSTRATION.—Sec-  
4 tion 2(b) of the HUD Demonstration Act of 1993 (42  
5 U.S.C. 11301 note) is amended—

6 (1) in paragraph (3), by striking “ ‘unit of gen-  
7 eral local government’, and ‘Indian tribe’ ” and in-  
8 serting “and ‘unit of general local government’ ”;  
9 and

10 (2) in paragraph (4), by striking “unit of gen-  
11 eral local government (including units in rural  
12 areas), or Indian tribe” and inserting “or unit of  
13 general local government”.

14 (c) EFFECTIVE DATE AND APPLICABILITY.—The  
15 amendments under subsections (a) and (b) shall be made  
16 on October 1, 1997, and shall apply with respect to  
17 amounts made available for assistance under title IV of  
18 the Stewart B. McKinney Homeless Assistance Act and  
19 section 2 of the HUD Demonstration Act of 1993, respec-  
20 tively, for fiscal year 1998 and fiscal years thereafter.

21 **SEC. 506. SAVINGS PROVISION.**

22 Except as provided in sections 501 and 502, this Act  
23 may not be construed to affect the validity of any right,  
24 duty, or obligation of the United States or other person  
25 arising under or pursuant to any commitment or agree-

1 ment lawfully entered into before October 1, 1997, under  
2 the United States Housing Act of 1937, subtitle D of title  
3 IV of the Cranston-Gonzalez National Affordable Housing  
4 Act, title II of the Cranston-Gonzalez National Affordable  
5 Housing Act, title IV of the Stewart B. McKinney Home-  
6 less Assistance Act, or section 2 of the HUD Demonstra-  
7 tion Act of 1993.

8 **SEC. 507. EFFECTIVE DATE.**

9 Sections 501, 502, and 506 shall take effect on the  
10 date of the enactment of this Act.

11 **TITLE VI—LOAN GUARANTEES**  
12 **FOR AFFORDABLE HOUSING**  
13 **ACTIVITIES**

14 **SEC. 601. AUTHORITY AND REQUIREMENTS.**

15 (a) **AUTHORITY.**—To such extent or in such amounts  
16 as provided in appropriation Acts, the Secretary may, sub-  
17 ject to the limitations of this title and upon such terms  
18 and conditions as the Secretary may prescribe, guarantee  
19 and make commitments to guarantee, the notes or other  
20 obligations issued by Indian tribes or tribally designated  
21 housing entities, for the purposes of financing affordable  
22 housing activities described in section 202.

23 (b) **LACK OF FINANCING ELSEWHERE.**—A guarantee  
24 under this title may be used to assist an Indian tribe or  
25 housing entity in obtaining financing only if the Indian

1 tribe or housing entity has made efforts to obtain such  
2 financing without the use of such guarantee and cannot  
3 complete such financing consistent with the timely execu-  
4 tion of the program plans without such guarantee.

5 (c) TERMS OF LOANS.—Notes or other obligations  
6 guaranteed pursuant to this title shall be in such form  
7 and denominations, have such maturities, and be subject  
8 to such conditions as may be prescribed by regulations is-  
9 sued by the Secretary. The Secretary may not deny a  
10 guarantee under this title on the basis of the proposed  
11 repayment period for the note or other obligation, unless  
12 the period is more than 20 years or the Secretary deter-  
13 mines that the period causes the guarantee to constitute  
14 an unacceptable financial risk.

15 (d) LIMITATION ON OUTSTANDING GUARANTEES.—  
16 No guarantee or commitment to guarantee shall be made  
17 with respect to any note or other obligation if the issuer's  
18 total outstanding notes or obligations guaranteed under  
19 this title (excluding any amount defeased under the con-  
20 tract entered into under section 602(a)(1)) would thereby  
21 exceed an amount equal to 5 times the amount of the  
22 grant approval for the issuer pursuant to title III.

23 (e) PROHIBITION OF PURCHASE BY FFB.—Notes or  
24 other obligations guaranteed under this title may not be  
25 purchased by the Federal Financing Bank.

1 (f) PROHIBITION OF GUARANTEE FEES.—No fee or  
2 charge may be imposed by the Secretary or any other Fed-  
3 eral agency on or with respect to a guarantee made by  
4 the Secretary under this title.

5 **SEC. 602. SECURITY AND REPAYMENT.**

6 (a) REQUIREMENTS ON ISSUER.—To assure the re-  
7 payment of notes or other obligations and charges in-  
8 curred under this title and as a condition for receiving  
9 such guarantees, the Secretary shall require the Indian  
10 tribe or housing entity issuing such notes or obligations  
11 to—

12 (1) enter into a contract, in a form acceptable  
13 to the Secretary, for repayment of notes or other ob-  
14 ligations guaranteed under this title;

15 (2) pledge any grant for which the issuer may  
16 become eligible under this Act; and

17 (3) furnish, at the discretion of the Secretary,  
18 such other security as may be deemed appropriate  
19 by the Secretary in making such guarantees, includ-  
20 ing increments in local tax receipts generated by the  
21 activities assisted under this Act or dispositions pro-  
22 ceeds from the sale of land or rehabilitated property.

23 (b) REPAYMENT FROM GRANT AMOUNTS.—Notwith-  
24 standing any other provision of this Act—

1           (1) the Secretary may apply grants pledged  
2           pursuant to subsection (a)(2) to any repayments due  
3           the United States as a result of such guarantees;  
4           and

5           (2) grants allocated under this Act for an In-  
6           dian tribe or housing entity (including program in-  
7           come derived therefrom) may be used to pay prin-  
8           cipal and interest due (including such servicing, un-  
9           derwriting, and other costs as may be specified in  
10          regulations issued by the Secretary) on notes or  
11          other obligations guaranteed pursuant to this title.

12          (c) FULL FAITH AND CREDIT.—The full faith and  
13          credit of the United States is pledged to the payment of  
14          all guarantees made under this title. Any such guarantee  
15          made by the Secretary shall be conclusive evidence of the  
16          eligibility of the obligations for such guarantee with re-  
17          spect to principal and interest, and the validity of any such  
18          guarantee so made shall be incontestable in the hands of  
19          a holder of the guaranteed obligations.

20          **SEC. 603. INTEREST.**

21          (a) TAX TREATMENT.—The interest paid on any obli-  
22          gation issued by an Indian tribe or housing entity and  
23          guaranteed pursuant to this title shall be included in gross  
24          income for the purpose of chapter 1 of the Internal Reve-  
25          nue Code of 1954.

1 (b) GRANTS.—The Secretary may make, and contract  
2 to make, grants, in such amounts as may be approved in  
3 appropriations Acts, to or on behalf of an Indian tribe or  
4 housing entity issuing notes or other obligations guaran-  
5 teed under this title, to cover not to exceed 30 percent  
6 of the net interest cost (including such servicing, under-  
7 writing, or other costs as may be specified in regulations  
8 of the Secretary) to the borrowing entity or agency of such  
9 obligations. The Secretary may also, to the extent ap-  
10 proved in appropriation Acts, assist the issuer of a note  
11 or other obligation guaranteed under this title in the pay-  
12 ment of all or a portion of the principal and interest  
13 amount due under the note or other obligation, if the Sec-  
14 retary determines that the issuer is unable to pay the  
15 amount because of circumstances of extreme hardship be-  
16 yond the control of the issuer.

17 **SEC. 604. TREASURY BORROWING.**

18 The Secretary may issue obligations to the Secretary  
19 of the Treasury in an amount outstanding at any one time  
20 sufficient to enable the Secretary to carry out the obliga-  
21 tions of the Secretary under guarantees authorized by this  
22 title. The obligations issued under this section shall have  
23 such maturities and bear such rate or rates of interest  
24 as shall be determined by the Secretary of the Treasury.  
25 The Secretary of the Treasury is authorized and directed

1 to purchase any obligations of the Secretary issued under  
2 this section, and for such purposes may use as a public  
3 debt transaction the proceeds from the sale of any securi-  
4 ties issued under chapter 31 of title 31, United States  
5 Code, and the purposes for which such securities may be  
6 issued under such chapter are extended to include the pur-  
7 chases of the Secretary's obligations hereunder.

8 **SEC. 605. TRAINING AND INFORMATION.**

9 The Secretary, in cooperation with eligible public en-  
10 tities, shall carry out training and information activities  
11 with respect to the guarantee program under this title.

12 **SEC. 606. LIMITATIONS ON AMOUNT OF GUARANTEES.**

13 (a) **AGGREGATE FISCAL YEAR LIMITATION.**—Not-  
14 withstanding any other provision of law and subject only  
15 to the absence of qualified applicants or proposed activities  
16 and to the authority provided in this title, to the extent  
17 approved or provided in appropriation Acts, the Secretary  
18 shall enter into commitments to guarantee notes and obli-  
19 gations under this title with an aggregate principal  
20 amount of \$400,000,000 for each of fiscal years 1997,  
21 1998, 1999, 2000, and 2001.

22 (b) **AUTHORIZATION OF APPROPRIATIONS FOR CRED-**  
23 **IT SUBSIDY.**—There is authorized to be appropriated to  
24 cover the costs (as such term is defined in section 502  
25 of the Congressional Budget Act of 1974) of guarantees



1 under this title, \$40,000,000 for each of fiscal years 1997,  
2 1998, 1999, 2000, and 2001.

3 (c) AGGREGATE OUTSTANDING LIMITATION.—The  
4 total amount of outstanding obligations guaranteed on a  
5 cumulative basis by the Secretary pursuant to this title  
6 shall not at any time exceed \$2,000,000,000 or such high-  
7 er amount as may be authorized to be appropriated for  
8 this title for any fiscal year.

9 (d) FISCAL YEAR LIMITATIONS ON TRIBES.—The  
10 Secretary shall monitor the use of guarantees under this  
11 title by Indian tribes. If the Secretary finds that 50 per-  
12 cent of the aggregate guarantee authority under sub-  
13 section (c) has been committed, the Secretary may—

14 (1) impose limitations on the amount of guar-  
15 antees any one Indian tribe may receive in any fiscal  
16 year of \$50,000,000; or

17 (2) request the enactment of legislation increas-  
18 ing the aggregate limitation on guarantees under  
19 this title.

20 **SEC. 607. EFFECTIVE DATE.**

21 This title shall take effect upon the enactment of this  
22 Act.

1 **TITLE VII—OTHER HOUSING AS-**  
2 **SISTANCE FOR NATIVE AMER-**  
3 **ICANS**

4 **SEC. 701. LOAN GUARANTEES FOR INDIAN HOUSING.**

5 (a) LIMITATION ON OUTSTANDING AGGREGATE  
6 PRINCIPAL AMOUNT.—Section 184(i)(5)(C) of the Hous-  
7 ing and Community Development Act of 1992 (12 U.S.C.  
8 1515z–13a(i)(5)(C)) is amended by striking “1993” and  
9 all that follows through “such year” and inserting “1997,  
10 1998, 1999, 2000, and 2001 with an aggregate outstand-  
11 ing principal amount note exceeding \$400,000,000 for  
12 each such fiscal year”.

13 (b) AUTHORIZATION OF APPROPRIATIONS FOR GUAR-  
14 ANTEE FUND.—Section 184(i)(7) of the Housing and  
15 Community Development Act of 1992 is amended by strik-  
16 ing “such sums” and all that follows through “1994” and  
17 inserting “\$30,000,000 for each of fiscal years 1997,  
18 1998, 1999, 2000, and 2001”.

19 (c) AVAILABILITY OF AMOUNTS.—

20 (1) REQUIREMENT OF APPROPRIATIONS.—Sec-  
21 tion 184(i)(5) of the Housing and Community De-  
22 velopment Act of 1992 is amended by striking sub-  
23 paragraph (A) and inserting the following new sub-  
24 paragraph:

1           “(A) REQUIREMENT OF APPROPRIA-  
2           TIONS.—The authority of the Secretary to enter  
3           into commitments to guarantee loans under this  
4           section shall be effective for any fiscal year to  
5           the extent or in such amounts as are or have  
6           been provided in appropriations Acts, without  
7           regard to the fiscal year for which such  
8           amounts were appropriated.”.

9           (2) COSTS.—Section 184(i)(5)(B) of the Hous-  
10          ing and Community Development Act of 1992 is  
11          amended by adding at the end the following new  
12          sentence: “Any amounts appropriated pursuant to  
13          this subparagraph shall remain available until ex-  
14          pended.”.

15          (d) LHMP REQUIREMENT.—Section 184(b)(2) of  
16          the Housing and Community Development Act of 1992  
17          is amended by inserting before the period at the end the  
18          following: “that is under the jurisdiction of an Indian tribe  
19          for which a local housing management plan has been sub-  
20          mitted and approved pursuant to sections 102 and 103  
21          of the Native American Housing Assistance and Self-De-  
22          termination Act of 1996 that provides for the use of loan  
23          guarantees under this section to provide affordable home-  
24          ownership housing in such areas”.

1 **SEC. 702. 40-YEAR LEASEHOLD INTEREST IN TRUST OR RE-**  
2 **STRICTED LANDS FOR HOUSING PURPOSES.**

3 (a) **AUTHORITY TO LEASE.**—Notwithstanding any  
4 other provision of law, any restricted Indian lands, wheth-  
5 er tribally or individually owned, may be leased by the In-  
6 dian owners, with the approval of the Secretary of the In-  
7 terior, for residential purposes.

8 (b) **TERM.**—Each lease pursuant to subsection (a)  
9 shall be for a term not exceeding 40 years.

10 (c) **RENEWAL.**—A lease pursuant to subsection (a)  
11 may, with the consent of both parties to the lease, include  
12 provisions authorizing renewal of the lease for one addi-  
13 tional term not exceeding 40 years.

14 (d) **OTHER CONDITIONS.**—Each lease pursuant to  
15 subsection (a) and each renewal of such a lease shall be  
16 made under such terms and regulations as may be pre-  
17 scribed by the Secretary of the Interior.

18 (e) **RULE OF CONSTRUCTION.**—This section may not  
19 be construed to repeal, limit, or affect any authority to  
20 lease any restricted Indian lands that—

21 (1) is conferred by or pursuant to any other  
22 provision of law; or

23 (2) provides for leases for any period exceeding  
24 40 years.

1 **SEC. 703. NATIONAL AMERICAN INDIAN HOUSING COUNCIL.**

2       There is authorized to be appropriated for assistance  
3 for the National American Indian Housing Council for  
4 providing training and technical assistance to Indian hous-  
5 ing authorities \$2,000,000, for each of fiscal years 1997,  
6 1998, 1999, 2000, and 2001.

7 **SEC. 704. EFFECTIVE DATE.**

8       This title and the amendments made by this title  
9 shall take effect upon the enactment of this Act.

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