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105TH CONGRESS, 2d Session | HOUSE OF REPRESENTATIVES | REPORT 105–769

MAKING APPROPRIATIONS FOR THE DEPARTMENT OF VETERANS AFFAIRS AND HOUSING AND URBAN DEVELOPMENT, AND FOR SUNDRY INDEPENDENT AGENCIES, BOARDS, COMMISSION, CORPORATIONS, AND OFFICES FOR THE FISCAL YEAR ENDING SEPTEMBER 30, 1999, AND FOR OTHER PURPOSES

OCTOBER 5, 1998.—Ordered to be printed

Mr. LEWIS of California, from the committee of conference, submitted the following

CONFERENCE REPORT

[To accompany H.R. 4194]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) "making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes", having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate, and agree to the same with an amendment, as follows:

In lieu of the matter stricken and inserted by said amendment, insert:

That the following sums are appropriated, out of any money in the Treasury not otherwise appropriated, for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, namely:

51–174

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS BENEFITS ADMINISTRATION

COMPENSATION AND PENSIONS

(INCLUDING TRANSFERS OF FUNDS)

For the payment of compensation benefits to or on behalf of veterans and a pilot program for disability examinations as authorized by law (38 U.S.C. 107, chapters 11, 13, 18, 51, 53, 55, and 61); pension benefits to or on behalf of veterans as authorized by law (38 U.S.C. chapters 15, 51, 53, 55, and 61; 92 Stat. 2508); and burial benefits, emergency and other officers' retirement pay, adjusted-service credits and certificates, payment of premiums due on commercial life insurance policies guaranteed under the provisions of Article IV of the Soldiers' and Sailors' Civil Relief Act of 1940, as amended, and for other benefits as authorized by law (38 U.S.C. 107, 1312, 1977, and 2106, chapters 23, 51, 53, 55, and 61; 50 U.S.C. App. 540–548; 43 Stat. 122, 123; 45 Stat. 735; 76 Stat. 1198), $21,857,058,000, to remain available until expended: Provided, That not to exceed $24,534,000 of the amount appropriated shall be reimbursed to "General operating expenses" and "Medical care" for necessary expenses in implementing those provisions authorized in the Omnibus Budget Reconciliation Act of 1990, and in the Veterans' Benefits Act of 1992 (38 U.S.C. chapters 51, 53, and 55), the funding source for which is specifically provided as the "Compensation and pensions" appropriation: Provided further, That such sums as may be earned on an actual qualifying patient basis, shall be reimbursed to "Medical facilities revolving fund" to augment the funding of individual medical facilities for nursing home care provided to pensioners as authorized.

READJUSTMENT BENEFITS

For the payment of readjustment and rehabilitation benefits to or on behalf of veterans as authorized by 38 U.S.C. chapters 21, 30, 31, 34, 35, 36, 39, 51, 53, 55, and 61, $1,175,000,000, to remain available until expended: Provided, That funds shall be available to pay any court order, court award or any compromise settlement arising from litigation involving the vocational training program authorized by section 18 of Public Law 98–77, as amended.

VETERANS INSURANCE AND INDEMNITIES

For military and naval insurance, national service life insurance, servicemen's indemnities, service-disabled veterans insurance, and veterans mortgage life insurance as authorized by 38 U.S.C. chapter 19; 70 Stat. 887; 72 Stat. 487, $46,450,000, to remain available until expended.

VETERANS HOUSING BENEFIT PROGRAM FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct and guaranteed loans, such sums as may be necessary to carry out the program, as authorized by 38 U.S.C. chapter 37, as amended: Provided, That such costs, including the

cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That during fiscal year 1999, within the resources available, not to exceed $300,000 in gross obligations for direct loans are authorized for specially adapted housing loans: Provided further, That during 1999 any moneys that would be otherwise deposited into or paid from the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund shall be deposited into or paid from the Veterans Housing Benefit Program Fund: Provided further, That any balances in the Loan Guaranty Revolving Fund, the Guaranty and Indemnity Fund, or the Direct Loan Revolving Fund on the effective date of this Act may be transferred to and merged with the Veterans Housing Benefit Program Fund.

In addition, for administrative expenses to carry out the direct and guaranteed loan programs, $159,121,000, which may be transferred to and merged with the appropriation for "General operating expenses".

EDUCATION LOAN FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $1,000, as authorized by 38 U.S.C. 3698, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $3,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $206,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VOCATIONAL REHABILITATION LOANS PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $55,000, as authorized by 38 U.S.C. chapter 31, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $2,401,000.

In addition, for administrative expenses necessary to carry out the direct loan program, $400,000, which may be transferred to and merged with the appropriation for "General operating expenses".

NATIVE AMERICAN VETERAN HOUSING LOAN PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For administrative expenses to carry out the direct loan program authorized by 38 U.S.C. chapter 37, subchapter V, as amended, $515,000, which may be transferred to and merged with the appropriation for "General operating expenses".

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of hospitals, nursing homes, and domiciliary facilities; for furnishing, as authorized by law, inpatient and outpatient care and treatment to beneficiaries of the Department of Veterans Affairs, including care and treatment in facilities not under the jurisdiction of the Department; and furnishing recreational facilities, supplies, and equipment; funeral, burial, and other expenses incidental thereto for beneficiaries receiving care in the Department; administrative expenses in support of planning, design, project management, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department; oversight, engineering and architectural activities not charged to project cost; repairing, altering, improving or providing facilities in the several hospitals and homes under the jurisdiction of the Department, not otherwise provided for, either by contract or by the hire of temporary employees and purchase of materials; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; aid to State homes as authorized by 38 U.S.C. 1741; administrative and legal expenses of the Department for collecting and recovering amounts owed the Department as authorized under 38 U.S.C. chapter 17, and the Federal Medical Care Recovery Act, 42 U.S.C. 2651 et seq.; and not to exceed $8,000,000 to fund cost comparison studies as referred to in 38 U.S.C. 8110(a)(5), $17,306,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $778,000,000 is for the equipment and land and structures object classifications only, which amount shall not become available for obligation until August 1, 1999, and shall remain available until September 30, 2000: Provided further, That of the funds made available under this heading, not to exceed $27,420,000 may be transferred to and merged with the appropriation for "General operating expenses": Provided further, That of the funds made available under this heading, up to $10,000,000 shall be for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation.

In addition, in conformance with Public Law 105–33 establishing the Department of Veterans Affairs Medical Care Collections Fund, such sums as may be deposited to such Fund pursuant to 38 U.S.C. 1729A may be transferred to this account, to remain available until expended for the purposes of this account.

MEDICAL AND PROSTHETIC RESEARCH

For necessary expenses in carrying out programs of medical and prosthetic research and development as authorized by 38 U.S.C. chapter 73, to remain available until September 30, 2000, $316,000,000, plus reimbursements: Provided, That of the funds made available under this heading, $6,000,000 is for the Musculoskeletal Disease Center, which amount shall remain available for obligation until expended.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

For necessary expenses in the administration of the medical, hospital, nursing home, domiciliary, construction, supply, and research activities, as authorized by law; administrative expenses in support of planning, design, project management, architectural, engineering, real property acquisition and disposition, construction and renovation of any facility under the jurisdiction or for the use of the Department of Veterans Affairs, including site acquisition; engineering and architectural activities not charged to project cost; and research and development in building construction technology, $63,000,000, plus reimbursements.

GENERAL POST FUND, NATIONAL HOMES

(INCLUDING TRANSFER OF FUNDS)

For the cost of direct loans, $7,000, as authorized by Public Law 102–54, section 8, which shall be transferred from the "General post fund": Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $70,000.

In addition, for administrative expenses to carry out the direct loan programs, $54,000, which shall be transferred from the "General post fund", as authorized by Public Law 102–54, section 8.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

For necessary operating expenses of the Department of Veterans Affairs, not otherwise provided for, including uniforms or allowances therefor; not to exceed $25,000 for official reception and representation expenses; hire of passenger motor vehicles; and reimbursement of the General Services Administration for security guard services, and the Department of Defense for the cost of overseas employee mail, $855,661,000: Provided, That funds under this heading shall be available to administer the Service Members Occupational Conversion and Training Act.

NATIONAL CEMETERY SYSTEM

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the maintenance and operation of the National Cemetery System, not otherwise provided for, including uniforms or allowances therefor; cemeterial expenses as authorized by law; purchase of six passenger motor vehicles for use in cemeterial operations; and hire of passenger motor vehicles, $92,006,000: Provided, That of the amount made available under this heading, not to exceed $90,000 may be transferred to and merged with the appropriation for "General operating expenses".

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $36,000,000: Provided, That of the amount made available under this heading, not to exceed $30,000 may be transferred to and merged with the appropriation for "General operating expenses".

CONSTRUCTION, MAJOR PROJECTS

(INCLUDING TRANSFER OF FUNDS)

For constructing, altering, extending and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, including planning, architectural and engineering services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, where the estimated cost of a project is $4,000,000 or more or where funds for a project were made available in a previous major project appropriation, $142,300,000, to remain available until expended: Provided, That except for advance planning of projects funded through the advance planning fund and the design of projects funded through the design fund, none of these funds shall be used for any project which has not been considered and approved by the Congress in the budgetary process: Provided further, That funds provided in this appropriation for fiscal year 1999, for each approved project shall be obligated: (1) by the awarding of a construction documents contract by September 30, 1999; and (2) by the awarding of a construction contract by September 30, 2000: Provided further, That the Secretary shall promptly report in writing to the Committees on Appropriations any approved major construction project in which obligations are not incurred within the time limitations established above: Provided further, That no funds from any other account except the "Parking revolving fund", may be obligated for constructing, altering, extending, or improving a project which was approved in the budget process and funded in this account until one year after substantial completion and beneficial occupancy by the Department of Veterans Affairs of the project or any part thereof with respect to that part only: Provided further, That not to exceed $125,000 may be transferred to the Pershing Hall Revolving Fund, codified at section 493(d) of title 36, United States Code: Provided further, That during fiscal year 1999, or in subsequent fiscal years, the "Construction, major projects" account shall be reimbursed, in the amount transferred, from other funds as they become part of the Pershing Hall Revolving Fund.

CONSTRUCTION, MINOR PROJECTS

For constructing, altering, extending, and improving any of the facilities under the jurisdiction or for the use of the Department of Veterans Affairs, including planning, architectural and engineering

services, maintenance or guarantee period services costs associated with equipment guarantees provided under the project, services of claims analysts, offsite utility and storm drainage system construction costs, and site acquisition, or for any of the purposes set forth in sections 316, 2404, 2406, 8102, 8103, 8106, 8108, 8109, 8110, and 8122 of title 38, United States Code, where the estimated cost of a project is less than $4,000,000, $175,000,000 to remain available until expended, along with unobligated balances of previous "Construction, minor projects" appropriations which are hereby made available for any project where the estimated cost is less than $4,000,000: Provided, That funds in this account shall be available for: (1) repairs to any of the nonmedical facilities under the jurisdiction or for the use of the Department which are necessary because of loss or damage caused by any natural disaster or catastrophe; and (2) temporary measures necessary to prevent or to minimize further loss by such causes.

PARKING REVOLVING FUND

For the parking revolving fund as authorized by 38 U.S.C. 8109, income from fees collected, to remain available until expended, which shall be available for all authorized expenses except operations and maintenance costs, which will be funded from "Medical care".

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

For grants to assist States to acquire or construct State nursing home and domiciliary facilities and to remodel, modify or alter existing hospital, nursing home and domiciliary facilities in State homes, for furnishing care to veterans as authorized by 38 U.S.C. 8131–8137, $90,000,000, to remain available until expended.

GRANTS FOR THE CONSTRUCTION OF STATE VETERANS CEMETERIES

For grants to aid States in establishing, expanding, or improving State veteran cemeteries as authorized by 38 U.S.C. 2408, $10,000,000, to remain available until expended.

ADMINISTRATIVE PROVISIONS

(INCLUDING TRANSFER OF FUNDS)

SEC. 101. Any appropriation for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" may be transferred to any other of the mentioned appropriations.

SEC. 102. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for salaries and expenses shall be available for services authorized by 5 U.S.C. 3109.

SEC. 103. No appropriations in this Act for the Department of Veterans Affairs (except the appropriations for "Construction, major projects", "Construction, minor projects", and the "Parking revolving fund") shall be available for the purchase of any site for or toward the construction of any new hospital or home.

SEC. 104. No appropriations in this Act for the Department of Veterans Affairs shall be available for hospitalization or examination of any persons (except beneficiaries entitled under the laws be-

stowing such benefits to veterans, and persons receiving such treatment under 5 U.S.C. 7901–7904 or 42 U.S.C. 5141–5204), unless reimbursement of cost is made to the "Medical care" account at such rates as may be fixed by the Secretary of Veterans Affairs.

SEC. 105. Appropriations available to the Department of Veterans Affairs for fiscal year 1999 for "Compensation and pensions", "Readjustment benefits", and "Veterans insurance and indemnities" shall be available for payment of prior year accrued obligations required to be recorded by law against the corresponding prior year accounts within the last quarter of fiscal year 1998.

SEC. 106. Appropriations accounts available to the Department of Veterans Affairs for fiscal year 1999 shall be available to pay prior year obligations of corresponding prior year appropriations accounts resulting from title X of the Competitive Equality Banking Act, Public Law 100–86, except that if such obligations are from trust fund accounts they shall be payable from "Compensation and pensions".

SEC. 107. Notwithstanding any other provision of law, during fiscal year 1999, the Secretary of Veterans Affairs shall, from the National Service Life Insurance Fund (38 U.S.C. 1920), the Veterans' Special Life Insurance Fund (38 U.S.C. 1923), and the United States Government Life Insurance Fund (38 U.S.C. 1955), reimburse the "General operating expenses" account for the cost of administration of the insurance programs financed through those accounts: Provided, That reimbursement shall be made only from the surplus earnings accumulated in an insurance program in fiscal year 1999, that are available for dividends in that program after claims have been paid and actuarially determined reserves have been set aside: Provided further, That if the cost of administration of an insurance program exceeds the amount of surplus earnings accumulated in that program, reimbursement shall be made only to the extent of such surplus earnings: Provided further, That the Secretary shall determine the cost of administration for fiscal year 1999, which is properly allocable to the provision of each insurance program and to the provision of any total disability income insurance included in such insurance program.

SEC. 108. In accordance with section 1557 of title 31, United States Code, the following obligated balances shall be exempt from subchapter IV of chapter 15 of such title and shall remain available for expenditure without fiscal year limitation: (1) funds obligated by the Department of Veterans Affairs for lease numbers 084B–05–94, 084B–07–94, and 084B–027–94 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1994 (Public Law 103–124) under the heading "Medical care"; and (2) funds obligated by the Department of Veterans Affairs for lease number 084B–002–96 from funds made available in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1995 (Public Law 103–327) under the heading "Medical care".

SEC. 109. (a) The Department of Veterans Affairs medical center in Salisbury, North Carolina, is hereby designated as the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map,

document, record or other paper of the United States shall be considered to be a reference to the "W.G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

SEC. 110. LAND CONVEYANCE, RIDGECREST CHILDREN'S CENTER, ALABAMA. (a) CONVEYANCE.—The Secretary of Veterans Affairs may convey, without consideration, to the Board of Trustees of the University of Alabama, all right, title, and interest of the United States in and to the parcel of real property, including any improvements thereon, described in subsection (b).

(b) COVERED PARCEL.—The parcel of real property to be conveyed under subsection (a) is the following: A parcel of property lying in the northeast quarter of the southwest quarter, section 28, township 21 south, range 9 west, Tuscaloosa County, Alabama, lying along and adjacent to Ridgecrest (Brewer's Porch) Children's Center being more particularly described as follows: As a point of commencement start at the southeast corner of the north half of the southwest quarter run in an easterly direction along an easterly projection of the north boundary of the southeast quarter of the southwest quarter for a distance of 888.52 feet to a point; thence with a deflection angle to the left of 134 degrees 41 minutes run in a northwesterly direction for a distance of 1164.38 feet to an iron pipe; thence with a deflection angle to the left of 75 degrees 03 minutes run in a southwesterly direction for a distance of 37.13 feet to the point of beginning of this parcel of property; thence continue in this same southwesterly direction along the projection of the chainlink fence for a distance of 169.68 feet to a point; thence with an interior angle to the left of 63 degrees 16 minutes run in a northerly direction for a distance of 233.70 feet to a point; thence with an interior angle to the left of 43 degrees 55 minutes run in a southeasterly direction for a distance of 218.48 feet to the point of beginning, said parcel having an interior angle of closure of 72 degrees 49 minutes, said parcel containing 0.40 acres more or less, said parcel of property is also subject to all rights-of-way, easements, and conveyances heretofore given for this parcel of property.

(c) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require such additional terms and conditions in connection with the conveyance under subsection (a) as the Secretary considers appropriate to protect the interests of the United States.

SEC. 111. (a) The Department of Veterans Affairs medical center in Cleveland, Ohio, is hereby designated as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center". Any reference to such center in any law, regulation, map, document, record or other paper of the United States shall be considered to be a reference to the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center".

(b) The provisions of subsection (a) are effective on the latter of the first day of the 106th Congress or January 3, 1999.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

For activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, $10,326,542,030, to remain available until expended: Provided, That of the total amount provided under this heading, $9,600,000,000 shall be for assistance under the United States Housing Act of 1937 (42 U.S.C. 1437) for use in connection with expiring or terminating section 8 subsidy contracts, for enhanced vouchers (including renewals) as provided under the "Preserving Existing Housing Investment" account in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204), and contracts entered into pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act: Provided further, That in the case of enhanced vouchers provided under this heading, if the income of a family receiving assistance declines to a significant extent, the percentage of income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of income paid at the time of mortgage prepayment: Provided further, That the Secretary may determine not to apply section 8(o)(6)(B) of the Act to housing vouchers during fiscal year 1999: Provided further, That of the total amount provided under this heading, $433,542,030 shall be for section 8 rental assistance under the United States Housing Act of 1937 including assistance to relocate residents of properties: (1) that are owned by the Secretary and being disposed of; or (2) that are discontinuing section 8 project-based assistance; for relocation and replacement housing for units that are demolished or disposed of from the public housing inventory (in addition to amounts that may be available for such purposes under this and other headings); for the conversion of section 23 projects to assistance under section 8; for funds to carry out the family unification program; and for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency: Provided further, That of the total amount made available in the preceding proviso, $40,000,000 shall be made available to nonelderly disabled families affected by the designation of a public housing development under section 7 of such Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 1361l), or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families: Pro-

vided further, That the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, shall also be made available to nonelderly disabled families affected by the restriction of occupancy to elderly families in accordance with section 658 of the Housing and Community Development Act of 1992: Provided further, That to the extent the Secretary determines that the amount made available under the fifth proviso under the heading "Prevention of Resident Displacement" in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104–204, is not needed to fund applications for affected families described in the fifth proviso, or in the preceding proviso under this heading in this Act, the amount not needed shall be made available to other nonelderly disabled families: Provided further, That of the total amount provided under this heading, $10,000,000 shall be for Regional Opportunity Counseling: Provided further, That all balances, as of September 30, 1998, remaining in the "Prevention of Resident Displacement" account shall be transferred to and merged with the amounts provided for those purposes under this heading.

For tenant-based assistance under the United States Housing Act of 1937 to help eligible families make the transition from welfare to work, $283,000,000 from the total amount provided under this heading, to be administered by public housing agencies (including Indian tribes and their tribally designated housing entities, as defined by the Secretary of Housing and Urban Development), and to remain available until expended: Provided, That families initially selected to receive assistance under this paragraph: (1) shall be eligible to receive, shall be currently receiving, or shall have received within the preceding two years, assistance or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a State's qualified State expenditure under section 409(a)(7)(B)(i) of such Act; (2) shall be determined by the agency to be families for which tenant-based housing assistance is critical to successfully obtaining or retaining employment; and (3) shall not already be receiving tenant-based assistance under the United States Housing Act of 1937: Provided further, That each application shall: (1) describe the proposed program, which shall be developed by the public housing agency in consultation with the State, local or Tribal entity administering the TANF program and the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor pursuant to section 403(a)(5)(A) of the Social Security Act, and which shall take into account the particular circumstances of the community; (2) demonstrate that tenant-based housing assistance is critical to the success of assisting eligible families to obtain or retain employment; (3) specify the criteria for selecting among eligible families to receive housing assistance under this paragraph; (4) describe the proposed strategy for tenant counseling and housing search assistance and landlord outreach; (5) include any requests for waivers of any administrative requirements or any provisions of the United States Housing Act of 1937, with a

demonstration of how approval of the waivers would substantially further the objective of this paragraph; (6) include certifications from the State, local, or Tribal entity administering assistance under the TANF program and from the entity, if any, administering the Welfare-to-Work grants allocated by the United States Department of Labor, that the entity supports the proposed program and will cooperate with the public housing agency that administers the housing assistance to assure that such assistance is coordinated with other welfare reform and welfare to work initiatives; however, if either does not respond to the public housing agency within a reasonable time period, its concurrence shall be assumed, and if either objects to the application, its concerns shall accompany the application to the Secretary, who shall take them into account in this funding decision; and (7) include such other information as the Secretary may require and meet such other requirements as the Secretary may establish: Provided further, That the Secretary, after consultation with the Secretary of Health and Human Services and the Secretary of Labor, shall select public housing agencies to receive assistance under this paragraph on a competitive basis, taking into account the need for and quality of the proposed program (including innovative approaches), the extent to which the assistance will be coordinated with welfare reform and welfare to work initiatives, the extent to which the application demonstrates that tenant-based assistance is critical to the success of assisting eligible families to obtain or retain employment; and other appropriate criteria established by the Secretary: Provided further, That the Secretary may use up to one percent of the amount available under this paragraph, directly or indirectly, to conduct detailed evaluations of the effect of providing assistance under this paragraph: Provided further, That of the amount made available under this paragraph, at least $4,000,000 each shall be made available for local self-sufficiency/welfare-to-work initiatives in San Bernardino County, California; Cleveland, Ohio; Kansas City, Missouri; Charlotte, North Carolina; Miami/Dade County, Florida; Prince Georges County, Maryland; New York City, New York; and Anchorage, Alaska.

From the sources and in the order hereinafter specified, $1,650,000,000 is rescinded: Provided, That the first source shall be amounts that are available or may be recaptured from project-based contracts for section 8 assistance that expired or were terminated during fiscal year 1999 or any prior year: Provided further, That after all amounts that are available or may be recaptured from the first source have been exhausted, the second source shall be unobligated amounts from amendments to contracts for project-based section 8 assistance, other than contracts for projects developed under section 202 of the Housing Act of 1959, other than amounts described as the fourth source, in the fourth proviso in this paragraph, that are carried over into 1999: Provided further, That after all amounts that are available from the second source are exhausted, the third source shall be amounts recaptured from section 8 reserves in the section 8 moderate rehabilitation program: Provided further, That after all amounts that are available or may be recaptured from the third source have been exhausted, the fourth source shall be all unobligated amounts for project-based assistance that are earmarked under the third proviso under this heading in Public Law

105–65, 111 Stat. 1351 (approved October 27, 1997): Provided further, That any amounts that are available or recaptured in connection with the first or third provisos of this paragraph that are in the Annual Contributions for Assisted Housing account, and are required to be rescinded by this paragraph, shall be rescinded from the Annual Contributions for Assisted Housing account.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program for modernization of existing public housing projects as authorized under section 14 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437), $3,000,000,000, to remain available until expended: Provided, That of the total amount, up to $100,000,000 shall be for carrying out activities under section 6(j) of such Act and technical assistance for the inspection of public housing units, contract expertise, and training and technical assistance directly or indirectly, under grants, contracts, or cooperative agreements, to assist in the oversight and management of public housing (whether or not the housing is being modernized with assistance under this proviso) or tenant-based assistance, including, but not limited to, an annual resident survey, data collection and analysis, training and technical assistance by or to officials and employees of the Department and of public housing agencies and to residents in connection with the public housing programs and for lease adjustments to section 23 projects: Provided further, That of the amount available under this heading, up to $5,000,000 shall be for the Tenant Opportunity Program: Provided further, That all balances, as of September 30, 1998, of funds heretofore provided for section 673 public housing service coordinators shall be transferred to and merged with amounts made available under this heading.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for operating subsidies for low-income housing projects as authorized by section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), $2,818,000,000, to remain available until expended.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

For grants to public housing agencies and Indian tribes and their tribally designated housing entities for use in eliminating crime in public housing projects authorized by 42 U.S.C. 11901–11908, for grants for federally assisted low-income housing authorized by 42 U.S.C. 11909, and for drug information clearinghouse services authorized by 42 U.S.C. 11921–11925, $310,000,000, to remain available until expended, of which $10,000,000 shall be for grants, technical assistance, contracts and other assistance, training, and program assessment and execution for or on behalf of public housing agencies, resident organizations, and Indian tribes and their tribally designated housing entities (including the cost of necessary travel for participants in such training), $10,000,000 shall be

used in connection with efforts to combat violent crime in public and assisted housing under the Operation Safe Home Program administered by the Inspector General of the Department of Housing and Urban Development, $10,000,000 shall be provided to the Office of Inspector General for Operation Safe Home; and $20,000,000 shall be available for a program named the New Approach Anti-Drug program which will provide competitive grants to entities managing or operating public housing developments, federally assisted multifamily housing developments, or other multifamily housing developments for low-income families supported by non-Federal governmental entities or similar housing developments supported by nonprofit private sources in order to provide or augment security (including personnel costs), to assist in the investigation and/or prosecution of drug related criminal activity in and around such developments, and to provide assistance for the development of capital improvements at such developments directly relating to the security of such developments: Provided, That grants for the New Approach Anti-Drug program shall be made on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That the term "drug-related crime", as defined in 42 U.S.C. 11905(2), shall also include other types of crime as determined by the Secretary: Provided further, That, notwithstanding section 5130(c) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(c)), the Secretary may determine not to use any such funds to provide public housing youth sports grants.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for assisting in the demolition of obsolete public housing projects or portions thereof, the revitalization (where appropriate) of sites (including remaining public housing units) on which such projects are located, replacement housing which will avoid or lessen concentrations of very low-income families, and tenant-based assistance in accordance with section 8 of the United States Housing Act of 1937; and for providing replacement housing and assisting tenants displaced by the demolition (including appropriate homeownership down payment assistance for displaced tenants), $625,000,000, to remain available until expended, of which the Secretary may use up to $15,000,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies and to residents: Provided, That no funds appropriated under this heading shall be used for any purpose that is not provided for herein, in the United States Housing Act of 1937, in the Appropriations Acts for the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies, for the fiscal years 1993, 1994, 1995, 1997, and 1998, and the Omnibus Consolidated Rescissions and Appropriations Act of 1996: Provided further, That for purposes of environmental review pursuant to the National Environmental Policy Act of 1969, a grant under this heading or under prior appropriations Acts for use for the purposes under this heading shall be treated as assistance

under title I of the United States Housing Act of 1937 and shall be subject to the regulations issued by the Secretary to implement section 26 of such Act: Provided further, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (Public Law 104–330), $620,000,000, to remain available until expended, of which $6,000,000 shall be used to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the oversight and management of Indian housing and tenant-based assistance, including up to $200,000 for related travel: Provided, That of the amount provided under this heading, $6,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of the Native American Housing Assistance and Self-Determination Act of 1996: Provided, further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided, further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed $54,600,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $200,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees: Provided, That the funds made available in the first proviso in the preceding paragraph are for a demonstration on ways to enhance economic growth, to increase access to private capital, and to encourage the investment and participation of traditional financial institutions in tribal and other Native American areas.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (106 Stat. 3739), $6,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $68,881,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to $400,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses, to be used only for the administrative costs of these guarantees.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

(INCLUDING TRANSFER OF FUNDS)

For an Office of Rural Housing and Economic Development to be established in the Department of Housing and Urban Development, $25,000,000, to remain available until expended: Provided, That of the amount under this heading, $4,000,000 shall be used to develop capacity at the State and local level for developing rural housing and for economic development, of which $1,000,000 shall be used to develop a clearinghouse of ideas for innovative strategies for rural housing and economic development and revitalization and of which $3,000,000 shall be awarded by June 1, 1999 directly to local rural nonprofits, community development corporations and Indian tribes to support capacity building and technical assistance: Provided further, That of the amount under this heading, $21,000,000 shall be awarded by June 1, 1999 to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas, of which $5,000,000 shall be awarded as seed support for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development: Provided further, That all grants shall be awarded on a competitive basis as specified in section 102 of the HUD Reform Act: Provided further, That all funds unobligated as of October 1, 1998 under the fifth paragraph of the Community Development Block Grants account in the Department of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriation Act, 1998 (Public Law 105–65; October 27, 1997) shall be transferred to this account to be awarded to Indian tribes, state housing finance agencies, state community and/or economic development agencies, local rural nonprofits and community development corporations for activities under this heading with any outstanding earmarks for a state to be awarded to that state's housing finance agency.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901), $215,000,000, to remain available until expended: Provided, That the Secretary may use up to 1 percent of the funds under this heading for technical assistance: Provided further, That within 30 days of the close of fiscal year 1999, the Secretary shall submit a report to the Congress summarizing all technical assistance provided during the fiscal year.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFER OF FUNDS)

For grants to States and units of general local government and for related expenses, not otherwise provided for, to carry out a com-

munity development grants program as authorized by title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301), $4,750,000,000, to remain available until September 30, 2001: Provided, That $67,000,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act, $3,000,000 shall be available as a grant to the Housing Assistance Council, $3,000,000 shall be available for the Organizing Committee for the 1999 Special Olympics Summer Games to be used in support of related activities in the Triangle Area of North Carolina, $1,800,000 shall be available as a grant to the National American Indian Housing Council, $50,000,000 shall be for grants pursuant to section 107 of the Act: Provided further, That all funding decisions under section 107 except as specified herein shall be subject to a reprogramming request unless otherwise specified in accordance with the terms and conditions specified in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194): Provided further, That $27,500,000 shall be for grants pursuant to the Self Help Housing Opportunity program, subject to authorization of which $7,500,000 shall be for capacity building efforts: Provided further, That not to exceed 20 percent of any grant made with funds appropriated herein (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Housing and Community Development Act of 1974, as amended) shall be expended for "Planning and Management Development" and "Administration" as defined in regulations promulgated by the Department.

Of the amount made available under this heading, $15,000,000 shall be made available for "Capacity Building for Community Development and Affordable Housing," for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (Public Law 103–120), as in effect immediately before June 12, 1997, with not less than $5,000,000 of the funding to be used in rural areas, including tribal areas.

Of the amount made available under this heading, $12,000,000 is for the City of Oklahoma City, Oklahoma, for a revolving loan pool that shall be subject to the following requirements and conditions: (1) amounts in the pool shall be available only for the purposes of making loans to carry out economic development activities that primarily benefit the area in Oklahoma City bounded on the south by Robert S. Kerr Avenue, on the north by North 13th Street, on the east by Oklahoma Avenue, and on the west by Shartel Avenue, and covering costs involved in administering the loan pool; (2) amounts provided under this paragraph shall be available for use from the loan pool only to the extent that the amounts contributed to the loan pool (or committed to be contributed) from non-Federal sources equal or exceed two times the amounts provided under this paragraph; (3) any repayments of principal and interest from loans made by the pool shall be deposited in the pool and available for use for loans in accordance with this paragraph; (4) amounts in the pool may not be used to provide loans to any agency or entity of the Federal Government or any State government or unit of general local government; (5) amounts provided under this paragraph shall be available for use from the loan pool only if the City of Oklahoma

City, Oklahoma agrees (to the satisfaction of the Secretary of Housing and Urban Development) to deposit in the pool (for use for loans in accordance with this paragraph) the net proceeds from any amounts that are repaid to the City under loans made by the City using amounts provided under this same heading under chapter III of title III of Public Law 104–19 (109 Stat. 253).

Of the amount provided under this heading, the Secretary of Housing and Urban Development may use up to $55,000,000 for a public and assisted housing self-sufficiency program, of which up to $5,000,000 may be used for the Moving to Work Demonstration, and at least $20,000,000 shall be used for grants for service coordinators and congregate services for the elderly and disabled: Provided, That for self-sufficiency activities, the Secretary may make grants to public housing agencies (including Indian tribes and their tribally designated housing entities), nonprofit corporations, and other appropriate entities for a supportive services program to assist residents of public and assisted housing, former residents of such housing receiving tenant-based assistance under section 8 of such Act (42 U.S.C. 1437f), and other low-income families and individuals: Provided further, That the program shall provide supportive services, principally for the benefit of public housing residents, to the elderly and the disabled, and to families with children where the head of household would benefit from the receipt of supportive services and is working, seeking work, or is preparing for work by participating in job training or educational programs: Provided further, That the supportive services may include congregate services for the elderly and disabled, service coordinators, and coordinated education, training, and other supportive services, including case management skills training, job search assistance, assistance related to retaining employment, vocational and entrepreneurship development and support programs, such as transportation, and child care: Provided further, That the Secretary shall require applications to demonstrate firm commitments of funding or services from other sources: Provided further, That the Secretary shall select public and Indian housing agencies to receive assistance under this heading on a competitive basis, taking into account the quality of the proposed program, including any innovative approaches, the extent of the proposed coordination of supportive services, the extent of commitments of funding or services from other sources, the extent to which the proposed program includes reasonably achievable, quantifiable goals for measuring performance under the program over a three-year period, the extent of success an agency has had in carrying out other comparable initiatives, and other appropriate criteria established by the Secretary (except that this proviso shall not apply to renewal of grants for service coordinators and congregate services for the elderly and disabled).

Of the amount made available under this heading, notwithstanding any other provision of law, $42,500,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for

YouthBuild funding: Provided further, That up to $2,500,000 may be used for capacity buildings efforts.

Of the amount made available under this heading, $225,000,000 shall be available for the Economic Development Initiative (EDI) to finance a variety of efforts, including $190,000,000 for making grants for targeted economic investments in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act.

Of the amount made available under this heading, $25,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, and to determine whether housing benefits can be integrated more effectively with welfare reform initiatives.

For the cost of guaranteed loans, $29,000,000, as authorized by section 108 of the Housing and Community Development Act of 1974: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed $1,261,000,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974: Provided further, That in addition, for administrative expenses to carry out the guaranteed loan program, $1,000,000, which shall be transferred to and merged with the appropriation for departmental salaries and expenses.

For any fiscal year, of the amounts made available as emergency funds under the heading "Community Development Block Grants Fund" and notwithstanding any other provision of law, not more than $250,000 may be used for the non-Federal cost-share of any project funded by the Secretary of the Army through the Corps of Engineers.

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants, as authorized by section 108(q) of the Housing and Community Development Act of 1974, as amended, for Brownfields redevelopment projects, $25,000,000, to remain available until expended: Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

HOME INVESTMENT PARTNERSHIPS PROGRAM

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625), as amended, $1,600,000,000, to remain available until expended: Provided, That up to $7,000,000 of these funds shall be available for the development and operation of integrated community development management information systems: Provided further, That up to $17,500,000 of these funds shall be available for Housing Counseling under section 106 of the Housing and Urban Development Act of 1968.

HOMELESS ASSISTANCE GRANTS

For the emergency shelter grants program (as authorized under subtitle B of title IV of the Stewart B. McKinney Homeless Assistance Act, as amended); the supportive housing program (as authorized under subtitle C of title IV of such Act); the section 8 moderate rehabilitation single room occupancy program (as authorized under the United States Housing Act of 1937, as amended) to assist homeless individuals pursuant to section 441 of the Stewart B. McKinney Homeless Assistance Act; and the shelter plus care program (as authorized under subtitle F of title IV of such Act), $975,000,000, to remain available until expended: Provided, That not less than 30 percent of these funds shall be used for permanent housing, and all funding for services must be matched by 25 percent in funding by each grantee: Provided further, That the Secretary of Housing and Urban Development shall conduct a review of any balances of amounts provided under this heading in this or any previous appropriations Act that have been obligated but remain unexpended and shall deobligate any such amounts that the Secretary determines were obligated for contracts that are unlikely to be performed and award such amounts during this fiscal year: Provided further, That up to 1 percent of the funds appropriated under this heading may be used for technical assistance and tracking systems needed to carry out the directives provided in House Report 105–610.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, $854,000,000, to remain available until expended: Provided, That of the total amount provided under this heading, $660,000,000 shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance, and amendments to contracts for project rental assistance, for the elderly under section 202(c)(2) of the Housing Act of 1959, and for supportive services associated with the housing; and $194,000,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance, for amendments to contracts for project rental assistance, and supportive services associated with the housing for persons with disabilities as authorized by section 811 of such Act: Provided further, That the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is five years in duration: Provided further, That the Secretary may waive any provision of section 202 of the Housing Act of 1959 and section 811 of the Cranston-Gonzalez National Affordable Housing Act (including the provisions governing the terms and conditions of project rental

assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate or administer projects assisted under these programs, and may make provision for alternative conditions or terms where appropriate.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 1998, and any collections made during fiscal year 1999, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 1999, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of $110,000,000,000.

During fiscal year 1999, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed $100,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, $328,888,000, to be derived from the FHA-mutual mortgage insurance guaranteed loans receipt account, of which not to exceed $324,866,000 shall be transferred to the appropriation for departmental salaries and expenses; and of which not to exceed $4,022,000 shall be transferred to the appropriation for the Office of Inspector General.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z–3 and 1735c), including the cost of loan guarantee modifications (as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended), $81,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to $18,100,000,000: Provided further, That any amounts made available in any prior appropriations Act for the cost (as such term is defined in section 502 of the Congressional Budget Act of 1974) of guaranteed loans that are obligations of the funds established under section 238 or 519 of the National Housing Act that have not been obligated or that are deobligated shall be available to the Secretary of Housing and Urban Development in connection with the making

of such guarantees and shall remain available until expended, notwithstanding the expiration of any period of availability otherwise applicable to such amounts.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed $50,000,000; of which not to exceed $30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed $20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, $211,455,000, of which $193,134,000, shall be transferred to the appropriation for departmental salaries and expenses; and of which $18,321,000 shall be transferred to the appropriation for the Office of Inspector General.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

During fiscal year 1999, new commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed $150,000,000,000.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, $9,383,000, to be derived from the GNMA-guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed $9,383,000 shall be transferred to the appropriation for departmental salaries and expenses.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z–1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, $47,500,000, to remain available until September 30, 2000.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, $40,000,000, to remain available until September 30, 2000, of which $23,500,000 shall be to carry out activities pursuant

to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by sections 1011 and 1053 of the Residential Lead-Based Hazard Reduction Act of 1992, $80,000,000 to remain available until expended, of which $2,500,000 shall be for CLEARCorps and $10,000,000 shall be for a Healthy Homes Initiative, which shall be a program pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related environmental diseases and hazards.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including not to exceed $7,000 for official reception and representation expenses, $985,826,000, of which $518,000,000 shall be provided from the various funds of the Federal Housing Administration, $9,383,000 shall be provided from funds of the Government National Mortgage Association, $1,000,000 shall be provided from the "Community Development Grants Program" account, $200,000 shall be provided by transfer from the "Title VI Indian Federal Guarantees Program" account, and $400,000 shall be provided by transfer from the "Indian Housing Loan Guarantee Fund Program" account: Provided, That the Department is prohibited from employing more than 77 schedule C and 20 noncareer Senior Executive Service employees.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $81,910,000, of which $22,343,000 shall be provided from the various funds of the Federal Housing Administration and $10,000,000 shall be provided from the amount earmarked for Operation Safe Home in the "Drug Elimination Grants for Low-Income Housing" account: Provided, That the Inspector General shall have independent authority over all personnel issues within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprise Financial Safety and Soundness Act of 1992, $16,000,000, to remain available until expended, to be derived from the Federal Housing Enterprise Oversight Fund: Provided, That not to exceed such amount shall be available from the General Fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the General Fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the General Fund estimated at not more than $0.

ADMINISTRATIVE PROVISIONS

PUBLIC AND ASSISTED HOUSING RENTS, PREFERENCES, AND FLEXIBILITY

SEC. 201. Section 201(a)(2) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note), is amended to read as follows:

"(2) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937 shall be effective only with respect to assistance provided from funds made available for fiscal year 1999 or any preceding fiscal year, except that the authority in the first sentence of section 14(q)(1) to use up to 10 percent of the allocation of certain funds for any operating subsidy purpose shall not apply to amounts made available for fiscal years 1998 and 1999.".

GSE DEFAULT LOSS PROTECTION

SEC. 202. (a) Section 305(a)(2) of the Federal Home Loan Corporation Act is amended in the first sentence by—

(1) striking "or" at the end of clause (B);

(2) striking the period at the end of the first sentence and inserting in lieu thereof: "; or (D) the mortgage is subject to default loss protection that the Corporation determines is financially equal or superior, on an individual or pooled basis, to the protection provided by clause (C) of this sentence: Provided, That if the Director of the Office of Federal Housing Enterprise Oversight subsequently finds that such default loss protection determined by the Corporation does not provide such equal or superior protection, the Corporation shall provide such additional default loss protection for such mortgage, as approved by the Director of the Office of Federal Housing Enterprise Oversight, necessary to provide such equal or superior protection.";

(b) Section 1313(b) of the Federal Housing Enterprises Financial Housing Safety and Soundness Act of 1992 is amended by renumbering paragraphs "(9)", "(10)", and "(11)", as "(10)", "(11)", and "(12)", respectively, and inserting the following new paragraph "(9)":

"(9) default loss protection levels under section 305(a)(2)(D) of the Federal Home Loan Mortgage Corporation Act;".

FINANCING ADJUSTMENT FACTORS

SEC. 203. Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (Public Law 100–628, 102 Stat. 3224, 3268) shall be rescinded, or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not rescinded or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not rescinded or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

FAIR HOUSING AND FREE SPEECH

SEC. 204. None of the amounts made available under this Act may be used during fiscal year 1999 to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a government official or entity, or a court of competent jurisdiction.

BROWNFIELDS AS ELIGIBLE CDBG ACTIVITY

SEC. 205. For fiscal years 1998, 1999, and all fiscal years thereafter, States and entitlement communities may use funds allocated under the community development block grants program under title I of the Housing and Community Development Act of 1974 for environmental cleanup and economic development activities related to Brownfields projects in conjunction with the appropriate environmental regulatory agencies, as if such activities were eligible under section 105(a) of such Act.

ENHANCED DISPOSITION AUTHORITY

SEC. 206. Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended by striking "fiscal years 1997 and 1998" and inserting "fiscal years 1997, 1998, and 1999".

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS GRANTS

SEC. 207. (a) ELIGIBILITY.—Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 1999 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make

a grant, in the amount determined under subsection (b), for any State that—

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 1999 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 1999 do not have the number of cases of acquired immunodeficiency syndrome required under such clause.

(b) AMOUNT.—The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 1999 in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

(c) ENVIRONMENTAL REVIEW.—For purposes of environmental review, pursuant to the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act, a grant under the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.) from amounts provided under this or prior Acts shall be treated as assistance for a special project that is subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547), and shall be subject to the regulations issued by the Secretary to implement such section. Where the grantee under the AIDS Housing Opportunity Act is a nonprofit organization and the activity is proposed to be carried out within the jurisdiction of an Indian tribe or the community of an Alaska native village, the role of the State or unit of general local government under sections 305(c)(1)–(3) of such Act may be carried out by the Indian tribe or Alaska native village instead.

DRAWDOWN OF FUNDS

SEC. 208. Section 14(q)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(q)(1)) is amended by inserting after the first sentence the following sentence: "Such assistance may involve the drawdown of funds on a schedule commensurate with construction draws for deposit into an interest earning escrow account to serve as collateral or credit enhancement for bonds issued by a public agency for the construction or rehabilitation of the development.".

ELIMINATION OF SHOPPING INCENTIVE FOR VOUCHER FAMILIES WHO REMAIN IN SAME UNIT UPON INITIAL RECEIPT OF ASSISTANCE

SEC. 209. (a) Section 8(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(2)) is amended by inserting the following new sentence at the end: "Notwithstanding the preceding sentence, for families being admitted to the voucher program who remain in the same unit or complex, where the rent (including the amount allowed for utilities) does not exceed the payment standard, the monthly assistance payment for any family shall be the amount by which such rent exceeds the greater of 30 percent of the family's

monthly adjusted income or 10 percent of the family's monthly income.".

(b) This section shall take effect 60 days after the later of October 1, 1998 or the date of enactment of this Act.

RENEGOTIATION OF PERFORMANCE FUNDING SYSTEM

SEC. 210. Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended—

(1) by inserting after the third sentence the following new sentence to read as follows:

"Notwithstanding the preceding sentences, the Secretary may revise the performance funding system in a manner that takes into account equity among public housing agencies and that includes appropriate incentives for sound management."; and

(2) in the last sentence, by inserting after "vacant public housing units" the following: ", or any substantial change under the preceding sentence,".

FHA MULTIFAMILY MORTGAGE CREDIT DEMONSTRATIONS

SEC. 211. Section 542 of the Housing and Community Development Act of 1992 is amended—

(1) in subsection (b)(5) by adding before the period at the end of the first sentence ", and not more than an additional 25,000 units during fiscal year 1999", and

(2) in the first sentence of subsection (c)(4) by striking "1996 and" and inserting "1996," and by inserting after "fiscal year 1997" the following: "and not more than an additional 25,000 units during fiscal year 1999".

CALCULATION OF DOWNPAYMENT

SEC. 212. Section 203(b)(10) of the National Housing Act is amended by—

(1) striking out "ALASKA AND HAWAII" and inserting in lieu thereof "CALCULATION OF DOWNPAYMENT"; and

(2) striking out in subparagraph (A) "originated in the State of Alaska or the State of Hawaii and endorsed for insurance in fiscal years 1997 and 1998," and inserting in lieu thereof "executed for insurance in fiscal years 1998, 1999, and 2000".

STATE CDBG IDIS FUNDING

SEC. 213. During fiscal year 1999, from amounts received by a State under section 106(d)(1) of the Housing and Community Development Act of 1974 for distribution in nonentitlement areas, the State may deduct an amount, not to exceed the greater of 0.25 percent of the amount so received or $50,000, for implementation of the integrated disbursement and information system established by the Secretary, in addition to any amounts used for this purpose from amounts retained by the State for administrative expenses under section 106(d)(3)(A).

NURSING HOME LEASE TERMS

SEC. 214. (a) TECHNICAL CORRECTION.—Section 216 of the Departments of Veterans Affairs and Housing and Urban Develop-

ment, and Independent Agencies Appropriations Act, 1998, is amended by striking out "fifty years from the date" and inserting in lieu thereof "fifty years to run from the date".

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall be construed to have taken effect on October 27, 1997.

TECHNICAL FOR EMERGENCY CDBG PROGRAM

SEC. 215. For purposes of eligibility for funding under the heading "Community Development Block Grants" in the 1998 Supplemental Appropriations and Rescissions Act (Public Law 105–174; May 1, 1998) the term "States" shall be deemed to include "Indian tribes" as defined under section 102(a)(17) of the Housing and Community Development Act of 1974 and Guam, the Northern Mariana Islands, the Virgin Islands, and American Samoa: Provided, That amounts made available by this section are designated by the Congress as an emergency requirement pursuant to section 251(b)(2)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended.

USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION

SEC. 216. Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act, amounts made available to the City of Bismarck, North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act for fiscal years 1998, 1999, 2000, 2001 or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 14371) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to one or more of those fiscal years.

CDBG AND HOME EXEMPTION

SEC. 217. The City of Oxnard, California may use amounts available to the City under title I of the Housing and Community Development Act of 1974 and under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act to reimburse the city for its cost in purchasing 19.89 acres of land, more or less, located at the northwest corner of Lombard Street and Camino del Sol in the city, on the north side of the 2100 block of Camino del Sol, for the purpose of providing affordable housing. The procedures set forth in sections 104(g)(2) and (3) of the Housing and Community Development Act of 1974 and sections 288(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act shall not apply to any release of funds for such reimbursement.

CDBG PUBLIC SERVICES CAP

SEC. 218. Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "1999".

CLARIFICATION OF OWNER'S RIGHT TO PREPAY

SEC. 219. (a) PREPAYMENT RIGHT.—Notwithstanding section 211 of the Housing and Community Development Act of 1987 or section 221 of the Housing and Community Development Act of 1987 (as in effect pursuant to section 604(c) of the Cranston-Gonzalez National Affordable Housing Act), subject to subsection (b), with respect to any project that is eligible low-income housing (as that term is defined in section 229 of the Housing and Community Development Act of 1987)—

(1) the owner of the project may prepay, and the mortgagee may accept prepayment of, the mortgage on the project, and

(2) the owner may request voluntary termination of a mortgage insurance contract with respect to such project and the contract may be terminated notwithstanding any requirements under sections 229 and 250 of the National Housing Act.

(b) CONDITIONS.—Any prepayment of a mortgage or termination of an insurance contract authorized under subsection (a) may be made—

(1) only to the extent that such prepayment or termination is consistent with the terms and conditions of the mortgage on or mortgage insurance contract for the project;

(2) only if owner of the project involved agrees not to increase the rent charges for any dwelling unit in the project during the 60-day period beginning upon such prepayment or termination; and

(3) only if the owner of the project provides notice of intent to prepay or terminate, in such form as the Secretary of Housing and Urban Development may prescribe, to each tenant of the housing, the Secretary, and the chief executive officer of the appropriate State or local government for the jurisdiction within which the housing is located, not less than 150 days, but not more than 270 days, before such prepayment or termination, except that such requirement shall not apply to a prepayment or termination that—

(A) occurs during the 150-day period immediately following the date of enactment of this Act;

(B) is necessary to effect conversion to ownership by a priority purchaser (as defined in section 231(a) of the Low-Income Housing Preservation and Resident Ownership Act of 1990 (12 U.S.C. 4120(a)), or

(C) will otherwise ensure that the project will continue to operate, at least until the maturity date of the loan or mortgage, in a manner that will provide rental housing on terms at least as advantageous to existing and future tenants as the terms required by the program under which the loan or mortgage was made or insured prior to the proposed prepayment or termination.

PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT

SEC. 220. The Public and Assisted Housing Drug Elimination Act of 1990 is amended—

(1) in section 5123, by inserting "Indian tribes" before "and private";

(2) in section 5124(a)(7), by inserting ", an Indian tribe," before "or tribally designated";

(3) in section 5125, by inserting "an Indian tribe" before "a tribally designated"; and

(4) in section 5126, by adding at the end the following new paragraph:

"(6) INDIAN TRIBE.—The term "Indian tribe" has the meaning given the term in section 4(12) of the Native American Housing Assistance and Self Determination Act of 1996, 25 U.S.C. 4103(12).".

MULTIFAMILY HOUSING INSTITUTE

SEC. 221. Notwithstanding any other provision of law, the Secretary may, from time to time, as determined necessary to assist the Department in managing its multifamily assets including analyzing, tracking and evaluating its portfolio of FHA-insured and other mortgages and properties and assisting the Department in understanding and reducing the risk involved in its mortgage restructuring, insuring and guaranteeing activities, provide data to, and purchase data from, any nonprofit, industry supported, on-line provider of nationwide, multifamily housing loan and property data services.

MULTIFAMILY MORTGAGE AUCTIONS

SEC. 222. Section 221(g)(4)(C) of the National Housing Act is amended—

(1) in the first sentence of clause (viii), by striking "September 30, 1996" and inserting "December 31, 2002"; and

(2) by adding at the end the following:

"(ix) The authority of the Secretary to conduct multifamily auctions under this paragraph shall be effective for any fiscal year only to the extent and in such amounts as are approved in appropriations Acts for the costs of loan guarantees (as defined in section 502 of the Congressional Budget Act of 1974), including the cost of modifying loans.".

FUNDING CORRECTION

SEC. 223. Notwithstanding any other provision of law, of the $1,250,000 made available pursuant to Public Law 102–389 for economic revitalization and infrastructure repair in Montpelier, Vermont, $250,000 is available for the Central Vermont Revolving Loan Fund administered by the Central Vermont Community Action Council.

ANNUAL REPORT ON MANAGEMENT DEFICIENCIES

SEC. 224. (a) IN GENERAL.—Section 203 of the National Housing Act (12 U.S.C. 1709) is amended by adding at the end the following:

"(x) MANAGEMENT DEFICIENCIES REPORT.—

"(1) IN GENERAL.—Not later than 60 days after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to Congress a report on the plan of the Secretary to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation (as defined by the Director of the Office of Management and Budget) identified in the most recent audited financial statement of the Federal Housing Administration submitted under section 3515 of title 31, United States Code.

"(2) CONTENTS OF ANNUAL REPORT.—Each report submitted under paragraph (1) shall include—

"(A) an estimate of the resources, including staff, information systems, and contract assistance, required to address each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1), and the costs associated with those resources;

"(B) an estimated timetable for addressing each material weakness, reportable condition, and noncompliance with an applicable law or regulation described in paragraph (1); and

"(C) the progress of the Secretary in implementing the plan of the Secretary included in the report submitted under paragraph (1) for the preceding year, except that this subparagraph does not apply to the initial report submitted under paragraph (1).".

SEC. 225. (a) INFORMED CONSUMER CHOICE.—Section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)) is amended by adding at the end the following:

"In conjunction with any loan insured under this section, an original lender shall provide to each prospective borrower a disclosure notice that provides a one page analysis of mortgage products offered by that lender and for which the borrower would qualify. This notice shall include: (i) a generic analysis comparing the note rate (and associated interest payments), insurance premiums, and other costs and fees that would be due over the life of the loan for a loan insured by the Secretary under this subsection with the note rates, insurance premiums (if applicable), and other costs and fees that would be expected to be due if the mortgagor obtained instead other mortgage products offered by the lender and for which the borrower would qualify with a similar loan-to-value ratio in connection with a conventional mortgage (as that term is used in section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act (12 U.S.C. 1454(a)(2)) or section 302(b)(2) of the Federal National Mortgage Association Charter Act (12 U.S.C. 1717(b)(2)), as applicable), assuming prevailing interest rates; and (ii) a statement regarding when the mortgagor's requirement to pay the mortgage insurance premiums for a mortgage insured under this section would terminate or a statement that the requirement will terminate only if the mortgage is refinanced, paid off, or otherwise terminated.".

(b) REGULATION.—The Secretary of Housing and Urban Development shall develop the disclosure notice under subsection (a)

within 150 days of enactment through notice and comment rulemaking.

SEC. 226. FUNDING OF CERTAIN PUBLIC HOUSING.—Notwithstanding any other provision of law, no funds in this or any other Act may hereafter be used by the Secretary of Housing and Urban Development to determine allocations or provide assistance for operating subsidies or modernization for certain state and city funded and locally developed public housing units, as defined for purposes of a statutory paragraph, notwithstanding the deeming by statute of such units to be public housing units developed under the United States Housing Act of 1937, unless such a unit was so assisted before October 1, 1998.

SECTION 236 PROGRAM REFORM

SEC. 227. Section 236(g) of the National Housing Act, as amended by section 221(c) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, is amended to read as follows:

"(g) The project owner shall, as required by the Secretary, accumulate, safeguard, and periodically pay the Secretary or such other entity as determined by the Secretary and upon such terms and conditions as the Secretary deems appropriate, all rental charges collected on a unit-by-unit basis in excess of the basic rental charges. Unless otherwise directed by the Secretary, such excess charges shall be credited to a reserve used by the Secretary to make additional assistance payments as provided in paragraph (3) of subsection (f). Notwithstanding any other requirements of this subsection, an owner of a project with a mortgage insured under this section, or a project previously assisted under subsection (b) but without a mortgage insured under this section if the project mortgage was insured under section 207 of this Act before July 30, 1998 pursuant to section 223(f) of this Act and assisted under subsection (b), may retain some or all of such excess charges for project use if authorized by the Secretary and upon such terms and conditions as established by the Secretary.".

FHA MORTGAGE INSURANCE INCREASE

SEC. 228. (a) Subparagraph (A) of section 203(b)(2) of the National Housing Act (12 U.S.C. 1709(b)(2)(A)) is amended by striking clause (ii) and all that follows through the end of the subparagraph and inserting the following:

> *"(ii) 87 percent of the dollar amount limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; except that the dollar amount limitation in effect for any area under this subparagraph may not be less than 48 percent of the dollar limitation determined under section 305(a)(2) of the Federal Home Loan Mortgage Corporation Act for a residence of the applicable size; and".*

(b) The first sentence in the matter following section 203(b)(2)(B)(iii) of the National Housing Act (12 U.S.C. 1709(b)(2)(B)(iii) is amended to read as follows: "For purposes of the preceding sentence, the term 'area' means a metropolitan statistical

area as established by the Office of Management and Budget; and the median 1-family house price for an area shall be equal to the median 1-family house price of the county within the area that has the highest such median price.".

HOPE VI GRANT FOR HOLLANDER RIDGE

SEC. 229. If the Secretary rescinds the grant award of $20,000,000 made to the Housing Authority of Baltimore City for development efforts at Hollander Ridge in Baltimore, Maryland, involving funds appropriated for fiscal year 1996 under the heading "Public Housing Demolition, Site Revitalization, and Replacement Housing Grants", all of the rescinded grant amount shall be recaptured by the Secretary and added to the amounts otherwise available under this heading. If, after the date of any such recapture, the Housing Authority of Baltimore City applies in response to a Notice of Funding Availability issued by the Secretary for a grant from funds available under this heading (not to exceed the amount recaptured) for development efforts at Hollander Ridge, then the Secretary shall grant priority status to such application and approve the grant award if the application meets the terms and criteria stated in the Notice of Funding Availability.

DEBT FORGIVENESS

SEC. 230. The Secretary of Housing and Urban Development shall cancel the indebtedness of the Town of Hobson City, Alabama, relating to a public facilities loan under title II of the Housing Amendments of 1955, issued July 1, 1969 (Project No. ALA–01–PFL0139). The Town of Hobson City hereby is relieved of all liability to the Federal Government for the outstanding principal balance on such loan, for the amount of accrued interest on such loan, and for any other fees and charges payable in connection with such loan.

CONSIDERATION OF HOMELESS GRANT APPLICATION

SEC. 231. The Secretary shall consider without prejudice the application submitted August 5, 1998 by the City of Wichita and Sedgwick County, Kansas for assistance under the Continuum of Care Homeless Assistance program pursuant to the Notice at 63 Federal Register 23988, 23999 (April 30, 1998) notwithstanding the August 4, 1998 due date for such application, notwithstanding any provision that may be to the contrary in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

CDBG SERVICE CAP FOR MIAMI

SEC. 232. Section 105(a)(8) of the Housing and Community Development Act of 1974 is amended by striking "fiscal year 1994" and all that follows through the end of the paragraph and inserting the following: "each of fiscal years 1999, 2000, and 2001, to the City of Miami, such city may use not more than 25 percent in each fiscal year for activities under this paragraph;".

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, of the American Battle Monuments Commission, including the acquisition of land or interest in land in foreign countries; purchases and repair of uniforms for caretakers of national cemeteries and monuments outside of the United States and its territories and possessions; rent of office and garage space in foreign countries; purchase (one for replacement only) and hire of passenger motor vehicles; and insurance of official motor vehicles in foreign countries, when required by law of such countries, $26,431,000, to remain available until expended.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

For necessary expenses in carrying out activities pursuant to section 112(r)(6) of the Clean Air Act, including hire of passenger vehicles, and for services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376, $6,500,000: Provided, That the Chemical Safety and Hazard Investigation Board shall have not more than three career Senior Executive Service positions.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

FUND PROGRAM ACCOUNT

For grants, loans, and technical assistance to qualifying community development lenders, and administrative expenses of the Fund, including services authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the rate for ES–3, $80,000,000, to remain available until September 30, 2000, of which $12,000,000 may be used for the cost of direct loans, and up to $1,000,000 may be used for administrative expenses to carry out the direct loan program: Provided, That the cost of direct loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $32,000,000: Provided further, That not more than $25,000,000 of the funds made available under this heading may be used for programs and activities authorized in section 114 of the Community Development Banking and Financial Institutions Act of 1994.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

For necessary expenses of the Consumer Product Safety Commission, including hire of passenger motor vehicles, services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable under 5 U.S.C. 5376, purchase of nominal awards to recognize non-Federal officials' contributions to Commission activities, and not to exceed $500 for official reception and representation expenses, $47,000,000.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS

OPERATING EXPENSES

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses for the Corporation for National and Community Service (referred to in the matter under this heading as the "Corporation") in carrying out programs, activities, and initiatives under the National and Community Service Act of 1990 (referred to in the matter under this heading as the "Act") (42 U.S.C. 12501 et seq.), $425,500,000, to remain available until September 30, 2000: Provided, That not more than $28,500,000 shall be available for administrative expenses authorized under section 501(a)(4) of the Act (42 U.S.C. 12671(a)(4)) with not less than $3,000,000 targeted to administrative needs identified as urgent by the Corporation without regard to the provisions of section 501(a)(4)(B) of the Act: Provided further, That not more than $2,500 shall be for official reception and representation expenses: Provided further, That not more than $70,000,000, to remain available without fiscal year limitation, shall be transferred to the National Service Trust account for educational awards authorized under subtitle D of title I of the Act (42 U.S.C. 12601 et seq.), of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service: Provided further, That not more than $227,000,000 of the amount provided under this heading shall be available for grants under the National Service Trust program authorized under subtitle C of title I of the Act (42 U.S.C. 12571 et seq.) (relating to activities including the AmeriCorps program), of which not more than $40,000,000 may be used to administer, reimburse, or support any national service program authorized under section 121(d)(2) of such Act (42 U.S.C. 12581(d)(2)): Provided further, That not more than $5,500,000 of the funds made available under this heading shall be made available for the Points of Light Foundation for activities authorized under title III of the Act (42 U.S.C. 12661 et seq.): Provided further, That no funds shall be available for national service programs run by Federal agencies authorized under section 121(b) of such Act (42 U.S.C. 12571(b)): Provided further, That to the maximum extent feasible, funds appropriated under subtitle C of title I of the Act shall be provided in a manner that is consistent with the recommendations of peer review panels in order to ensure that priority is given to programs that demonstrate quality, innovation,

replicability, and sustainability: Provided further, That not more than $18,000,000 of the funds made available under this heading shall be available for the Civilian Community Corps authorized under subtitle E of title I of the Act (42 U.S.C. 12611 et seq.): Provided further, That not more than $43,000,000 shall be available for school-based and community-based service-learning programs authorized under subtitle B of title I of the Act (42 U.S.C. 12521 et seq.): Provided further, That not more than $28,500,000 shall be available for quality and innovation activities authorized under subtitle H of title I of the Act (42 U.S.C. 12853 et seq.): Provided further, That not more than $5,000,000 shall be available for audits and other evaluations authorized under section 179 of the Act (42 U.S.C. 12639): Provided further, That to the maximum extent practicable, the Corporation shall increase significantly the level of matching funds and in-kind contributions provided by the private sector, shall expand significantly the number of educational awards provided under subtitle D of title I, and shall reduce the total Federal costs per participant in all programs.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $3,000,000.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

For necessary expenses for the operation of the United States Court of Veterans Appeals as authorized by 38 U.S.C. 7251–7298, $10,195,000, of which $865,000, shall be available for the purpose of providing financial assistance as described, and in accordance with the process and reporting procedures set forth, under this heading in Public Law 102–229.

DEPARTMENT OF DEFENSE—CIVIL

CEMETERIAL EXPENSES, ARMY

SALARIES AND EXPENSES

For necessary expenses, as authorized by law, for maintenance, operation, and improvement of Arlington National Cemetery and Soldiers' and Airmen's Home National Cemetery, including the purchase of one passenger motor vehicle for replacement only, and not to exceed $1,000 for official reception and representation expenses, $11,666,000, to remain available until expended.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

(INCLUDING TRANSFER OF FUNDS)

For science and technology, including research and development activities, which shall include research and development activities under the Comprehensive Environmental Response, Compensation,

and Liability Act of 1980 (CERCLA), as amended; necessary expenses for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; procurement of laboratory equipment and supplies; other operating expenses in support of research and development; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $650,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

For environmental programs and management, including necessary expenses, not otherwise provided for, for personnel and related costs and travel expenses, including uniforms, or allowances therefore, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; hire of passenger motor vehicles; hire, maintenance, and operation of aircraft; purchase of reprints; library memberships in societies or associations which issue publications to members only or at a price to members lower than to subscribers who are not members; construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; and not to exceed $6,000 for official reception and representation expenses, $1,848,000,000, which shall remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000: Provided further, That none of the funds appropriated by this Act shall be used to propose or issue rules, regulations, decrees, or orders for the purpose of implementation, or in preparation for implementation, of the Kyoto Protocol which was adopted on December 11, 1997, in Kyoto, Japan at the Third Conference of the Parties to the United Nations Framework Convention on Climate Change, which has not been submitted to the Senate for advice and consent to ratification pursuant to article II, section 2, clause 2, of the United States Constitution, and which has not entered into force pursuant to article 25 of the Protocol: Provided further, That none of the funds made available in this Act may be used to implement or administer the interim guidance issued on February 5, 1998 by the Environmental Protection Agency relating to title VI of the Civil Rights Act of 1964 and designated as the "Interim Guidance for Investigating Title VI Administrative Complaints Challenging Permits" with respect to complaints filed under such title after the date of enactment of this Act and until guidance is finalized. Nothing in this proviso may be construed to restrict the Environmental Protection Agency from developing or issuing final guidance relating to title VI of the Civil Rights Act of 1964.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $31,154,000, to remain available until September 30, 2000: Provided, That the obligated balance of such sums shall remain available through September 30, 2007 for liquidating obligations made in fiscal years 1999 and 2000.

BUILDINGS AND FACILITIES

For construction, repair, improvement, extension, alteration, and purchase of fixed equipment or facilities of, or for use by, the Environmental Protection Agency, $56,948,000, to remain available until expended.

HAZARDOUS SUBSTANCE SUPERFUND

(INCLUDING TRANSFERS OF FUNDS)

For necessary expenses to carry out the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), as amended, including sections 111(c)(3), (c)(5), (c)(6), and (e)(4) (42 U.S.C. 9611), and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project; not to exceed $1,500,000,000, consisting of $650,000,000 as appropriated under this heading in Public Law 105–65, notwithstanding the second proviso under this heading of said Act, and not to exceed $850,000,000 (of which $100,000,000 shall not become available until September 1, 1999), all of which is to remain available until expended, consisting of $1,175,000,000, as authorized by section 517(a) of the Superfund Amendments and Reauthorization Act of 1986 (SARA), as amended by Public Law 101–508, and $325,000,000 as a payment from general revenues to the Hazardous Substance Superfund for purposes as authorized by section 517(b) of SARA, as amended by Public Law 101–508: Provided, That funds appropriated under this heading may be allocated to other Federal agencies in accordance with section 111(a) of CERCLA: Provided further, That $12,237,000 of the funds appropriated under this heading shall be transferred to the "Office of Inspector General" appropriation to remain available until September 30, 2000: Provided further, That notwithstanding section 111(m) of CERCLA or any other provision of law, $76,000,000 of the funds appropriated under this heading shall be available to the Agency for Toxic Substances and Disease Registry to carry out activities described in sections 104(i), 111(c)(4), and 111(c)(14) of CERCLA and section 118(f) of SARA: Provided further, That $40,000,000 of the funds appropriated under this heading shall be transferred to the "Science and Technology" appropriation to remain available until September 30, 2000: Provided further, That none of the funds appropriated under this heading shall be available for the Agency for Toxic Substances and Disease Registry to issue in excess of 40 toxicological profiles pursuant to section 104(i) of CERCLA during fiscal year 1999: Provided further, That an additional amount, $650,000,000, shall be-

come available for obligation on October 1, 1999, only upon enactment by August 1, 1999, of specific legislation which reauthorizes the Superfund program: Provided further, That if such reauthorization does not occur on or before August 1, 1999, such additional amount to be made available on October 1, 1999, is rescinded and the Congressional Budget Office is directed to make the appropriate scorekeeping adjustment no later than August 5, 1999.

Section 119(e)(2)(C) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C. 9619(e)(2)(C)) is amended by deleting ", and before January 1, 1996".

Section 119(g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, (42 U.S.C. 9619(g)(5)) is amended by deleting ", or after December 31, 1995".

LEAKING UNDERGROUND STORAGE TANK PROGRAM

For necessary expenses to carry out leaking underground storage tank cleanup activities authorized by section 205 of the Superfund Amendments and Reauthorization Act of 1986, and for the uses authorized under section 9004(f) of the Solid Waste Disposal Act, and for construction, alteration, repair, rehabilitation, and renovation of facilities, not to exceed $75,000 per project, $72,500,000, to remain available until expended: Provided, That hereafter, the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the same purposes as are set forth in section 9003(h)(7) of the Resource Conservation and Recovery Act.

OIL SPILL RESPONSE

(INCLUDING TRANSFER OF FUNDS)

For expenses necessary to carry out the Environmental Protection Agency's responsibilities under the Oil Pollution Act of 1990, $15,000,000, to be derived from the Oil Spill Liability trust fund, and to remain available until expended.

STATE AND TRIBAL ASSISTANCE GRANTS

For environmental programs and infrastructure assistance, including capitalization grants for State revolving funds and performance partnership grants, $3,386,750,000, to remain available until expended, of which $1,350,000,000 shall be for making capitalization grants for the Clean Water State Revolving Funds under title VI of the Federal Water Pollution Control Act, as amended, and $775,000,000 shall be for capitalization grants for the Drinking Water State Revolving Funds under section 1452 of the Safe Drinking Water Act, as amended except that, notwithstanding section 1452(n) of the Safe Drinking Water Act, as amended, none of the funds made available under this heading in this Act, or in previous appropriations acts, shall be reserved by the Administrator for health effects studies on drinking water contaminants, $50,000,000 for architectural, engineering, planning, design, construction and related activities in connection with the construction of high priority

water and wastewater facilities in the area of the United States-Mexico Border, after consultation with the appropriate border commission, $30,000,000 for grants to the State of Alaska to address drinking water and wastewater infrastructure needs of rural and Alaska Native Villages, $301,750,000 for making grants for the construction of wastewater and water treatment facilities and groundwater protection infrastructure in accordance with the terms and conditions specified for such grants in the joint explanatory statement of the committee of conference accompanying this Act (H.R. 4194); and $880,000,000 for grants, including associated program support costs, to States, federally recognized tribes, interstate agencies, tribal consortia, and air pollution control agencies for multimedia or single media pollution prevention, control and abatement and related activities, including activities pursuant to the provisions set forth under this heading in Public Law 104–134, and for making grants under section 103 of the Clean Air Act for particulate matter monitoring and data collection activities: Provided, That, consistent with section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j–12(g)), section 302 of the Safe Drinking Water Act Amendments of 1996 (Public Law 104–182) and the accompanying joint explanatory statement of the committee of conference (H. Rept. No. 104–741 to accompany S. 1316, the Safe Drinking Water Act Amendments of 1996), and notwithstanding any other provision of law, beginning in fiscal year 1999 and thereafter, States may combine the assets of State Revolving Funds (SRFs) established under section 1452 of the Safe Drinking Water Act, as amended, and title VI of the Federal Water Pollution Control Act, as amended, as security for bond issues to enhance the lending capacity of one or both SRFs, but not to acquire the state match for either program, provided that revenues from the bonds are allocated to the purposes of the Safe Drinking Water Act and the Federal Water Pollution Control Act in the same portion as the funds are used as security for the bonds: Provided further, That, notwithstanding the matching requirement in Public Law 104–204 for funds appropriated under this heading for grants to the State of Texas for improving wastewater treatment for the Colonias, such funds that remain unobligated may also be used for improving water treatment for the Colonias, and shall be matched by State funds from State resources equal to 20 percent of such unobligated funds: Provided further, That, hereafter the Administrator is authorized to enter into assistance agreements with Federally recognized Indian tribes on such terms and conditions as the Administrator deems appropriate for the development and implementation of programs to manage hazardous waste, and underground storage tanks: Provided further, That beginning in fiscal year 1999 and thereafter, pesticide program implementation grants under section 23(a)(1) of the Federal Insecticide, Fungicide and Rodenticide Act, as amended, shall be available for pesticide program development and implementation, including enforcement and compliance activities: Provided further, That, notwithstanding section 603(d)(7) of the Federal Water Pollution Control Act, as amended, the limitation on the amounts in a State water pollution control revolving fund that may be used by a State to administer the fund shall not apply to amounts included as principal in loans made by such fund in fiscal year 1999 and prior years where such

amounts represent costs of administering the fund, to the extent that such amounts are or were deemed reasonable by the Administrator, accounted for separately from other assets in the fund, and used for eligible purposes of the fund, including administration.

WORKING CAPITAL FUND

Under this heading in Public Law 104–204, after the phrase, "that such fund shall be paid in advance", insert "or reimbursed".

ADMINISTRATIVE PROVISION

Not later than March 31, 1999, the Administrator of the Environmental Protection Agency shall issue regulations amending 40 C.F.R. 112 to comply with the requirements of the Edible Oil Regulatory Reform Act (Public Law 104–55). Such regulations shall differentiate between and establish separate classes for animal fats and oils and greases, and fish and marine mammal oils (as described in that Act), and other oils and greases, and shall apply standards to such different classes of fats and oils based on differences in the physical, chemical, biological, and other properties, and in the environmental effects, of the classes. None of the funds made available by this Act or in subsequent Acts may be used by the Environmental Protection Agency to issue or to establish an interpretation or guidance relating to fats, oils, and greases (as described in Public Law 104–55) that does not comply with the requirements of the Edible Oil Regulatory Reform Act.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

For necessary expenses of the Office of Science and Technology Policy, in carrying out the purposes of the National Science and Technology Policy, Organization, and Priorities Act of 1976 (42 U.S.C. 6601 and 6671), hire of passenger motor vehicles, and services as authorized by 5 U.S.C. 3109, not to exceed $2,500 for official reception and representation expenses, and rental of conference rooms in the District of Columbia, $5,026,000.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

For necessary expenses to continue functions assigned to the Council on Environmental Quality and Office of Environmental Quality pursuant to the National Environmental Policy Act of 1969, the Environmental Quality Improvement Act of 1970, and Reorganization Plan No. 1 of 1977, $2,675,000: Provided, That, notwithstanding any other provision of law, no funds other than those appropriated under this heading, shall be used for or by the Council on Environmental Quality and Office of Environmental Quality: Provided further, That notwithstanding section 202 of the National Environmental Policy Act of 1970, the Council shall consist of one member, appointed by the President, by and with the advice and consent of the Senate, serving as Chairman and exercising all powers, functions, and duties of the Council.

FEDERAL DEPOSIT INSURANCE CORPORATION

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the provisions of the Inspector General Act of 1978, as amended, $34,666,000, to be derived from the Bank Insurance Fund, the Savings Association Insurance Fund, and the FSLIC Resolution Fund.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

For necessary expenses in carrying out the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), $307,745,000, and, notwithstanding 42 U.S.C. 5203, to remain available until expended: Provided, That of the funds made available under this heading in this and prior Appropriations Acts which are eligible for grants to the State of California under section 404 of the Stafford Disaster Relief and Emergency Assistance Act, $5,000,000 shall be for a pilot project of seismic retrofit technology at California State University, San Bernardino, $5,000,000 shall be for seismic retrofit at the San Bernardino County Courthouse, and $30,000,000 shall be for a project at the Loma Linda University Medical Center hospital using laser technology demonstrating nondisruptive retrofitting.

DISASTER ASSISTANCE DIRECT LOAN PROGRAM ACCOUNT

For the cost of direct loans, $1,355,000, as authorized by section 319 of the Robert T. Stafford Disaster Relief and Emergency Assistance Act: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize gross obligations for the principal amount of direct loans not to exceed $25,000,000.

In addition, for administrative expenses to carry out the direct loan program, $440,000.

SALARIES AND EXPENSES

For necessary expenses, not otherwise provided for, including hire and purchase of motor vehicles as authorized by 31 U.S.C. 1343; uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; services as authorized by 5 U.S.C. 3109, but at rates for individuals not to exceed the per diem rate equivalent to the maximum rate payable for senior level positions under 5 U.S.C. 5376; expenses of attendance of cooperating officials and individuals at meetings concerned with the work of emergency preparedness; transportation in connection with the continuity of Government programs to the same extent and in the same manner as permitted the Secretary of a Military Department under 10 U.S.C. 2632; and not to exceed $2,500 for official reception and representation expenses, $171,138,000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $5,400,000.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

For necessary expenses, not otherwise provided for, to carry out activities under the National Flood Insurance Act of 1968, as amended, and the Flood Disaster Protection Act of 1973, as amended (42 U.S.C. 4001 et seq.), the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.), the Earthquake Hazards Reduction Act of 1977, as amended (42 U.S.C. 7701 et seq.), the Federal Fire Prevention and Control Act of 1974, as amended (15 U.S.C. 2201 et seq.), the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061 et seq.), sections 107 and 303 of the National Security Act of 1947, as amended (50 U.S.C. 404–405), and Reorganization Plan No. 3 of 1978, $240,824,000: Provided, That for purposes of pre-disaster mitigation pursuant to 42 U.S.C. 5131 (b) and (c) and 42 U.S.C. 5196 (e) and (i), $25,000,000 of the funds made available under this heading shall be available until expended for project grants: Provided further, That the United States Fire Administration shall conduct a 12-month pilot project to promote the installation and maintenance of smoke detectors in the localities of highest risk for residential fires: Provided further, That the United States Fire Administration shall transmit the results of its pilot project to the Consumer Product Safety Commission and the Congress.

RADIOLOGICAL EMERGENCY PREPAREDNESS FUND

There is hereby established in the Treasury a Radiological Emergency Preparedness Fund, which shall be available under the Atomic Energy Act of 1954, as amended, and Executive Order 12657, for offsite radiological emergency planning, preparedness, and response. Beginning in fiscal year 1999 and thereafter, the Director of the Federal Emergency Management Agency (FEMA) shall promulgate through rulemaking fees to be assessed and collected, applicable to persons subject to FEMA's radiological emergency preparedness regulations. The aggregate charges assessed pursuant to this section during fiscal year 1999 shall not be less than 100 percent of the amounts anticipated by FEMA necessary for its radiological emergency preparedness program for such fiscal year. The methodology for assessment and collection of fees shall be fair and equitable; and shall reflect costs of providing such services, including administrative costs of collecting such fees. Fees received pursuant to this section shall be deposited in the Fund as offsetting collections and will become available for authorized purposes on October 1, 1999, and remain available until expended.

For necessary expenses of the Fund for fiscal year 1999, $12,849,000, to remain available until expended.

EMERGENCY FOOD AND SHELTER PROGRAM

To carry out an emergency food and shelter program pursuant to title III of Public Law 100–77, as amended, $100,000,000: Pro-

vided, That total administrative costs shall not exceed three and one-half percent of the total appropriation.

NATIONAL FLOOD INSURANCE FUND

(INCLUDING TRANSFER OF FUNDS)

For activities under the National Flood Insurance Act of 1968, the Flood Disaster Protection Act of 1973, as amended, not to exceed $22,685,000 for salaries and expenses associated with flood mitigation and flood insurance operations, and not to exceed $78,464,000 for flood mitigation, including up to $20,000,000 for expenses under section 1366 of the National Flood Insurance Act, which amount shall be available for transfer to the National Flood Mitigation Fund until September 30, 2000. In fiscal year 1999, no funds in excess of: (1) $47,000,000 for operating expenses; (2) $343,989,000 for agents' commissions and taxes; and (3) $60,000,000 for interest on Treasury borrowings shall be available from the National Flood Insurance Fund without prior notice to the Committees on Appropriations. For fiscal year 1999, flood insurance rates shall not exceed the level authorized by the National Flood Insurance Reform Act of 1994.

Section 1309(a)(2) of the National Flood Insurance Act (42 U.S.C. 4016(a)(2)), as amended by Public Law 104–208, is further amended by striking "1998" and inserting "1999".

Section 1319 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4026), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

Section 1336 of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4056), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

The first sentence of section 1376(c) of the National Flood Insurance Act of 1968, as amended (42 U.S.C. 4127(c)), is amended by striking "September 30, 1998" and inserting "September 30, 1999".

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER FUND

For necessary expenses of the Consumer Information Center, including services authorized by 5 U.S.C. 3109, $2,619,000, to be deposited into the Consumer Information Center Fund: Provided, That the appropriations, revenues and collections deposited into the fund shall be available for necessary expenses of Consumer Information Center activities in the aggregate amount of $7,500,000. Appropriations, revenues, and collections accruing to this fund during fiscal year 1999 in excess of $7,500,000 shall remain in the fund and shall not be available for expenditure except as authorized in appropriations Acts.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

HUMAN SPACE FLIGHT

For necessary expenses, not otherwise provided for, in the conduct and support of human space flight research and development

activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,480,000,000, to remain available until September 30, 2000.

SCIENCE, AERONAUTICS AND TECHNOLOGY

For necessary expenses, not otherwise provided for, in the conduct and support of science, aeronautics and technology research and development activities, including research, development, operations, and services; maintenance; construction of facilities including repair, rehabilitation, and modification of real and personal property, and acquisition or condemnation of real property, as authorized by law; space flight, spacecraft control and communications activities including operations, production, and services; and purchase, lease, charter, maintenance and operation of mission and administrative aircraft, $5,653,900,000, to remain available until September 30, 2000: Provided, That none of the funds provided under this heading may be utilized to support the development or operations of the International Space Station: Provided further, That this limitation shall not preclude the use of funds provided under this heading for the conduct of science, aeronautics, space transportation and technology activities utilizing or enabled by the International Space Station.

MISSION SUPPORT

For necessary expenses, not otherwise provided for, in carrying out mission support for human space flight programs and science, aeronautical, and technology programs, including research operations and support; space communications activities including operations, production and services; maintenance; construction of facilities including repair, rehabilitation, and modification of facilities, minor construction of new facilities and additions to existing facilities, facility planning and design, environmental compliance and restoration, and acquisition or condemnation of real property, as authorized by law; program management; personnel and related costs, including uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; travel expenses; purchase, lease, charter, maintenance, and operation of mission and administrative aircraft; not to exceed $35,000 for official reception and representation expenses; and purchase (not to exceed 33 for replacement only) and hire of passenger motor vehicles, $2,511,100,000, to remain available until September 30, 2000.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, $20,000,000.

ADMINISTRATIVE PROVISIONS

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, when any activity has been initiated by the incurrence of obligations for construction of facilities as authorized by law, such amount available for such activity shall remain available until expended. This provision does not apply to the amounts appropriated in "Mission support" pursuant to the authorization for repair, rehabilitation and modification of facilities, minor construction of new facilities and additions to existing facilities, and facility planning and design.

Notwithstanding the limitation on the availability of funds appropriated for "Human space flight", "Science, aeronautics and technology", or "Mission support" by this appropriations Act, the amounts appropriated for construction of facilities shall remain available until September 30, 2001.

Notwithstanding the limitation on the availability of funds appropriated for "Mission support" and "Office of Inspector General", amounts made available by this Act for personnel and related costs and travel expenses of the National Aeronautics and Space Administration shall remain available until September 30, 1999 and may be used to enter into contracts for training, investigations, costs associated with personnel relocation, and for other services, to be provided during the next fiscal year.

NASA shall develop a revised appropriation structure for submission in the fiscal year 2000 budget request consisting of five appropriations accounts (International Space Station; Launch Vehicles and Payload Operations; Science, Aeronautics and Technology; Mission Support; and Office of Inspector General).

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

During fiscal year 1999, gross obligations of the Central Liquidity Facility for the principal amount of new direct loans to member credit unions, as authorized by the National Credit Union Central Liquidity Facility Act (12 U.S.C. 1795), shall not exceed $600,000,000: Provided, That administrative expenses of the Central Liquidity Facility in fiscal year 1999 shall not exceed $176,000: Provided further, That $2,000,000, together with amounts of principal and interest on loans repaid, to be available until expended, is available for loans to community development credit unions.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

For necessary expenses in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), and the Act to establish a National Medal of Science (42 U.S.C. 1880–1881); services as authorized by 5 U.S.C. 3109; maintenance and operation of aircraft and purchase of flight services for research support; acquisition of aircraft, $2,770,000,000, of which not to exceed $257,460,000, shall remain available until expended for Polar

research and operations support, and for reimbursement to other Federal agencies for operational and science support and logistical and other related activities for the United States Antarctic program; the balance to remain available until September 30, 2000: Provided, That receipts for scientific support services and materials furnished by the National Research Centers and other National Science Foundation supported research facilities may be credited to this appropriation: Provided further, That to the extent that the amount appropriated is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That none of the funds appropriated or otherwise made available to the National Science Foundation in this or any prior Act may be obligated or expended by the National Science Foundation to enter into or extend a grant, contract, or cooperative agreement for the support of administering the domain name and numbering system of the Internet after September 30, 1998.

MAJOR RESEARCH EQUIPMENT

For necessary expenses of major construction projects pursuant to the National Science Foundation Act of 1950, as amended, $90,000,000, to remain available until expended.

EDUCATION AND HUMAN RESOURCES

For necessary expenses in carrying out science and engineering education and human resources programs and activities pursuant to the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875), including services as authorized by 5 U.S.C. 3109 and rental of conference rooms in the District of Columbia, $662,000,000, to remain available until September 30, 2000: Provided, That to the extent that the amount of this appropriation is less than the total amount authorized to be appropriated for included program activities, all amounts, including floors and ceilings, specified in the authorizing Act for those program activities or their subactivities shall be reduced proportionally: Provided further, That the Alliances for Minority Participation Program is renamed the Louis Stokes Alliances for Minority Participation Program.

SALARIES AND EXPENSES

For salaries and expenses necessary in carrying out the National Science Foundation Act of 1950, as amended (42 U.S.C. 1861–1875); services authorized by 5 U.S.C. 3109; hire of passenger motor vehicles; not to exceed $9,000 for official reception and representation expenses; uniforms or allowances therefor, as authorized by 5 U.S.C. 5901–5902; rental of conference rooms in the District of Columbia; reimbursement of the General Services Administration for security guard services; $144,000,000: Provided, That contracts may be entered into under "Salaries and expenses" in fiscal year 1999 for maintenance and operation of facilities, and for other services, to be provided during the next fiscal year.

OFFICE OF INSPECTOR GENERAL

For necessary expenses of the Office of Inspector General as authorized by the Inspector General Act of 1978, as amended, $5,200,000, to remain available until September 30, 2000.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

For payment to the Neighborhood Reinvestment Corporation for use in neighborhood reinvestment activities, as authorized by the Neighborhood Reinvestment Corporation Act (42 U.S.C. 8101–8107), $90,000,000: Provided, That $25,000,000 shall be for a pilot homeownership initiative, including an evaluation by an independent third party to determine its effectiveness.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

For necessary expenses of the Selective Service System, including expenses of attendance at meetings and of training for uniformed personnel assigned to the Selective Service System, as authorized by 5 U.S.C. 4101–4118 for civilian employees; and not to exceed $1,000 for official reception and representation expenses, $24,176,000: Provided, That during the current fiscal year, the President may exempt this appropriation from the provisions of 31 U.S.C. 1341, whenever he deems such action to be necessary in the interest of national defense: Provided further, That none of the funds appropriated by this Act may be expended for or in connection with the induction of any person into the Armed Forces of the United States.

TITLE IV—GENERAL PROVISIONS

SEC. 401. Where appropriations in titles I, II, and III of this Act are expendable for travel expenses and no specific limitation has been placed thereon, the expenditures for such travel expenses may not exceed the amounts set forth therefore in the budget estimates submitted for the appropriations: Provided, That this provision does not apply to accounts that do not contain an object classification for travel: Provided further, That this section shall not apply to travel performed by uncompensated officials of local boards and appeal boards of the Selective Service System; to travel performed directly in connection with care and treatment of medical beneficiaries of the Department of Veterans Affairs; to travel performed in connection with major disasters or emergencies declared or determined by the President under the provisions of the Robert T. Stafford Disaster Relief and Emergency Assistance Act; to travel performed by the Offices of Inspector General in connection with audits and investigations; or to payments to interagency motor pools where separately set forth in the budget schedules: Provided further, That if appropriations in titles I, II, and III exceed the amounts set forth in budget estimates initially submitted for such appropriations, the expenditures for travel may correspondingly exceed the amounts therefore set forth in the estimates in the same proportion.

SEC. 402. Appropriations and funds available for the administrative expenses of the Department of Housing and Urban Development and the Selective Service System shall be available in the current fiscal year for purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901–5902; hire of passenger motor vehicles; and services as authorized by 5 U.S.C. 3109.

SEC. 403. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811–1831).

SEC. 404. No part of any appropriation contained in this Act shall remain available for obligation beyond the current fiscal year unless expressly so provided herein.

SEC. 405. No funds appropriated by this Act may be expended—

(1) pursuant to a certification of an officer or employee of the United States unless—

(A) such certification is accompanied by, or is part of, a voucher or abstract which describes the payee or payees and the items or services for which such expenditure is being made; or

(B) the expenditure of funds pursuant to such certification, and without such a voucher or abstract, is specifically authorized by law; and

(2) unless such expenditure is subject to audit by the General Accounting Office or is specifically exempt by law from such audit.

SEC. 406. None of the funds provided in this Act to any department or agency may be expended for the transportation of any officer or employee of such department or agency between their domicile and their place of employment, with the exception of any officer or employee authorized such transportation under 31 U.S.C. 1344 or 5 U.S.C. 7905.

SEC. 407. None of the funds provided in this Act may be used for payment, through grants or contracts, to recipients that do not share in the cost of conducting research resulting from proposals not specifically solicited by the Government: Provided, That the extent of cost sharing by the recipient shall reflect the mutuality of interest of the grantee or contractor and the Government in the research.

SEC. 408. None of the funds in this Act may be used, directly or through grants, to pay or to provide reimbursement for payment of the salary of a consultant (whether retained by the Federal Government or a grantee) at more than the daily equivalent of the rate paid for level IV of the Executive Schedule, unless specifically authorized by law.

SEC. 409. None of the funds provided in this Act shall be used to pay the expenses of, or otherwise compensate, non-Federal parties intervening in regulatory or adjudicatory proceedings. Nothing here-

in affects the authority of the Consumer Product Safety Commission pursuant to section 7 of the Consumer Product Safety Act (15 U.S.C. 2056 et seq.).

SEC. 410. Except as otherwise provided under existing law, or under an existing Executive Order issued pursuant to an existing law, the obligation or expenditure of any appropriation under this Act for contracts for any consulting service shall be limited to contracts which are: (1) a matter of public record and available for public inspection; and (2) thereafter included in a publicly available list of all contracts entered into within twenty-four months prior to the date on which the list is made available to the public and of all contracts on which performance has not been completed by such date. The list required by the preceding sentence shall be updated quarterly and shall include a narrative description of the work to be performed under each such contract.

SEC. 411. Except as otherwise provided by law, no part of any appropriation contained in this Act shall be obligated or expended by any executive agency, as referred to in the Office of Federal Procurement Policy Act (41 U.S.C. 401 et seq.), for a contract for services unless such executive agency: (1) has awarded and entered into such contract in full compliance with such Act and the regulations promulgated thereunder; and (2) requires any report prepared pursuant to such contract, including plans, evaluations, studies, analyses and manuals, and any report prepared by the agency which is substantially derived from or substantially includes any report prepared pursuant to such contract, to contain information concerning: (A) the contract pursuant to which the report was prepared; and (B) the contractor who prepared the report pursuant to such contract.

SEC. 412. Except as otherwise provided in section 406, none of the funds provided in this Act to any department or agency shall be obligated or expended to provide a personal cook, chauffeur, or other personal servants to any officer or employee of such department or agency.

SEC. 413. None of the funds provided in this Act to any department or agency shall be obligated or expended to procure passenger automobiles as defined in 15 U.S.C. 2001 with an EPA estimated miles per gallon average of less than 22 miles per gallon.

SEC. 414. None of the funds appropriated in title I of this Act shall be used to enter into any new lease of real property if the estimated annual rental is more than $300,000 unless the Secretary submits, in writing, a report to the Committees on Appropriations of the Congress and a period of 30 days has expired following the date on which the report is received by the Committees on Appropriations.

SEC. 415. (a) It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American-made.

(b) In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

SEC. 416. None of the funds appropriated in this Act may be used to implement any cap on reimbursements to grantees for indi-

rect costs, except as published in Office of Management and Budget Circular A–21.

SEC. 417. Such sums as may be necessary for fiscal year 1999 pay raises for programs funded by this Act shall be absorbed within the levels appropriated in this Act.

SEC. 418. None of the funds made available in this Act may be used for any program, project, or activity, when it is made known to the Federal entity or official to which the funds are made available that the program, project, or activity is not in compliance with any Federal law relating to risk assessment, the protection of private property rights, or unfunded mandates.

SEC. 419. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accord with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of the Act as may be necessary in carrying out the programs set forth in the budget for 1999 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 420. Notwithstanding section 320(g) of the Federal Water Pollution Control Act (33 U.S.C. 1330(g)), funds made available pursuant to authorization under such section for fiscal year 1999 and prior fiscal years may be used for implementing comprehensive conservation and management plans.

SEC. 421. Notwithstanding any other provision of law, the term "qualified student loan" with respect to national service education awards shall mean any loan made directly to a student by the Alaska Commission on Postsecondary Education, in addition to other meanings under section 148(b)(7) of the National and Community Service Act.

SEC. 422. Notwithstanding any other law, funds made available by this or any other Act or previous Acts for the United States/Mexico Foundation for Science may be used for the endowment of such Foundation.

SEC. 423. (a) Within 90 days of enactment of this Act, the Consumer Product Safety Commission shall make all necessary arrangements for the Committee on Toxicology of the National Academy of Sciences (NAS) to conduct an independent 12-month study of the potential toxicologic risks of all flame-retardant chemicals identified by the NAS and the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture.

(b) Upon completion of its report, the Academy shall send the report to the Commission, which shall provide it to the Congress.

(c) The Commission, before promulgating any notice of proposed rulemaking or final rulemaking setting flammability standards for residential upholstered furniture, shall consider fully the findings and conclusions of the Academy.

SEC. 424. None of the funds made available in this Act may be used for researching methods to reduce methane emissions from cows, sheep, or any other ruminant livestock.

SEC. 425. None of the funds made available in this Act may be used to carry out Executive Order No. 13083.

SEC. 426. Unless otherwise provided for in this Act, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted for the appropriations.

SEC. 427. NATIONAL FALLEN FIREFIGHTERS FOUNDATION. (a) ESTABLISHMENT AND PURPOSES.—Section 202 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5201) is amended—

(1) by striking paragraph (1) and inserting the following: "(1) primarily—

"(A) to encourage, accept, and administer private gifts of property for the benefit of the National Fallen Firefighters' Memorial and the annual memorial service associated with the memorial; and

"(B) to, in coordination with the Federal Government and fire services (as that term is defined in section 4 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2203)), plan, direct, and manage the memorial service referred to in subparagraph (A) and related activities;";

(2) in paragraph (2), by inserting "and Federal" after "non-Federal";

(3) in paragraph (3)—

(A) by striking "State and local" and inserting "Federal, State, and local"; and

(B) by striking "and" at the end;

(4) in paragraph (4), by striking the period at the end and inserting a semicolon; and

(5) by adding at the end the following:

"(5) to provide for a national program to assist families of fallen firefighters and fire departments in dealing with line-of-duty deaths of those firefighters; and

"(6) to promote national, State, and local initiatives to increase public awareness of fire and life safety.".

(b) BOARD OF DIRECTORS OF FOUNDATION.—Section 203(g)(1) of the National Fallen Firefighters Foundation Act (36 U.S.C. 5202(g)(1)) is amended by striking subparagraph (A) and inserting the following:

"(A) appointing officers or employees;".

(c) ADMINISTRATIVE SERVICES AND SUPPORT.—Section 205 of the National Fallen Firefighters Foundation Act (36 U.S.C. 5204) is amended to read as follows:

"SEC. 205. ADMINISTRATIVE SERVICES AND SUPPORT.

"(a) IN GENERAL.—During the 10-year period beginning on the date of enactment of the Departments of Veterans Affairs and Hous-

ing and Urban Development, and Independent Agencies Appropriations Act, 1999, the Administrator may—

"(1) provide personnel, facilities, and other required services for the operation of the Foundation; and

"(2) accept reimbursement for the assistance provided under paragraph (1).

"(b) REIMBURSEMENT.—Any amounts received under subsection (a)(2) as reimbursement for assistance shall be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing that assistance.

"(c) PROHIBITION.—Notwithstanding any other provision of law, no Federal personnel or stationery may be used to solicit funding for the Foundation.".

SEC. 428. INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE FOR CERTAIN HOUSING ASSISTANCE. Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by adding at the end the following:

"(f) INELIGIBILITY OF INDIVIDUALS CONVICTED OF MANUFACTURING OR PRODUCING METHAMPHETAMINE ON THE PREMISES.—Notwithstanding any other provision of law, a public housing agency shall establish standards for occupancy in public housing dwelling units and assistance under section 8 that—

"(1) permanently prohibit occupancy in any public housing dwelling unit by, and assistance under section 8 for, any person who has been convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law; and

"(2) immediately and permanently terminate the tenancy in any public housing unit of, and the assistance under section 8 for, any person who is convicted of manufacturing or otherwise producing methamphetamine on the premises in violation of any Federal or State law.".

SEC. 429. (a) Not later than 90 days after the date of enactment of this Act, the Consumer Product Safety Commission shall propose for comment a revocation of the amendments to the standards for the flammability of children's sleepwear sizes 0 through 6X (contained in regulations published at 16 CFR part 1615) and 7 through 14 (contained in regulations published at 16 CFR part 1616) issued by the Commission on September 9, 1996 (61 FR 47634), and any subsequent amendments thereto.

(b) The General Accounting Office shall undertake a review of children's burn incident data relating to burns from the ignition of children's sleepwear from small open flame sources for the period July 1, 1997 through January 1, 1999. Such review shall be completed by April 1, 1999 and shall be submitted to the Congress and to the Consumer Product Safety Commission.

(c) Not later than July 1, 1999, the Consumer Product Safety Commission shall promulgate a final rule revoking, maintaining or modifying the amendments issued by the Commission on September 9, 1996 (61 FR 47634) and any subsequent amendments thereto amending the Flammable Fabrics Act standards for the flammability of children's sleepwear, considering and substantively addressing

the findings of the General Accounting Office and other information available to the Commission.

(d) None of the following shall apply with respect to the promulgation of the amendment prescribed by subsection (a):

(1) The Consumer Product Safety Act (15 U.S.C. 2051 et seq.).

(2) The Flammable Fabrics Act (15 U.S.C. 1191 et seq.).

(3) Chapter 6 of title 5, United States Code.

(4) The National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.).

(5) The Small Business Regulatory Enforcement Fairness Act of 1996 (Public Law 104–121).

(6) Any other statute or Executive Order.

SEC. 430. COMPREHENSIVE ACCOUNTABILITY STUDY FOR FEDERALLY-FUNDED RESEARCH. (a) STUDY.—The Director of the Office of Science and Technology Policy, in consultation with the Director of the Office of Management and Budget, may enter into an agreement with the National Academy of Sciences for the Academy to conduct a comprehensive study to develop methods for evaluating federally-funded research and development programs. This study shall—

(1) recommend processes to determine an acceptable level of success for federally-funded research and development programs by—

(A) describing the research process in the various scientific and engineering disciplines;

(B) describing in the different sciences what measures and what criteria each community uses to evaluate the success or failure of a program, and on what time scales these measures are considered reliable—both for exploratory long-range work and for short-range goals; and

(C) recommending how these measures may be adapted for use by the Federal Government to evaluate federally-funded research and development programs;

(2) assess the extent to which agencies incorporate independent merit-based evaluation into the formulation of the strategic plans of funding agencies and if the quantity or quality of this type of input is unsatisfactory;

(3) recommend mechanisms for identifying federally-funded research and development programs which are unsuccessful or unproductive;

(4) evaluate the extent to which independent, merit-based evaluation of federally-funded research and development programs and projects achieves the goal of eliminating unsuccessful or unproductive programs and projects; and

(5) investigate and report on the validity of using quantitative performance goals for aspects of programs which relate to administrative management of the program and for which such goals would be appropriate, including aspects related to—

(A) administrative burden on contractors and recipients of financial assistance awards;

(B) administrative burdens on external participants in independent, merit-based evaluations;

(C) cost and schedule control for construction projects funded by the program;

(D) the ratio of overhead costs of the program relative to the amounts expended through the program for equipment and direct funding of research; and

(E) the timeliness of program responses to requests for funding, participation, or equipment use.

(b) INDEPENDENT MERIT-BASED EVALUATION DEFINED.—The term "independent merit-based evaluation" means review of the scientific or technical quality of research or development, conducted by experts who are chosen for their knowledge of scientific and technical fields relevant to the evaluation and who—

(1) in the case of the review of a program activity, do not derive long-term support from the program activity; or

(2) in the case of the review of a project proposal, are not seeking funds in competition with the proposal.

SEC. 431. INSURANCE; INDEMNIFICATION; LIABILITY. (a) IN GENERAL.—The Administrator may provide liability insurance for, or indemnification to, the developer of an experimental aerospace vehicle developed or used in execution of an agreement between the Administration and the developer.

(b) TERMS AND CONDITIONS.—

(1) IN GENERAL.—Except as otherwise provided in this section, the insurance and indemnification provided by the Administration under subsection (a) to a developer shall be provided on the same terms and conditions as insurance and indemnification is provided by the Administration under section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) to the user of a space vehicle.

(2) INSURANCE.—

(A) IN GENERAL.—A developer shall obtain liability insurance or demonstrate financial responsibility in amounts to compensate for the maximum probable loss from claims by—

(i) a third party for death, bodily injury, or property damage, or loss resulting from an activity carried out in connection with the development or use of an experimental aerospace vehicle; and

(ii) the United States Government for damage or loss to Government property resulting from such an activity.

(B) MAXIMUM REQUIRED.—The Administrator shall determine the amount of insurance required, but, except as provided in subparagraph (C), that amount shall not be greater than the amount required under section 70112(a)(3) of title 49, United States Code, for a launch. The Administrator shall publish notice of the Administrator's determination and the applicable amount or amounts in the Federal Register within 10 days after making the determination.

(C) INCREASE IN DOLLAR AMOUNTS.—The Administrator may increase the dollar amounts set forth in section 70112(a)(3)(A) of title 49, United States Code, for the purpose of applying that section under this section to a developer after consultation with the Comptroller General and such experts and consultants as may be appropriate, and

after publishing notice of the increase in the Federal Register not less than 180 days before the increase goes into effect. The Administrator shall make available for public inspection, not later than the date of publication of such notice, a complete record of any correspondence received by the Administration, and a transcript of any meetings in which the Administration participated, regarding the proposed increase.

(D) SAFETY REVIEW REQUIRED BEFORE ADMINISTRATOR PROVIDES INSURANCE.—The Administrator may not provide liability insurance or indemnification under subsection (a) unless the developer establishes to the satisfaction of the Administrator that appropriate safety procedures and practices are being followed in the development of the experimental aerospace vehicle.

(3) NO INDEMNIFICATION WITHOUT CROSS-WAIVER.—Notwithstanding subsection (a), the Administrator may not indemnify a developer of an experimental aerospace vehicle under this section unless there is an agreement between the Administration and the developer described in subsection (c).

(4) APPLICATION OF CERTAIN PROCEDURES.—If the Administrator requests additional appropriations to make payments under this section, like the payments that may be made under section 308(b) of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b(b)), then the request for those appropriations shall be made in accordance with the procedures established by subsections (d) and (e) of section 70113 of title 49, United States Code.

(c) CROSS-WAIVERS.—

(1) ADMINISTRATOR AUTHORIZED TO WAIVE.—The Administrator, on behalf of the United States, and its departments, agencies, and related entities, may reciprocally waive claims with a developer and with the related entities of that developer under which each party to the waiver agrees to be responsible, and agrees to ensure that its own related entities are responsible, for damage or loss to its property for which it is responsible, or for losses resulting from any injury or death sustained by its own employees or agents, as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(2) LIMITATIONS.—

(A) CLAIMS.—A reciprocal waiver under paragraph (1) may not preclude a claim by any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or that natural person's estate, survivors, or subrogees for injury or death, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(B) LIABILITY FOR NEGLIGENCE.—A reciprocal waiver under paragraph (1) may not absolve any party of liability to any natural person (including, but not limited to, a natural person who is an employee of the United States, the developer, or the developer's subcontractors) or such a natu-

ral person's estate, survivors, or subrogees for negligence, except with respect to a subrogee that is a party to the waiver or has otherwise agreed to be bound by the terms of the waiver.

(C) INDEMNIFICATION FOR DAMAGES.—A reciprocal waiver under paragraph (1) may not be used as the basis of a claim by the Administration or the developer for indemnification against the other for damages paid to a natural person, or that natural person's estate, survivors, or subrogees, for injury or death sustained by that natural person as a result of activities connected to the agreement or use of the experimental aerospace vehicle.

(3) EFFECT ON PREVIOUS WAIVERS.—Subsection (c) applies to any waiver of claims entered into by the Administration without regard to whether it was entered into before, on, or after the date of enactment of this Act.

(d) DEFINITIONS.—In this section:

(1) ADMINISTRATION.—The term "Administration" means the National Aeronautics and Space Administration.

(2) ADMINISTRATOR.—The term "Administrator" means the Administrator of the National Aeronautics and Space Administration.

(3) COMMON TERMS.—Any term used in this section that is defined in the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451 et seq.) has the same meaning in this section as when it is used in that Act.

(4) DEVELOPER.—The term "developer" means a United States person (other than a natural person) who—

(A) is a party to an agreement that was in effect before the date of enactment of this Act with the Administration for the purpose of developing new technology for an experimental aerospace vehicle;

(B) owns or provides property to be flown or situated on that vehicle; or

(C) employs a natural person to be flown on that vehicle.

(5) EXPERIMENTAL AEROSPACE VEHICLE.—The term "experimental aerospace vehicle" means an object intended to be flown in, or launched into, suborbital flight for the purpose of demonstrating technologies necessary for a reusable launch vehicle, developed under an agreement between the Administration and a developer that was in effect before the date of enactment of this Act.

(6) RELATED ENTITY.—The term "related entity" includes a contractor or subcontractor at any tier, a supplier, a grantee, and an investigator or detailee.

(e) RELATIONSHIP TO OTHER LAWS.—

(1) SECTION 308 OF NATIONAL AERONAUTICS AND SPACE ACT OF 1958.—This section does not apply to any object, transaction, or operation to which section 308 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2458b) applies.

(2) CHAPTER 701 OF TITLE 49, UNITED STATES CODE.—The Administrator may not provide indemnification to a developer

under this section for launches subject to license under section 70117(g)(1) of title 49, United States Code.

(f) TERMINATION.—

(1) IN GENERAL.—The provisions of this section shall terminate on December 31, 2002, except that the Administrator may extend the termination date to a date not later than September 30, 2005, if the Administrator determines that such an extension is necessary to cover the operation of an experimental aerospace vehicle.

(2) EFFECT OF TERMINATION ON AGREEMENTS.—The termination of this section does not terminate or otherwise affect a cross-waiver agreement, insurance agreement, indemnification agreement, or any other agreement entered into under this section except as may be provided in that agreement.

SEC. 432. VIETNAM VETERANS ALLOTMENT. The Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) is amended by adding at the end:

"OPEN SEASON FOR CERTAIN ALASKA NATIVE VETERANS FOR ALLOTMENTS

"SEC. 41. (a) IN GENERAL.—(1) During the eighteen month period following promulgation of implementing rules pursuant to subsection (e), a person described in subsection (b) shall be eligible for an allotment of not more than two parcels of federal land totaling 160 acres or less under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as such Act was in effect before December 18, 1971.

"(2) Allotments may be selected only from lands that were vacant, unappropriated, and unreserved on the date when the person eligible for the allotment first used and occupied those lands.

"(3) The Secretary may not convey allotments containing any of the following—

"(A) lands upon which a native or non-native campsite is located, except for a campsite used primarily by the person selecting the allotment;

"(B) lands selected by, but not conveyed to, the State of Alaska pursuant to the Alaska Statehood Act or any other provision of law;

"(C) lands selected by, but not conveyed to, a Village or Regional Corporation;

"(D) lands designated as wilderness by statute;

"(E) acquired lands;

"(F) lands containing a building, permanent structure, or other development owned or controlled by the United States, another unit of government, or a person other than the person selecting the allotment;

"(G) lands withdrawn or reserved for national defense purposes other than National Petroleum Reserve-Alaska;

"(H) National Forest Lands; and

"(I) lands selected or claimed, but not conveyed, under a public land law, including but not limited to the following:

"(1) Lands within a recorded mining claim.

"(2) Home sites.

"(3) Trade and Manufacturing sites.

"(4) Reindeer sites and Reindeer headquarters sites.

"(5) Cemetery sites.

"(4) A person who qualifies for an allotment on lands prohibited from conveyance by a provision of subsection (a)(3) may select an alternative allotment from the following lands located within the geographic boundaries of the same Regional Corporation as the excluded allotment—

"(A) lands withdrawn pursuant to section 11(a)(1) of this Act which were not selected, or were relinquished after selection;

"(B) lands contiguous to the outer boundary of lands withdrawn pursuant to section 11(a)(1)(C) of this Act, except lands excluded from selection by a provision of subsection (a)(3) and lands within a National Park; and

"(C) vacant, unappropriated and unreserved lands.

"(5) After consultation with a person entitled to an allotment within a Conservation System Unit, the Secretary may convey alternative lands of equal acreage, including lands within a Conservation System Unit, to that person if the Secretary determines that the allotment would be incompatible with a purpose for which the Conservation System Unit was established.

"(6) All conveyances under this section shall—

"(A) be subject to valid existing rights, including any right of the United States to income derived, directly or indirectly, from a lease, license, permit, right-of-way or easement; and

"(B) reserve to the United States deposits of oil, gas and coal, together with the right to explore, mine, and remove these minerals, on lands which the Secretary determines to be prospectively valuable for development.

"(b) ELIGIBLE PERSON.—(1) A person is eligible to select an allotment under this section if that person—

"(A) would have been eligible for an allotment under the Act of May 17, 1906 (chapter 2469; 34 Stat. 197), as that Act was in effect before December 18, 1971; and

"(B) is a veteran who served during the period between January 1, 1969 and December 31, 1971 and—

"(i) served at least 6 months between January 1, 1969 and June 2, 1971; or

"(ii) enlisted or was drafted into military service after June 2, 1971 but before December 3, 1971.

"(2) The personal representative of the estate of a decedent who was eligible under subsection (b)(1) may, for the benefit of the heirs, select an allotment if, during the period specified in subsection (b)(1)(B), the decedent—

"(A) was killed in action;

"(B) was wounded in action and subsequently died as a direct consequence of that wound, as determined by the Department of Veterans Affairs; or

"(C) died while a prisoner of war.

"(3) No person who received an allotment or has a pending allotment under the Act of May 17, 1906 may receive an allotment under this section.

"(c) STUDY AND REPORT.—(1) The Secretary of the Interior shall conduct a study to identify and assess the circumstances of veterans of the Vietnam era who—

"(A) served during a period other than that specified in subsection (b)(1)(B);

"(B) were eligible for an allotment under the Act of May 17, 1906; and

"(C) did not apply for an allotment under that Act.

"(2) The Secretary shall, within one year of enactment of this section, issue a written report on the study, including findings and recommendations, to the Committee on Appropriations and the Committee on Energy and Natural Resources in the Senate and the Committee on Appropriations and the Committee on Resources in the House of Representatives.

"(d) DEFINITIONS.—For the purposes of this section, the terms 'veteran' and 'Vietnam era' have the meanings given those terms by paragraphs (2) and (29), respectively, of section 101 of title 38, United States Code.

"(e) REGULATIONS.—No later than 18 months after enactment of this section, the Secretary of the Interior shall promulgate, after consultation with Alaska Natives groups, rules to carry out this section.".

SEC. 433. The Administrator of the National Aeronautics and Space Administration shall develop and deliver to the House and Senate Committees on Appropriations, no later than 60 days after the date of enactment of this Act, a study of alternative approaches whereby NASA could contract with a Russian entity or entities for goods and services related to the International Space Station. The study shall evaluate, at a minimum, government-to-government, government-to-industry, and industry-to-industry arrangements. The study shall evaluate the pros and cons of each possible approach, addressing the following requirements: (1) ensure that NASA receives value for each dollar spent; (2) ensure that the funds provided can be audited; (3) define appropriate milestones; and, (4) adhere to all relevant technology transfer and export control laws.

SEC. 434. The National Aeronautics and Space Administration Lewis Research Center in Cleveland, Ohio, shall be redesignated as the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field". Any reference in a law, map, regulation, document, paper, or other record of the United States to the National Aeronautics and Space Administration Lewis Research Center in Ohio shall be deemed to be a reference to the "National Aeronautics and Space Administration John H. Glenn Research Center at Lewis Field".

SEC. 435. The proposed Amendments to Accounting for Property, Plant, and Equipment (February 1998) (Amending Statements of Federal Financial Accounting Standards Nos. 6 and 8, "Accounting for Property, Plant, and Equipment" and "Supplementary Stewardship Reporting") may be adopted without the prior notification and waiting period required by section 307 of the Chief Financial Officers Act of 1990 (Public Law 101–576).

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

SEC. 501. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This title may be cited as the "Quality Housing and Work Responsibility Act of 1998".

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

TITLE V—PUBLIC HOUSING AND TENANT-BASED ASSISTANCE REFORM

Sec. 501. Short title and table of contents.
Sec. 502. Findings and purposes.
Sec. 503. Effective date and regulations.

Subtitle A—General Provisions

Sec. 505. Declaration of policy and public housing agency organization.
Sec. 506. Definitions.
Sec. 507. Minimum rent.
Sec. 508. Determination of adjusted income and median income.
Sec. 509. Family self-sufficiency program.
Sec. 510. Prohibition on use of funds.
Sec. 511. Public housing agency plan.
Sec. 512. Community service and family self-sufficiency requirements.
Sec. 513. Income targeting.
Sec. 514. Repeal of Federal preferences.
Sec. 515. Joint ventures and consortia of public housing agencies; repeal of energy conservation provisions.
Sec. 516. Public housing agency mortgages and security interests.
Sec. 517. Mental health action plan.

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

Sec. 518. Contributions for lower income housing projects.
Sec. 519. Public housing capital and operating funds.
Sec. 520. Total development costs.
Sec. 521. Sanctions for improper use of amounts.
Sec. 522. Repeal of modernization fund.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

Sec. 523. Family choice of rental payment.
Sec. 524. Occupancy by police officers and over-income families.
Sec. 525. Site-based waiting lists.
Sec. 526. Pet ownership.

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

Sec. 529. Contract provisions.
Sec. 530. Housing quality requirements.
Sec. 531. Demolition and disposition of public housing.
Sec. 532. Resident councils and resident management corporations.
Sec. 533. Conversion of public housing to vouchers; repeal of family investment centers.
Sec. 534. Transfer of management of certain housing to independent manager at request of residents.
Sec. 535. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects.
Sec. 536. Homeownership.
Sec. 537. Required conversion of distressed public housing to tenant-based assistance.
Sec. 538. Linking services to public housing residents.
Sec. 539. Mixed-finance public housing.

Subtitle C—Section 8 Rental and Homeownership Assistance

Sec. 545. Merger of certificate and voucher programs.
Sec. 546. Public housing agencies.
Sec. 547. Administrative fees.
Sec. 548. Law enforcement and security personnel in assisted housing.
Sec. 549. Advance notice to tenants of expiration, termination, or owner nonrenewal of assistance contract.
Sec. 550. Technical and conforming amendments.
Sec. 551. Funding and allocation.
Sec. 552. Treatment of common areas.

Sec. 553. Portability.
Sec. 554. Leasing to voucher holders.
Sec. 555. Homeownership option.
Sec. 556. Renewals.
Sec. 557. Manufactured housing demonstration program.
Sec. 558. Authorizations of appropriations.
Sec. 559. Rulemaking and implementation.

Subtitle D—Home Rule Flexible Grant Demonstration

Sec. 561. Home rule flexible grant demonstration program.

Subtitle E—Accountability and Oversight of Public Housing Agencies

Sec. 563. Study of alternative methods for evaluating public housing agencies.
Sec. 564. Public housing management assessment program.
Sec. 565. Expansion of powers for dealing with public housing agencies in substantial default.
Sec. 566. Audits.
Sec. 567. Advisory council for housing authority of New Orleans.
Sec. 568. Treatment of troubled PHA's.

Subtitle F—Safety and Security in Public and Assisted Housing

Sec. 575. Provisions applicable only to public housing and section 8 assistance.
Sec. 576. Screening of applicants for federally assisted housing.
Sec. 577. Termination of tenancy and assistance for illegal drug users and alcohol abusers in federally assisted housing.
Sec. 578. Ineligibility of dangerous sex offenders for admission to public housing.
Sec. 579. Definitions.

Subtitle G—Repeals and Related Provisions

Sec. 581. Annual report.
Sec. 582. Repeals relating to public housing and section 8 programs.
Sec. 583. Public housing flexibility in CHAS.
Sec. 584. Use of American products.
Sec. 585. GAO study on housing assistance program costs.
Sec. 586. Amendments to Public and Assisted Housing Drug Elimination Act of 1990.
Sec. 587. Review of drug elimination program contracts.
Sec. 588. Prohibition on use of assistance for employment relocation activities.
Sec. 589. Treatment of occupancy standards.
Sec. 590. Income eligibility for HOME and CDBG programs.
Sec. 591. Report on single family and multifamily homes.
Sec. 592. Use of assisted housing by aliens.
Sec. 593. Protection of senior homeowners under reverse mortgage program.
Sec. 594. Housing counseling.
Sec. 595. Native American housing assistance.
Sec. 596. CDBG public services cap.
Sec. 597. Moderate rehabilitation program.
Sec. 598. National cities in schools program.
Sec. 599. Tenant participation in multifamily housing projects.
Sec. 599A. Clarification regarding recreational vehicles.
Sec. 599B. Determination of low-income eligibility for homeownership assistance.
Sec. 599C. Amendments to rural housing programs.
Sec. 599D. Reauthorization of national flood insurance program.
Sec. 599E. Assistance for self-help housing providers.
Sec. 599F. Special mortgage insurance assistance.
Sec. 599G. Rehabilitation demonstration grant program.
Sec. 599H. Assistance for certain localities.

SEC. 502. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress finds that—

(1) there exists throughout the Nation a need for decent, safe, and affordable housing;

(2) the inventory of public housing units owned, assisted, or operated by public housing agencies, an asset in which the Federal Government has invested over $90,000,000,000, has tradi-

tionally provided rental housing that is affordable to low-income persons;

(3) despite serving this critical function, the public housing system is plagued by a series of problems, including the concentration of very poor people in very poor neighborhoods and disincentives for economic self-sufficiency;

(4) the Federal method of overseeing every aspect of public housing by detailed and complex statutes and regulations has aggravated the problem and has placed excessive administrative burdens on public housing agencies; and

(5) the interests of low-income persons, and the public interest, will best be served by a reformed public housing program that—

(A) consolidates many public housing programs into programs for the operation and capital needs of public housing;

(B) streamlines program requirements;

(C) vests in public housing agencies that perform well the maximum feasible authority, discretion, and control with appropriate accountability to public housing residents, localities, and the general public; and

(D) rewards employment and economic self-sufficiency of public housing residents.

(b) PURPOSES.—The purpose of this title is to promote homes that are affordable to low-income families in safe and healthy environments, and thereby contribute to the supply of affordable housing, by—

(1) deregulating and decontrolling public housing agencies, thereby enabling them to perform as property and asset managers;

(2) providing for more flexible use of Federal assistance to public housing agencies, allowing the authorities to leverage and combine assistance amounts with amounts obtained from other sources;

(3) facilitating mixed income communities and decreasing concentrations of poverty in public housing;

(4) increasing accountability and rewarding effective management of public housing agencies;

(5) creating incentives and economic opportunities for residents of dwelling units assisted by public housing agencies to work, become self-sufficient, and transition out of public housing and federally assisted dwelling units;

(6) consolidating the voucher and certificate programs for rental assistance under section 8 of the United States Housing Act of 1937 into a single market-driven program that will assist in making tenant-based rental assistance under such section more successful at helping low-income families obtain affordable housing and will increase housing choice for low-income families; and

(7) remedying the problems of troubled public housing agencies and replacing or revitalizing severely distressed public housing projects.

SEC. 503. EFFECTIVE DATE AND REGULATIONS.

(a) IN GENERAL.—The amendments under this title are made on the date of the enactment of this Act, but this title shall take effect, and the amendments made by this title shall apply beginning upon, October 1, 1999, except—

(1) as otherwise specifically provided in this title; or

(2) as otherwise specifically provided in any amendment made by this title.

The Secretary may, by notice, implement any provision of this title or any amendment made by this title before such date, except to the extent that such provision or amendment specifically provides otherwise.

(b) SAVINGS PROVISION.—Notwithstanding any amendment under this title that is made (in accordance with subsection (a)) on the date of the enactment of this Act but applies beginning on October 1, 1999, the provisions of law amended by such amendment, as such provisions were in effect immediately before the making of such amendment, shall continue to apply during the period beginning on the date of the enactment of this Act and ending upon October 1, 1999, unless otherwise specifically provided by this title.

(c) TECHNICAL RECOMMENDATIONS.—Not later than 9 months after the date of the enactment of this Act, the Secretary shall submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Banking and Financial Services of the House of Representatives, recommended technical and conforming legislative changes necessary to carry out this title and the amendments made by this title.

(d) LIST OF OBSOLETE DOCUMENTS.—Not later than October 1, 1999, the Secretary of Housing and Urban Development shall cause to be published in the Federal Register a list of all rules, regulations, and orders (including all handbooks, notices, and related requirements) pertaining to public housing or section 8 tenant-based programs issued or promulgated under the United States Housing Act of 1937 before the date of the enactment of this Act that are or will be obsolete because of the enactment of this Act or are otherwise obsolete.

(e) PROTECTION OF CERTAIN REGULATIONS.—No provision of this title may be construed to repeal the regulations of the Secretary regarding tenant participation and tenant opportunities in public housing (24 C.F.R. 964).

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

Subtitle A—General Provisions

SEC. 505. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

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

"SEC. 2. DECLARATION OF POLICY AND PUBLIC HOUSING AGENCY ORGANIZATION.

"(a) DECLARATION OF POLICY.—It is the policy of the United States—

"(1) to promote the general welfare of the Nation by employing the funds and credit of the Nation, as provided in this Act—

"(A) to assist States and political subdivisions of States to remedy the unsafe housing conditions and the acute shortage of decent and safe dwellings for low-income families;

"(B) to assist States and political subdivisions of States to address the shortage of housing affordable to low-income families; and

"(C) consistent with the objectives of this title, to vest in public housing agencies that perform well, the maximum amount of responsibility and flexibility in program administration, with appropriate accountability to public housing residents, localities, and the general public;

"(2) that the Federal Government cannot through its direct action alone provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;

"(3) that the Federal Government should act where there is a serious need that private citizens or groups cannot or are not addressing responsibly; and

"(4) that our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments, and by the independent and collective actions of private citizens, organizations, and the private sector.

"(b) PUBLIC HOUSING AGENCY ORGANIZATION.—

"(1) REQUIRED MEMBERSHIP.—Except as provided in paragraph (2), the membership of the board of directors or similar governing body of each public housing agency shall contain not less than 1 member—

"(A) who is directly assisted by the public housing agency; and

"(B) who may, if provided for in the public housing agency plan, be elected by the residents directly assisted by the public housing agency.

"(2) EXCEPTION.—Paragraph (1) shall not apply to any public housing agency—

"(A) that is located in a State that requires the members of the board of directors or similar governing body of a public housing agency to be salaried and to serve on a full-time basis; or

"(B) with less than 300 public housing units, if—

"(i) the agency has provided reasonable notice to the resident advisory board of the opportunity of not less than 1 resident described in paragraph (1) to serve on the board of directors or similar governing body of the public housing agency pursuant to such paragraph; and

"(ii) within a reasonable time after receipt by the resident advisory board established by the agency pur-

suant to section 5A(e) of notice under clause (i), the public housing agency has not been notified of the intention of any resident to participate on the board of directors.

"(3) NONDISCRIMINATION.—No person shall be prohibited from serving on the board of directors or similar governing body of a public housing agency because of the residence of that person in a public housing project or status as assisted under section 8.".

SEC. 506. DEFINITIONS.

Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended as follows:

(1) PUBLIC HOUSING.—In paragraph (1), by inserting after the second sentence the following new sentence: "The term 'public housing' includes dwelling units in a mixed finance project that are assisted by a public housing agency with capital or operating assistance.".

(2) SINGLE PERSONS.—In paragraph (3)—

(A) in subparagraph (A), by striking the third sentence; and

(B) in subparagraph (B), in the second sentence, by striking "regulations of the Secretary" and inserting "public housing agency plan".

(3) PERSON WITH DISABILITIES.—In paragraph (3)(E), by adding after the period at the end the following new sentences: "Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for low-income housing under this title, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.".

(4) NEW TERMS.—Section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended by adding at the end the following new paragraphs:

"(9) DRUG-RELATED CRIMINAL ACTIVITY.—The term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

"(10) MIXED-FINANCE PROJECT.—The term 'mixed-finance project' means a public housing project that meets the requirements of section 35.

"(11) PUBLIC HOUSING AGENCY PLAN.—The term 'public housing agency plan' means the plan of a public housing agency prepared in accordance with section 5A.

"(12) CAPITAL FUND.—The term 'Capital Fund' means the fund established under section 9(d).

"(13) OPERATING FUND.—The term 'Operating Fund' means the fund established under section 9(e).".

SEC. 507. MINIMUM RENT.

(a) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)) is amended by adding at the end the following new paragraph:

"(3) MINIMUM RENTAL AMOUNT.—

"(A) REQUIREMENT.—Notwithstanding paragraph (1) of this subsection, the method for rent determination elected pursuant to paragraph (2)(A) of this subsection by a family residing in public housing, section 8(o)(2) of this Act, or section 206(d) of the Housing and Urban-Rural Recovery Act of 1983 (including paragraph (5) of such section), the following entities shall require the following families to pay a minimum monthly rental amount (which amount shall include any amount allowed for utilities) of not more than $50 per month, as follows:

"(i) Each public housing agency shall require the payment of such minimum monthly rental amount, which amount shall be determined by the agency, by—

"(I) each family residing in a dwelling unit in public housing by the agency;

"(II) each family who is assisted under the certificate or moderate rehabilitation program under section 8; and

"(III) each family who is assisted under the voucher program under section 8, and the agency shall reduce the monthly assistance payment on behalf of such family as may be necessary to ensure payment of such minimum monthly rental amount.

"(ii) The Secretary shall require each family who is assisted under any other program for rental assistance under section 8 to pay such minimum monthly rental amount, which amount shall be determined by the Secretary.

"(B) EXCEPTION FOR HARDSHIP CIRCUMSTANCES.—

"(i) IN GENERAL.—Notwithstanding subparagraph (A), a public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) shall immediately grant an exemption from application of the minimum monthly rental under such subparagraph to any family unable to pay such amount because of financial hardship, which shall include situations in which (I) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program, including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996; (II) the family would be evicted as a result of the imposition of the minimum rent requirement under subparagraph (A); (III) the income of the family has decreased because of changed circumstance, including loss of employment; (IV) a death in the family has occurred; and (V) other situations as may be determined by the agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)).

"(ii) WAITING PERIOD.—If a resident requests a hardship exemption under this subparagraph and the public housing agency (or the Secretary, in the case of a family described in subparagraph (A)(ii)) reasonably determines the hardship to be of a temporary nature, an exemption shall

not be granted during the 90-day period beginning upon the making of a request for the exemption. A resident may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the resident thereafter demonstrates that the financial hardship is of a long-term basis, the agency (or the Secretary) shall retroactively exempt the resident from the applicability of the minimum rent requirement for such 90-day period.".

(b) REPEAL OF DUPLICATIVE PROVISIONS.—Section 402 of the Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 40) is amended by striking subsection (a).

(c) CONFORMING AMENDMENT.—The third sentence of section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(1)) is amended by inserting "and subject to the requirement under paragraph (3)" before the first comma.

(d) EFFECTIVE DATE.—The amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 508. DETERMINATION OF ADJUSTED INCOME AND MEDIAN INCOME.

(a) ADJUSTED INCOME.—Paragraph (5) of section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5) is amended to read as follows:

"(5) ADJUSTED INCOME.—The term 'adjusted income' means, with respect to a family, the amount (as determined by the public housing agency) of the income of the members of the family residing in a dwelling unit or the persons on a lease, after any income exclusions as follows:

"(A) MANDATORY EXCLUSIONS.—In determining adjusted income, a public housing agency shall exclude from the annual income of a family the following amounts:

"(i) ELDERLY AND DISABLED FAMILIES.—$400 for any elderly or disabled family.

"(ii) MEDICAL EXPENSES.—The amount by which 3 percent of the annual family income is exceeded by the sum of—

"(I) unreimbursed medical expenses of any elderly family or disabled family;

"(II) unreimbursed medical expenses of any family that is not covered under subclause (I), except that this subclause shall apply only to the extent approved in appropriation Acts; and

"(III) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed.

"(iii) CHILD CARE EXPENSES.—Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

"(iv) MINORS, STUDENTS, AND PERSONS WITH DISABILITIES.—$480 for each member of the family residing in the household (other than the head of the household or his or her spouse) who is less than 18 years of age or is attending

school or vocational training on a full-time basis, or who is 18 years of age or older and is a person with disabilities.

"(v) CHILD SUPPORT PAYMENTS.—Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded under this clause may not exceed $480 for each child for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vi) SPOUSAL SUPPORT EXPENSES.—Any payment made by a member of the family for the support and maintenance of any spouse or former spouse who does not reside in the household, except that the amount excluded under this clause shall not exceed the lesser of (I) the amount that such family member has a legal obligation to pay, or (II) $550 for each individual for whom such payment is made; except that this clause shall apply only to the extent approved in appropriations Acts.

"(vii) EARNED INCOME OF MINORS.—The amount of any earned income of a member of the family who is not—

"(I) 18 years of age or older; and

"(II) the head of the household (or the spouse of the head of the household).

"(B) PERMISSIVE EXCLUSIONS FOR PUBLIC HOUSING.—In determining adjusted income, a public housing agency may, in the discretion of the agency, establish exclusions from the annual income of a family residing in a public housing dwelling unit. Such exclusions may include the following amounts:

"(i) EXCESSIVE TRAVEL EXPENSES.—Excessive travel expenses in an amount not to exceed $25 per family per week, for employment- or education-related travel.

"(ii) EARNED INCOME.—An amount of any earned income of the family, established at the discretion of the public housing agency, which may be based on—

"(I) all earned income of the family,

"(II) the amount earned by particular members of the family;

"(III) the amount earned by families having certain characteristics; or

"(IV) the amount earned by families or members during certain periods or from certain sources.

"(iii) OTHERS.—Such other amounts for other purposes, as the public housing agency may establish.".

(b) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING RENT DETERMINATIONS.—

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

(A) by striking the undesignated paragraph that follows subsection (c)(3) (as added by section 515(b) of the Cranston-Gonzalez National Affordable Housing Act (Public Law 101–625; 104 Stat. 4199)); and

(B) by adding at the end the following new subsections:

"(d) DISALLOWANCE OF EARNED INCOME FROM RENT DETERMINATIONS.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under subsection (a) by a family described in paragraph (3) of this subsection may not be increased as a result of the increased income due to such employment during the 12-month period beginning on the date on which the employment is commenced.

"(2) PHASE-IN OF RENT INCREASES.—Upon the expiration of the 12-month period referred to in paragraph (1), the rent payable by a family described in paragraph (3) may be increased due to the continued employment of the family member described in paragraph (3)(B), except that during the 12-month period beginning upon such expiration the amount of the increase may not be greater than 50 percent of the amount of the total rent increase that would be applicable but for this paragraph.

"(3) ELIGIBLE FAMILIES.—A family described in this paragraph is a family—

"(A) that—

"(i) occupies a dwelling unit in a public housing project; or

"(ii) receives assistance under section 8; and

"(B)(i) whose income increases as a result of employment of a member of the family who was previously unemployed for 1 or more years;

"(ii) whose earned income increases during the participation of a family member in any family self-sufficiency or other job training program; or

"(iii) who is or was, within 6 months, assisted under any State program for temporary assistance for needy families funded under part A of title IV of the Social Security Act and whose earned income increases.

"(4) APPLICABILITY.—This subsection and subsection (e) shall apply beginning upon October 1, 1999, except that this subsection and subsection (e) shall apply with respect to any family described in paragraph 3(A)(ii) only to the extent provided in advance in appropriations Acts.

"(e) INDIVIDUAL SAVINGS ACCOUNTS.—

"(1) IN GENERAL.—In lieu of a disallowance of earned income under subsection (d), upon the request of a family that qualifies under subsection (d), a public housing agency may establish an individual savings account in accordance with this subsection for that family.

"(2) DEPOSITS TO ACCOUNT.—The public housing agency shall deposit in any savings account established under this subsection an amount equal to the total amount that otherwise would be applied to the family's rent payment under subsection (a) as a result of employment.

"(3) WITHDRAWAL FROM ACCOUNT.—Amounts deposited in a savings account established under this subsection may only be withdrawn by the family for the purpose of—

"(A) purchasing a home;

"(B) paying education costs of family members;

"(C) moving out of public or assisted housing; or

"(D) paying any other expense authorized by the public housing agency for the purpose of promoting the economic self-sufficiency of residents of public and assisted housing.".

(2) SAVINGS PROVISION.—Notwithstanding the amendment made by paragraph (1), the provisions of the undesignated paragraph at the end of section 3(c)(3) of the United States Housing Act of 1937, as such section was in effect immediately before the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act. Notwithstanding the amendment made by subsection (a) of this section, nor the applicability under section 402(f) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) of the amendments made by such section 402, nor any repeal of such section 402(f), the provisions of section 3(b)(5)(G) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)(G)), as such section was in effect immediately before the date of the enactment of this Act, shall continue to apply until the effective date under section 503 of this Act.

(c) MEDIAN INCOME.—

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

(A) in the 4th sentence—

(i) by striking "County" and inserting "and Rockland Counties"; and

(ii) by inserting "each" before "such county";

(B) in the last sentence—

(i) by striking "County" the 1st place it appears and inserting "or Rockland Counties"; and

(ii) by striking "County" the 2d place it appears and inserting "and Rockland Counties"; and

(C) by adding at the end the following new sentences: "In determining areas that are designated as difficult development areas for purposes of the low-income housing tax credit, the Secretary shall include Westchester and Rockland Counties, New York, in the New York City metropolitan area.".

(2) APPLICABILITY.—The amendments made by this paragraph are made on, and shall apply beginning upon, the date of the enactment of this Act.

(d) AVAILABILITY OF INCOME MATCHING INFORMATION.—

(1) AVAILABILITY.—Section 3 of the United States Housing Act of 1937 (42 U.S.C. 1437a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(f) AVAILABILITY OF INCOME MATCHING INFORMATION.—

"(1) DISCLOSURE TO PHA.—A public housing agency shall require any family described in paragraph (2) who receives information regarding income, earnings, wages, or unemployment compensation from the Department of Housing and Urban Development pursuant to income verification procedures of the Department to disclose such information, upon receipt of the information, to the public housing agency that owns or operates the public housing dwelling unit in which such family resides or

that provides the housing assistance under this Act on behalf of such family, as applicable.

"(2) FAMILIES COVERED.—A family described in this paragraph is a family that resides in a dwelling unit—

"(A) that is a public housing dwelling unit; or

"(B) for which tenant-based assistance is provided under section 8.".

(2) PROTECTION OF APPLICANTS AND PARTICIPANTS.—Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 3544) is amended—

(A) in subsection (b)—

(i) in paragraph (2), by striking "and" at the end;

(ii) in paragraph (3), by striking the period at the end and inserting "; and"; and

(iii) by adding at the end the following new paragraph:

"(4) only in the case of an applicant or participant that is a member of a family described in section 3(f)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(f)(2)), sign an agreement under which the applicant or participant agrees to provide to the appropriate public housing agency the information required under section 3(f)(1) of such Act for the sole purpose of the public housing agency verifying income information pertinent to the applicant's or participant's eligibility or level of benefits, and comply with such agreement."; and

(B) in subsection (c)—

(i) in paragraph (2)(A), in the matter preceding clause (i)—

(I) by inserting before "or" the first place it appears the following: ", pursuant to section 3(d)(1) of the United States Housing Act of 1937 from the applicant or participant,"; and

(II) by inserting "or 3(d)(1)" after "such section 303(i)"; and

(ii) in paragraph (3)—

(I) in subparagraph (A), by inserting ", section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act";

(II) in subparagraph (A), by inserting "or agreement, as applicable," after "consent";

(III) in subparagraph (B), by inserting "section 3(d)(1) of the United States Housing Act of 1937," after "Social Security Act,"; and

(IV) in subparagraph (B), by inserting " such section 3(d)(1)," after "such section 303(i)," each place it appears.

SEC. 509. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) IN GENERAL.—Section 23 of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)) is amended—

(1) in subsection (b)—

(A) in paragraph (1)—

(i) in subparagraph (A), by striking "and" at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ", subject to the limitations in paragraph (4); and"; and

(iii) by adding at the end the following new subparagraph:

"(C) effective on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, to the extent an agency is not required to carry out a program pursuant to subparagraph (B) of this paragraph and paragraph (4), may carry out a local Family Self-Sufficiency program under this section.";

(B) in paragraph (3), by striking "Each" and inserting "Subject to paragraph (4), each";

(C) by redesignating paragraph (4) as paragraph (5); and

(D) by inserting after paragraph (3) the following new paragraph:

"(4) TERMINATION OF REQUIREMENT TO EXPAND PROGRAM.—

"(A) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency that receives incremental assistance under subsection (b) or (o) of section 8 or that makes available new public housing dwelling units shall not be required, after the enactment of the Quality Housing and Work Responsibility Act of 1998, to provide assistance under a local Family Self-Sufficiency program under this section to any families not required to be assisted under subparagraph (B) of this paragraph.

"(B) CONTINUATION OF EXISTING OBLIGATIONS.—

"(i) IN GENERAL.—Each public housing agency that, before the enactment of the Quality Housing and Work Responsibility Act of 1998, was required under this section to carry out a local Family Self-Sufficiency program shall continue to operate such local program for the number of families determined under paragraph (3), subject only to the availability under appropriations Acts of sufficient amounts for housing assistance.

"(ii) REDUCTION.—The number of families for which an agency is required under clause (i) to operate such local program shall be decreased by one for each family that, after enactment of the Quality Housing and Work Responsibility Act of 1998, fulfills its obligations under the contract of participation.";

(2) in subsection (d), by striking the second paragraph that is designated as paragraph (3) (relating to use of escrow savings accounts for section 8 homeownership; as added by section 185(b) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3747)); and

(3) in subsection (f)(1), by inserting "carrying out a local program under this section" after "Each public housing agency".

(b) APPLICABILITY.—The amendments made by this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 510. PROHIBITION ON USE OF FUNDS.

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

"(l) PROHIBITION ON USE OF FUNDS.—None of the funds made available to the Department of Housing and Urban Development to carry out this Act, which are obligated to State or local governments, public housing agencies, housing finance agencies, or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.".

SEC. 511. PUBLIC HOUSING AGENCY PLAN.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by inserting after section 5 the following new section:

"SEC. 5A. PUBLIC HOUSING AGENCY PLANS.

"(a) 5-YEAR PLAN.—

"(1) IN GENERAL.—Subject to paragraph (2), not less than once every 5 fiscal years, each public housing agency shall submit to the Secretary a plan that includes, with respect to the 5 fiscal years immediately following the date on which the plan is submitted—

"(A) a statement of the mission of the public housing agency for serving the needs of low-income and very low-income families in the jurisdiction of the public housing agency during such fiscal years; and

"(B) a statement of the goals and objectives of the public housing agency that will enable the public housing agency to serve the needs identified pursuant to subparagraph (A) during those fiscal years.

"(2) INITIAL PLAN.—The initial 5-year plan submitted by a public housing agency under this subsection shall be submitted for the 5-year period beginning on October 1, 1999, or the first fiscal year thereafter for which the public housing agency initially receives assistance under this Act.

"(b) ANNUAL PLAN.—

"(1) IN GENERAL.—Effective beginning upon October 1, 1999, each public housing agency shall submit to the Secretary an annual public housing agency plan under this subsection for each fiscal year for which the public housing agency receives assistance under section 8(o) or 9.

"(2) UPDATES.—For each fiscal year after the initial submission of an annual plan under this subsection by a public housing agency, the public housing agency may comply with requirements for submission of a plan under this subsection by submitting an update of the plan for the fiscal year.

"(c) PROCEDURES.—

"(1) IN GENERAL.—The Secretary shall establish requirements and procedures for submission and review of plans, including requirements for timing and form of submission, and for the contents of such plans.

"(2) CONTENTS.—The procedures established under paragraph (1) shall provide that a public housing agency shall—

"(A) in developing the plan consult with the resident advisory board established under subsection (e); and

"(B) ensure that the plan under this section is consistent with the applicable comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the jurisdiction in which the public housing agency is located, in accordance with title I of the Cranston-Gonzalez National Affordable Housing Act, and contains a certification by the appropriate State or local official that the plan meets the requirements of this paragraph and a description of the manner in which the applicable contents of the public housing agency plan are consistent with the comprehensive housing affordability strategy.

"(d) CONTENTS.—An annual public housing agency plan under subsection (b) for a public housing agency shall contain the following information relating to the upcoming fiscal year for which the assistance under this Act is to be made available:

"(1) NEEDS.—A statement of the housing needs of low-income and very low-income families residing in the jurisdiction served by the public housing agency, and of other low-income and very low-income families on the waiting list of the agency (including housing needs of elderly families and disabled families), and the means by which the public housing agency intends, to the maximum extent practicable, to address those needs.

"(2) FINANCIAL RESOURCES.—A statement of financial resources available to the agency and the planned uses of those resources.

"(3) ELIGIBILITY, SELECTION, AND ADMISSIONS POLICIES.—A statement of the policies governing eligibility, selection, admissions (including any preferences), assignment, and occupancy of families with respect to public housing dwelling units and housing assistance under section 8(o), including—

"(A) the procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include a system of site-based waiting lists under section 6(r); and

"(B) the admissions policy under section 16(a)(3)(B) for deconcentration of lower-income families.

"(4) RENT DETERMINATION.—A statement of the policies of the public housing agency governing rents charged for public housing dwelling units and rental contributions of families assisted under section 8(o).

"(5) OPERATION AND MANAGEMENT.—A statement of the rules, standards, and policies of the public housing agency governing maintenance and management of housing owned, assisted, or operated by the public housing agency (which shall include measures necessary for the prevention or eradication of pest infestation, including by cockroaches), and management of the public housing agency and programs of the public housing agency.

"(6) GRIEVANCE PROCEDURE.—A statement of the grievance procedures of the public housing agency.

"(7) CAPITAL IMPROVEMENTS.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a plan describing the capital improvements necessary to ensure long-term physical and social viability of the projects.

"(8) DEMOLITION AND DISPOSITION.—With respect to public housing projects owned by the public housing agency—

"(A) a description of any housing for which the PHA will apply for demolition or disposition under section 18; and

"(B) a timetable for the demolition or disposition.

"(9) DESIGNATION OF HOUSING FOR ELDERLY AND DISABLED FAMILIES.—With respect to public housing projects owned, assisted, or operated by the public housing agency, a description of any projects (or portions thereof) that the public housing agency has designated or will apply for designation for occupancy by elderly and disabled families in accordance with section 7.

"(10) CONVERSION OF PUBLIC HOUSING.—With respect to public housing owned by a public housing agency—

"(A) a description of any building or buildings that the public housing agency is required to convert to tenant-based assistance under section 33 or that the public housing agency plans to voluntarily convert under section 22;

"(B) an analysis of the projects or buildings required to be converted under section 33; and

"(C) a statement of the amount of assistance received under this Act to be used for rental assistance or other housing assistance in connection with such conversion.

"(11) HOMEOWNERSHIP.—A description of any homeownership programs of the agency under section 8(y) or for which the public housing agency has applied or will apply for approval under section 32.

"(12) COMMUNITY SERVICE AND SELF-SUFFICIENCY.—A description of—

"(A) any programs relating to services and amenities provided or offered to assisted families;

"(B) any policies or programs of the public housing agency for the enhancement of the economic and social self-sufficiency of assisted families;

"(C) how the public housing agency will comply with the requirements of subsections (c) and (d) of section 12 (relating to community service and treatment of income changes resulting from welfare program requirements).

"(13) SAFETY AND CRIME PREVENTION.—A plan established by the public housing agency, which shall be subject to the following requirements:

"(A) SAFETY MEASURES.—The plan shall provide, on a project-by-project or jurisdiction-wide basis, for measures to ensure the safety of public housing residents.

"(B) ESTABLISHMENT.—The plan shall be established in consultation with the police officer or officers in command for the appropriate precinct or police department.

"(C) CONTENT.—The plan shall describe the need for measures to ensure the safety of public housing residents and for crime prevention measures, describe any such activities conducted or to be conducted by the agency, and provide for coordination between the agency and the appropriate police precincts for carrying out such measures and activities.

"(D) SECRETARIAL ACTION.—If the Secretary determines, at any time, that the security needs of a project are not being adequately addressed by the plan, or that the local police precinct is not complying with the plan, the Secretary may mediate between the public housing agency and the local precinct to resolve any issues of conflict.

"(14) PETS.—The requirements of the agency, pursuant to section 31, relating to pet ownership in public housing.

"(15) CIVIL RIGHTS CERTIFICATION.—A certification by the public housing agency that the public housing agency will carry out the public housing agency plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

"(16) ANNUAL AUDIT.—The results of the most recent fiscal year audit of the public housing agency under section 5(h)(2).

"(17) ASSET MANAGEMENT.—A statement of how the agency will carry out its asset management functions with respect to the public housing inventory of the agency, including how the agency will plan for the long-term operating, capital investment, rehabilitation, modernization, disposition, and other needs for such inventory.

"(18) OTHER.—Any other information required by law to be included in a public housing agency plan.

"(e) RESIDENT ADVISORY BOARD.—

"(1) IN GENERAL.—Except as provided in paragraph (3), each public housing agency shall establish 1 or more resident advisory boards in accordance with this subsection, the membership of which shall adequately reflect and represent the residents assisted by the public housing agency.

"(2) FUNCTIONS.—Each resident advisory board established under this subsection by a public housing agency shall assist and make recommendations regarding the development of the public housing agency plan for the agency. The agency shall consider the recommendations of the resident advisory boards in preparing the final public housing agency plan, and shall include, in the public housing agency plan submitted to the Secretary under this section, a copy of the recommendations and a description of the manner in which the recommendations were addressed.

"(3) WAIVER.—The Secretary may waive the requirements of this subsection with respect to the establishment of resident advisory boards for a public housing agency if the agency demonstrates to the satisfaction of the Secretary that there exist resident councils or other resident organizations of the public housing agency that—

"(A) adequately represent the interests of the residents of the public housing agency; and

"(B) have the ability to perform the functions described in paragraph (2).

"(1) IN GENERAL.—In developing a public housing agency plan under this section, the board of directors or similar governing body of a public housing agency shall conduct a public hearing to discuss the public housing agency plan and to invite public comment regarding that plan. The hearing shall be conducted at a location that is convenient to residents.

"(2) AVAILABILITY OF INFORMATION AND NOTICE.—Not later than 45 days before the date of a hearing conducted under paragraph (1), the public housing agency shall—

"(A) make the proposed public housing agency plan and all information relevant to the hearing and proposed plan available for inspection by the public at the principal office of the public housing agency during normal business hours; and

"(B) publish a notice informing the public that—

"(i) that the information is available as required under subparagraph (A); and

"(ii) that a public hearing under paragraph (1) will be conducted.

"(3) ADOPTION OF PLAN.—A public housing agency may adopt a public housing agency plan and submit the plan to the Secretary in accordance with this section only after—

"(A) conducting a public hearing under paragraph (1);

"(B) considering all public comments received; and

"(C) making any appropriate changes in the public housing agency plan, in consultation with the resident advisory board.

"(4) ADVISORY BOARD CONSULTATION ENFORCEMENT.—Pursuant to a written request made by the resident advisory board for a public housing agency that documents a failure on the part of the agency to provide adequate notice and opportunity for comment under this subsection and a finding by the Secretary of good cause within the time period provided for in subsection (i)(4), the Secretary may require the public housing agency to adequately remedy such failure before final approval of the public housing agency plan under this section.

"(g) AMENDMENTS AND MODIFICATIONS TO PLANS.—

"(1) IN GENERAL.—Except as provided in paragraph (2), nothing in this section shall preclude a public housing agency, after submitting a plan to the Secretary in accordance with this section, from amending or modifying any policy, rule, regulation, or plan of the public housing agency, except that a significant amendment or modification may not—

"(A) be adopted, other than at a duly called meeting of board of directors (or similar governing body) of the public housing agency that is open to the public; and

"(B) be implemented, until notification of the amendment or modification is provided to the Secretary and approved in accordance with subsection (i).

"(2) CONSISTENCY AND NOTICE.—Each significant amendment or modification to a public housing agency plan submitted to the Secretary under this section shall—

"(A) meet the requirements under subsection (c)(2) (relating to consultation with resident advisory board and consistency with comprehensive housing affordability strategies); and

"(B) be subject to the notice and public hearing requirements of subsection (f).

"(h) SUBMISSION OF PLANS.—

"(1) INITIAL SUBMISSION.—Each public housing agency shall submit the initial plan required by this section, and any amendment or modification to the initial plan, to the Secretary at such time and in such form as the Secretary shall require.

"(2) ANNUAL SUBMISSION.—Not later than 75 days before the start of the fiscal year of the public housing agency, after submission of the initial plan required by this section in accordance with subparagraph (A), each public housing agency shall annually submit to the Secretary a plan update, including any amendments or modifications to the public housing agency plan.

"(i) REVIEW AND DETERMINATION OF COMPLIANCE.—

"(1) REVIEW.—Subject to paragraph (2), after submission of the public housing agency plan or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make determinations under this paragraph, the Secretary shall review the public housing agency plan (including any amendments or modifications thereto) and determine whether the contents of the plan—

"(A) set forth the information required by this section and this Act to be contained in a public housing agency plan;

"(B) are consistent with information and data available to the Secretary, including the approved comprehensive housing affordability strategy under title I of the Cranston-Gonzalez National Affordable Housing Act for the jurisdiction in which the public housing agency is located; and

"(C) are not prohibited by or inconsistent with any provision of this title or other applicable law.

"(2) ELEMENTS EXEMPTED FROM REVIEW.—The Secretary may, by regulation, provide that one or more elements of a public housing agency plan shall be reviewed only if the element is challenged, except that the Secretary shall review the information submitted in each plan pursuant to paragraphs (3)(B), (8), and (15) of subsection (d).

"(3) DISAPPROVAL.—The Secretary may disapprove a public housing agency plan (or any amendment or modification thereto) only if Secretary determines that the contents of the plan (or amendment or modification) do not comply with the requirements under subparagraph (A) through (C) of paragraph (1).

"(4) DETERMINATION OF COMPLIANCE.—

"(A) IN GENERAL.—Except as provided in subsection (j)(2), not later than 75 days after the date on which a pub-

lic housing agency plan is submitted in accordance with this section, the Secretary shall make the determination under paragraph (1) and provide written notice to the public housing agency if the plan has been disapproved. If the Secretary disapproves the plan, the notice shall state with specificity the reasons for the disapproval.

"(B) FAILURE TO PROVIDE NOTICE OF DISAPPROVAL.—In the case of a plan disapproved, if the Secretary does not provide notice of disapproval under subparagraph (A) before the expiration of the period described in subparagraph (A), the Secretary shall be considered, for purposes of this Act, to have made a determination that the plan complies with the requirements under this section and the agency shall be considered to have been notified of compliance upon the expiration of such period. The preceding sentence shall not preclude judicial review regarding such compliance pursuant to chapter 7 of title 5, United States Code, or an action regarding such compliance under section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983).

"(5) PUBLIC AVAILABILITY.—A public housing agency shall make the approved plan of the agency available to the general public.

"(j) TROUBLED AND AT-RISK PHAS.—

"(1) IN GENERAL.—The Secretary may require, for each public housing agency that is at risk of being designated as troubled under section 6(j)(2) or is designated as troubled under section 6(j)(2), that the public housing agency plan for such agency include such additional information as the Secretary determines to be appropriate, in accordance with such standards as the Secretary may establish or in accordance with such determinations as the Secretary may make on an agency-by-agency basis.

"(2) TROUBLED AGENCIES.—The Secretary shall provide explicit written approval or disapproval, in a timely manner, for a public housing agency plan submitted by any public housing agency designated by the Secretary as a troubled public housing agency under section 6(j)(2).

"(k) STREAMLINED PLAN.—In carrying out this section, the Secretary may establish a streamlined public housing agency plan for—

"(A) public housing agencies that are determined by the Secretary to be high performing public housing agencies;

"(B) public housing agencies with less than 250 public housing units that have not been designated as troubled under section 6(j)(2); and

"(C) public housing agencies that only administer tenant-based assistance and that do not own or operate public housing.

"(l) COMPLIANCE WITH PLAN.—

"(1) IN GENERAL.—In providing assistance under this title, a public housing agency shall comply with the rules, standards, and policies established in the public housing agency plan of the public housing agency approved under this section.

"(2) INVESTIGATION AND ENFORCEMENT.—In carrying out this title, the Secretary shall—

"(A) provide an appropriate response to any complaint concerning noncompliance by a public housing agency with the applicable public housing agency plan; and

"(B) if the Secretary determines, based on a finding of the Secretary or other information available to the Secretary, that a public housing agency is not complying with the applicable public housing agency plan, take such actions as the Secretary determines to be appropriate to ensure such compliance.".

(b) IMPLEMENTATION.—

(1) INTERIM RULE.—Not later than 120 days after the date of the enactment of this Act, the Secretary shall issue an interim rule to require the submission of an interim public housing agency plan by each public housing agency, as required by section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section). The interim rule shall provide for a public comment period of not less than 60 days.

(2) FINAL REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary shall issue final regulations implementing section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(3) FACTORS FOR CONSIDERATION.—Before the publication of the final regulations under paragraph (2), in addition to public comments invited in connection with the publication of the interim rule, the Secretary shall—

(A) seek recommendations on the implementation of section 5A of the United States Housing Act of 1937 (as added by this subsection (a) of this section) from organizations representing—

(i) State or local public housing agencies;

(ii) residents, including resident management corporations; and

(iii) other appropriate parties; and

(B) convene not less than 2 public forums at which the persons or organizations making recommendations under subparagraph (A) may express views concerning the proposed disposition of the recommendations.

The Secretary shall publish in the final rule a summary of the recommendations made and public comments received and the Department of Housing and Urban Development's response to such recommendations and comments.

(c) AUDIT AND REVIEW; REPORT.—

(1) AUDIT AND REVIEW.—Not later than 1 year after the effective date of final regulations issued under subsection (b)(2), in order to determine the degree of compliance, by public housing agencies, with public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section), the Comptroller General of the United States shall conduct—

(A) a review of a representative sample of the public housing agency plans approved under such section 5A before such date; and

(B) an audit and review of the public housing agencies submitting such plans.

(2) REPORT.—Not later than 2 years after the date on which public housing agency plans are initially required to be submitted under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section) the Comptroller General of the United States shall submit to the Congress a report, which shall include—

(A) a description of the results of each audit and review under paragraph (1); and

(B) any recommendations for increasing compliance by public housing agencies with their public housing agency plans approved under section 5A of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(d) CONTRACT PROVISIONS.—Section 6(a) of the United States Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

(1) in the first sentence, by inserting ", in a manner consistent with the public housing agency plan" before the period; and

(2) by striking the second sentence.

(e) APPLICABILITY.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 512. COMMUNITY SERVICE AND FAMILY SELF-SUFFICIENCY REQUIREMENTS.

(a) IN GENERAL.—Section 12 of the United States Housing Act of 1937 (42 U.S.C. 1437j) is amended—

(1) in the section heading, by inserting "AND COMMUNITY SERVICE REQUIREMENT" after "LABOR STANDARDS"; and

(2) by adding at the end the following new subsections:

"(c) COMMUNITY SERVICE REQUIREMENT.—

"(1) IN GENERAL.—Except as provided in paragraph (2) and notwithstanding any other provision of law, each adult resident of a public housing project shall—

"(A) contribute 8 hours per month of community service (not including political activities) within the community in which that adult resides; or

"(B) participate in an economic self-sufficiency program (as that term is defined in subsection (g)) for 8 hours per month.

"(2) EXEMPTIONS.—The Secretary shall provide an exemption from the applicability of paragraph (1) for any individual who—

"(A) is 62 years of age or older;

"(B) is a blind or disabled individual, as defined under section 216(i)(1) or 1614 of the Social Security Act (42 U.S.C. 416(i)(1); 1382c), and who is unable to comply with this section, or is a primary caretaker of such individual;

"(C) is engaged in a work activity (as such term is defined in section 407(d) of the Social Security Act (42 U.S.C. 607(d)), as in effect on and after July 1, 1997));

"(D) meets the requirements for being exempted from having to engage in a work activity under the State program funded under part A of title IV of the Social Security

Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program; or

"(E) is in a family receiving assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or under any other welfare program of the State in which the public housing agency is located, including a State-administered welfare-to-work program, and has not been found by the State or other administering entity to be in noncompliance with such program.

"(3) ANNUAL DETERMINATIONS.—

"(A) REQUIREMENT.—For each public housing resident subject to the requirement under paragraph (1), the public housing agency shall, 30 days before the expiration of each lease term of the resident under section 6(l)(1), review and determine the compliance of the resident with the requirement under paragraph (1) of this subsection.

"(B) DUE PROCESS.—Such determinations shall be made in accordance with the principles of due process and on a nondiscriminatory basis.

"(C) NONCOMPLIANCE.— If an agency determines that a resident subject to the requirement under paragraph (1) has not complied with the requirement, the agency—

"(i) shall notify the resident—

"(I) of such noncompliance;

"(II) that the determination of noncompliance is subject to the administrative grievance procedure under subsection (k); and

"(III) that, unless the resident enters into an agreement under clause (ii) of this subparagraph, the resident's lease will not be renewed; and

"(ii) may not renew or extend the resident's lease upon expiration of the lease term and shall take such action as is necessary to terminate the tenancy of the household, unless the agency enters into an agreement, before the expiration of the lease term, with the resident providing for the resident to cure any noncompliance with the requirement under paragraph (1), by participating in an economic self-sufficiency program for or contributing to community service as many additional hours as the resident needs to comply in the aggregate with such requirement over the 12-month term of the lease.

"(4) INELIGIBILITY FOR OCCUPANCY FOR NONCOMPLIANCE.— A public housing agency may not renew or extend any lease, or provide any new lease, for a dwelling unit in public housing for any household that includes an adult member who was subject to the requirement under paragraph (1) and failed to comply with the requirement.

"(5) INCLUSION IN PLAN.—Each public housing agency shall include in its public housing agency plan a detailed description

of the manner in which the agency intends to implement and administer this subsection.

"(6) GEOGRAPHIC LOCATION.—The requirement under paragraph (1) may include community service or participation in an economic self-sufficiency program performed at a location not owned by the public housing agency.

"(7) PROHIBITION AGAINST REPLACEMENT OF EMPLOYEES.—In carrying out this subsection, a public housing agency may not—

"(A) substitute community service or participation in an economic self-sufficiency program, as described in paragraph (1), for work performed by a public housing employee; or

"(B) supplant a job at any location at which community work requirements are fulfilled.

"(8) THIRD-PARTY COORDINATING.—A public housing agency may administer the community service requirement under this subsection directly, through a resident organization, or through a contractor having experience in administering volunteer-based community service programs within the service area of the public housing agency. The Secretary may establish qualifications for such organizations and contractors.

"(d) TREATMENT OF INCOME CHANGES RESULTING FROM WELFARE PROGRAM REQUIREMENTS.—

"(1) COVERED FAMILY.—For purposes of this subsection, the term 'covered family' means a family that (A) receives benefits for welfare or public assistance from a State or other public agency under a program for which the Federal, State, or local law relating to the program requires, as a condition of eligibility for assistance under the program, participation of a member of the family in an economic self-sufficiency program, and (B) resides in a public housing dwelling unit or is provided tenant-based assistance under section 8.

"(2) DECREASES IN INCOME FOR FAILURE TO COMPLY.—

"(A) IN GENERAL.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced under a Federal, State, or local law regarding such an assistance program because of any failure of any member of the family to comply with the conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement, the amount required to be paid by the family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction).

"(B) NO REDUCTION BASED ON TIME LIMIT FOR ASSISTANCE.—For purposes of this paragraph, a reduction in benefits as a result of the expiration of a lifetime time limit for a family receiving welfare or public assistance benefits shall not be considered to be a failure to comply with the

conditions under the assistance program requiring participation in an economic self-sufficiency program or imposing a work activities requirement. This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) EFFECT OF FRAUD.—Notwithstanding the provisions of section 3(a) (relating to family rental contributions) or paragraph (4) or (5) of section 3(b) (relating to definition of income and adjusted income), if the welfare or public assistance benefits of a covered family are reduced because of an act of fraud by a member of the family under the law or program, the amount required to be paid by the covered family as a monthly contribution toward rent may not be decreased, during the period of the reduction, as a result of any decrease in the income of the family (to the extent that the decrease in income is a result of the benefits reduction). This paragraph shall apply beginning upon the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(4) NOTICE.—Paragraphs (2) and (3) shall not apply to any covered family before the public housing agency providing assistance under this Act on behalf of the family obtains written notification from the relevant welfare or public assistance agency specifying that the family's benefits have been reduced because of noncompliance with economic self-sufficiency program or work activities requirements or fraud, and the level of such reduction.

"(5) OCCUPANCY RIGHTS.—This subsection may not be construed to authorize any public housing agency to establish any time limit on tenancy in a public housing dwelling unit or on receipt of tenant-based assistance under section 8.

"(6) REVIEW.—Any covered family residing in public housing that is affected by the operation of this subsection shall have the right to review the determination under this subsection through the administrative grievance procedure established pursuant to section 6(k) for the public housing agency.

"(7) COOPERATION AGREEMENTS FOR ECONOMIC SELF-SUFFICIENCY ACTIVITIES.—

"(A) REQUIREMENT.—A public housing agency providing public housing dwelling units or tenant-based assistance under section 8 for covered families shall make its best efforts to enter into such cooperation agreements, with State, local, and other agencies providing assistance to covered families under welfare or public assistance programs, as may be necessary, to provide for such agencies to transfer information to facilitate administration of subsection (c) and paragraphs (2), (3), and (4) of this subsection and other information regarding rents, income, and assistance that may assist a public housing agency or welfare or public assistance agency in carrying out its functions.

"(B) CONTENTS.—A public housing agency shall seek to include in a cooperation agreement under this paragraph requirements and provisions designed to target assistance under welfare and public assistance programs to families residing in public housing projects and families receiving

tenant-based assistance under section 8, which may include providing for economic self-sufficiency services within such housing, providing for services designed to meet the unique employment-related needs of residents of such housing and recipients of such assistance, providing for placement of workfare positions on-site in such housing, and such other elements as may be appropriate.

"(C) CONFIDENTIALITY.—This paragraph may not be construed to authorize any release of information prohibited by, or in contravention of, any other provision of Federal, State, or local law.

"(e) LEASE PROVISIONS.—A public housing agency shall incorporate into leases under section 6(l) and into agreements for the provision of tenant-based assistance under section 8, provisions incorporating the conditions under subsection (d).

"(f) TREATMENT OF INCOME.—Notwithstanding any other provision of this section, in determining the income of a family who resides in public housing or receives tenant-based assistance under section 8, a public housing agency shall consider any decrease in the income of a family that results from the reduction of any welfare or public assistance benefits received by the family under any Federal, State, or local law regarding a program for such assistance if the family (or a member thereof, as applicable) has complied with the conditions for receiving such assistance and is unable to obtain employment notwithstanding such compliance.

"(g) DEFINITION.—For purposes of this section, the term 'economic self-sufficiency program' means any program designed to encourage, assist, train, or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, education, workfare, financial or household management, apprenticeship, or other activities as the Secretary may provide.".

(b) 1-YEAR LEASES.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) by redesignating paragraphs (1) through (6) as paragraphs (2) through (7), respectively;

(2) by redesignating paragraph (7) as paragraph (9); and

(3) by inserting before paragraph (2) the following new paragraph:

"(1) have a term of 12 months and shall be automatically renewed for all purposes except for noncompliance with the requirements under section 12(c) (relating to community service requirements); except that nothing in this title shall prevent a resident from seeking timely redress in court for failure to renew based on such noncompliance;".

SEC. 513. INCOME TARGETING.

(a) IN GENERAL.—Section 16 of the United States Housing Act of 1937 (42 U.S.C. 1437n) is amended by striking the section designation and all that follows through the end of subsection (d) and inserting the following:

"SEC. 16. (a) INCOME ELIGIBILITY FOR PUBLIC HOUSING.—

"(1) INCOME MIX WITHIN PROJECTS.—A public housing agency may establish and utilize income-mix criteria for the se-

lection of residents for dwelling units in public housing projects, subject to the requirements of this section.

"(2) PHA INCOME MIX.—

"(A) TARGETING.—Except as provided in paragraph (4), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 40 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(3) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—

"(A) PROHIBITION.—A public housing agency may not, in complying with the requirements under paragraph (2), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing projects or certain buildings within projects. The Secretary shall review the income and occupancy characteristics of the public housing projects and the buildings of such projects of such agencies to ensure compliance with the provisions of this paragraph and paragraph (2).

"(B) DECONCENTRATION.—

"(i) IN GENERAL.—A public housing agency shall submit with its annual public housing agency plan under section 5A an admissions policy designed to provide for deconcentration of poverty and income-mixing by bringing higher income tenants into lower income projects and lower income tenants into higher income projects. This clause may not be construed to impose or require any specific income or racial quotas for any project or projects.

"(ii) INCENTIVES.—In implementing the policy under clause (i), a public housing agency may offer incentives for eligible families having higher incomes to occupy dwelling unit in projects predominantly occupied by eligible families having lower incomes, and provide for occupancy of eligible families having lower incomes in projects predominantly occupied by eligible families having higher incomes.

"(iii) FAMILY CHOICE.—Incentives referred to in clause (ii) may be made available by a public housing agency only in a manner that allows for the eligible family to have the sole discretion in determining whether to accept the incentive and an agency may not take any adverse action toward any eligible family for choosing not to accept an incentive and occupancy of a project described in clause (i)(II), Provided, That the skipping of a family on a waiting list to reach another family to implement the policy under clause (i) shall not be considered an adverse action. An agency implementing an admissions policy under this subparagraph shall implement the policy in a manner that does not

prevent or interfere with the use of site-based waiting lists authorized under section 6(s).

"(4) FUNGIBILITY WITH TENANT-BASED ASSISTANCE.—

"(A) AUTHORITY.—Except as provided under subparagraph (D), the number of public housing dwelling units that a public housing agency shall otherwise make available in accordance with paragraph (2)(A) to comply with the percentage requirement under such paragraph for a fiscal year shall be reduced by the credit number for the agency under subparagraph (B).

"(B) CREDIT FOR EXCEEDING TENANT-BASED ASSISTANCE TARGETING REQUIREMENT.—Subject to subparagraph (C), the credit number under this subparagraph for a public housing agency for a fiscal year shall be the number by which—

"(i) the aggregate number of qualified families who, in such fiscal year, are initially provided tenant-based assistance under section 8 by the agency; exceeds

"(ii) the number of qualified families that is required for the agency to comply with the percentage requirement under subsection (b)(1) for such fiscal year.

"(C) LIMITATIONS ON CREDIT NUMBER.—The credit number under subparagraph (B) for a public housing agency for a fiscal year may not in any case exceed the lesser of—

"(i) the number of dwelling units that is equivalent to 10 percent of the aggregate number of families initially provided tenant-based assistance under section 8 by the agency in such fiscal year; or

"(ii) the number of public housing dwelling units of the agency that—

"(I) are in projects that are located in census tracts having a poverty rate of 30 percent or more; and

"(II) are made available for occupancy during such fiscal year and are actually filled only by families whose incomes at the time of commencement of such occupancy exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(D) FUNGIBILITY FLOOR.—Notwithstanding any authority under subparagraph (A), of the public housing dwelling units of a public housing agency made available for occupancy in any fiscal year by eligible families, not less than 30 percent shall be occupied by families whose incomes at the time of commencement of occupancy do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families.

"(E) QUALIFIED FAMILY.—For purposes of this paragraph, the term 'qualified family' means a family having an income described in subsection (b)(1).

"(b) INCOME ELIGIBILITY FOR TENANT-BASED SECTION 8 ASSISTANCE.—

"(1) IN GENERAL.—Of the families initially provided tenant-based assistance under section 8 by a public housing agency in any fiscal year, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families; except that the Secretary may establish income ceilings higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

"(2) JURISDICTIONS SERVED BY MULTIPLE PHA'S.—In the case of any 2 or more public housing agencies that administer tenant-based assistance under section 8 with respect solely to identical geographical areas, such agencies shall be treated as a single public housing agency for purposes of paragraph (1).

"(c) INCOME ELIGIBILITY FOR PROJECT-BASED SECTION 8 ASSISTANCE.—

"(1) PRE-1981 ACT PROJECTS.—Not more than 25 percent of the dwelling units that were available for occupancy under section 8 housing assistance payments contracts under this Act before the effective date of the Housing and Community Development Amendments of 1981, and which will be leased on or after such effective date shall be available for leasing by low-income families other than very low-income families.

"(2) POST-1981 ACT PROJECTS.—Not more than 15 percent of the dwelling units which become available for occupancy under section 8 housing assistance payments contracts under this Act on or after the effective date of the Housing and Community Development Amendments of 1981 shall be available for leasing by low-income families other than very low-income families.

"(3) TARGETING.—For each project assisted under a contract for project-based assistance, of the dwelling units that become available for occupancy in any fiscal year that are assisted under the contract, not less than 40 percent

"(4) PROHIBITION OF SKIPPING.—In developing admission procedures implementing paragraphs (1), (2), and (3), the Secretary shall prohibit project owners from selecting families for residence in an order different from the order on the waiting list for the purpose of selecting relatively higher income families for residence. Nothing in this paragraph or this subsection may be construed to prevent an owner of housing assisted under a contract for project-based assistance from establishing a preference for occupancy in such housing for families containing a member who is employed.

"(5) EXCEPTION.—The limitations established in paragraphs (1), (2), and (3) shall not apply to dwelling units made available under project-based contracts under section 8 for the purpose of preventing displacement, or ameliorating the effects of displacement.

"(6) DEFINITION.—For purposes of this subsection, the term 'project-based assistance' means assistance under any of the following programs:

"(A) The new construction or substantial rehabilitation program under section 8(b)(2) (as in effect before October 1, 1983).

"(B) The property disposition program under section 8(b) (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998).

"(C) The loan management set-aside program under subsections (b) and (v) of section 8.

"(D) The project-based certificate program under section 8(d)(2).

"(E) The moderate rehabilitation program under section 8(e)(2) (as in effect before October 1, 1991).

"(F) The low-income housing preservation program under Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987 (as in effect before November 28, 1990).

"(G) Section 8 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998), following conversion from assistance under section 101 of the Housing and Urban Development Act of 1965 or section 236(f)(2) of the National Housing Act.

"(d) ESTABLISHMENT OF DIFFERENT STANDARDS.—Notwithstanding subsection (a)(2) or (b)(1), if approved by the Secretary, a public housing agency may for good cause establish and implement, in accordance with the public housing agency plan, an admission standard other than the standard under such subsection.".

(b) EFFECTIVE DATE.—This section shall take effect on, and the amendments under this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 514. REPEAL OF FEDERAL PREFERENCES.

(a) PUBLIC HOUSING.—

(1) IN GENERAL.—Subparagraph (A) of section 6(c)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437d)(c)(4)) is amended to read as follows:

"(A) making dwelling units in public housing available for occupancy, which shall provide that the public housing agency may establish a system for making dwelling units available that provides preference for such occupancy to families having certain characteristics; each system of preferences established pursuant to this subparagraph shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction;".

(2) CONFORMING AMENDMENTS.—

(A) PUBLIC HOUSING ASSISTANCE FOR FOSTER CARE CHILDREN.—Section 6(o) of the United States Housing Act

of 1937 (42 U.S.C. 1437d(o)) is amended by striking "Subject" and all that follows through ", in" and inserting "In".

(B) YOUTHBUILD PROGRAM.—Section 455(a)(2)(D)(iii) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899d(a)(2)(D)(iii) is amended striking "section 6(c)(4)(A)" and inserting "any system of preferences established under section 6(c)(1)".

(b) SECTION 8 EXISTING AND MODERATE REHABILITATION.—

(1) IN GENERAL.—Subparagraph (A) of section 8(d)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended to read as follows:

"(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish local preferences, consistent with the public housing agency plan submitted under section 5A by the public housing agency;".

(2) CONFORMING AMENDMENTS.—

(A) LOW-INCOME HOUSING PRESERVATION AND RESIDENT HOMEOWNERSHIP ACT OF 1990.—The second sentence of section 226(b)(6)(B) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is amended by striking "The requirement for giving preferences to certain categories of eligible families under sections 8(d)(1)(A) and 8(o)(3)" and inserting "Any system for preferences established under section 8(d)(1)(A) or 8(o)(6)(A)".

(B) HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992.—Section 655 of the Housing and Community Development Act of 1992 (42 U.S.C. 13615) is amended by striking "shall be given" and all that follows through the period at the end and inserting the following: "shall be given to disabled families according to any preferences established under any system established under section 8(d)(1)(A) by the public housing agency.".

(C) MANAGEMENT AND DISPOSITION OF MULTIFAMILY HOUSING PROJECTS.—Section 203(g)(2) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1701z–11(g)(2)) is amended by striking "the preferences for assistance under sections 6(c)(4)(A)(i), 8(d)(1)(A)(i), and 8(o)(3)(B)" and inserting "any system of preferences established pursuant to section 6(c)(4)(A), 8(d)(1)(A), or 8(o)(6)(A)".

(D) OTHER REFERENCES.—Subparagraph (D) of section 402(d)(6) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437d note) is hereby repealed.

(c) SECTION 8 NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION.—

(1) PERMANENT REPEAL.—Subsection (c) of section 545 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) is hereby repealed.

(2) PROHIBITION.—Notwithstanding any other provision of law (including subsection (f) of this section), section 402(d)(4)(B) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) shall apply to fiscal year 1999 and thereafter.

(d) RENT SUPPLEMENTS.—Subsection (k) of section 1010 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s(k)) is hereby repealed.

(e) SENSE OF CONGRESS REGARDING PREFERENCE FOR ASSISTANCE FOR VICTIMS OF DOMESTIC VIOLENCE.—It is the sense of Congress that, each public housing agency involved in the selection of eligible families for assistance under the United States Housing Act of 1937 (including residency in public housing and tenant-based assistance under section 8 of such Act) should, consistent with the public housing agency plan of the agency, consider preferences for individuals who are victims of domestic violence.

(f) TERMINATION OF TEMPORARY PROVISIONS.—Section 402 of The Balanced Budget Downpayment Act, I, and the amendments made by such section shall cease to be effective on the date of the enactment of this Act. Notwithstanding the inclusion in this Act of any provision extending the effectiveness of such section or such amendments, such provision included in this Act shall not take effect.

(g) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 515. JOINT VENTURES AND CONSORTIA OF PUBLIC HOUSING AGENCIES; REPEAL OF ENERGY CONSERVATION PROVISIONS.

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

"SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND SUBSIDIARIES OF PUBLIC HOUSING AGENCIES.

"(a) CONSORTIA.—

"(1) IN GENERAL.—Any 2 or more public housing agencies may participate in a consortium for the purpose of administering any or all of the housing programs of those public housing agencies in accordance with this section.

"(2) EFFECT.—With respect to any consortium described in paragraph (1)—

"(A) any assistance made available under this title to each of the public housing agencies participating in the consortium shall be paid to the consortium; and

"(B) all planning and reporting requirements imposed upon each public housing agency participating in the consortium with respect to the programs operated by the consortium shall be consolidated.

"(3) RESTRICTIONS.—

"(A) AGREEMENT.—Each consortium described in paragraph (1) shall be formed and operated in accordance with a consortium agreement, and shall be subject to the requirements of a joint public housing agency plan, which shall be submitted by the consortium in accordance with section 5A.

"(B) MINIMUM REQUIREMENTS.—The Secretary shall specify minimum requirements relating to the formation and operation of consortia and the minimum contents of consortium agreements under this paragraph.

"(b) JOINT VENTURES.—

"(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency, in accordance with the public housing agency plan, may—

"(A) form and operate wholly owned or controlled subsidiaries (which may be nonprofit corporations) and other affiliates, any of which may be directed, managed, or controlled by the same persons who constitute the board of directors or similar governing body of the public housing agency, or who serve as employees or staff of the public housing agency; or

"(B) enter into joint ventures, partnerships, or other business arrangements with, or contract with, any person, organization, entity, or governmental unit—

"(i) with respect to the administration of the programs of the public housing agency, including any program that is subject to this title; or

"(ii) for the purpose of providing or arranging for the provision of supportive or social services.

"(2) USE OF AND TREATMENT INCOME.—Any income generated under paragraph (1)—

"(A) shall be used for low-income housing or to benefit the residents assisted by the public housing agency; and

"(B) shall not result in any decrease in any amount provided to the public housing agency under this title, except as otherwise provided under the formulas established under section 9(d)(2) and 9(e)(2).

"(3) AUDITS.—The Comptroller General of the United States, the Secretary, or the Inspector General of the Department of Housing and Urban Development may conduct an audit of any activity undertaken under paragraph (1) at any time.".

SEC. 516. PUBLIC HOUSING AGENCY MORTGAGES AND SECURITY INTERESTS.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following:

"SEC. 30. PUBLIC HOUSING MORTGAGES AND SECURITY INTERESTS.

"(a) GENERAL AUTHORIZATION.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.

"(b) TERMS AND CONDITIONS.—In making any authorization under subsection (a), the Secretary may consider—

"(1) the ability of the public housing agency to use the proceeds of the mortgage or security interest for low-income housing uses;

"(2) the ability of the public housing agency to make payments on the mortgage or security interest; and

"(3) such other criteria as the Secretary may specify.

"(c) NO FEDERAL LIABILITY.—No action taken under this section shall result in any liability to the Federal Government.".

SEC. 517. MENTAL HEALTH ACTION PLAN.

The Secretary of Housing and Urban Development, in consultation with the Secretary of Health and Human Services, the Secretary of Labor, and appropriate State and local officials and representatives, shall—

(1) develop an action plan and list of recommendations for the improvement of means of providing severe mental illness treatment to families and individuals receiving housing assistance under the United States Housing Act of 1937, including public housing residents, residents of multifamily housing assisted with project-based assistance under section 8 of such Act, and recipients of tenant-based assistance under such section; and

(2) develop and disseminate a list of current practices among public housing agencies and owners of assisted housing that serve to benefit persons in need of mental health care.".

Subtitle B—Public Housing

PART 1—CAPITAL AND OPERATING ASSISTANCE

SEC. 518. CONTRIBUTIONS FOR LOWER INCOME HOUSING PROJECTS.

(a) REPEALS.—

(1) IN GENERAL.—Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) is amended—

(A) by striking subsections (h) through (k); and

(B) by redesignating subsection (l), as added by the preceding provisions of this Act, as subsection (i).

(2) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(A) in section 21(d) (42 U.S.C. 1437s(d)), by striking "section 5(h) or"; and

(C) in section 307 (42 U.S.C. 1437aaa–6), by striking "section 5(h) and".

(b) LOCAL NOTIFICATION.—Section 5(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c(e)(2)) is amended by inserting before the period at the end the following: "; the Secretary shall require that each such agreement shall provide that, notwithstanding any order, judgment, or decree of any court (including any settlement order), before making any amounts that are provided pursuant to any contract for contributions under this title available for use for the development of any housing or other property not previously used as public housing, the public housing agency shall (A) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the public housing for which such amounts are to be so used is located (or to be located) of such use, and (B) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the

public housing to be so assisted (except to the extent otherwise prohibited by law)".

SEC. 519. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) IN GENERAL.—Section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g) is amended to read as follows:

"SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

"(a) MERGER INTO CAPITAL FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 14 of this Act before October 1, 1999, shall be merged into the Capital Fund established under subsection (d).

"(b) MERGER INTO OPERATING FUND.—Except as otherwise provided in the Quality Housing and Work Responsibility Act of 1998, any assistance made available for public housing under section 9 of this Act before October 1, 1999, shall be merged into the Operating Fund established under subsection (e).

"(c) ALLOCATION AMOUNT.—

"(1) IN GENERAL.—For fiscal year 2000 and each fiscal year thereafter, the Secretary shall allocate amounts in the Capital Fund and Operating Funds for assistance for public housing agencies eligible for such assistance. The Secretary shall determine the amount of the allocation for each eligible agency, which shall be, for any fiscal year beginning after the effective date of the formulas described in subsections (d)(2) and (e)(2)—

"(A) for assistance from the Capital Fund, the amount determined for the agency under the formula under subsection (d)(2); and

"(B) for assistance from the Operating Fund, the amount determined for the agency under the formula under subsection (e)(2).

"(2) FUNDING.—There are authorized to be appropriated for assistance for public housing agencies under this section the following amounts:

"(A) CAPITAL FUND.—For allocations of assistance from the Capital Fund, $3,000,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(B) OPERATING FUND.—For allocations of assistance from the Operating Fund, $2,900,000,000 for fiscal year 1999, and such sums as may be necessary for each of fiscal years 2000, 2001, 2002, and 2003.

"(d) CAPITAL FUND.—

"(1) IN GENERAL.—The Secretary shall establish a Capital Fund for the purpose of making assistance available to public housing agencies to carry out capital and management activities, including—

"(A) the development, financing, and modernization of public housing projects, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings (including accessibility improvements) and the development of mixed-finance projects;

"(B) vacancy reduction;

"(C) addressing deferred maintenance needs and the replacement of obsolete utility systems and dwelling equipment;

"(D) planned code compliance;

"(E) management improvements;

"(F) demolition and replacement;

"(G) resident relocation;

"(H) capital expenditures to facilitate programs to improve the empowerment and economic self-sufficiency of public housing residents and to improve resident participation;

"(I) capital expenditures to improve the security and safety of residents; and

"(J) homeownership activities, including programs under section 32.

"(2) FORMULA.—The Secretary shall develop a formula for determining the amount of assistance provided to public housing agencies from the Capital Fund for a fiscal year, which shall include a mechanism to reward performance. The formula may take into account such factors as—

"(A) the number of public housing dwelling units owned, assisted, or operated by the public housing agency, the characteristics and locations of the projects, and the characteristics of the families served and to be served (including the incomes of the families);

"(B) the need of the public housing agency to carry out rehabilitation and modernization activities, replacement housing, and reconstruction, construction, and demolition activities related to public housing dwelling units owned, assisted, or operated by the public housing agency, including backlog and projected future needs of the agency;

"(C) the cost of constructing and rehabilitating property in the area;

"(D) the need of the public housing agency to carry out activities that provide a safe and secure environment in public housing units owned, assisted, or operated by the public housing agency;

"(E) any record by the public housing agency of exemplary performance in the operation of public housing, as indicated by the system of performance indicators established pursuant to section 6(j); and

"(F) any other factors that the Secretary determines to be appropriate.

"(3) CONDITIONS ON USE FOR DEVELOPMENT AND MODERNIZATION.—

"(A) DEVELOPMENT.—Except as otherwise provided in this Act, any public housing developed using amounts provided under this subsection, or under section 14 as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, shall be operated under the terms and conditions applicable to public housing during the 40-year period that begins on the date on which the project (or stage of the project) becomes available for occupancy.

"(B) MODERNIZATION.—Except as otherwise provided in this Act, any public housing or portion thereof that is modernized using amounts provided under this subsection or under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) shall be maintained and operated under the terms and conditions applicable to public housing during the 20-year period that begins on the latest date on which modernization is completed.

"(C) APPLICABILITY OF LATEST EXPIRATION DATE.—Public housing subject to this paragraph or to any other provision of law mandating the operation of the housing as public housing or under the terms and conditions applicable to public housing for a specified length of time, shall be maintained and operated as required until the latest such expiration date.

"(e) OPERATING FUND.—

"(1) IN GENERAL.—The Secretary shall establish an Operating Fund for the purpose of making assistance available to public housing agencies for the operation and management of public housing, including—

"(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units (including amounts sufficient to pay for the reasonable costs of review by an independent auditor of the documentation or other information maintained pursuant to section 6(j)(6) by a public housing agency or resident management corporation to substantiate the performance of that agency or corporation);

"(B) activities to ensure a program of routine preventative maintenance;

"(C) anticrime and antidrug activities, including the costs of providing adequate security for public housing residents, including above-baseline police service agreements;

"(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities;

"(E) activities to provide for management and participation in the management and policy making of public housing by public housing residents;

"(F) the costs of insurance;

"(G) the energy costs associated with public housing units, with an emphasis on energy conservation;

"(H) the costs of administering a public housing work program under section 12, including the costs of any related insurance needs;

"(I) the costs of repaying, together with rent contributions, debt incurred to finance the rehabilitation and development of public housing units, which shall be subject to such reasonable requirements as the Secretary may establish; and

"(J) the costs associated with the operation and management of mixed finance projects, to the extent appropriate.

"(2) FORMULA.—

"(A) IN GENERAL.—The Secretary shall establish a formula for determining the amount of assistance provided to public housing agencies from the Operating Fund for a fiscal year. The formula may take into account—

"(i) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing projects and characteristics of the families served and to be served (including the incomes of the families), or the costs of providing comparable services as determined in accordance with criteria or a formula representing the operations of a prototype well-managed public housing project;

"(ii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency;

"(iii) the number of public housing dwelling units owned, assisted, or operated by the public housing agency that are chronically vacant and the amount of assistance appropriate for those units;

"(iv) to the extent quantifiable, the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing residents;

"(v) the need of the public housing agency to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents;

"(vi) the amount of public housing rental income foregone by the public housing agency as a result of escrow savings accounts under section 23(d)(2) for families participating in a family self-sufficiency program of the agency under such section 23; and

"(vii) any other factors that the Secretary determines to be appropriate.

"(B) INCENTIVE TO INCREASE CERTAIN RENTAL INCOME.—The formula shall provide an incentive to encourage public housing agencies to facilitate increases in earned income by families in occupancy. Any such incentive shall provide that the agency shall benefit from increases in such rental income and that such amounts accruing to the agency pursuant to such benefit may be used only for low-income housing or to benefit the residents of the public housing agency.

"(C) TREATMENT OF SAVINGS.—The treatment of utility and waste management costs under the formula shall provide that a public housing agency shall receive the full financial benefit from any reduction in the cost of utilities or waste management resulting from any contract with a third party to undertake energy conservation improvements in one or more of its public housing projects.

"(3) CONDITION ON USE.—No portion of any public housing project operated using amounts provided under this subsection,

or under this section as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which such amounts were provided, except as otherwise provided in this Act.

"(f) NEGOTIATED RULEMAKING PROCEDURE.—The formulas under subsections (d)(2) and (e)(2) shall be developed according to procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code.

"(g) LIMITATIONS ON USE OF FUNDS.—

"(1) FLEXIBILITY FOR CAPITAL FUND AMOUNTS.—Of any amounts appropriated for fiscal year 2000 or any fiscal year thereafter that are allocated for fiscal year 2000 or any fiscal year thereafter from the Capital Fund for any public housing agency, the agency may use not more than 20 percent for activities that are eligible under subsection (e) for assistance with amounts from the Operating Fund, but only if the public housing agency plan for the agency provides for such use.

"(2) FULL FLEXIBILITY FOR SMALL PHA'S.—Of any amounts allocated for any fiscal year for any public housing agency that owns or operates less than 250 public housing dwelling units, is not designated pursuant to section 6(j)(2) as a troubled public housing agency, and (in the determination of the Secretary) is operating and maintaining its public housing in a safe, clean, and healthy condition, the agency may use any such amounts for any eligible activities under subsections (d)(1) and (e)(1), regardless of the fund from which the amounts were allocated and provided. This subsection shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.

"(3) LIMITATION ON NEW CONSTRUCTION.—

"(A) IN GENERAL.—Except as provided in subparagraphs (B) and (C), a public housing agency may not use any of the amounts allocated for the agency from the Capital Fund or Operating Fund for the purpose of constructing any public housing unit, if such construction would result in a net increase from the number of public housing units owned, assisted, or operated by the public housing agency on October 1, 1999, including any public housing units demolished as part of any revitalization effort.

"(B) EXCEPTION REGARDING USE OF ASSISTANCE.—A public housing agency may use amounts allocated for the agency from the Capital Fund or Operating Fund for the construction and operation of housing units that are available and affordable to low-income families in excess of the limitations on new construction set forth in subparagraph (A), but the formulas established under subsections (d)(2) and (e)(2) shall not provide additional funding for the specific purpose of allowing construction and operation of housing in excess of those limitations (except to the extent provided in subparagraph (C)).

"(C) EXCEPTION REGARDING FORMULAS.—Subject to reasonable limitations set by the Secretary, the formulas established under subsections (d)(2) and (e)(2) may provide additional funding for the operation and modernization costs (but not the initial development costs) of housing in excess of amounts otherwise permitted under this paragraph, and such amounts may be so used, if—

"(i) such units are part of a mixed-finance project or otherwise leverage significant additional private or public investment; and

"(ii) the estimated cost of the useful life of the project is less than the estimated cost of providing tenant-based assistance under section 8(o) for the same period of time.

"(h) TECHNICAL ASSISTANCE.—To the extent amounts are provided in advance in appropriations Acts, the Secretary may make grants or enter into contracts or cooperative agreements in accordance with this subsection for purposes of providing, either directly or indirectly—

"(1) technical assistance to public housing agencies, resident councils, resident organizations, and resident management corporations, including assistance relating to monitoring and inspections;

"(2) training for public housing agency employees and residents;

"(3) data collection and analysis;

"(4) training, technical assistance, and education to public housing agencies that are—

"(A) at risk of being designated as troubled under section 6(j), to assist such agencies from being so designated; and

"(B) designated as troubled under section 6(j), to assist such agencies in achieving the removal of that designation;

"(5) contract expertise;

"(6) training and technical assistance to assist in the oversight and management of public housing or tenant-based assistance; and

"(7) clearinghouse services in furtherance of the goals and activities of this subsection.

As used in this subsection, the terms 'training' and 'technical assistance' shall include training or technical assistance and the cost of necessary travel for participants in such training or technical assistance, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees.

"(i) ELIGIBILITY OF UNITS ACQUIRED FROM PROCEEDS OF SALES UNDER DEMOLITION OR DISPOSITION PLAN.—If a public housing agency uses proceeds from the sale of units under a homeownership program in accordance with section 32 to acquire additional units to be sold to low-income families, the additional units shall be counted as public housing for purposes of determining the amount of the allocation to the agency under this section until sale by the agency, but in no case longer than 5 years.

"(j) PENALTY FOR SLOW EXPENDITURE OF CAPITAL FUNDS.—

"(1) OBLIGATION OF AMOUNTS.—Except as provided in paragraph (4) and subject to paragraph (2), a public housing agency shall obligate any assistance received under this section not later than 24 months after, as applicable—

"(A) the date on which the funds become available to the agency for obligation in the case of modernization; or

"(B) the date on which the agency accumulates adequate funds to undertake modernization, substantial rehabilitation, or new construction of units.

"(2) EXTENSION OF TIME PERIOD FOR OBLIGATION.—The Secretary—

"(A) may, extend the time period under paragraph (1) for a public housing agency, for such period as the Secretary determines to be necessary, if the Secretary determines that the failure of the agency to obligate assistance in a timely manner is attributable to—

"(i) litigation;

"(ii) obtaining approvals of the Federal Government or a State or local government;

"(iii) complying with environmental assessment and abatement requirements;

"(iv) relocating residents;

"(v) an event beyond the control of the public housing agency; or

"(vi) any other reason established by the Secretary by notice published in the Federal Register;

"(B) shall disregard the requirements of paragraph (1) with respect to any unobligated amounts made available to a public housing agency, to the extent that the total of such amounts does not exceed 10 percent of the original amount made available to the public housing agency; and

"(C) may, with the prior approval of the Secretary, extend the time period under paragraph (1), for an additional period not to exceed 12 months, based on—

"(i) the size of the public housing agency;

"(ii) the complexity of capital program of the public housing agency;

"(iii) any limitation on the ability of the public housing agency to obligate the amounts allocated for the agency from the Capital Fund in a timely manner as a result of State or local law; or

"(iv) such other factors as the Secretary determines to be relevant.

"(3) EFFECT OF FAILURE TO COMPLY.—

"(A) PROHIBITION OF NEW ASSISTANCE.—A public housing agency shall not be awarded assistance under this section for any month during any fiscal year in which the public housing agency has funds unobligated in violation of paragraph (1) or (2).

"(B) WITHHOLDING OF ASSISTANCE.—During any fiscal year described in subparagraph (A), the Secretary shall withhold all assistance that would otherwise be provided to the public housing agency. If the public housing agency cures its failure to comply during the year, it shall be pro-

vided with the share attributable to the months remaining in the year.

"(C) REDISTRIBUTION.—The total amount of any funds not provided public housing agencies by operation of this paragraph shall be allocated for agencies determined under section 6(j) to be high-performing.

"(4) EXCEPTION TO OBLIGATION REQUIREMENTS.—

"(A) IN GENERAL.—Subject to subparagraph (B), if the Secretary has consented, before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, to an obligation period for any agency longer than provided under paragraph (1), a public housing agency that obligates its funds before the expiration of that period shall not be considered to be in violation of paragraph (1).

"(B) PRIOR FISCAL YEARS.—Notwithstanding subparagraph (A), any funds appropriated to a public housing agency for fiscal year 1997 or prior fiscal years shall be fully obligated by the public housing agency not later than September 30, 1999.

"(5) EXPENDITURE OF AMOUNTS.—

"(A) IN GENERAL.—A public housing agency shall spend any assistance received under this section not later than 4 years (plus the period of any extension approved by the Secretary under paragraph (2)) after the date on which funds become available to the agency for obligation.

"(B) ENFORCEMENT.—The Secretary shall enforce the requirement of subparagraph (A) through default remedies up to and including withdrawal of the funding.

"(6) RIGHT OF RECAPTURE.—Any obligation entered into by a public housing agency shall be subject to the right of the Secretary to recapture the obligated amounts for violation by the public housing agency of the requirements of this subsection.

"(k) EMERGENCY RESERVE AND USE OF AMOUNTS.—

"(1) SET-ASIDES.—In each fiscal year after fiscal year 1999, the Secretary shall set aside, for use in accordance with this subsection, not more than 2 percent of the total amount made available to carry out this section for such fiscal year. In addition to amounts set aside under the preceding sentence, in each fiscal year the Secretary may set from the total amount made available to carry out this section for such fiscal year not more than $20,000,000 for the Operation Safe Home program administered by the Office of the Inspector General of the Department of Housing and Urban Development, for law enforcement efforts to combat violent crime on or near the premises of public and federally assisted housing.

"(2) USE OF FUNDS.—Amounts set aside under paragraph (1) shall be available to the Secretary for use for assistance, as provided in paragraph (3), in connection with—

"(A) emergencies and other disasters; and

"(C) housing needs resulting from any settlement of litigation; and

"(3) ELIGIBLE USES.—In carrying out this subsection, the Secretary may use amounts set aside under this subsection to provide—

"(A) assistance for any eligible use under the Operating Fund or the Capital Fund established by this section; or

"(B) tenant-based assistance in accordance with section 8.

"(4) LIMITATION.—With respect to any fiscal year, the Secretary may carry over not more than a total of $25,000,000 in unobligated amounts set aside under this subsection for use in connection with the activities described in paragraph (2) during the succeeding fiscal year.

"(5) PUBLICATION.—The Secretary shall publish the use of any amounts allocated under this subsection relating to emergencies (other than disasters and housing needs resulting from any settlement of litigation) in the Federal Register.

"(l) TREATMENT OF NONRENTAL INCOME.—A public housing agency that receives income from nonrental sources (as determined by the Secretary) may retain and use such amounts without any decrease in the amounts received under this section from the Capital or Operating Fund. Any such nonrental amounts retained shall be used only for low-income housing or to benefit the residents assisted by the public housing agency.

"(m) PROVISION OF ONLY CAPITAL OR OPERATING ASSISTANCE.—

"(1) AUTHORITY.—In appropriate circumstances, as determined by the Secretary, a public housing agency may commit capital assistance only, or operating assistance only, for public housing units, which assistance shall be subject to all of the requirements applicable to public housing except as otherwise provided in this subsection.

"(2) EXEMPTIONS.—In the case of any public housing unit assisted pursuant to the authority under paragraph (1), the Secretary may, by regulation, reduce the period under subsection (d)(3) or (e)(3), as applicable, during which such units must be operated under requirements applicable to public housing. In cases in which there is commitment of operating assistance but no commitment of capital assistance, the Secretary may make section 8 requirements applicable, as appropriate, by regulation.

"(n) TREATMENT OF PUBLIC HOUSING.—

"(1) CERTAIN STATE AND CITY FUNDED HOUSING.—

"(A) IN GENERAL.—Notwithstanding any other provision of this section—

"(i) for purposes of determining the allocations from the Operating and Capital Funds pursuant to the formulas under subsections (d)(2) and (e)(2) and determining assistance pursuant to section 519(e) of the Quality Housing and Work Responsibility Act of 1998 and under section 9 or 14 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), for any period before the implementation of such formulas, the Secretary shall deem any covered locally developed public housing units as pub-

lic housing units developed under this title and such units shall be eligible for such assistance; and

"(ii) assistance provided under this section, under such section 518(d)(3), or under such section 9 or 14 to any public housing agency may be used with respect to any covered locally developed public housing units.

"(B) COVERED UNITS.—For purposes of this paragraph, the term 'covered locally developed public housing units' means—

"(i) not more than 7,000 public housing units developed pursuant to laws of the State of New York and that received debt service and operating subsidies pursuant to such laws; and

"(ii) not more than 5,000 dwelling units developed pursuant to section 34 of chapter 121B of the General Laws of the State of Massachusetts.

"(2) REDUCTION OF ASTHMA INCIDENCE.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before amounts are made available from such Funds, use not more than exceeding $500,000 per year for the purpose of initiating, expanding or continuing a program for the reduction of the incidence of asthma among residents. The Secretary shall consult with the Administrator of the Environmental Protection Agency and the Secretary of Health and Human Services to identify and consider sources of funding for the reduction of the incidence of asthma among recipients of assistance under this title.

"(3) SERVICES FOR ELDERLY RESIDENTS.—Notwithstanding any other provision of this section, the New York City Housing Authority may, in its sole discretion, from amounts provided from the Operating and Capital Funds, or from amounts provided for public housing before the amounts are made available from such Funds, use not more than $600,000 per year for the purpose of developing a comprehensive plan to address the need for services for elderly residents. Such plan may be developed by a partnership created by such Housing Authority and may include the creation of a model project for assisted living at one or more developments. The model project may provide for contracting with private parties for the delivery of services.

"(4) EFFECTIVE DATE.—This subsection shall apply to fiscal year 1999 and each fiscal year thereafter.".

(b) ALLOCATION OF ASSISTANCE.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by striking subsection (p).

(c) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended—

(1) in section 303(b)(10) (42 U.S.C. 1437aaa–2(b)(10)), by striking "under section 9" the first place it appears and inserting "from the Operating Fund"; and

(2) in section 305(e) (42 U.S.C. 1437aaa–4(e)), by striking "Operating subsidies" and inserting "Amounts from an allocation from the Operating Fund".

(d) TRANSITIONAL CEILING RENTS.—Notwithstanding section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(1)), during the period ending upon the later of the implementation of the formulas established pursuant to subsections (d)(2) and (e)(2) of such Act (as amended by this section) and October 1, 1999, a public housing agency may take any of the following actions with respect to public housing:

(1) NEW PROVISIONS.—An agency may—

(A) adopt and apply ceiling rents that reflect the reasonable market value of the housing, but that are not less than—

(i) for housing other than housing predominantly for elderly or disabled families (or both), 75 percent of the monthly cost to operate the housing of the agency;

(ii) for housing predominantly for elderly or disabled families (or both), 100 percent of the monthly cost to operate the housing of the agency; and

(iii) the monthly cost to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and

(B) allow families to pay ceiling rents referred to in subparagraph (A), unless, with respect to any family, the ceiling rent established under this paragraph would exceed the amount payable as rent by that family under paragraph (1).

(2) CEILING RENTS FROM BALANCED BUDGET ACT, I.—An agency may utilize the authority under section 3(a)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)), as in effect immediately before the enactment of this Act, notwithstanding any amendment to such section made by this Act.

(3) TRANSITIONAL CEILING RENTS FOR BALANCED BUDGET ACT, I.—An agency may utilize the authority with respect to ceiling rents under section 402(b)(2) of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note), notwithstanding any other provision of law (including the expiration of the applicability of such section or the repeal of such section).

(e) TRANSITIONAL PROVISION OF ASSISTANCE.—

(1) IN GENERAL.—Subject to paragraph (2), before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section), the Secretary shall provide that each public housing agency shall receive funding under sections 9 and 14 of the United States Housing Act of 1937, as those sections existed immediately before the enactment of this Act (except that such sections shall be subject to any amendments to such sections that may be contained in title II of this Act).

(2) QUALIFICATIONS.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section)—

(A) if a public housing agency establishes a rental amount that is based on a ceiling rent established pursuant to subsection (d)(1) of this section, the Secretary shall take

into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937;

(B) if a public housing agency establishes a rental amount that is based on an adjustment to income under section 3(b)(5)(G) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act), the Secretary shall not take into account any reduction of or any increase in the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937; and

(C) if a public housing agency establishes a rental amount other than as provided under subparagraph (A) or (B) that is less than the greatest of the amounts determined under subparagraphs (A), (B), and (C) of section 3(a)(1) of the United States Housing Act of 1937, the Secretary shall not take into account any reduction of the per unit dwelling rental income of the public housing agency resulting from the use of that rental amount in calculating the contributions for the public housing agency for the operation of the public housing under section 9 of the United States Housing Act of 1937.

(f) EFFECTIVE DATE OF OPERATING FORMULA.—Notwithstanding the effective date under section 503(a), the Secretary may extend the effective date of the formula under section 9(e)(2) of the United States Housing Act of 1937 (as amended by subsection (a) of this section) for up to 6 months if such additional time is necessary to implement such formula.

(g) EFFECTIVE DATE.—Subsections (d), (e), and (f) shall take effect upon the date of the enactment of this Act.

SEC. 520. TOTAL DEVELOPMENT COSTS.

(a) DEFINITION.—Section 3(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(c)(1)) is amended by inserting before the period at the end of the second sentence the following: ", but does not include the costs associated with the demolition of or remediation of environmental hazards associated with public housing units that will not be replaced on the project site, or other extraordinary site costs as determined by the Secretary".

(b) DETERMINATION.—Section 6(b) of the United States Housing Act of 1937 (42 U.S.C. 1437d(b)) is amended by adding at the end the following new paragraphs:

"(3) In calculating the total development cost of a project under paragraph (2), the Secretary shall consider only capital assistance provided by the Secretary to a public housing agency that are authorized for use in connection with the development of public housing, and shall exclude all other amounts, including amounts provided under—

"(A) the HOME investment partnerships program authorized under title II of the Cranston-Gonzalez National Affordable Housing Act; or

"(B) the community development block grants program under title I of the Housing and Community Development Act of 1974.

"(4) The Secretary may restrict the amount of capital funds that a public housing agency may use to pay for housing construction costs. For purposes of this paragraph, housing construction costs include the actual hard costs for the construction of units, builders' overhead and profit, utilities from the street, and finish landscaping.".

SEC. 521. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

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

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting after paragraph (3) the following new paragraph:

"(4) SANCTIONS FOR IMPROPER USE OF AMOUNTS.—

"(A) IN GENERAL.—In addition to any other actions authorized under this Act, if the Secretary finds that a public housing agency receiving assistance amounts under section 9 for public housing has failed to comply substantially with any provision of this Act relating to the public housing program, the Secretary may—

"(i) terminate assistance payments under this section 9 to the agency;

"(ii) withhold from the agency amounts from the total allocations for the agency pursuant to section 9;

"(iii) reduce the amount of future assistance payments under section 9 to the agency by an amount equal to the amount of such payments that were not expended in accordance with this Act;

"(iv) limit the availability of assistance amounts provided to the agency under section 9 to programs, projects, or activities not affected by such failure to comply;

"(v) withhold from the agency amounts allocated for the agency under section 8; or

"(vi) order other corrective action with respect to the agency.

"(B) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subparagraph (A) with respect to a public housing agency, the Secretary shall—

"(i) in the case of action under subparagraph (A)(i), resume payments of assistance amounts under section 9 to the agency in the full amount of the total allocations under section 9 for the agency at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to the public housing program;

"(ii) in the case of action under clause (ii) or (v) of subparagraph (A), make withheld amounts available as the Secretary considers appropriate to ensure that the agency complies with the provisions of this Act relating to such program;

"(iii) in the case of action under subparagraph (A)(iv), release such restrictions at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program; or

"(iv) in the case of action under subparagraph (vi), cease such action at the time that the Secretary first determines that the agency will comply with the provisions of this Act relating to such program.".

SEC. 522. REPEAL OF MODERNIZATION FUND.

(a) IN GENERAL.—Section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) is hereby repealed.

(b) CONFORMING AMENDMENTS.—

(1) FUNDS FOR PUBLIC HOUSING DEVELOPMENT.—Section 5(c)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(5)) is amended by striking "for use under section 14 or" and inserting "for use under section 9 or".

(2) ALLOCATION OF ASSISTANCE.—Section 213(d)(1)(B)(ii) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(d)(1)(B)(i)) is amended by striking "or 14".

(3) MOVING TO WORK DEMONSTRATION.—Section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f) is amended by adding at the end the following new subsection:

"(j) CAPITAL AND OPERATING FUND ASSISTANCE.—With respect to any public housing agency participating in the demonstration under this section that receives assistance from the Capital or Operating Fund under section 9 of the United States Housing Act of 1937 (as amended by the Quality Housing and Work Responsibility Act of 1998), for purposes of this section—

"(1) any reference to assistance under section 9 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Operating Fund under section 9(e) of such Act (as so amended); and

"(2) any reference to assistance under section 14 of the United States Housing Act of 1937 shall be considered to refer also to assistance provided from the Capital Fund under section 9(d) of such Act (as so amended).".

(4) LEAD-BASED PAINT POISONING PREVENTION ACT.—Section 302 of the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4822) is amended—

(A) in subsection (d)(1)—

(i) by striking "assisted under section 14" and inserting "assisted with capital assistance provided under section 9"; and

(ii) by striking "assistance under section 14" and inserting "capital assistance provided under section 9"; and

(B) in subsection (f), by striking "for comprehensive improvement assistance under section 14" and inserting "under the Capital Fund under section 9".

(5) HOME PROGRAM ASSISTANCE.—Section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C.

12742(d)(5)) is amended by striking "section 14" and inserting "section 9(d)(1)".

(c) SAVINGS PROVISIONS.—

(1) IN GENERAL.—Section 14 of the United States Housing Act of 1937 shall apply as provided in section 519(e) of this Act.

(2) EXPANSION OF USE OF MODERNIZATION FUNDING.—Before the implementation of formulas pursuant to sections 9(d)(2) and 9(e)(2) of the United States Housing Act of 1937 (as amended by section 519(a) of this Act) an agency may utilize any authority provided under or pursuant to section 14(q) of such Act (including the authority under section 201(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (Public Law 104–134; 110 Stat. 1321–277)), as such provisions (including such section 201(a) may be amended thereafter, including any amendment made by title II of this Act), notwithstanding any other provision of law (including the repeal made under this section, the expiration of the applicability of such section 201, or any repeal of such section 201).

(3) EFFECTIVE DATE.—This subsection shall take effect on the date of the enactment of this Act.

PART 2—ADMISSIONS AND OCCUPANCY REQUIREMENTS

SEC. 523. FAMILY CHOICE OF RENTAL PAYMENT.

Paragraph (2) of section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)) is amended to read as follows:

"(2) RENTAL PAYMENTS FOR PUBLIC HOUSING FAMILIES.—

"(A) AUTHORITY FOR FAMILY TO SELECT.—

"(i) IN GENERAL.—A family residing in a public housing dwelling shall pay as monthly rent for the unit the amount determined under clause (i) or (ii) of subparagraph (B), subject to the requirement under paragraph (3) (relating to minimum rents). Each public housing agency shall provide for each family residing in a public housing dwelling unit owned, assisted, or operated by the agency to elect annually whether the rent paid by such family shall be determined under clause (i) or (ii) of subparagraph (B). A public housing agency may not at any time fail to provide both such rent options for any public housing dwelling unit owned, assisted, or operated by the agency.

"(ii) AUTHORITY TO RETAIN FLAT AND CEILING RENTS.—Notwithstanding clause (i) or any other provision of law, any public housing agency that is administering flat rents or ceiling rents pursuant to any authority referred to in section 519(d) of the Quality Housing and Work Responsibility Act of 1998 before the effective day of such Act may continue to charge rent in accordance with such rent provisions after such effective date, except that the agency shall provide for families residing in public housing dwelling units owned or operated by the agency to elect annually whether to pay rent under such provisions or in accordance

with one of the rent options referred to in subparagraph (A).

"(B) ALLOWABLE RENT STRUCTURES.—

"(i) FLAT RENTS.—Except as otherwise provided under this clause, each public housing agency shall establish, for each dwelling unit in public housing owned or operated by the agency, a flat rental amount for the dwelling unit, which shall—

"(I) be based on the rental value of the unit, as determined by the public housing agency; and

"(II) be designed in accordance with subparagraph (D) so that the rent structures do not create a disincentive for continued residency in public housing by families who are attempting to become economically self-sufficient through employment or who have attained a level of self-sufficiency through their own efforts.

The rental amount for a dwelling unit shall be considered to comply with the requirements of this clause if such amount does not exceed the actual monthly costs to the public housing agency attributable to providing and operating the dwelling unit. The preceding sentence may not be construed to require establishment of rental amounts equal to or based on operating costs or to prevent public housing agencies from developing flat rents required under this clause in any other manner that may comply with this clause.

"(ii) INCOME-BASED RENTS.—

"(I) IN GENERAL.—The monthly rental amount determined under this clause for a family shall be an amount, determined by the public housing agency, that does not exceed the greatest of the amounts (rounded to the nearest dollar) determined under subparagraphs (A), (B), and (C) of paragraph (1). This clause may not be construed to require a public housing agency to charge a monthly rent in the maximum amount permitted under this clause.

"(II) DISCRETION.—Subject to the limitation on monthly rental amount under subclause (I), a public housing agency may, in its discretion, implement a rent structure under this clause requiring that a portion of the rent be deposited to an escrow or savings account, imposing ceiling rents, or adopting income exclusions (such as those set forth in section 3(b)(5)(B)), or may establish another reasonable rent structure or amount.

"(C) SWITCHING RENT DETERMINATION METHODS BECAUSE OF HARDSHIP CIRCUMSTANCES.—Notwithstanding subparagraph (A), in the case of a family that has elected to pay rent in the amount determined under subparagraph (B)(i), a public housing agency shall immediately provide for the family to pay rent in the amount determined under subparagraph (B)(ii) during the period for which such election was made upon a determination that the family is unable to pay the amount determined under subparagraph (B)(i) because of financial hardship, including—

"(i) situations in which the income of the family has decreased because of changed circumstances, loss of reduction of employment, death in the family, and reduction in or loss of income or other assistance;

"(ii) an increase, because of changed circumstances, in the family's expenses for medical costs, child care, transportation, education, or similar items; and

"(iii) such other situations as may be determined by the agency.

"(D) ENCOURAGEMENT OF SELF-SUFFICIENCY.—The rental policy developed by each public housing agency shall encourage and reward employment and economic self-sufficiency.

"(E) INCOME REVIEWS.—Notwithstanding the second sentence of paragraph (1), in the case of families that are paying rent in the amount determined under subparagraph (B)(i), the agency shall review the income of such family not less than once every 3 years.".

SEC. 524. OCCUPANCY BY POLICE OFFICERS AND OVER-INCOME FAMILIES.

(a) IN GENERAL.—Section 3(a) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new paragraphs:

"(4) OCCUPANCY BY POLICE OFFICERS.—

"(A) IN GENERAL.—Subject to subparagraph (B) and notwithstanding any other provision of law, a public housing agency may, in accordance with the public housing agency plan for the agency, allow a police officer who is not otherwise eligible for residence in public housing to reside in a public housing dwelling unit. The number and location of units occupied by police officers under this paragraph and the terms and conditions of their tenancies shall be determined by the public housing agency.

"(B) INCREASED SECURITY.—A public housing agency may take the actions authorized in subparagraph (A) only for the purpose of increasing security for the residents of a public housing project.

"(C) DEFINITION.—In this paragraph, the term 'police officer' means any person determined by a public housing agency to be, during the period of residence of that person in public housing, employed on a full-time basis as a duly licensed professional police officer by a Federal, State, or local government or by any agency thereof (including a public housing agency having an accredited police force).

"(5) OCCUPANCY BY OVER-INCOME FAMILIES IN CERTAIN PUBLIC HOUSING.—

"(A) AUTHORITY.—Notwithstanding any other provision of law, a public housing agency that owns or operates less than 250 units may, on a month-to-month basis, lease a dwelling unit in a public housing project to an over-income family in accordance with this paragraph, but only if there are no eligible families applying for housing assistance from the public housing agency for that month and the

agency provides not less than 30-day public notice of the availability of such assistance.

"(B) TERMS AND CONDITIONS.—The number and location of dwelling units of a public housing agency occupied under this paragraph by over-income families, and the terms and conditions of those tenancies, shall be determined by the public housing agency, except that—

"(i) notwithstanding paragraph (2), rent for a unit shall be in an amount that is not less than the costs to operate the unit;

"(ii) if an eligible family applies for residence after an over-income family moves in to the last available unit, the over-income family shall vacate the unit in accordance with notice of termination of tenancy provided by the agency, which shall be provided not less than 30 days before such termination; and

"(iii) if a unit is vacant and there is no one on the waiting list, the public housing agency may allow an over-income family to gain immediate occupancy in the unit, while simultaneously providing reasonable public notice and outreach with regard to availability of the unit.

"(C) DEFINITION.—For purposes of this paragraph, the term 'over-income family' means an individual or family that is not a low-income family at the time of initial occupancy.".

(b) APPLICABILITY.—The amendment made by this paragraph is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 525. SITE-BASED WAITING LISTS.

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

"(s) SITE-BASED WAITING LISTS.—

"(1) AUTHORITY.—A public housing agency may establish procedures for maintaining waiting lists for admissions to public housing projects of the agency, which may include (notwithstanding any other law, regulation, handbook, or notice to the contrary) a system of site-based waiting lists under which applicants may apply directly at or otherwise designate the project or projects in which they seek to reside. All such procedures shall comply with all provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable civil rights laws.

"(2) NOTICE.—Any system described in paragraph (1) shall provide for the full disclosure by the public housing agency to each applicant of any option available to the applicant in the selection of the project in which to reside.".

SEC. 526. PET OWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 31. PET OWNERSHIP IN PUBLIC HOUSING.

"(a) OWNERSHIP CONDITIONS.—A resident of a dwelling unit in public housing (as such term is defined in subsection (c)) may own 1 or more common household pets or have 1 or more common household pets present in the dwelling unit of such resident, subject to the reasonable requirements of the public housing agency, if the resident maintains each pet responsibly and in accordance with applicable State and local public health, animal control, and animal anti-cruelty laws and regulations and with the policies established in the public housing agency plan for the agency.

"(b) REASONABLE REQUIREMENTS.—The reasonable requirements referred to in subsection (a) may include—

"(1) requiring payment of a nominal fee, a pet deposit, or both, by residents owning or having pets present, to cover the reasonable operating costs to the project relating to the presence of pets and to establish an escrow account for additional costs not otherwise covered, respectively;

"(2) limitations on the number of animals in a unit, based on unit size;

"(3) prohibitions on—

"(A) types of animals that are classified as dangerous; and

"(B) individual animals, based on certain factors, including the size and weight of the animal; and

"(4) restrictions or prohibitions based on size and type of building or project, or other relevant conditions.

"(c) PET OWNERSHIP IN PUBLIC HOUSING DESIGNATED FOR OCCUPANCY BY ELDERLY OR HANDICAPPED FAMILIES.—For purposes of this section, the term 'public housing' has the meaning given the term in section 3(b), except that such term does not include any public housing that is federally assisted rental housing for the elderly or handicapped, as such term is defined in section 227(d) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701r–1(d)).

"(d) REGULATIONS.—This section shall take effect upon the date of the effectiveness of regulations issued by the Secretary to carry out this section. Such regulations shall be issued after notice and opportunity for public comment in accordance with the procedure under section 553 of title 5, United States Code, applicable to substantive rules (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).".

PART 3—MANAGEMENT, HOMEOWNERSHIP, AND DEMOLITION AND DISPOSITION

SEC. 529. CONTRACT PROVISIONS.

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

(1) in subsection (c)(4)(E), by striking "except in the case of agencies not receiving operating assistance under section 9" and inserting "for each agency that receives assistance under this title"; and

(2) by striking subsection (e).

SEC. 530. HOUSING QUALITY REQUIREMENTS.

Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d) is amended by inserting after subsection (e) the following new subsection:

"(f) HOUSING QUALITY REQUIREMENTS.—

"(1) IN GENERAL.—Each contract for contributions for a public housing agency shall require that the agency maintain its public housing in a condition that complies with standards which meet or exceed the housing quality standards established under paragraph (2).

"(2) FEDERAL STANDARDS.—The Secretary shall establish housing quality standards under this paragraph that ensure that public housing dwelling units are safe and habitable. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 8(o)(8)(B)(i). The Secretary may determine whether the laws, regulations, standards, or codes of any State or local jurisdiction meet or exceed these standards, for purposes of this subsection.

"(3) ANNUAL INSPECTIONS.—Each public housing agency that owns or operates public housing shall make an annual inspection of each public housing project to determine whether units in the project are maintained in accordance with the requirements under paragraph (1). The agency shall retain the results of such inspections and, upon the request of the Secretary, the Inspector General for the Department of Housing and Urban Development, or any auditor conducting an audit under section 5(h), shall make such results available.".

SEC. 531. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended to read as follows:

"SEC. 18. DEMOLITION AND DISPOSITION OF PUBLIC HOUSING.

"(a) APPLICATIONS FOR DEMOLITION AND DISPOSITION.—Except as provided in subsection (b), upon receiving an application by a public housing agency for authorization, with or without financial assistance under this title, to demolish or dispose of a public housing project or a portion of a public housing project (including any transfer to a resident-supported nonprofit entity), the Secretary shall approve the application, if the public housing agency certifies—

"(1) in the case of—

"(A) an application proposing demolition of a public housing project or a portion of a public housing project, that—

"(i) the project or portion of the public housing project is obsolete as to physical condition, location, or other factors, making it unsuitable for housing purposes; and

"(ii) no reasonable program of modifications is cost-effective to return the public housing project or portion of the project to useful life; and

"(B) an application proposing the demolition of only a portion of a public housing project, that the demolition will help to ensure the viability of the remaining portion of the project;

"(2) in the case of an application proposing disposition by sale or other transfer of a public housing project or other real property subject to this title—

"(A) the retention of the property is not in the best interests of the residents or the public housing agency because—

"(i) conditions in the area surrounding the public housing project adversely affect the health or safety of the residents or the feasible operation of the project by the public housing agency; or

"(ii) disposition allows the acquisition, development, or rehabilitation of other properties that will be more efficiently or effectively operated as low-income housing;

"(B) the public housing agency has otherwise determined the disposition to be appropriate for reasons that are—

"(i) in the best interests of the residents and the public housing agency;

"(ii) consistent with the goals of the public housing agency and the public housing agency plan; and

"(iii) otherwise consistent with this title; or

"(C) for property other than dwelling units, the property is excess to the needs of a public housing project or the disposition is incidental to, or does not interfere with, continued operation of a public housing project;

"(3) that the public housing agency has specifically authorized the demolition or disposition in the public housing agency plan, and has certified that the actions contemplated in the public housing agency plan comply with this section;

"(4) that the public housing agency—

"(A) will notify each family residing in a project subject to demolition or disposition 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be demolished or disposed of;

"(ii) the demolition of the building in which the family resides will not commence until each resident of the building is relocated; and

"(iii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding

offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) will provide for the payment of the actual and reasonable relocation expenses of each resident to be displaced;

"(C) will ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(D) will provide any necessary counseling for residents who are displaced; and

"(E) will not commence demolition or complete disposition until all residents residing in the building are relocated;

"(5) that the net proceeds of any disposition will be used—

"(A) unless waived by the Secretary, for the retirement of outstanding obligations issued to finance the original public housing project or modernization of the project; and

"(B) to the extent that any proceeds remain after the application of proceeds in accordance with subparagraph (A), for—

"(i) the provision of low-income housing or to benefit the residents of the public housing agency; or

"(ii) leveraging amounts for securing commercial enterprises, on-site in public housing projects of the public housing agency, appropriate to serve the needs of the residents; and

"(6) that the public housing agency has complied with subsection (c).

"(b) DISAPPROVAL OF APPLICATIONS.—The Secretary shall disapprove an application submitted under subsection (a) if the Secretary determines that—

"(1) any certification made by the public housing agency under that subsection is clearly inconsistent with information and data available to the Secretary or information or data requested by the Secretary; or

"(2) the application was not developed in consultation with—

"(A) residents who will be affected by the proposed demolition or disposition;

"(B) each resident advisory board and resident council, if any, of the project (or portion thereof) that will be affected by the proposed demolition or disposition; and

"(C) appropriate government officials.

"(c) RESIDENT OPPORTUNITY TO PURCHASE IN CASE OF PROPOSED DISPOSITION.—

"(1) IN GENERAL.—In the case of a proposed disposition of a public housing project or portion of a project, the public hous-

ing agency shall, in appropriate circumstances, as determined by the Secretary, initially offer the property to any eligible resident organization, eligible resident management corporation, or nonprofit organization acting on behalf of the residents, if that entity has expressed an interest, in writing, to the public housing agency in a timely manner, in purchasing the property for continued use as low-income housing.

"(2) TIMING.—

"(A) EXPRESSION OF INTEREST.—A resident organization, resident management corporation, or other resident-supported nonprofit entity referred to in paragraph (1) may express interest in purchasing property that is the subject of a disposition, as described in paragraph (1), during the 30-day period beginning on the date of notification of a proposed sale of the property.

"(B) OPPORTUNITY TO ARRANGE PURCHASE.—If an entity expresses written interest in purchasing a property, as provided in subparagraph (A), no disposition of the property shall occur during the 60-day period beginning on the date of receipt of that written notice (other than to the entity providing the notice), during which time that entity shall be given the opportunity to obtain a firm commitment for financing the purchase of the property.

"(d) REPLACEMENT UNITS.—Notwithstanding any other provision of law, replacement public housing units for public housing units demolished in accordance with this section may be built on the original public housing location or in the same neighborhood as the original public housing location if the number of the replacement public housing units is significantly fewer than the number of units demolished.

"(e) CONSOLIDATION OF OCCUPANCY WITHIN OR AMONG BUILDINGS.—Nothing in this section may be construed to prevent a public housing agency from consolidating occupancy within or among buildings of a public housing project, or among projects, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

"(f) DE MINIMIS EXCEPTION TO DEMOLITION REQUIREMENTS.—Notwithstanding any other provision of this section, in any 5-year period a public housing agency may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned by the public housing agency, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

"(g) UNIFORM RELOCATION AND REAL PROPERTY ACQUISITION ACT.—The Uniform Relocation and Real Property Acquisition Policies Act of 1970 shall not apply to activities under this section.

"(h) RELOCATION AND REPLACEMENT.—Of the amounts appropriated for tenant-based assistance under section 8 in any fiscal year, the Secretary may use such sums as are necessary for relocation and replacement housing for dwelling units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes).".

(b) HOMEOWNERSHIP REPLACEMENT PLAN.—

(1) IN GENERAL.—Notwithstanding subsections (b) and (c) of section 1002 of the Emergency Supplemental Appropriations for Additional Disaster Assistance, for Anti-terrorism Initiatives, for Assistance in the Recovery from the Tragedy that Occurred At Oklahoma City, and Rescissions Act, 1995 (Public Law 104–19; 109 Stat. 236), subsection (g) of section 304 of the United States Housing Act of 1937 (42 U.S.C. 1437aaa–3(g)) is repealed.

(2) EFFECTIVE DATE.—The amendment made by paragraph (1) shall be effective with respect to any plan for the demolition, disposition, or conversion to homeownership of public housing that is approved by the Secretary after September 30, 1995.

(c) TREATMENT OF FROST-LELAND PROVISIONS.—Notwithstanding any other provision of law, on and after the date of enactment of this Act, the public housing projects described in section 415 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1988 (Public Law 100–202; 101 Stat. 1329–213), as in effect on April 25, 1996, shall be eligible for demolition under—

(1) section 9 of the United States Housing Act of 1937, as amended by this Act; and

(2) section 14 of the United States Housing Act of 1937, as that section existed on the day before the date of enactment of this Act.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 532. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT MANAGEMENT.—Section 20 of the United States Housing Act of 1937 (42 U.S.C. 1437r) is amended—

(1) in subsection (b)(4), by inserting after "materials" the following: ", rent determination, community service requirements,";

(2) by striking subsection (c) and inserting the following new subsection:

"(c) ASSISTANCE AMOUNTS.—A contract under this section for management of a public housing project by a resident management corporation shall provide for—

"(1) the public housing agency to provide a portion of the assistance to agency from the Capital and Operating Funds to the resident management corporation in accordance with subsection (e) for purposes of operating the public housing project covered by the contract and performing such other eligible activities with respect to the project as may be provided under the contract;

"(2) the amount of income expected to be derived from the project itself (from sources such as rents and charges);

"(3) the amount of income to be provided to the project from the other sources of income of the public housing agency (such as interest income, administrative fees, and rents); and

"(4) any income generated by a resident management corporation of a public housing project that exceeds the income es-

timated under the contract shall be used for eligible activities under subsections (d)(1) and (e)(1) of section 9.";

(3) in subsection (d), by striking paragraph (3) and redesignating paragraph (4) as paragraph (3);

(4) in subsection (e)—

(A) by redesignating paragraph (4) as paragraph (6);

(B) by striking the subsection designation and heading and all that follows through the end of paragraph (3) and inserting the following:

"(e) DIRECT PROVISION OF OPERATING AND CAPITAL ASSISTANCE.—

"(1) IN GENERAL.—The Secretary shall directly provide assistance from the Operating and Capital Funds to a resident management corporation managing a public housing development pursuant to a contract under this section, but only if—

"(A) the resident management corporation petitions the Secretary for the release of the funds;

"(B) the contract provides for the resident management corporation to assume the primary management responsibilities of the public housing agency; and

"(C) the Secretary determines that the corporation has the capability to effectively discharge such responsibilities.

"(2) USE OF ASSISTANCE.—Any assistance from the Operating and Capital Funds provided to a resident management corporation pursuant to this subsection shall be used for purposes of operating the public housing developments of the agency and performing such other eligible activities with respect to public housing as may be provided under the contract.

"(3) RESPONSIBILITY OF PUBLIC HOUSING AGENCY.—If the Secretary provides direct funding to a resident management corporation under this subsection, the public housing agency shall not be responsible for the actions of the resident management corporation.

"(4) CALCULATION OF OPERATING FUND ALLOCATION.—Notwithstanding any provision of section 9 or any regulation under such section, and subject to the exception provided in paragraph (3), the portion of the amount received by a public housing agency under section 9 that is due to an allocation from the Operating Fund and that is allocated to a public housing project managed by a resident management corporation shall not be less than the public housing agency per unit monthly amount provided in the previous year as determined on an individual project basis.

"(5) CALCULATION OF TOTAL INCOME.—

"(A) Subject to subparagraph (B), the amount of funds provided by a public housing agency to a public housing project managed by a resident management corporation may not be reduced during the 3-year period beginning on the date of enactment of the Housing and Community Development Act of 1987 or on any later date on which a resident management corporation is first established for the project.

"(B) If the total income of a public housing agency (including any amounts from the Capital or Operating Funds

provided to the public housing agency under section 9) is reduced or increased, the income provided by the public housing agency to a public housing project managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the public housing agency, except that any reduction in amounts from the Operating Fund that occurs as a result of fraud, waste, or mismanagement by the public housing agency shall not affect the funds provided to the resident management corporation."; and

(C) in paragraph (6)(A) (as so redesignated by subparagraph (A) of this paragraph), by striking "the operating subsidies provided to" and inserting "the allocations from the Operating Fund for"; and

(5) by striking subsections (f) and (g).

(b) PURCHASE BY RESIDENT MANAGEMENT CORPORATIONS.—Section 21 of the United States Housing Act of 1937 (42 U.S.C. 1437s) is amended—

(1) in subsection (a)—

(A) in paragraph (2)(A), by striking "comprehensive improvement assistance under section 14" and inserting "assistance from the Capital Fund";

(B) in paragraph (3)(A)(v), by striking "minimum safety and livability standards applicable under section 14" and inserting "housing quality standards applicable under section 6(f)";

(C) in paragraph (7)—

(i) by striking "ANNUAL CONTRIBUTIONS" and inserting "CAPITAL AND OPERATING ASSISTANCE";

(ii) in the first sentence, by striking "pay annual contributions" and inserting "provide assistance under section 9"; and

(iii) by striking the last sentence and inserting the following: "Such assistance may not exceed the allocation for the project under section 9."; and

(D) in paragraph (8), by striking "OPERATING SUBSIDIES.—Operating subsidies" and inserting "OPERATING FUND ALLOCATION.—Amounts from the Operating Fund";

(2) in subsection (b)(3)—

(A) by striking "a certificate under section 8(b)(1) or a housing voucher" and inserting "tenant-based assistance"; and

(B) by striking "fair market rent for such certificate" and inserting "payment standard for such assistance"; and

(3) in subsection (d), by inserting ", as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998," after "section 6(c)(4)(D)".

SEC. 533. CONVERSION OF PUBLIC HOUSING TO VOUCHERS; REPEAL OF FAMILY INVESTMENT CENTERS.

(a) IN GENERAL.—Section 22 of the United States Housing Act of 1937 (42 U.S.C. 1437t) is amended to read as follows:

"SEC. 22. AUTHORITY TO CONVERT PUBLIC HOUSING TO VOUCHERS.

"(a) AUTHORITY.—A public housing agency may convert any public housing project (or portion thereof) owned by the public housing agency to tenant-based assistance, but only in accordance with the requirements of this section.

"(b) CONVERSION ASSESSMENT.—

"(1) IN GENERAL.—To convert public housing under this section, a public housing agency shall conduct an assessment of the public housing that includes—

"(A) a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing tenant-based assistance under section 8 for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing project for the remaining useful life of the project;

"(B) an analysis of the market value of the public housing project both before and after rehabilitation, and before and after conversion;

"(C) an analysis of the rental market conditions with respect to the likely success of the use of tenant-based assistance under section 8 in that market for the specific residents of the public housing project, including an assessment of the availability of decent and safe dwellings renting at or below the payment standard established for tenant-based assistance under section 8 by the agency;

"(D) the impact of the conversion to tenant-based assistance under this section on the neighborhood in which the public housing project is located; and

"(E) a plan that identifies actions, if any, that the public housing agency would take with regard to converting any public housing project or projects (or portions thereof) of the public housing agency to tenant-based assistance.

"(2) TIMING.—Not later than 2 years after the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, each public housing agency shall conduct an assessment under paragraph (1) or (3) of the status of each public housing project owned by such agency and shall submit to the Secretary such assessment. A public housing agency may otherwise undertake an assessment under this subsection at any time and for any public housing project (or portion thereof) owned by the agency. A public housing agency may update a previously conducted assessment for a project (or portion thereof) for purposes of compliance with the one-year limitation under subsection (c).

"(3) STREAMLINED ASSESSMENT.—At the discretion of the Secretary or at the request of a public housing agency, the Secretary may waive any or all of the requirements of paragraph (1) or (3) or otherwise require a streamlined assessment with respect to any public housing project or class of public housing projects.

"(c) CRITERIA FOR IMPLEMENTATION OF CONVERSION PLAN.—A public housing agency may convert a public housing project (or por-

tion thereof) owned by the agency to tenant-based assistance only pursuant to a conversion assessment under subsection (b) that one year and that demonstrates that the conversion—

"(1) will not be more expensive than continuing to operate the public housing project (or portion thereof) as public housing;

"(2) will principally benefit the residents of the public housing project (or portion thereof) to be converted, the public housing agency, and the community; and

"(3) will not adversely affect the availability of affordable housing in such community.

"(d) CONVERSION PLAN REQUIREMENT.—A public housing project may be converted under this section to tenant-based assistance only as provided in a conversion plan under this subsection, which has not been disapproved by the Secretary pursuant to subsection (e). Each conversion plan shall—

"(1) be developed by the public housing agency, in consultation with the appropriate public officials, with significant participation by the residents of the project (or portion thereof) to be converted;

"(2) be consistent with and part of the public housing agency plan;

"(3) describe the conversion and future use or disposition of the project (or portion thereof) and include an impact analysis on the affected community;

"(4) provide that the public housing agency shall—

"(A) notify each family residing in a public housing project (or portion) to be converted under the plan 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project (or portion) will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards;

"(II) that is located in an area that is generally not less desirable than the location of the displaced person's housing; and

"(III) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated;

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit; and

"(D) provide any actual and reasonable relocation expenses for families displaced by the conversion; and

"(5) provide that any proceeds to the agency from the conversion will be used subject to the limitations that are applicable under section 18(a)(5) to proceeds resulting from the disposition or demolition of public housing.

"(e) REVIEW AND APPROVAL OF CONVERSION PLANS.—The Secretary shall disapprove a conversion plan only if—

"(1) the plan is plainly inconsistent with the conversion assessment for the agency developed under subsection (b);

"(2) there is reliable information and data available to the Secretary that contradicts that conversion assessment; or

"(3) the plan otherwise fails to meet the requirements of this section.

"(f) TENANT-BASED ASSISTANCE.—To the extent approved by the Secretary, the funds used by the public housing agency to provide tenant-based assistance under section 8 shall be added to the annual contribution contract administered by the public housing agency.".

(b) SAVINGS PROVISION.—The amendment made by subsection (a) shall not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937, as such section existed immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998.

SEC. 534. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

The United States Housing Act of 1937 is amended by striking section 25 (42 U.S.C. 1437w) and inserting the following new section:

"SEC. 25. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

"(a) AUTHORITY.—The Secretary may transfer the responsibility and authority for management of specified housing (as such term is defined in subsection (h)) from a public housing agency to an eligible management entity, in accordance with the requirements of this section, if—

"(1) a request for transfer of management of such housing is made and approved in accordance with subsection (b); and

"(2) the Secretary or the public housing agency, as appropriate pursuant to subsection (b), determines that—

"(A) due to the mismanagement of the agency, such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

"(B) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

"(C) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A)

and (B) can be remedied by an entity or entities, identified by the residents, that has or have a demonstrated capacity to manage, with reasonable expenses for modernization.

"(b) REQUEST FOR TRANSFER.—The responsibility and authority for managing specified housing may be transferred only pursuant to a request made by a majority vote of the residents for the specified housing that—

"(1) in the case of specified housing that is owned by a public housing agency that is designated as a troubled agency under section 6(j)(2)—

"(A) is made to the public housing agency or the Secretary; and

"(B) is approved by the agency or the Secretary; or

"(2) in the case of specified housing that is owned by a public housing agency that is not designated as a troubled agency under section 6(j)(2)—

"(A) is made to and approved by the public housing agency; or

"(B) if a request is made to the agency pursuant to subparagraph (A) and is not approved, is subsequently made to and approved by the Secretary.

"(c) CAPITAL AND OPERATING ASSISTANCE.—Pursuant to a contract under subsection (d), the Secretary shall require the public housing agency for specified housing to provide to the manager for the housing, from any assistance from the Capital and Operating Funds under section 9 for the agency, fair and reasonable amounts for the housing for eligible capital and operating activities under subsection (d)(1) and (e)(1) of section 9. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the aggregate amount of assistance from such Funds for the public housing agency transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the public housing agency, and the public housing agency plan of such agency.

"(d) CONTRACT BETWEEN SECRETARY AND MANAGER.—

"(1) REQUIREMENTS.—Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

"(2) TERMS.—A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this Act applicable to public housing projects.

"(e) COMPLIANCE WITH PUBLIC HOUSING AGENCY PLAN.—A manager of specified housing under this section shall comply with the approved public housing agency plan applicable to the housing and shall submit such information to the public housing agency from which management was transferred as may be necessary for such agency to prepare and update its public housing agency plan.

"(f) DEMOLITION AND DISPOSITION BY MANAGER.—A manager under this section may demolish or dispose of specified housing only

if, and in the manner, provided for in the public housing agency plan for the agency transferring management of the housing.

"(g) LIMITATION ON PHA LIABILITY.—A public housing agency that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

"(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) ELIGIBLE MANAGEMENT ENTITY.—The term 'eligible management entity' means, with respect to any public housing project, any of the following entities:

"(A) NONPROFIT ORGANIZATION.—A public or private nonprofit organization, which may—

"(i) include a resident management corporation; and

"(ii) not include the public housing agency that owns or operates the project.

"(B) FOR-PROFIT ENTITY.—A for-profit entity that has demonstrated experience in providing low-income housing.

"(C) STATE OR LOCAL GOVERNMENT.—A State or local government, including an agency or instrumentality thereof.

"(D) PUBLIC HOUSING AGENCY.—A public housing agency (other than the public housing agency that owns or operates the project).

The term does not include a resident council.

"(2) MANAGER.—The term 'manager' means any eligible management entity that has entered into a contract under this section with the Secretary for the management of specified housing.

"(3) NONPROFIT.—The term 'nonprofit' means, with respect to an organization, association, corporation, or other entity, that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

"(4) PRIVATE NONPROFIT ORGANIZATION.—The term 'private nonprofit organization' means any private organization (including a State or locally chartered organization) that—

"(A) is incorporated under State or local law;

"(B) is nonprofit in character;

"(C) complies with standards of financial accountability acceptable to the Secretary; and

"(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

"(5) PUBLIC NONPROFIT ORGANIZATION.—The term 'public nonprofit organization' means any public entity that is nonprofit in character.

"(6) SPECIFIED HOUSING.—The term 'specified housing' means a public housing project or projects, or a portion of a project or projects, for which the transfer of management is requested under this section. The term includes one or more contiguous buildings and an area of contiguous row houses, but in the case of a single building, the building shall be sufficiently separable from the remainder of the project of which it is part

to make transfer of the management of the building feasible for purposes of this section.".

SEC. 535. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

(a) IN GENERAL.—Section 24 of the United States Housing Act of 1937 (42 U.S.C. 1437v) is amended to read as follows:

"SEC. 24. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR PROJECTS.

"(a) PURPOSES.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

"(1) improving the living environment for public housing residents of severely distressed public housing projects through the demolition, rehabilitation, reconfiguration, or replacement of obsolete public housing projects (or portions thereof);

"(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing projects are located and contributing to the improvement of the surrounding neighborhood;

"(3) providing housing that will avoid or decrease the concentration of very low-income families; and

"(4) building sustainable communities.

"(b) GRANT AUTHORITY.—The Secretary may make grants as provided in this section to applicants whose applications for such grants are approved by the Secretary under this section.

"(c) CONTRIBUTION REQUIREMENT.—

"(1) IN GENERAL.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will—

"(A) supplement the aggregate amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section; and

"(B) in addition to supplemental amounts provided in accordance with subparagraph (A), if the applicant uses more than 5 percent of the amount of assistance provided under this section for services under subsection (d)(1)(L), provide supplemental funds from sources other than this section in an amount equal to the amount so used in excess of 5 percent.

"(2) SUPPLEMENTAL FUNDS.—In calculating the amount of supplemental funds provided by a grantee for purposes of paragraph (1), the grantee may include amounts from other Federal sources, any State or local government sources, any private contributions, the value of any donated material or building, the value of any lease on a building, the value of the time and services contributed by volunteers, and the value of any other in-kind services or administrative costs provided.

"(3) EXEMPTION.—If assistance provided under this title will be used only for providing tenant-based assistance under section 8 or demolition of public housing (without replacement), the Secretary may exempt the applicant from the requirements under paragraph (1)(A).

"(d) ELIGIBLE ACTIVITIES.—

"(1) IN GENERAL.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

"(A) architectural and engineering work;

"(B) redesign, rehabilitation, or reconfiguration of a severely distressed public housing project, including the site on which the project is located;

"(C) the demolition, sale, or lease of the site, in whole or in part;

"(D) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;

"(E) payment of reasonable legal fees;

"(F) providing reasonable moving expenses for residents displaced as a result of the revitalization of the project;

"(G) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

"(H) necessary management improvements;

"(I) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the project that will benefit future residents of the site;

"(J) replacement housing (including appropriate homeownership downpayment assistance for displaced residents or other appropriate replacement homeownership activities) and rental assistance under section 8;

"(K) transitional security activities; and

"(L) necessary supportive services, except that not more than 15 percent of the amount of any grant may be used for activities under this paragraph.

"(2) ENDOWMENT TRUST FOR SUPPORTIVE SERVICES.—In using grant amounts under this section made available in fiscal year 2000 or thereafter for supportive services under paragraph (1)(L), a public housing agency may deposit such amounts in an endowment trust to provide supportive services over such period of time as the agency determines. Such amounts shall be provided to the agency by the Secretary in a lump sum when requested by the agency, shall be invested in a wise and prudent manner, and shall be used (together with any interest thereon earned) only for eligible uses pursuant to paragraph (1)(L). A public housing agency may use amounts in an endowment trust under this paragraph in conjunction with other amounts donated or otherwise made available to the trust for similar purposes.

"(e) APPLICATION AND SELECTION.—

"(1) APPLICATION.—An application for a grant under this section shall demonstrate the appropriateness of the proposal in the context of the local housing market relative to other alternatives, and shall include such other information and be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

"(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this section and shall include such factors as—

"(A) the relationship of the grant to the public housing agency plan for the applicant and how the grant will result in a revitalized site that will enhance the neighborhood in which the project is located and enhance economic opportunities for residents;

"(B) the capability and record of the applicant public housing agency, or any alternative management entity for the agency, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

"(C) the extent to which the applicant could undertake such activities without a grant under this section;

"(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the project;

"(E) the need for affordable housing in the community;

"(F) the supply of other housing available and affordable to families receiving tenant-based assistance under section 8;

"(G) the amount of funds and other resources to be leveraged by the grant;

"(H) the extent of the need for, and the potential impact of, the revitalization program; and

"(I) such other factors as the Secretary considers appropriate.

"(3) APPLICABILITY OF SELECTION CRITERIA.—The Secretary may determine not to apply certain of the selection criteria established pursuant to paragraph (2) when awarding grants for demolition only, tenant-based assistance only, or other specific categories of revitalization activities. This section may not be construed to require any application for a grant under this section to include demolition of public housing or to preclude use of grant amounts for rehabilitation or rebuilding of any housing on an existing site.

"(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

"(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

"(2) may establish other cost limits on eligible activities under this section.

"(g) DISPOSITION AND REPLACEMENT.—Any severely distressed public housing disposed of pursuant to a revitalization plan and any public housing developed in lieu of such severely distressed housing, shall be subject to the provisions of section 18. Severely distressed public housing demolished pursuant to a revitalization plan shall not be subject to the provisions of section 18.

"(h) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public hous-

ing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

"(i) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed within a reasonable timeframe, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the public housing agency. The Secretary shall redistribute any withdrawn amounts to one or more other applicants eligible for assistance under this section or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee.

"(j) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

"(1) APPLICANT.—The term 'applicant' means—

"(A) any public housing agency that is not designated as troubled pursuant to section 6(j)(2);

"(B) any public housing agency for which a private housing management agent has been selected, or a receiver has been appointed, pursuant to section 6(j)(3); and

(C) any public housing agency that is designated as troubled pursuant to section 6(j)(2) and that—

"(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

"(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

"(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

"(2) SEVERELY DISTRESSED PUBLIC HOUSING.—The term 'severely distressed public housing' means a public housing project (or building in a project)—

"(A) that—

"(i) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the project;

"(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

"(iii)(I) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; or

"(II) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

"(iv) cannot be revitalized through assistance under other programs, such as the program for capital and operating assistance for public housing under this Act, or the programs under sections 9 and 14 of the

United States Housing Act of 1937 (as in effect before the effective date under under section 503(a) the Quality Housing and Work Responsibility Act of 1998), because of cost constraints and inadequacy of available amounts; and

"(v) in the case of individual buildings, is, in the Secretary's determination, sufficiently separable from the remainder of the project of which the building is part to make use of the building feasible for purposes of this section; or

"(B) that was a project described in subparagraph (A) that has been legally vacated or demolished, but for which the Secretary has not yet provided replacement housing assistance (other than tenant-based assistance).

"(3) SUPPORTIVE SERVICES.—The term 'supportive services' includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing project involved, including literacy training, job training, day care, transportation, and economic development activities.

"(k) GRANTEE REPORTING.—The Secretary shall require grantees of assistance under this section to report the sources and uses of all amounts expended for revitalization plans.

"(l) ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

"(1) the number, type, and cost of public housing units revitalized pursuant to this section;

"(2) the status of projects identified as severely distressed public housing;

"(3) the amount and type of financial assistance provided under and in conjunction with this section; and

"(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

"(m) FUNDING.—

"(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section $600,000,000 for fiscal year 1999 and such sums as may be necessary for each of fiscal years 2000, 2001, and 2002.

"(2) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use up to 2 percent for technical assistance or contract expertise. Such assistance or contract expertise may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents.

"(n) SUNSET.—No assistance may be provided under this section after September 30, 2002.".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 536. HOMEOWNERSHIP.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 32. RESIDENT HOMEOWNERSHIP PROGRAMS.

"(a) IN GENERAL.—A public housing agency may carry out a homeownership program in accordance with this section and the public housing agency plan of the agency to make public housing dwelling units, public housing projects, and other housing projects available for purchase by low-income families for use only as principal residences for such families. An agency may transfer a unit pursuant to a homeownership program only if the program is authorized under this section and approved by the Secretary.

"(b) PARTICIPATING UNITS.—A program under this section may cover any existing public housing dwelling units or projects, and may include other dwelling units and housing owned, assisted, or operated, or otherwise acquired for use under such program, by the public housing agency.

"(c) ELIGIBLE PURCHASERS.—

"(1) LOW-INCOME REQUIREMENT.—Only low-income families assisted by a public housing agency, other low-income families, and entities formed to facilitate such sales by purchasing units for resale to low-income families shall be eligible to purchase housing under a homeownership program under this section.

"(2) OTHER REQUIREMENTS.—A public housing agency may establish other requirements or limitations for families to purchase housing under a homeownership program under this section, including requirements or limitations regarding employment or participation in employment counseling or training activities, criminal activity, participation in homeownership counseling programs, evidence of regular income, and other requirements. In the case of purchase by an entity for resale to low-income families, the entity shall sell the units to low-income families within 5 years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.

"(d) RIGHT OF FIRST REFUSAL.—In making any sale under this section, the public housing agency shall initially offer the public housing unit at issue to the resident or residents occupying that unit, if any, or to an organization serving as a conduit for sales to any such resident.

"(e) PROTECTION OF NONPURCHASING RESIDENTS.—If a public housing resident does not exercise the right of first refusal under subsection (d) with respect to the public housing unit in which the resident resides, the public housing agency—

"(1) shall notify the resident residing in the unit 90 days prior to the displacement date except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(A) the public housing unit will be sold;

"(B) the transfer of possession of the unit will occur until the resident is relocated; and

"(C) each resident displaced by such action will be offered comparable housing—

"(i) that meets housing quality standards;

"(ii) that is located in an area that is generally not less desirable than the location of the displaced resident's housing; and

"(iii) which may include—

"(I) tenant-based assistance, except that the requirement under this subclause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such resident into such housing;

"(II) project-based assistance; or

"(III) occupancy in a unit owned, operated, or assisted by the public housing agency at a rental rate paid by the resident that is comparable to the rental rate applicable to the unit from which the resident is vacated;

"(2) shall provide for the payment of the actual and reasonable relocation expenses of the resident to be displaced;

"(3) shall ensure that the displaced resident is offered comparable housing in accordance with the notice under paragraph (1);

"(4) shall provide any necessary counseling for the displaced resident; and

"(5) shall not transfer possession of the unit until the resident is relocated.

"(f) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program, or for acquisition of housing by the public housing agency for sale under the program, in any manner considered appropriate by the agency (including sale to a resident management corporation).

"(g) DOWNPAYMENT REQUIREMENT.—

"(1) IN GENERAL.—Each family purchasing housing under a homeownership program under this section shall be required to provide from its own resources a downpayment in connection with any loan for acquisition of the housing, in an amount determined by the public housing agency. Except as provided in paragraph (2), the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase.

"(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

"(h) OWNERSHIP INTERESTS.—A homeownership program under this section may provide for sale to the purchasing family of any ownership interest that the public housing agency considers appro-

priate under the program, including ownership in fee simple, a condominium interest, an interest in a limited dividend cooperative, a shared appreciation interest with a public housing agency providing financing.

"(i) RESALE.—

"(1) AUTHORITY AND LIMITATION.—A homeownership program under this section shall permit the resale of a dwelling unit purchased under the program by an eligible family, but shall provide such limitations on resale as the agency considers appropriate (whether the family purchases directly from the agency or from another entity) for the agency to recapture—

"(A) some or all of the economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by the eligible family; and

"(B) after the expiration of such 5-year period, only such amounts as are equivalent to the assistance provided under this section by the agency to the purchaser.

"(2) CONSIDERATIONS.—The limitations referred to in paragraph (1)(A) may provide for consideration of the aggregate amount of assistance provided under the program to the family, the contribution to equity provided by the purchasing eligible family, the period of time elapsed between purchase under the homeownership program and resale, the reason for resale, any improvements to the property made by the eligible family, any appreciation in the value of the property, and any other factors that the agency considers appropriate.

"(j) NET PROCEEDS.—The net proceeds of any sales under a homeownership program under this section remaining after payment of all costs of the sale shall be used for purposes relating to low-income housing and in accordance with the public housing agency plan of the agency carrying out the program.

"(k) HOMEOWNERSHIP ASSISTANCE.—From amounts distributed to a public housing agency under the Capital Fund under section 9(d), or from other income earned by the public housing agency, the public housing agency may provide assistance to public housing residents to facilitate the ability of those residents to purchase a principal residence, including a residence other than a residence located in a public housing project.

"(l) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 18 shall not apply to disposition of public housing dwelling units under a homeownership program under this section.".

SEC. 537. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 33. REQUIRED CONVERSION OF DISTRESSED PUBLIC HOUSING TO TENANT-BASED ASSISTANCE.

"(a) IDENTIFICATION OF UNITS.—Each public housing agency shall identify all public housing projects of the public housing agency that meet all of the following requirements:

"(1) The project is on the same or contiguous sites.

"(2) The project is determined by the public housing agency to be distressed, which determination shall be made in accordance with guidelines established by the Secretary, which guidelines shall take into account the criteria established in the Final Report of the National Commission on Severely Distressed Public Housing (August 1992).

"(3) The project—

"(A) is identified as distressed housing under paragraph (2) for which the public housing agency cannot assure the long-term viability as public housing through reasonable modernization expenses, density reduction, achievement of a broader range of family income, or other measures; or

"(B) has an estimated cost, during the remaining useful life of the project, of continued operation and modernization as public housing that exceeds the estimated cost, during the remaining useful life of the project, of providing tenant-based assistance under section 8 for all families in occupancy, based on appropriate indicators of cost (such as the percentage of total development costs required for modernization).

"(b) CONSULTATION.—Each public housing agency shall consult with the appropriate public housing residents and the appropriate unit of general local government in identifying any public housing projects under subsection (a).

"(c) PLAN FOR REMOVAL OF UNITS FROM INVENTORIES OF PHA'S.—

"(1) DEVELOPMENT.—Each public housing agency shall develop and carry out a 5-year plan in conjunction with the Secretary for the removal of public housing units identified under subsection (a) from the inventory of the public housing agency and the annual contributions contract.

"(2) APPROVAL.—Each plan required under paragraph (1) shall—

"(A) be included as part of the public housing agency plan;

"(B) be certified by the relevant local official to be in accordance with the comprehensive housing affordability strategy under title I of the Housing and Community Development Act of 1992; and

"(C) include a description of any disposition and demolition plan for the public housing units.

"(3) EXTENSIONS.—The Secretary may extend the 5-year deadline described in paragraph (1) by not more than an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

"(4) REVIEW BY SECRETARY.—

"(A) FAILURE TO IDENTIFY PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has failed to identify 1 or more public housing projects that the Secretary determines should have been identified under subsection (a), the Secretary may designate the public housing projects to be

removed from the inventory of the public housing agency pursuant to this section.

"(B) ERRONEOUS IDENTIFICATION OF PROJECTS.—If the Secretary determines, based on a plan submitted under this subsection, that a public housing agency has identified 1 or more public housing projects that should not have been identified pursuant to subsection (a), the Secretary shall—

"(i) require the public housing agency to revise the plan of the public housing agency under this subsection; and

"(ii) prohibit the removal of any such public housing project from the inventory of the public housing agency under this section.

"(d) CONVERSION TO TENANT-BASED ASSISTANCE.—

"(1) IN GENERAL.—To the extent approved in advance in appropriations Acts, the Secretary shall make budget authority available to a public housing agency to provide assistance under this Act to families residing in any public housing project that, pursuant to this section, is removed from the inventory of the agency and the annual contributions contract of the agency.

"(2) CONVERSION REQUIREMENTS.—Each agency carrying out a plan under subsection (c) for removal of public housing dwelling units from the inventory of the agency shall—

"(A) notify each family residing in a public housing project to be converted under the plan 90 days prior to the displacement date, except in cases of imminent threat to health or safety, consistent with any guidelines issued by the Secretary governing such notifications, that—

"(i) the public housing project will be removed from the inventory of the public housing agency; and

"(ii) each family displaced by such action will be offered comparable housing—

"(I) that meets housing quality standards; and

"(II) which may include—

"(aa) tenant-based assistance, except that the requirement under this clause regarding offering of comparable housing shall be fulfilled by use of tenant-based assistance only upon the relocation of such family into such housing;

"(bb) project-based assistance; or

"(cc) occupancy in a unit operated or assisted by the public housing agency at a rental rate paid by the family that is comparable to the rental rate applicable to the unit from which the family is vacated.

"(B) provide any necessary counseling for families displaced by such action;

"(C) ensure that, if the project (or portion) converted is used as housing after such conversion, each resident may choose to remain in their dwelling unit in the project and use the tenant-based assistance toward rent for that unit;

"(D) ensure that each displaced resident is offered comparable housing in accordance with the notice under subparagraph (A); and

"(E) provide any actual and reasonable relocation expenses for families displaced by such action.

"(e) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a project or projects of a public housing agency meet or are likely to meet the criteria set forth in subsection (a), the Secretary may direct the agency to cease additional spending in connection with such project or projects until the Secretary determines or approves an appropriate course of action with respect to such project or projects under this section, except to the extent that failure to expend such amounts would endanger the health or safety of residents in the project or projects.

"(f) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a project or projects are identified pursuant to subsection (a), the Secretary may authorize or direct the transfer, to the tenant-based assistance program of such agency or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

"(1) in the case of an agency receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such project or projects pursuant to section 14 of the United States Housing Act of 1937 (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(2) in the case of an agency receiving public housing modernization assistance by formula pursuant to such section 14, any amounts provided to the agency which are attributable pursuant to the formula for allocating such assistance to such project or projects;

"(3) in the case of an agency receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of such project or projects pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998; and

"(4) in the case of an agency receiving assistance pursuant to the formulas under section 9, any amounts provided to the agency which are attributable pursuant to the formulas for allocating such assistance to such project or projects.

"(g) REMOVAL BY SECRETARY.—The Secretary shall take appropriate actions to ensure removal of any public housing project identified under subsection (a) from the inventory of a public housing agency, if the public housing agency fails to adequately develop a plan under subsection (c) with respect to that project, or fails to adequately implement such plan in accordance with the terms of the plan.

"(h) ADMINISTRATION.—

"(1) IN GENERAL.—The Secretary may require a public housing agency to provide to the Secretary or to public housing

residents such information as the Secretary considers to be necessary for the administration of this section.

"(2) APPLICABILITY OF SECTION 18.—Section 18 shall not apply to the demolition of public housing projects removed from the inventory of the public housing agency under this section.".

(b) CONFORMING AMENDMENT.—Section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437l note) is repealed.

(c) TRANSITION.—

(1) USE OF AMOUNTS.—Any amounts made available to a public housing agency to carry out section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (enacted as section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 110 Stat. 1321–279)) may be used, to the extent or in such amounts as are or have been provided in advance in appropriation Acts, to carry out section 33 of the United States Housing Act of 1937 (as added by subsection (a) of this section).

(2) SAVINGS PROVISION.—Notwithstanding the amendments made by this section, section 202 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371 note) and any regulations implementing such section, as in effect immediately before the enactment of this Act, shall continue to apply to public housing developments identified by the Secretary or a public housing agency for conversion pursuant to that section or for assessment of whether such conversion is required prior to enactment of this Act.

SEC. 538. LINKING SERVICES TO PUBLIC HOUSING RESIDENTS.

(a) IN GENERAL.—Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 34. SERVICES FOR PUBLIC HOUSING RESIDENTS.

"(a) IN GENERAL.—To the extent that amounts are provided in advance in appropriations Acts, the Secretary may make grants to public housing agencies on behalf of public housing residents, or directly to resident management corporations, resident councils, or resident organizations (including nonprofit entities supported by residents), for the purposes of providing a program of supportive services and resident empowerment activities to provide supportive services to public housing residents or assist such residents in becoming economically self-sufficient.

"(b) ELIGIBLE ACTIVITIES.—Grantees under this section may use such amounts only for activities on or near the property of the public housing agency or public housing project that are designed to promote the self-sufficiency of public housing residents or provide supportive services for such residents, including activities relating to—

"(1) physical improvements to a public housing project in order to provide space for supportive services for residents;

"(2) the provision of service coordinators or a congregate housing services program for elderly individuals, elderly disabled individuals, nonelderly disabled individuals, or temporarily disabled individuals;

"(3) the provision of services related to work readiness, including education, job training and counseling, job search skills, business development training and planning, tutoring, mentoring, adult literacy, computer access, personal and family counseling, health screening, work readiness health services, transportation, and child care;

"(4) economic and job development, including employer linkages and job placement, and the start-up of resident microenterprises, community credit unions, and revolving loan funds, including the licensing, bonding, and insurance needed to operate such enterprises;

"(5) resident management activities and resident participation activities; and

"(6) other activities designed to improve the economic self-sufficiency of residents.

"(c) FUNDING DISTRIBUTION.—

"(1) IN GENERAL.—Except for amounts provided under subsection (d), the Secretary may distribute amounts made available under this section on the basis of a competition or a formula, as appropriate.

"(2) FACTORS FOR DISTRIBUTION.—Factors for distribution under paragraph (1) shall include—

"(A) the demonstrated capacity of the applicant to carry out a program of supportive services or resident empowerment activities;

"(B) the ability of the applicant to leverage additional resources for the provision of services; and

"(C) the extent to which the grant will result in a high quality program of supportive services or resident empowerment activities.

"(d) MATCHING REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant supplements amounts made available under this section with funds from sources other than this section in an amount equal to not less than 25 percent of the grant amount. Such supplemental amounts may include—

"(1) funds from other Federal sources;

"(2) funds from any State or local government sources;

"(3) funds from private contributions; and

"(4) the value of any in-kind services or administrative costs provided to the applicant.

"(e) FUNDING FOR RESIDENT ORGANIZATIONS.—To the extent that there are a sufficient number of qualified applications for assistance under this section, not less than 25 percent of any amounts appropriated to carry out this section shall be provided directly to resident councils, resident organizations, and resident management corporations. In any case in which a resident council, resident organization, or resident management corporation lacks adequate expertise, the Secretary may require the council, organization, or corporation to utilize other qualified organizations as contract administra-

tors with respect to financial assistance provided under this section.".

(b) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the Secretary of Housing and Urban Development shall—

(1) conduct an evaluation and assessment of grants carried out by resident organizations, and particularly of the effect of the grants on living conditions in public housing; and

(2) submit to the Congress a report setting forth the findings of the Secretary as a result of the evaluation and assessment and including any recommendations the Secretary determines to be appropriate.

This subsection shall take effect on the date of the enactment of this Act.

SEC. 539. MIXED-FINANCE PUBLIC HOUSING.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new section:

"SEC. 35. MIXED FINANCE PUBLIC HOUSING.

"(a) AUTHORITY.—A public housing agency may own, operate, assist, or otherwise participate in 1 or more mixed-finance projects in accordance with this section.

"(b) ASSISTANCE.—

"(1) FORMS.—A public housing agency may provide to a mixed-finance project assistance from the Operating Fund under section 9, assistance from the Capital Fund under such section, or both forms of assistance. A public housing agency may, in accordance with regulations established by the Secretary, provide capital assistance to a mixed-finance project in the form of a grant, loan, guarantee, or other form of investment in the project, which may involve drawdown of funds on a schedule commensurate with construction draws for deposit into an interest-bearing escrow account to serve as collateral or credit enhancement for bonds issued by a public agency, or for other forms of public or private borrowings, for the construction or rehabilitation of the development.

"(2) USE.—To the extent deemed appropriate by the Secretary, assistance used in connection with the costs associated with the operation and management of mixed-finance projects may be used for funding of an operating reserve to ensure affordability for low-income and very low-income families in lieu of the availability of operating funds for public housing units in a mixed-finance project.

"(c) COMPLIANCE WITH PUBLIC HOUSING REQUIREMENTS.—The units assisted with capital or operating assistance in a mixed-finance project shall be developed, operated, and maintained in accordance with the requirements of this Act relating to public housing during the period required by under this Act, unless otherwise specified in this section. For purposes of this Act, any reference to public housing owned or operated by a public housing agency shall include dwelling units in a mixed finance project that are assisted by the agency with capital or operating assistance.

"(d) MIXED-FINANCE PROJECTS.—

"(1) IN GENERAL.—For purposes of this section, the term 'mixed-finance project' means a project that meets the requirements of paragraph (2) and is financially assisted by private resources, which may include low-income housing tax credits, in addition to amounts provided under this Act.

"(2) TYPES OF PROJECTS.—The term includes a project that is developed—

"(A) by a public housing agency or by an entity affiliated with a public housing agency;

"(B) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, managing member, or otherwise participates in the activities of that entity;

"(C) by any entity that grants to the public housing agency the right of first refusal and first option to purchase, after the close of the compliance period, of the qualified low-income building in which the public housing units exist in accordance with section 42(i)(7) of the Internal Revenue Code of 1986; or

"(D) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

"(e) STRUCTURE OF PROJECTS.—Each mixed-finance project shall be developed—

"(1) in a manner that ensures that public housing units are made available in the project, by regulatory and operating agreement, master contract, individual lease, condominium or cooperative agreement, or equity interest;

"(2) in a manner that ensures that the number of public housing units bears approximately the same proportion to the total number of units in the mixed-finance project as the value of the total financial commitment provided by the public housing agency bears to the value of the total financial commitment in the project, or shall not be less than the number of units that could have been developed under the conventional public housing program with the assistance, or as may otherwise be approved by the Secretary; and

"(3) in accordance with such other requirements as the Secretary may prescribe by regulation.

"(f) TAXATION.—

"(1) IN GENERAL.—A public housing agency may elect to exempt all public housing units in a mixed-finance project—

"(A) from the provisions of section 6(d), and instead subject such units to local real estate taxes; and

"(B) from the finding of need and cooperative agreement provisions under section 5(e)(1)(ii) and 5(e)(2), but only if the development of the units is not inconsistent with the jurisdiction's comprehensive housing affordability strategy.

"(2) LOW-INCOME HOUSING TAX CREDIT.—With respect to any unit in a mixed-finance project that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents

may be set at levels not to exceed the amounts allowable under that section, provided that such levels for public housing residents do not exceed the amounts allowable under section 3.

"(g) USE OF SAVINGS.—Notwithstanding any other provision of this Act, to the extent deemed appropriate by the Secretary, to facilitate the establishment of socioeconomically mixed communities, a public housing agency that uses assistance from the Capital Fund for a mixed-finance project, to the extent that income from such a project reduces the amount of assistance used for operating or other costs relating to public housing, may use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed-finance project. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

"(h) EFFECT OF CERTAIN CONTRACT TERMS.—If an entity that owns or operates a mixed-finance project, that includes a significant number of units other than public housing units enters into a contract with a public housing agency, the terms of which obligate the entity to operate and maintain a specified number of units in the project as public housing units in accordance with the requirements of this Act for the period required by law, such contractual terms may provide that, if, as a result of a reduction in appropriations under section 9 or any other change in applicable law, the public housing agency is unable to fulfill its contractual obligations with respect to those public housing units, that entity may deviate, under procedures and requirements developed through regulations by the Secretary, from otherwise applicable restrictions under this Act regarding rents, income eligibility, and other areas of public housing management with respect to a portion or all of those public housing units, to the extent necessary to preserve the viability of those units while maintaining the low-income character of the units to the maximum extent practicable.".

(b) REGULATIONS.—The Secretary shall issue such regulations as may be necessary to promote the development of mixed-finance projects, as that term is defined in section 3(b) of the United States Housing Act of 1937 (as amended by this Act).

Subtitle C—Section 8 Rental and Homeownership Assistance

SEC. 545. MERGER OF CERTIFICATE AND VOUCHER PROGRAMS.

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

"(o) VOUCHER PROGRAM.—

"(1) AUTHORITY.—

"(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

"(B) ESTABLISHMENT OF PAYMENT STANDARD.—Except as provided under subparagraph (D), the payment stand-

ard for each size of dwelling unit in a market area shall not exceed 110 percent of the fair market rental established under subsection (c) for the same size of dwelling unit in the same market area and shall be not less than 90 percent of that fair market rental.

"(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority made available for assistance under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

"(D) APPROVAL.—The Secretary may require a public housing agency to submit the payment standard of the public housing agency to the Secretary for approval, if the payment standard is less than 90 percent of the fair market rental or exceeds 110 percent of the fair market rental.

"(E) REVIEW.—The Secretary—

"(i) shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent; and

"(ii) may require a public housing agency to modify the payment standard of the public housing agency based on the results of that review.

"(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—Subject to the requirement under section 3(a)(3) (relating to minimum rental amount), the monthly assistance payment for a family receiving assistance under this subsection shall be determined as follows:

"(A) TENANT-BASED ASSISTANCE; RENT NOT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) does not exceed the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the rent (including the amount allowed for tenant-paid utilities) exceeds the greatest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) TENANT-BASED ASSISTANCE; RENT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount al-

lowed for tenant-paid utilities) exceeds the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the applicable payment standard exceeds the greatest of amounts under clauses (i), (ii), and (iii) of subparagraph (A).

"(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

"(3) 40 PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this section with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

"(4) ELIGIBLE FAMILIES.—To be eligible to receive assistance under this subsection, a family shall, at the time a family initially receives assistance under this subsection, be a low-income family that is—

"(A) a very low-income family;

"(B) a family previously assisted under this title;

"(C) a low-income family that meets eligibility criteria specified by the public housing agency;

"(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

"(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

"(5) ANNUAL REVIEW OF FAMILY INCOME.—

"(A) IN GENERAL.—Reviews of family incomes for purposes of this section shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

"(B) PROCEDURES.—Each public housing agency administering assistance under this subsection shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving assistance from the agency is complete and accurate. Each public housing agency shall, not less frequently than annually, conduct a review of the family income of each family receiving assistance under this subsection.

"(6) SELECTION OF FAMILIES AND DISAPPROVAL OF OWNERS.—

"(A) PREFERENCES.—

"(i) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making tenant-based assistance under this subsection available on be-

half of eligible families that provides preference for such assistance to eligible families having certain characteristics, which may include a preference for families residing in public housing who are victims of a crime of violence (as such term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) CONTENT.—Each system of preferences established pursuant to this subparagraph shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

"(B) SELECTION OF TENANTS.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit) shall provide that the screening and selection of families for those units shall be the function of the owner. In addition, the public housing agency may elect to screen applicants for the program in accordance with such requirements as the Secretary may establish.

"(C) PHA DISAPPROVAL OF OWNERS.—In addition to other grounds authorized by the Secretary, a public housing agency may elect not to enter into a housing assistance payments contract under this subsection with an owner who refuses, or has a history of refusing, to take action to terminate tenancy for activity engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of any member of the household that—

"(i) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the public housing agency, owner, or other manager of the housing;

"(ii) threatens the health or safety of, or right to peaceful enjoyment of the residences by, persons residing in the immediate vicinity of the premises; or

"(iii) is drug-related or violent criminal activity.

"(7) LEASES AND TENANCY.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit—

"(A) shall provide that the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant and if such shorter term is considered to be a prevailing local market practice;

"(B) shall provide that the dwelling unit owner shall offer leases to tenants assisted under this subsection that—

"(i) are in a standard form used in the locality by the dwelling unit owner; and

"(ii) contain terms and conditions that—

"(I) are consistent with State and local law; and

"(II) apply generally to tenants in the property who are not assisted under this section;

"(C) shall provide that during the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

"(D) shall provide that during the term of the lease, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, or any violent or drug-related criminal activity on or near such premises, engaged in by a tenant of any unit, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy;

"(E) shall provide that any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for that action, and any relief shall be consistent with applicable State and local law; and

"(F) may include any addenda required by the Secretary to set forth the provisions of this subsection.

"(8) INSPECTION OF UNITS BY PHA'S.—

"(A) IN GENERAL.—Except as provided in paragraph (11), for each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency shall inspect the unit before any assistance payment is made to determine whether the dwelling unit meets the housing quality standards under subparagraph (B).

"(B) HOUSING QUALITY STANDARDS.—The housing quality standards under this subparagraph are standards for safe and habitable housing established—

"(i) by the Secretary for purposes of this subsection; or

"(ii) by local housing codes or by codes adopted by public housing agencies that—

"(I) meet or exceed housing quality standards, except that the Secretary may waive the requirement under this subclause to significantly increase access to affordable housing and to expand housing opportunities for families assisted under this subsection, except where such waiver could adversely affect the health or safety of families assisted under this subsection; and

"(II) do not severely restrict housing choice

"(C) INSPECTION.—The determination required under subparagraph (A) shall be made by the public housing agency (or other entity, as provided in paragraph (11)) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit. Inspections of dwelling units under this subparagraph shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the public housing agency or, in the case of any public housing agency that provides assistance under this subsection on behalf of more than 1250 families, before the expiration of a reasonable period beginning upon such request. The performance of the agency in meeting the 15-day inspection deadline shall be taken into consideration in assessing the performance of the agency.

"(D) ANNUAL INSPECTIONS.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A). The agency (or other entity) shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h).

"(E) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this subsection.

"(9) VACATED UNITS.—If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payment contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

"(10) RENT.—

"(A) REASONABLENESS.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.

"(B) NEGOTIATIONS.—A public housing agency (or other entity, as provided in paragraph (11)) shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency (or such other entity) shall review the rent for a unit under

consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency (or other such entity) determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency (or other such entity) shall not make housing assistance payments to the owner under this subsection with respect to that unit.

"(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of that contract, the rent for that unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

"(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

"(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency, except that no penalty shall be imposed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

"(11) LEASING OF UNITS OWNED BY PHA.—If an eligible family assisted under this subsection leases a dwelling unit (other than a public housing dwelling unit) that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government or another entity approved by the Secretary, to make inspections required under paragraph (8) and rent determinations required under paragraph (10). The agency shall be responsible for any expenses of such inspections and determinations.

"(12) ASSISTANCE FOR RENTAL OF MANUFACTURED HOUSING.—

"(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as a principal place of residence. Such payments may be made only for the rental of the real property on which the manufactured home owned by any such family is located.

"(B) RENT CALCULATION.—

"(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent for the space on which a manufactured home is located and with respect to which assistance payments are to be made shall include maintenance and management charges and tenant-paid utilities.

"(ii) PAYMENT STANDARD.—The public housing agency shall establish a payment standard for the purpose of determining the monthly assistance that may be paid for any family under this paragraph. The payment standard may not exceed an amount approved or established by the Secretary.

"(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment for a family assisted under this paragraph shall be determined in accordance with paragraph (2).

"(13) PHA PROJECT-BASED ASSISTANCE.—

"(A) IN GENERAL.—If the Secretary enters into an annual contributions contract under this subsection with a public housing agency pursuant to which the public housing agency will enter into a housing assistance payment contract with respect to an existing structure under this subsection—

"(i) the housing assistance payment contract may not be attached to the structure unless the owner agrees to rehabilitate or newly construct the structure other than with assistance under this Act, and otherwise complies with this section; and

"(ii) the public housing agency may approve a housing assistance payment contract for such existing structures for not more than 15 percent of the funding available for tenant-based assistance administered by the public housing agency under this section.

"(B) EXTENSION OF CONTRACT TERM.—In the case of a housing assistance payment contract that applies to a structure under this paragraph, a public housing agency may enter into a contract with the owner, contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, to extend the term of the underlying housing assistance payment contract for such period as the Secretary determines to be appropriate to achieve long-term affordability of the housing. The contract shall obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner.

"(C) RENT CALCULATION.—For project-based assistance under this paragraph, housing assistance payment contracts shall establish rents and provide for rent adjustments in accordance with subsection (c).

"(D) ADJUSTED RENTS.—With respect to rents adjusted under this paragraph—

"(i) the adjusted rent for any unit shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted, local market; and

"(ii) the provisions of subsection (c)(2)(C) shall not apply.

"(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) shall not apply to tenant-based assistance under this subsection.

"(15) HOMEOWNERSHIP OPTION.—

"(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

"(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

"(16) RENTAL VOUCHERS FOR RELOCATION OF WITNESSES AND VICTIMS OF CRIME.—

"(A) WITNESSES.—Of amounts made available for assistance under this subsection in each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement or prosecution agencies.

"(B) VICTIMS OF CRIME.—

"(i) IN GENERAL.—Of amounts made available for assistance under this section in each fiscal year, the Secretary shall make available such sums as may be necessary for the relocation of families residing in public housing who are victims of a crime of violence (as that term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

"(ii) NOTICE.—A public housing agency that receives amounts under this subparagraph shall establish procedures for providing notice of the availability of that assistance to families that may be eligible for that assistance.

"(17) DEED RESTRICTIONS.—Assistance under this subsection may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. This paragraph may not be construed to affect the provisions or applicability of the Fair Housing Act.".

(b) CONFORMING AMENDMENT.—Section 8(f)(6) of the United States Housing Act (42 U.S.C. 1437f(f)(6)) is amended by inserting "or (o)(13)" after "(d)(2)".

(c) APPLICABILITY.—Notwithstanding the amendment made by subsection (a) of this section, any amendments to section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) that are contained in title II of this Act shall apply with respect to the provision of assistance under such section during the period before implementation (pursuant to section 559 of this title) of such section 8(o) as amended by subsection (a) of this section.

SEC. 546. PUBLIC HOUSING AGENCIES.

Section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)) is amended to read as follows:

"(6) PUBLIC HOUSING AGENCY.—

"(A) IN GENERAL.—Except as provided in subparagraph (B), the term 'public housing agency' means any State, county, municipality, or other governmental entity or public body (or agency or instrumentality thereof) which is authorized to engage in or assist in the development or operation of public housing.

"(B) SECTION 8 PROGRAM.—For purposes of the program for tenant-based assistance under section 8, such term includes—

"(i) a consortia of public housing agencies that the Secretary determines has the capacity and capability to administer a program for assistance under such section in an efficient manner;

"(ii) any other public or private nonprofit entity that, upon the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, was administering any program for tenant-based assistance under section 8 of this Act (as in effect before the effective date of such Act), pursuant to a contract with the Secretary or a public housing agency; and

"(iii) with respect to any area in which no public housing agency has been organized or where the Secretary determines that a public housing agency is unwilling or unable to implement a program for tenant-based assistance section 8, or is not performing effectively—

"(I) the Secretary or another public or private nonprofit entity that by contract agrees to receive assistance amounts under section 8 and enter into housing assistance payments contracts with owners and perform the other functions of public housing agency under section 8; or

"(II) notwithstanding any provision of State or local law, a public housing agency for another area that contracts with the Secretary to administer a program for housing assistance under section 8, without regard to any otherwise applicable limitations on its area of operation.".

SEC. 547. ADMINISTRATIVE FEES.

Subsection (q) of section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended to read as follows:

"(q) ADMINISTRATIVE FEES.—

"(1) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

"(A) IN GENERAL.—The Secretary shall establish fees for the costs of administering the tenant-based assistance, certificate, voucher, and moderate rehabilitation programs under this section.

"(B) FISCAL YEAR 1999.—

"(i) CALCULATION.—For fiscal year 1999, the fee for each month for which a dwelling unit is covered by an assistance contract shall be—

"(I) in the case of a public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

"(II) in the case of an agency that, on an annual basis, is administering a program for more

than 600 dwelling units (aa) for the first 600 units, 7.65 percent of the base amount, and (bb) for any additional dwelling units under the program, 7.0 percent of the base amount.

"(ii) BASE AMOUNT.—For purposes of this subparagraph, the base amount shall be the higher of—

"(I) the fair market rental established under section 8(c) of this Act (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

"(II) the amount that is the lesser of (aa) such fair market rental for fiscal year 1994, or (bb) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

"(C) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for public housing agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

"(D) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

"(E) DECREASE.—The Secretary may decrease the fee for units owned by a public housing agency to reflect reasonable costs of administration.

"(2) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

"(A) the costs of preliminary expenses, in the amount of $500, for a public housing agency, except that such fee shall apply to an agency only in the first year that the agency administers a tenant-based assistance program under this section, and only if, immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, the agency was not administering a tenant-based assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), in connection with its initial increment of assistance received;

"(B) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

"(C) extraordinary costs approved by the Secretary.

"(3) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—In each fiscal year, if any public housing agency provides tenant-based assistance under this section on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

"(4) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 548. LAW ENFORCEMENT AND SECURITY PERSONNEL IN ASSISTED HOUSING.

Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) by transferring and inserting subsection (z) after subsection (y) (and before subsection (aa)); and

(2) by adding at the end the following new subsection:

"(cc) LAW ENFORCEMENT AND SECURITY PERSONNEL.—

"(1) IN GENERAL.—Notwithstanding any other provision of this Act, in the case of assistance attached to a structure, for the purpose of increasing security for the residents of a project, an owner may admit, and assistance under this section may be provided to, police officers and other security personnel who are not otherwise eligible for assistance under the Act.

"(2) RENT REQUIREMENTS.—With respect to any assistance provided by an owner under this subsection, the Secretary may—

"(A) permit the owner to establish such rent requirements and other terms and conditions of occupancy that the Secretary considers to be appropriate; and

"(B) require the owner to submit an application for those rent requirements, which application shall include such information as the Secretary, in the discretion of the Secretary, determines to be necessary.

"(3) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.".

SEC. 549. ADVANCE NOTICE TO TENANTS OF EXPIRATION, TERMINATION, OR OWNER NONRENEWAL OF ASSISTANCE CONTRACT.

(a) PERMANENT APPLICABILITY OF NOTICE AND ENDLESS LEASE PROVISIONS.—

(1) NOTICE.—Section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)) is amended—

(A) by striking paragraphs (8) and (10); and

(B) in paragraph (9), by striking the first sentence and inserting the following new sentence: "Not less than one year before terminating any contract under which assistance payments are received under this section, other than

a contract for tenant-based assistance under this section, an owner shall provide written notice to the Secretary and the tenants involved of the proposed termination, specifying the reasons for the termination with sufficient detail to enable the Secretary to evaluate whether the termination is lawful and whether there are additional actions that can be taken by the Secretary to avoid the termination.".

(2) ENDLESS LEASE.—Section 8(d)(1)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)) is amended—

(A) in clause (ii) by striking "(ii)" and all that follows through "the owner" and inserting "(ii) during the term of the lease, the owner"; and

(B) in clause (iii), by striking "(iii)" and all that follows through "any criminal activity" the first place it appears and inserting "(iii) during the term of the lease, any criminal activity".

(3) PERMANENT EFFECTIVENESS OF AMENDMENTS.—The amendments under this subsection are made on, and shall apply beginning upon, the date of the enactment of this Act, and shall apply thereafter, notwithstanding section 203 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 1437f note) or any other provision of law (including the expiration of the applicability of such section 203 or any repeal of such section 203).

(b) EXEMPTION OF TENANT-BASED ASSISTANCE FROM CONTRACT PROVISIONS.—Paragraph (9) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(9)), as amended by subsection (a)(1) of this section, is further amended—

(1) by striking "(9)" and inserting "(8)(A)"; and

(2) by striking the third sentence and all that follows and inserting the following:

"(B) In the case of owner who has requested that the Secretary renew the contract, the owner's notice under subparagraph (A) to the tenants shall include statements that—

"(i) the owner currently has a contract with the Department of Housing and Urban Development that pays the Government's share of the tenant's rent and the date on which the contract will expire;

"(ii) the owner intends to renew the contract for another year;

"(iii) renewal of the contract may depend upon the Congress making funds available for such renewal;

"(iv) the owner is required by law to notify tenants of the possibility that the contract may not be renewed if Congress does not provide funding for such renewals;

"(v) in the event of nonrenewal, the Department of Housing and Urban Development will provide tenant-based rental assistance to all eligible residents, enabling them to choose the place they wish to rent; and

"(vi) the notice itself does not indicate an intent to terminate the contract by either the owner or the Department of

Housing and Urban Development, provided there is Congressional approval of funding availability.

"(C) Notwithstanding the preceding provisions of this paragraph, if the owner agrees to a 5-year contract renewal offered by the Secretary, payments under which shall be subject to the availability of appropriations for any year, the owner shall provide a written notice to the Secretary and the tenants not less than 180 days before the termination of such contract. In the event the owner does not provide the 180-day notice required in the immediately preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 180-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 180 days of advance notice under such terms and conditions as the Secretary may require.

"(D) Any notice under this paragraph shall also comply with any additional requirements established by the Secretary.

"(E) For purposes of this paragraph, the term 'termination' means the expiration of the assistance contract or an owner's refusal to renew the assistance contract, and such term shall include termination of the contract for business reasons.".

(c) MULTIFAMILY ASSISTED HOUSING REFORM AND AFFORDABILITY ACT OF 1997.—Section 514(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended by inserting at the end the following new sentences: "In addition, if after giving the notice required in the first sentence, an owner determines to terminate a contract, an owner shall provide an additional written notice with respect to the termination, in a form prescribed by the Secretary, not less than 120 days prior to the termination. In the event the owner does not provide the 120-day notice required in the preceding sentence, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the 120-day notice and such period has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 120 days of advance notice in accordance with section 524 of this Act.".

SEC. 550. TECHNICAL AND CONFORMING AMENDMENTS.

(a) LOWER INCOME HOUSING ASSISTANCE.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) in subsection (a), by striking the second and third sentences;

(2) in subsection (b)—

(A) in the subsection heading, by striking "RENTAL CERTIFICATES AND"; and

(B) in the first undesignated paragraph—

(i) by striking "The Secretary" and inserting the following:

"(1) IN GENERAL.—The Secretary"; and

(ii) by striking the second sentence;

(3) in subsection (c)—

(A) in paragraph (3)—

(i) by striking "(A)"; and

(ii) by striking subparagraph (B);

(B) in the first sentence of paragraph (4), by striking "or by a family that qualifies to receive" and all that follows through "1990";

(C) by striking paragraphs (5) and (7); and

(D) redesignating paragraph (6) as paragraph (5);

(4) in subsection (d)(2)—

(A) in subparagraph (A), by striking the third sentence and all that follows through the end of the subparagraph;

(B) in subparagraph (H), by striking "(H)" and all that follows through "owner" and inserting "(H) An owner"; and

(C) by striking subparagraphs (B) through (E) and redesignating subparagraphs (F) through (H) (as amended by subparagraph (B) of this paragraph) as subparagraphs (B) through (D), respectively;

(5) in subsection (f)(7)—

(A) by striking "(b) or"; and

(B) by inserting before the period the following: "and that provides for the eligible family to select suitable housing and to move to other suitable housing"; and

(6) by striking subsection (j);

(7) by striking subsection (n);

(8) in subsection (u)—

(A) in paragraph (2), by striking ", certificates"; and

(B) by striking "certificates or" each place that term appears; and

(9) in subsection (x)(2), by striking "housing certificate assistance" and inserting "tenant-based assistance".

(b) HOPWA GRANTS FOR COMMUNITY RESIDENCES AND SERVICES.—Section 861(b)(1)(D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12910(b)(1)(D)) is amended by striking "certificates or vouchers" and inserting "assistance".

(c) SECTION 8 CERTIFICATES AND VOUCHERS.—Section 931 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437c note) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and (o) of such Act" and inserting "tenant-based assistance under section 8 of the United States Housing Act of 1937".

(d) ASSISTANCE FOR DISPLACED RESIDENTS.—Section 223(a) of the Housing and Community Development Act of 1987 (12 U.S.C. 4113(a)) is amended by striking "assistance under the certificate and voucher programs under sections 8(b) and 8(o)" and inserting "tenant-based assistance under section 8".

(e) RURAL HOUSING PRESERVATION GRANTS.—Section 533(a) of the Housing Act of 1949 (42 U.S.C. 1490m(a)) is amended in the second sentence by striking "assistance payments as provided by section 8(o)" and inserting "tenant-based assistance as provided under section 8".

(f) REPEAL OF MOVING TO OPPORTUNITIES FOR FAIR HOUSING DEMONSTRATION.—Section 152 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note) is repealed.

(g) ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS.—Section 201(m)(2)(A) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(m)(2)(A)) is amended by striking "section 8(b)(1)" and inserting "section 8".

SEC. 551. FUNDING AND ALLOCATION.

Section 213 of the Housing and Community Development Act of 1974 (42 U.S.C. 1439) is amended—

(1) by striking subsection (c); and

(2) in subsection (d)—

(A) in paragraph (1)(A)—

(i) in clause (i), by adding at the end the following new sentence: "Amounts for tenant-based assistance under section 8(o) of the United States Housing Act of 1937 may not be provided to any public housing agency that has been disqualified from providing such assistance."; and

(ii) in clause (ii), by striking "8(b)(1)" each place it appears and inserting "8(o)";

(B) by striking paragraph (2); and

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

SEC. 552. TREATMENT OF COMMON AREAS.

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

"(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for project-based assistance under this section for a housing project and may not enter into a new or renewal contract for such assistance for a project unless the owner of the project provides consent, to such local law enforcement agencies as the Secretary determines appropriate, for law enforcement officers of such agencies to enter common areas of the project at any time and without advance notice upon a determination of probable cause by such officers that criminal activity is taking place in such areas.".

SEC. 553. PORTABILITY.

Section 8(r) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended—

(1) in paragraph (2), by striking the last sentence;

(2) in paragraph (3))—

(A) by striking "(b) or"; and

(B) by adding at the end the following: "The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families that move into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary may reserve amounts available for assistance under subsection (o) to compensate those public housing agencies.";

(3) by striking "(r)" and all that follows through the end of paragraph (1) and inserting the following:

"(r) PORTABILITY.—(1) IN GENERAL.—(A) Any family receiving tenant-based assistance under subsection (o) may receive such assistance to rent an eligible dwelling unit if the dwelling unit to which the family moves is within any area in which a program is being administered under this section.

"(B)(i) Notwithstanding subparagraph (A) and subject to any exceptions established under clause (ii) of this subparagraph, a public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency.

"(ii) The Secretary may establish such exceptions to the authority of public housing agencies established under clause (i)."; and

(5) by adding at the end the following new paragraph:

"(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease.".

SEC. 554. LEASING TO VOUCHER HOLDERS.

Notwithstanding section 203(d) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104–134; 42 U.S.C. 1437f note)), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended by striking subsection (t). This section shall apply beginning upon, and the amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 555. HOMEOWNERSHIP OPTION.

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

(1) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by striking "A family receiving" and all that follows through "if the family" and inserting the following: "A public housing agency providing tenant-based assistance on behalf of an eligible family under this section may provide assistance for an eligible family that purchases a dwelling unit (including a unit under a lease-purchase agreement) that will be owned by 1 or more members of the family, and will be occupied by the family, if the family";

(B) in subparagraph (A), by inserting before the semicolon ", or owns or is acquiring shares in a cooperative"; and

(C) in subparagraph (B)—

(i) by striking "(i) participates" and all that follows through "(ii) demonstrates" and inserting "demonstrates"; and

(ii) by inserting ", except that the Secretary may provide for the consideration of public assistance in the case of an elderly family or a disabled family" after "other than public assistance";

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

"(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

"(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

"(i) 30 percent of the monthly adjusted income of the family.

"(ii) 10 percent of the monthly income of the family.

"(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

"(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).";

(3) by striking paragraphs (3), (4), and (5) and inserting the following new paragraphs:

"(3) INSPECTIONS AND CONTRACT CONDITIONS.—

"(A) IN GENERAL.—Each contract for the purchase of a unit to be assisted under this section shall—

"(i) provide for pre-purchase inspection of the unit by an independent professional; and

"(ii) require that any cost of necessary repairs be paid by the seller.

"(B) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (o)(8)(A)(ii) for annual inspections shall not apply to units assisted under this section.

"(4) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

"(A) limit the term of assistance for a family assisted under this subsection; and

"(B) modify the requirements of this subsection as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements."; and

(4) by redesignating paragraphs (6), (7) (as previously amended by this Act), and (8) as paragraphs (5), (6), and (7), respectively.

(b) DEMONSTRATION PROGRAM.—

(1) IN GENERAL.—With the consent of the affected public housing agencies, the Secretary may carry out (or contract with 1 or more entities to carry out) a demonstration program under section 8(y) of the United States Housing Act of 1937 (42 U.S.C. 1437f(y)) to expand homeownership opportunities for low-income families.

(2) REPORT.—The Secretary shall report annually to Congress on activities conducted under this subsection.

(c) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 556. RENEWALS.

(a) IN GENERAL.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(dd) TENANT-BASED CONTRACT RENEWALS.—Subject to amounts provided in appropriation Acts, starting in fiscal year 1999, the Secretary shall renew all expiring tenant-based annual contribution contracts under this section by applying an inflation factor based on local or regional factors to an allocation baseline. The allocation baseline shall be calculated by including, at a minimum, amounts sufficient to ensure continued assistance for the actual number of families assisted as of October 1, 1997, with appropriate upward adjustments for incremental assistance and additional families authorized subsequent to that date.".

(b) IMPLEMENTATION.—The Secretary of Housing and Urban Development shall implement the provision added by the amendment made by subsection (a) through notice, not later than December 31, 1998, and shall issue final regulations which shall be developed pursuant to the procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, not later than one year after the date of the enactment of this Act.

SEC. 557. MANUFACTURED HOUSING DEMONSTRATION PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall carry out a program during fiscal years 1999, 2000, and 2001 to demonstrate the effectiveness of providing, directly to eligible families that own manufactured homes and rent real property on which their homes are located, tenant-based assistance for the rental of such property that would otherwise be provided directly to the owners of such real property under section 8(o)(12) of the United States Housing Act of 1937.

(b) REQUIREMENTS.—The demonstration program under this section shall be subject to the following requirements:

(1) SCOPE.—The Secretary of Housing and Urban Development shall carry out the demonstration program with respect to the Housing Authority of the County of San Diego, in California, and the Housing Authority of the City of San Diego, in California.

(2) ELIGIBLE FAMILIES.—Under the demonstration program, each public housing agency shall provide tenant-based assistance under section 8(o) of the United States Housing Act of 1937 on behalf of eligible families who rent real property on which their manufactured homes are located and which is owned by an owner who has refused to participate in the section 8 program.

(3) PARTICIPATION ARRANGEMENTS.—Each public housing agency participating in the demonstration program shall enter

into arrangements with families assisted under the program providing for their participation in the program and may, to the extent authorized by the Secretary, continue to provide assistance in the same manner as under the demonstration program after its conclusion to such participating families.

(4) WAIVER OF OTHER REQUIREMENTS.—Under the demonstration program, the Secretary may waive, or specify alternative requirements for, requirements established by or under section 8 of the United States Housing Act of 1937 relating to the provision of assistance under subsection (j) or (o)(12) of such section.

(c) REPORT.—Not later than March 31, 2002, the Secretary shall submit a report to the Congress describing and evaluating the demonstration program under this section.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 558. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with tenant-based housing assistance under section 8 of the United States Housing Act of 1937—

(1) to provide amounts for incremental assistance under such section 8—

(A) for each of fiscal years 2000 and 2001, the amount necessary to assist 100,000 incremental dwelling units in each such fiscal year; and

(B) for each of fiscal years 1999, 2002, and 2003, such sums as may be necessary; and

(2) such sums as may be necessary for each of fiscal years 1999, 2000, 2001, 2002, and 2003, for—

(A) relocation and replacement housing for units that are demolished and disposed of from the public housing inventory (in addition to other amounts that may be available for such purposes);

(B) relocation of residents of properties that are owned by the Secretary and being disposed of or that are discontinuing section 8 project-based assistance;

(C) the conversion of section 23 projects to assistance under section 8;

(D) carrying out the family unification program;

(E) relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency;

(F) nonelderly disabled families affected by the designation of a public housing development under section 7 of the United States Housing Act of 1937, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992, or the restriction of occupancy to elderly families in accordance with section 658 of such Act, and to the extent the Secretary determines that such amount is not needed to fund applications for such affected families, to other nonelderly disabled families;

(G) housing vouchers for homeless individuals; and

(H) housing vouchers to compensate public housing agencies which issue vouchers to families that move into or out of the jurisdiction of the agency under portability procedures.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for tenant-based assistance under section 8 of the United States Housing Act of 1937, to be used in accordance with paragraph (2), $50,000,000 for fiscal year 2000, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to public housing agencies only for use to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under 7 of such Act or to the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992, and other nonelderly disabled families who have applied to the agency for assistance under such section 8).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to public housing agencies as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 559. RULEMAKING AND IMPLEMENTATION.

(a) INTERIM REGULATIONS.—The Secretary of Housing and Urban Development shall issue such interim regulations as may be necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937.

(b) FINAL REGULATIONS.—The Secretary shall issue final regulations necessary to implement the amendments made by this subtitle and other provisions in this title which relate to section 8(o) of the United States Housing Act of 1937 not later then 1 year after the date of enactment of this Act.

(c) FACTORS FOR CONSIDERATION.—Before the publication of the final regulations under subsection (b), in addition to public comments invited in connection with the publication of the interim rule, the Secretary shall—

(1) seek recommendations on the implementation of sections 8(o)(6)(B), 8(o)(7)(B), and 8(o)(10)(D) of the United States Housing Act of 1937 and of renewals of expiring tenant-based assistance from organizations representing—

(A) State or local public housing agencies;

(B) owners and managers of tenant-based housing assisted under section 8 of the United States Housing Act of 1937;

(C) families receiving tenant-based assistance under section 8 of the United States Housing Act of 1937; and

(D) legal service organizations; and

(2) convene not less than 2 public forums at which the persons or organizations making recommendations under paragraph (1) may express views concerning the proposed disposition of the recommendations.

(d) CONVERSION ASSISTANCE.—

(1) IN GENERAL.—The Secretary may provide for the conversion of assistance under the certificate and voucher programs under subsections (b) and (o) of section 8 of the United States Housing Act of 1937, as in effect before the applicability of the amendments made by this subtitle, to the voucher program established by the amendments made by this subtitle.

(2) CONTINUED APPLICABILITY.—The Secretary may apply the provisions of the United States Housing Act of 1937, or any other provision of law amended by this subtitle, as those provisions were in effect immediately before the date of the enactment of this Act (except that such provisions shall be subject to any amendments to such provisions that may be contained in title II of this Act), to assistance obligated by the Secretary before October 1, 1999, for the certificate or voucher program under section 8 of the United States Housing Act of 1937, if the Secretary determines that such action is necessary for simplification of program administration, avoidance of hardship, or other good cause.

(e) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

Subtitle D—Home Rule Flexible Grant Demonstration

SEC. 561. HOME RULE FLEXIBLE GRANT DEMONSTRATION PROGRAM.

The United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new title:

"TITLE IV—HOME RULE FLEXIBLE GRANT DEMONSTRATION

"SEC. 401. PURPOSE.

The purpose of this title is to demonstrate the effectiveness of authorizing local governments and municipalities, in coordination with the public housing agencies for such jurisdictions—

"(1) to receive and combine program allocations of covered housing assistance; and

"(2) to design creative approaches for providing and administering Federal housing assistance based on the particular needs of the jurisdictions that—

"(A) provide incentives to low-income families with children whose head of the household is employed, seeking employment, or preparing for employment by participating in a job training or educational program, or any program that otherwise assists individuals in obtaining employment and attaining economic self-sufficiency;

"(B) reduce costs of Federal housing assistance and achieve greater cost-effectiveness in Federal housing assistance expenditures;

"(C) increase the stock of affordable housing and housing choices for low-income families;

"(D) increase homeownership among low-income families;

"(E) reduce geographic concentration of assisted families;

"(F) reduce homelessness through providing permanent housing solutions;

"(G) improve program management; and

"(H) achieve such other purposes with respect to low-income families, as determined by the participating local governments and municipalities in coordination with the public housing agencies;

"SEC. 402. FLEXIBLE GRANT PROGRAM.

"(a) AUTHORITY AND USE.—The Secretary shall carry out a demonstration program in accordance with the purposes under section 401 and the provisions of this title. A jurisdiction approved by the Secretary for participation in the program may receive and combine and enter into performance-based contracts for the use of amounts of covered housing assistance, in the manner determined appropriate by the participating jurisdiction, during the period of the jurisdiction's participation—

"(1) to provide housing assistance and services for low-income families in a manner that facilitates the transition of such families to work;

"(2) to reduce homelessness through providing permanent housing solutions;

"(3) to increase homeownership among low-income families; or

"(4) for other housing purposes for low-income families determined by the participating jurisdiction.

"(b) PERIOD OF PARTICIPATION.—A jurisdiction may participate in the demonstration program under this title for a period consisting of not less than 1 nor more than 5 fiscal years.

"(c) PARTICIPATING JURISDICTIONS.—

"(1) IN GENERAL.—Subject to paragraph (2), during the 4-year period consisting of fiscal years 1999 through 2002, the Secretary may approve for participation in the program under this title not more than an aggregate of 100 jurisdictions over the entire term of the demonstration program. A jurisdiction that was approved for participation in the demonstration program under this title in a fiscal year and that is continuing such participation in any subsequent fiscal year shall count as a single jurisdiction for purposes of the numerical limitation under this paragraph.

"(2) EXCLUSION OF HIGH PERFORMING AGENCIES.—Notwithstanding any other provision of this title other than paragraph (4) of this subsection, the Secretary may approve for participation in the demonstration program under this title only jurisdictions served by public housing agencies that—

"(A) are not designated as high-performing agencies, pursuant to their most recent scores under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval; and

"(B) have a most recent score under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies), as of the time of approval, that is among the lowest 40 percent of the scores of all agencies.

"(3) LIMITATION ON TROUBLED AND NON-TROUBLED PHAS.—Of the jurisdictions approved by the Secretary for participation in the demonstration program under this title—

"(A) not more than 55 may be jurisdictions served by a public housing agency that, at the time of approval, is designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies); and

"(B) not more than 45 may be jurisdictions served by a public housing agency that, at the time of approval, is not designated as a troubled agency under the public housing management assessment program under section 6(j)(2) (or any successor assessment program for public housing agencies).

"(4) EXCEPTION.—If the City of Indianapolis, Indiana submits an application for participation in the program under this title and, upon review of the application under section 406(b), the Secretary determines that such application is approvable under this title, the Secretary shall approve such application, notwithstanding the second sentence of section 406(b)(2). Such City shall count for purposes of the numerical limitations on jurisdictions under paragraphs (1) and (3) of section 402(c), but the provisions of section 402(c)(2) (relating to exclusion of high-performing agencies) shall not apply to such City.

"SEC. 403. PROGRAM ALLOCATION AND COVERED HOUSING ASSISTANCE.

"(a) PROGRAM ALLOCATION.—In each fiscal year, the amount made available to each participating jurisdiction under the demonstration program under this title shall be equal to the sum of the amounts of covered housing assistance that would otherwise be made available under the provisions of this Act to the public housing agency for the jurisdiction.

"(b) COVERED HOUSING ASSISTANCE.—For purposes of this title, the term 'covered housing assistance' means—

"(1) operating assistance under section 9 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(2) modernization assistance under section 14 (as in effect before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(3) assistance for the certificate and voucher programs under section 8 (as in effect before the effective date under sec-

tion 503(a) of the Quality Housing and Work Responsibility Act of 1998);

"(4) assistance from the Operating Fund under section 9(e);

"(5) assistance from the Capital Fund under section 9(d); and

"(6) tenant-based assistance under section 8 (as amended by the Quality Housing and Work Responsibility Act of 1998).

"SEC. 404. APPLICABILITY OF REQUIREMENTS UNDER PROGRAMS FOR COVERED HOUSING ASSISTANCE.

"(a) IN GENERAL.—In each fiscal year of the demonstration program under this title, amounts made available to a participating jurisdiction under the demonstration program shall be subject to the same terms and conditions as such amounts would be subject to if made available under the provisions of this Act pursuant to which covered housing assistance is otherwise made available under this Act to the public housing agency for the jurisdiction, except that—

"(1) the Secretary may waive any such term or condition identified by the jurisdiction to the extent that the Secretary determines such action to be appropriate to carry out the purposes of the demonstration program under this title; and

"(2) the participating jurisdiction may combine the amounts made available and use the amounts for any activity eligible under the programs under sections 8 and 9.

"(b) NUMBER OF FAMILIES ASSISTED.—In carrying out the demonstration program under this title, each participating jurisdiction shall assist substantially the same total number of eligible low-income families as would have otherwise been served by the public housing agency for the jurisdiction had the jurisdiction not participated in the demonstration program under this title.

"(c) PROTECTION OF RECIPIENTS.—This title may not be construed to authorize the termination of assistance to any recipient receiving assistance under this Act before the date of enactment of this title as a result of the implementation of the demonstration program under this title.

"(d) EFFECT ON ABILITY TO COMPETE FOR OTHER PROGRAMS.—This title may not be construed to affect the ability of any applying or participating jurisdiction (or a public housing agency for any such jurisdiction) to compete or otherwise apply for or receive assistance under any other housing assistance program administered by the Secretary.

"SEC. 405. PROGRAM REQUIREMENTS.

"(a) APPLICABILITY OF CERTAIN PROVISIONS.—Notwithstanding section 404(a)(1), the Secretary may not waive, with respect to any participating jurisdiction, any of the following provisions:

"(1) The first sentence of paragraph (1) of section 3(a) (relating to eligibility of low-income families).

"(2) Section 16 (relating to income eligibility and targeting of assistance).

"(3) Paragraph (2) of section 3(a) (relating to rental payments for public housing families).

"(4) Paragraphs (2) and (3) of section 8(o) (to the extent such paragraphs limit the amount of rent paid by families assisted with tenant-based assistance).

"(5) Section 18 (relating to demolition or disposition of public housing).

"(b) COMPLIANCE WITH ASSISTANCE PLAN.—A participating jurisdiction shall provide assistance using amounts received pursuant to this title in the manner set forth in the plan of the jurisdiction approved by the Secretary under section 406(a)(2).

"SEC. 406. APPLICATION.

"(a) IN GENERAL.—The Secretary shall provide for jurisdictions to submit applications for approval to participate in the demonstration program under this title. An application—

"(1) shall be submitted only after the jurisdiction provides for citizen participation through a public hearing and, if appropriate, other means;

"(2) shall include a plan for the provision of housing assistance with amounts received pursuant to this title that—

"(A) is developed by the jurisdiction;

"(B) takes into consideration comments from the public hearing, any other public comments on the proposed program, and comments from current and prospective residents who would be affected; and

"(C) identifies each term or condition for which the jurisdiction is requesting waiver under section 404 (a)(1);

"(3) shall describe how the plan for use of amounts will assist in meeting the purposes of, and be used in accordance with, sections 401 and 402(a), respectively;

"(4) shall propose standards for measuring performance in using assistance provided pursuant to this title based on the performance standards under subsection (b)(4);

"(5) shall propose the length of the period for participation of the jurisdiction is in the demonstration program under this title;

"(6) shall—

"(A) in the case of the application of any jurisdiction within whose boundaries are areas subject to any other unit of general local government, include the signed consent of the appropriate executive official of such unit to the application; and

"(B) in the case of the application of a consortia of units of general local government (as provided under section 409(1)(B)), include the signed consent of the appropriate executive officials of each unit included in the consortia;

"(7) shall include information sufficient, in the determination of the Secretary—

"(A) to demonstrate that the jurisdiction has or will have management and administrative capacity sufficient to carry out the plan under paragraph (2), including a demonstration that the applicant has a history of effectively administering amounts provided under other programs of the Department of Housing and Urban Development, such as the community development block grant program, the HOME investment partnerships program, and the programs for assistance for the homeless under the Stewart B. McKinney Homeless Assistance Act;

"(B) to demonstrate that carrying out the plan will not result in excessive duplication of administrative efforts and costs, particularly with respect to activities performed by public housing agencies operating within the boundaries of the jurisdiction;

"(C) to describe the function and activities to be carried out by such public housing agencies affected by the plan; and

"(D) to demonstrate that the amounts received by the jurisdiction will be maintained separate from other funds available to the jurisdiction and will be used only to carry out the plan;

"(8) shall include information describing how the jurisdiction will make decisions regarding asset management of housing for low-income families under programs for covered housing assistance or assisted with grant amounts under this title;

"(9) shall—

"(A) clearly identify any State or local laws that will affect implementation of the plan under paragraph (2) and any contractual rights and property interests that may be affected by the plan;

"(B) describe how the plan will be carried out with respect to such laws, rights, and interests; and

"(C) contain a legal memorandum sufficient to describe how the plan will comply with such laws and how the plan will be carried out without violating or impairing such rights and interests; and

"(10) shall identify procedures for how the jurisdiction shall return to providing covered assistance for the jurisdiction under the provisions of title I, in the case of determination under subsection (b)(4)(B).

A plan required under paragraph (2) to be included in the application may be contained in a memorandum of agreement or other document executed by a jurisdiction and public housing agency, if such document is submitted together with the application.

"(b) REVIEW, APPROVAL, AND PERFORMANCE STANDARDS.—

"(1) REVIEW.—The Secretary shall review each application for participation in the demonstration program under this title and shall determine and notify the jurisdiction submitting the application, not later than 90 days after its submission, of whether the application is approvable under this title. If the Secretary determines that the application of a jurisdiction is approvable under this title, the Secretary shall provide affected public housing agencies an opportunity to review and to provide written comments on the application for a period of not less than 30 days after notification under the preceding sentence. If the Secretary determines that an application is not approvable under this title, the Secretary shall notify the jurisdiction submitting the application of the reasons for such determination. Upon making a determination of whether an application is approvable or nonapprovable under this title, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.

"(2) APPROVAL.—The Secretary may approve jurisdictions for participation in the demonstration program under this title, but only from among applications that the Secretary has determined under paragraph are approvable under this title and only in accordance with section 402(c). The Secretary shall base the selection of jurisdictions to approve on the potential success, as evidenced by the application, in—

"(A) achieving the goals set forth in the performance standards under paragraph (4)(A); and

"(B) increasing housing choices for low-income families.

"(3) AGREEMENT.—The Secretary shall offer to enter into an agreement with each jurisdiction approved for participation in the program under this title providing for assistance pursuant to this title for a period in accordance with section 402(b) and incorporating a requirement that the jurisdiction achieve a particular level of performance in each of the areas for which performance standards are established under paragraph (4)(A) of this subsection. If the Secretary and the jurisdiction enter into an agreement, the Secretary shall provide any covered housing assistance for the jurisdiction in the manner authorized under this title. The Secretary may not provide covered housing assistance for a jurisdiction in the manner authorized under this title unless the Secretary and jurisdiction enter into an agreement under this paragraph.

"(4) PERFORMANCE STANDARDS.—

"(A) ESTABLISHMENT.—The Secretary and each participating jurisdiction may collectively establish standards for evaluating the performance of the participating jurisdiction in meeting the purposes under section 401 of this title, which may include standards for—

"(i) moving dependent low-income families to economic self-sufficiency;

"(ii) reducing the per-family cost of providing housing assistance;

"(iii) expanding the stock of affordable housing and housing choices for low-income families;

"(iv) improving program management;

"(v) increasing the number of homeownership opportunities for low-income families;

"(vi) reducing homelessness through providing permanent housing resources;

"(vii) reducing geographic concentration of assisted families; and

"(viii) any other performance goals that the Secretary and the participating jurisdiction may establish.

"(B) FAILURE TO COMPLY.—If, at any time during the participation of a jurisdiction in the program under this title, the Secretary determines that the jurisdiction is not sufficiently meeting, or making progress toward meeting, the levels of performance incorporated into the agreement of the jurisdiction pursuant to subparagraph (A), the Secretary shall terminate the participation of the jurisdiction in the program under this title and require the implemen-

tation of the procedures included in the application of the jurisdiction pursuant to subsection (a)(10).

"(5) TROUBLED AGENCIES.—The Secretary may establish requirements for the approval of applications under this section submitted by public housing agencies designated under section 6(j)(2) as troubled, which may include additional or different criteria determined by the Secretary to be more appropriate for such agencies.

"(c) STATUS OF PHAS.—This title may not be construed to require any change in the legal status of any public housing agency or in any legal relationship between a jurisdiction and a public housing agency as a condition of participation in the program under this title.

"(d) PHA PLANS.—In carrying out this title, the Secretary may provide for a streamlined public housing agency plan and planning process under section 5A for participating jurisdictions.

"SEC. 407. TRAINING.

"The Secretary, in consultation with representatives of public and assisted housing interests, may provide training and technical assistance relating to providing assistance under this title and may conduct detailed evaluations of up to 30 jurisdictions for the purpose of identifying replicable program models that are successful at carrying out the purposes of this title.

"SEC. 408. ACCOUNTABILITY.

"(a) MAINTENANCE OF RECORDS.—Each participating jurisdiction shall maintain such records as the Secretary may require to—

"(1) document the amounts received by the jurisdiction under this Act and the disposition of such amounts under the demonstration program under this title;

"(2) ensure compliance by the jurisdiction with this title; and

"(3) evaluate the performance of the jurisdiction under the demonstration program under this title.

"(b) REPORTS.—Each participating jurisdiction shall annually submit to the Secretary a report in a form and at a time specified by the Secretary, which shall include—

"(1) documentation of the use of amounts made available to the jurisdiction under this title;

"(2) any information as the Secretary may request to assist the Secretary in evaluating the demonstration program under this title; and

"(3) a description and analysis of the effect of assisted activities in addressing the objectives of the demonstration program under this title.

"(c) ACCESS TO DOCUMENTS BY SECRETARY AND COMPTROLLER GENERAL.—The Secretary and the Comptroller General of the United States, or any duly authorized representative of the Secretary or the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records maintained by a participating jurisdiction that relate to the demonstration program under this title.

"(d) PERFORMANCE REVIEW AND EVALUATION.—

"(1) PERFORMANCE REVIEW.—Based on the performance standards established under section 406(b)(4), the Secretary shall monitor the performance of participating jurisdictions in providing assistance under this title.

"(2) STATUS REPORT.—Not later than 60 days after the conclusion of the second year of the demonstration program under this title, the Secretary shall submit to Congress an interim report on the status of the demonstration program and the progress each participating jurisdiction in achieving the purposes of the demonstration program under section 401.

"SEC. 409. DEFINITIONS.

"For purposes of this title, the following definitions shall apply:

"(1) JURISDICTION.—The term 'jurisdiction' means—

"(A) a unit of general local government (as such term is defined in section 104 of the Cranston-Gonzalez National Affordable Housing Act) that has boundaries, for purposes of carrying out this title, that—

"(i) wholly contain the area within which a public housing agency is authorized to operate; and

"(ii) do not contain any areas contained within the boundaries of any other participating jurisdiction; and

"(B) a consortia of such units of general local government, organized for purposes of this title.

"(2) PARTICIPATING JURISDICTION.—The term 'participating jurisdiction' means, with respect to a period for which such an agreement is made, a jurisdiction that has entered into an agreement under section 406(b)(3) to receive assistance pursuant to this title for such fiscal year.

"SEC. 410. TERMINATION AND EVALUATION.

"(a) TERMINATION.—The demonstration program under this title shall terminate not less than 2 and not more than 5 years after the date on which the demonstration program is commenced.

"(b) EVALUATION.—Not later than 6 months after the termination of the demonstration program under this title, the Secretary shall submit to the Congress a final report, which shall include—

"(1) an evaluation the effectiveness of the activities carried out under the demonstration program; and

"(2) any findings and recommendations of the Secretary for any appropriate legislative action.

"SEC. 411. APPLICABILITY.

"This title shall take effect on the date of the enactment of the Quality Housing and Work Responsibility Act of 1998.".

Subtitle E—Accountability and Oversight of Public Housing Agencies

SEC. 563. STUDY OF ALTERNATIVE METHODS FOR EVALUATING PUBLIC HOUSING AGENCIES.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall provide under subsection (e) for a study to be conducted to determine the effectiveness of various alternative methods

of evaluating the performance of public housing agencies and other providers of federally assisted housing.

(b) PURPOSES.—The purposes of the study under this section shall be—

(1) to identify and examine various methods of evaluating and improving the performance of public housing agencies in administering public housing and tenant-based rental assistance programs and of other providers of federally assisted housing, which are alternatives to oversight by the Department of Housing and Urban Development; and

(2) to identify specific monitoring and oversight activities currently conducted by the Department of Housing and Urban Development and to evaluate whether such activities should be eliminated, expanded, modified, or transferred to other entities (including governmental and private entities) to increase accuracy and effectiveness and improve monitoring.

(c) EVALUATION OF VARIOUS PERFORMANCE EVALUATION SYSTEMS.—To carry out the purposes under subsection (b), the study under this section shall identify, and analyze the advantages and disadvantages of various methods of regulating and evaluating the performance of public housing agencies and other providers of federally assisted housing, including the following methods:

(1) CURRENT SYSTEM.—The system pursuant to the United States Housing Act of 1937, including the methods and requirements under such system for reporting, auditing, reviewing, sanctioning, and monitoring of such agencies and housing providers and the public housing management assessment program pursuant to section 6(j) of the United States Housing Act of 1937.

(2) ACCREDITATION MODELS.—Various models that are based upon accreditation of such agencies and housing providers, subject to the following requirements:

(A) The study shall identify and analyze various models used in other industries and professions for accreditation and determine the extent of their applicability to the programs for public housing and federally assisted housing.

(B) If any accreditation models are determined to be applicable to the public and federally assisted housing programs, the study shall identify appropriate goals, objectives, and procedures for an accreditation program for such agencies and housing providers.

(C) The study shall evaluate the feasibility and merit of establishing an independent accreditation and evaluation entity to assist, supplement, or replace the role of the Department of Housing and Urban Development in assessing and monitoring the performance of such agencies and housing providers.

(D) The study shall identify the necessary and appropriate roles and responsibilities of various entities that would be involved in an accreditation program, including the Department of Housing and Urban Development, the Inspector General of the Department, an accreditation en-

tity, independent auditors and examiners, local entities, and public housing agencies.

(E) The study shall estimate the costs involved in developing and maintaining such an independent accreditation program.

(3) PERFORMANCE BASED MODELS.—Various performance-based models, including systems that establish performance goals or targets, assess the compliance with such goals or targets, and provide for incentives or sanctions based on performance relative to such goals or targets.

(4) LOCAL REVIEW AND MONITORING MODELS.—Various models providing for local, resident, and community review and monitoring of such agencies and housing providers, including systems for review and monitoring by local and State governmental bodies and agencies.

(5) PRIVATE MODELS.—Various models using private contractors for review and monitoring of such agencies and housing providers.

(6) OTHER MODELS.—Various models of any other systems that may be more effective and efficient in regulating and evaluating such agencies and housing providers.

(d) CONSULTATION.—The entity that, pursuant to subsection (e), carries out the study under this section shall, in carrying out the study, consult with individuals and organizations experienced in managing public housing, private real estate managers, representatives from State and local governments, residents of public housing, families and individuals receiving tenant-based assistance, the Secretary of Housing and Urban Development, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States.

(e) CONTRACT TO CONDUCT STUDY.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall enter into a contract, within 90 days of the enactment of this Act, with a public or nonprofit private entity to conduct the study under this section, using amounts made available pursuant to subsection (g).

(2) NATIONAL ACADEMY OF PUBLIC ADMINISTRATION.—The Secretary shall request the National Academy of Public Administration to enter into the contract under paragraph (1) to conduct the study under this section. If such Academy declines to conduct the study, the Secretary shall carry out such paragraph through other public or nonprofit private entities, selected through a competitive process.

(f) REPORT.—

(1) INTERIM REPORT.—The Secretary shall ensure that, not later than the expiration of the 6-month period beginning on the date of the execution of the contract under subsection (e)(1), the entity conducting the study under this section submits to the Congress an interim report describing the actions taken to carry out the study, the actions to be taken to complete the study, and any findings and recommendations available at the time.

(2) FINAL REPORT.—The Secretary shall ensure that—

(A) not later than the expiration of the 12-month period beginning on the date of the execution of the contract under

subsection (e)(1), the study required under this section is completed and a report describing the findings and recommendations as a result of the study is submitted to the Congress; and

(B) before submitting the report under this paragraph to the Congress, the report is submitted to the Secretary, national organizations for public housing agencies, and other appropriate national organizations at such time to provide the Secretary and such agencies an opportunity to review the report and provide written comments on the report, which shall be included together with the report upon submission to the Congress under subparagraph (A).

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 564. PUBLIC HOUSING MANAGEMENT ASSESSMENT PROGRAM.

Section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)), as amended by the preceding provisions of this Act, is further amended—

(1) in paragraph (1)—

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

"(B) The amount and percentage of funds provided to the public housing agency from the Capital Fund under section 9(d) which remain unobligated by the public housing agency after 3 years.";

(B) in subparagraph (D), by striking "energy" and inserting "utility";

(C) by transferring and inserting subparagraph (E) after subparagraph (D);

(D) by redesignating subparagraph (H) as subparagraph (K); and

(E) by inserting after subparagraph (G) the following new subparagraphs:

"(H) The extent to which the public housing agency—

"(i) coordinates, promotes, or provides effective programs and activities to promote the economic self-sufficiency of public housing residents; and

"(ii) provides public housing residents with opportunities for involvement in the administration of the public housing.

"(I) The extent to which the public housing agency—

"(i) implements effective screening and eviction policies and other anticrime strategies; and

"(ii) coordinates with local government officials and residents in the project and implementation of such strategies.

"(J) The extent to which the public housing agency is providing acceptable basic housing conditions.";

(2) in paragraph (2)—

(A) in subparagraph (A)(i)—

(i) by inserting after the first sentence the following: "Such procedures shall provide that an agency that fails on a widespread basis to provide acceptable basic housing conditions for its residents shall be des-

ignated as a troubled public housing agency. The Secretary may use a simplified set of indicators for public housing agencies with less than 250 public housing units."; and

(ii) by striking "under section 14" and inserting "for assistance from the Capital Fund under section 9(d);

(B) in subparagraph (A)(iii), by striking "under section 14" and inserting "for assistance from the Capital Fund under section 9(d)";

(C) in subparagraph (B)(i)—

(i) by inserting "with more than 250 units" after "public housing agency"; and

(ii) by striking "review conducted under section 14(p)" and inserting "comparable and recent review"; and

(D) in the first sentence of subparagraph (C), by inserting "(if applicable)" after "subparagraph (B)";

(3) in paragraph (5)(F), as so redesignated by the preceding provisions of this Act, by striking "program under section 14" and all that follows and inserting "program for assistance from the Capital Fund under section 9(d) and specifies the amount of assistance the agency received under such program."; and

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

"(6)(A) To the extent that the Secretary determines such action to be necessary in order to ensure the accuracy of any certification made under this section, the Secretary shall require an independent auditor to review documentation or other information maintained by a public housing agency pursuant to this section to substantiate each certification submitted by the agency or corporation relating to the performance of that agency or corporation.

"(B) The Secretary may withhold, from assistance otherwise payable to the agency or corporation under section 9, amounts sufficient to pay for the reasonable costs of any review under this paragraph.

"(7) The Secretary shall apply the provisions of this subsection to resident management corporations in the same manner as applied to public housing agencies.".

SEC. 565. EXPANSION OF POWERS FOR DEALING WITH PUBLIC HOUSING AGENCIES IN SUBSTANTIAL DEFAULT.

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

(1) in subparagraph (A)—

(A) by striking clause (i) and inserting the following new clause:

"(i) solicit competitive proposals from other public housing agencies and private housing management agents which (I) in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary, and (II) if appropriate, shall provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other programs of the agency;";

(B) in clause (iii), by striking "under section 14" and inserting "from the Capital Fund under section 9(d)"; and

(C) by striking clause (iv) and inserting the following new clauses:

"(iv) take possession of all or part of the public housing agency, including all or part of any project or program of the agency, including any project or program under any other provision of this title; and

"(v) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and families assisted under section 8 for managing all, or part, of the public housing administered by the agency or of the programs of the agency."; and

(2) by striking subparagraphs (B) through (D) and inserting the following new subparagraphs:

"(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

"(ii)(I) Upon the expiration of the 1-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), by at least 50 percent of the difference between the most recent performance measurement and the measurement necessary to remove that agency's designation as troubled.

"(II) Upon the expiration of the 2-year period beginning on the later of the date on which the agency receives initial notice from the Secretary of the troubled status of the agency under clause (i) and the date of the enactment of the Quality Housing and Work Responsibility Act of 1998, the agency shall improve its performance, as measured by the performance indicators established pursuant to paragraph (1), such that the agency is no longer designated as troubled.

"(III) In the event that a public housing agency designated as troubled under this subsection fails to comply with the requirements set forth in subclause (I) or (II), the Secretary shall—

"(aa) in the case of a troubled public housing agency with 1,250 or more units, petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

"(bb) in the case of a troubled public housing agency with fewer than 1,250 units, either petition for the appointment of a receiver pursuant to subparagraph (A)(ii), or take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

This subparagraph shall not be construed to limit the courses of action available to the Secretary under subparagraph (A).

"(IV) During the period between the date on which a petition is filed under subclause (III)(aa) and the date on which a receiver assumes responsibility for the management of the public housing agency under such subclause, the Secretary may take possession of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv) and may appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency).

"(C) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

"(i) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the receiver determines that reasonable efforts to renegotiate such contract have failed;

"(ii) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

"(iii) if determined to be appropriate by the Secretary, may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(iv) if determined to be appropriate by the Secretary, may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies; and

"(v) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default.

"(D)(i) If, pursuant to subparagraph (A)(iv), the Secretary takes possession of all or part of the public housing agency, including all or part of any project or program of the agency, the Secretary—

"(I) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the written determination of the Secretary (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the Secretary determines that reasonable efforts to renegotiate such contract have failed;

"(II) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including

disposition by transfer of properties to resident-supported nonprofit entities;

"(III) may seek the establishment, as permitted by applicable State and local law, of 1 or more new public housing agencies;

"(IV) may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies;

"(V) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the Secretary's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default; and

"(VI) shall, without any action by a district court of the United States, have such additional authority as a district court of the United States would have the authority to confer upon a receiver to achieve the purposes of the receivership.

"(ii) If, pursuant to subparagraph (B)(ii)(III)(bb), the Secretary appoints an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency), the Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate and subject to clause (iii).

"(iii) An administrative receiver may not take an action described in subclause (III) or (IV) of clause (i) unless the Secretary first approves an application by the administrative receiver to authorize such action.

"(E) The Secretary may make available to receivers and other entities selected or appointed pursuant to this paragraph such assistance as the Secretary determines in the discretion of the Secretary is necessary and available to remedy the substantial deterioration of living conditions in individual public housing projects or other related emergencies that endanger the health, safety, and welfare of public housing residents or families assisted under section 8. A decision made by the Secretary under this paragraph shall not be subject to review in any court of the United States, or in any court of any State, territory, or possession of the United States.

"(F) In any proceeding under subparagraph (A)(ii), upon a determination that a substantial default has occurred and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of all or part of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, or any other person or appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

"(G) The appointment of a receiver pursuant to this paragraph may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the public housing agency is capable again of discharging its duties.

"(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including all or part of any project or program of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to be acting not in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to that liability occurred while the Secretary or receiver was in possession of all or part of the public housing agency (including all or part of any project or program of the agency), shall be the liability of the public housing agency.".

(b) APPLICABILITY.—The provisions of, and duties and authorities conferred or confirmed by, the amendments made by subsection (a) shall apply with respect to any action taken before, on, or after the effective date of this Act and shall apply to any receiver appointed for a public housing agency before the date of enactment of this Act.

(c) TECHNICAL CORRECTION REGARDING APPLICABILITY TO SECTION 8.—Section 8(h) of the United States Housing Act of 1937 is amended by inserting "(except as provided in section 6(j)(3))" after "section 6".

(d) IMPLEMENTATION.—The Secretary may administer the amendments made by subsection (a) as necessary to ensure the efficient and effective initial implementation of this section.

(e) APPLICABILITY.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 566. AUDITS.

Section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by inserting after subsection (g) the following new subsection:

"(h) AUDITS.—

"(1) BY SECRETARY AND COMPTROLLER GENERAL.—Each contract for contributions for any assistance under this Act to a public housing agency shall provide that the Secretary, the Inspector General of the Department of Housing and Urban Development, and the Comptroller General of the United States, or any of their duly authorized representatives, shall, for the purpose of audit and examination, have access to any books, documents, papers, and records of the public housing agency that are pertinent to this Act and to its operations with respect to financial assistance under the this Act.

"(2) WITHHOLDING OF AMOUNTS FOR AUDITS UNDER SINGLE AUDIT ACT.—The Secretary may, in the sole discretion of the Secretary, arrange for and pay the costs of an audit required under chapter 75 of title 31, United States Code. In such circumstances, the Secretary may withhold, from assistance otherwise payable to the agency under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable

audit, including, when appropriate, the reasonable costs of accounting services necessary to place the agency's books and records in auditable condition. As agreed to by the Secretary and the Inspector General, the Inspector General may arrange for an audit under this paragraph.".

SEC. 567. ADVISORY COUNCIL FOR HOUSING AUTHORITY OF NEW ORLEANS.

(a) ESTABLISHMENT.—The Secretary and the Housing Authority of New Orleans (in this section referred to as the "Housing Authority") shall, pursuant to the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, establish an advisory council for the Housing Authority of New Orleans (in this section referred to as the "advisory council") that complies with the requirements of this section.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The advisory council shall be appointed by the Secretary, not later than 90 days after the date of the enactment of this Act, and shall be composed of the following members:

(A) The Inspector General of the Department of Housing and Urban Development (or the Inspector General's designee).

(B) Not more than 7 other members, who shall be selected for appointment based on their experience in successfully reforming troubled public housing agencies or in providing affordable housing in coordination with State and local governments, the private sector, affordable housing residents, or local nonprofit organizations.

(2) PROHIBITION ON ADDITIONAL PAY.—Members of the advisory council shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the Board using amounts made available for technical assistance under section 9(h) of the United States Housing Act of 1937 (as amended by this Act).

(c) FUNCTIONS.—The advisory council shall—

(1) establish standards and guidelines for assessing the performance of the Housing Authority in carrying out operational, asset management, and financial functions for purposes of the reports and finding under subsections (d) and (e), respectively;

(2) provide advice, expertise, and recommendations to the Housing Authority regarding the management, operation, repair, redevelopment, revitalization, demolition, and disposition of public housing projects of the Housing Authority;

(3) report to the Congress under subsection (d) regarding any progress of the Housing Authority in improving the performance of its functions; and

(4) make a final finding to the Congress under subsection (e) regarding the future of the Housing Authority.

(d) QUARTERLY REPORTS.—The advisory council shall report to the Congress and the Secretary not less than every 3 months regarding the performance of the Housing Authority and any progress of

the authority in improving its performance and carrying out its functions.

(e) FINAL FINDING.—Upon the expiration of the 18-month period that begins upon the appointment under subsection (b)(1) of all members of the advisory council, the advisory council shall make and submit to the Congress and the Secretary a finding of whether the Housing Authority has substantially improved its performance, the performance of its functions, and the overall condition of the Authority such that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority. In making the finding under this subsection, the advisory council shall consider whether the Housing Authority has made sufficient progress in the demolition and revitalization of the Desire Homes project, the revitalization of the St. Thomas Homes project, the appropriate allocation of operating subsidy amounts, and the appropriate expending of modernization amounts.

(f) RECEIVERSHIP.—If the advisory council finds under subsection (e) that the Housing Authority has not substantially improved its performance in a manner sufficient that the Authority should be allowed to continue to operate as the manager of the public housing of the Authority, the Secretary shall (notwithstanding the conditions required under section 6(j)(3)(A) of the United States Housing Act of 1937 for action under such section) petition under clause (ii) of section 6(j)(3)(A) for the appointment of a receiver for the Housing Authority, which receivership shall be subject to the provisions of such section.

(g) REGULAR REMEDIES.—Nothing in this section, or in the cooperative endeavor agreement in effect between the Secretary and the Housing Authority, may be construed to prevent the Secretary from taking any action with respect to the Housing Authority, in accordance with such section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)), as amended by this Act, that is authorized under section.

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 568. TREATMENT OF TROUBLED PHA'S.

Section 105 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705) is amended by adding at the end the following new subsection:

"(g) TREATMENT OF TROUBLED PUBLIC HOUSING AGENCIES.—

"(1) EFFECT OF TROUBLED STATUS ON CHAS.—The comprehensive housing affordability strategy (or any consolidated plan incorporating such strategy) for the State or unit of general local government in which any troubled public housing agency is located shall not be considered to comply with the requirements under this section unless such plan includes a description of the manner in which the State or unit will provide financial or other assistance to such troubled agency in improving its operations to remove such designation.

"(2) DEFINITION.—For purposes of this subsection, the term 'troubled public housing agency' means a public housing agency that, upon the effective date of the Quality Housing and Work Responsibility Act of 1998, is designated under section 6(j)(2) of

the United States Housing Act of 1937 as a troubled public housing agency.".

Subtitle F—Safety and Security in Public and Assisted Housing

SEC. 575. PROVISIONS APPLICABLE ONLY TO PUBLIC HOUSING AND SECTION 8 ASSISTANCE.

(a) DRUG-RELATED AND CRIMINAL ACTIVITY UNDER PUBLIC HOUSING GRIEVANCE PROCEDURE.—Section 6(k) of the United States Housing Act of 1937 (42 U.S.C. 1437d(k)) is amended, in the matter following paragraph (6)—

(1) by inserting "violent or" before "drug-related"; and

(2) by inserting "or any activity resulting in a felony conviction," after "on or off such premises,".

(b) TERMINATION OF TENANCY IN PUBLIC HOUSING.—Section 6(l) of the United States Housing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

(1) in paragraph (4) (as so redesignated by the preceding provisions of this Act)—

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

"(A) a reasonable period of time, but not to exceed 30 days—

"(i) if the health or safety of other tenants, public housing agency employees, or persons residing in the immediate vicinity of the premises is threatened; or

"(ii) in the event of any drug-related or violent criminal activity or any felony conviction;"; and

(B) in subparagraph (C), by inserting before the semicolon at the end the following: ", except that if a State or local law provides for a shorter period of time, such shorter period shall apply";

(2) in paragraph (7) (as so redesignated by the preceding provisions of this Act), by striking "and" at the end;

(4) by inserting after paragraph (7) (as so redesignated by the preceding provisions of this Act), the following new paragraph:

"(7) provide that any occupancy in violation of section 576(b) of the Quality Housing and Work Responsibility Act of 1998 (relating to ineligibility of illegal drug users and alcohol abusers) or the furnishing of any false or misleading information pursuant to section 577 of such Act (relating to termination of tenancy and assistance for illegal drug users and alcohol abusers) shall be cause for termination of tenancy;".

(c) AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.—Section 6(q) of the United States Housing Act of 1937 (42 U.S.C. 1437d(q)(1)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) by striking "subparagraph (B)" and inserting "subparagraph (C)"; and

(ii) by striking "public housing" and inserting "covered housing assistance";

(B) by redesignating subparagraph (B) as subparagraph (C); and

(C) by inserting after subparagraph (A) the following new subparagraph:

"(B) REQUESTS BY OWNERS OF PROJECT-BASED SECTION 8 HOUSING.—A public housing agency may make a request under subparagraph (A) for information regarding applicants for, or tenants of, housing that is provided project-based assistance under section 8 only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency obtain such information on behalf of the owner. Upon such a request by the owner, the agency shall make a request under subparagraph (A) for the information. The agency may not make such information available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.";

(2) in paragraph (3)—

(A) by striking "FEE" and inserting "FEES"; and

(B) by adding at the end the following new sentence: "In the case of a public housing agency obtaining information pursuant to paragraph (1)(B) for another owner of housing, the agency may pass such fee on to the owner initiating the request and may charge additional reasonable fees for making the request on behalf of the owner and taking other actions for owners under this subsection.";

(3) by striking paragraph (5) and inserting the following new paragraph:

"(8) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) ADULT.—The term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

"(B) COVERED HOUSING ASSISTANCE.—The term 'covered housing assistance' means—

"(i) a dwelling unit in public housing;

"(ii) a dwelling unit in housing that is provided project-based assistance under section 8, including new construction and substantial rehabilitation projects; and

"(iii) tenant-based assistance under section 8.

"(C) OWNER.—The term 'owner' means, with respect to covered housing assistance described in subparagraph (B)(ii), the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in the housing assisted."; and

(4) by inserting after paragraph (4) the following new paragraphs:

"(5) CONFIDENTIALITY.—A public housing agency receiving information under this subsection may use such information only for the purposes provided in this subsection and such in-

formation may not be disclosed to any person who is not an officer, employee, or authorized representative of the agency and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. For judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this subsection to a public housing agency is used, and confidentiality of such information is maintained, as required under this subsection. The Secretary shall establish standards for confidentiality of information obtained under this subsection by public housing agencies on behalf of owners.

"(6) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or tenant of, covered housing assistance pursuant to the authority under this subsection under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term 'person' as used in this paragraph include an officer, employee, or authorized representative of any public housing agency.

"(7) CIVIL ACTION.—Any applicant for, or tenant of, covered housing assistance affected by (A) a negligent or knowing disclosure of information referred to in this subsection about such person by an officer, employee, or authorized representative of any public housing agency, which disclosure is not authorized by this subsection, or (B) any other negligent or knowing action that is inconsistent with this subsection, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or tenant resides, in which such unauthorized action occurred, or in which the officer, employee, or representative alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.".

(d) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(t) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—A public housing agency may require, as a condition of providing admission to the public housing program or assisted housing program under the jurisdiction of the public housing agency, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain records described in subsection (q)(1) regarding such member of the household from the National Crime Information Center, police departments, and other law enforcement agencies.".

(e) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—Section 6 of the United States Housing Act of 1937 (42 U.S.C. 1437d), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

"(u) OBTAINING INFORMATION FROM DRUG ABUSE TREATMENT FACILITIES.—

"(1) AUTHORITY.—Notwithstanding any other provision of law other than the Public Health Service Act (42 U.S.C. 201 et seq.), a public housing agency may require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the agency to receive information from a drug abuse treatment facility that is solely related to whether the applicant is currently engaging in the illegal use of a controlled substance.

"(2) CONFIDENTIALITY OF APPLICANT'S RECORDS.—

"(A) LIMITATION ON INFORMATION REQUESTED.—In a form of written consent, a public housing agency may request only whether the drug abuse treatment facility has reasonable cause to believe that the applicant is currently engaging in the illegal use of a controlled substance.

"(B) RECORDS MANAGEMENT.—Each public housing agency that receives information under this subsection from a drug abuse treatment facility shall establish and implement a system of records management that ensures that any information received by the public housing agency under this subsection—

"(i) is maintained confidentially in accordance with section 543 of the Public Health Service Act (12 U.S.C. 290dd–2);

"(ii) is not misused or improperly disseminated; and

"(iii) is destroyed, as applicable—

"(I) not later than 5 business days after the date on which the public housing agency gives final approval for an application for admission; or

"(II) if the public housing agency denies the application for admission, in a timely manner after the date on which the statute of limitations for the commencement of a civil action from the applicant based upon that denial of admission has expired.

"(C) EXPIRATION OF WRITTEN CONSENT.—In addition to the requirements of subparagraph (B), an applicant's signed written consent shall expire automatically after the public housing agency has made a final decision to either approve or deny the applicant's application for admittance to public housing.

"(3) PROHIBITION OF DISCRIMINATORY TREATMENT OF APPLICANTS.—

"(A) FORMS SIGNED.—A public housing agency may only require an applicant for admission to public housing to sign one or more forms of written consent under this sub-

section if the public housing agency requires all such applicants to sign the same form or forms of written consent.

"(B) CIRCUMSTANCES OF INQUIRY.—A public housing agency may only make an inquiry to a drug abuse treatment facility under this subsection if—

"(i) the public housing agency makes the same inquiry with respect to all applicants; or

"(ii) the public housing agency only makes the same inquiry with respect to each and every applicant with respect to whom—

"(I) the public housing agency receives information from the criminal record of the applicant that indicates evidence of a prior arrest or conviction; or

"(II) the public housing agency receives information from the records of prior tenancy of the applicant that demonstrates that the applicant—

"(aa) engaged in the destruction of property;

"(bb) engaged in violent activity against another person; or

"(cc) interfered with the right of peaceful enjoyment of the premises of another tenant.

"(4) FEE PERMITTED.—A drug abuse treatment facility may charge a public housing agency a reasonable fee for information provided under this subsection.

"(5) DISCLOSURE PERMITTED BY TREATMENT FACILITIES.—A drug abuse treatment facility shall not be liable for damages based on any information required to be disclosed pursuant to this subsection if such disclosure is consistent with section 543 of the Public Health Service Act (42 U.S.C. 290dd–2).

"(6) OPTION TO NOT REQUEST INFORMATION.—A public housing agency shall not be liable for damages based on its decision not to require each person who applies for admission to public housing to sign one or more forms of written consent authorizing the public housing agency to receive information from a drug abuse treatment facility under this subsection.

"(7) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) DRUG ABUSE TREATMENT FACILITY.—The term 'drug abuse treatment facility' means an entity that—

"(i) is—

"(I) an identified unit within a general medical care facility; or

"(II) an entity other than a general medical care facility; and

"(ii) holds itself out as providing, and provides, diagnosis, treatment, or referral for treatment with respect to the illegal use of a controlled substance.

"(B) CONTROLLED SUBSTANCE.—The term 'controlled substance' has the meaning given the term in section 102 of the Controlled Substances Act (21 U.S.C. 802).

"(C) CURRENTLY ENGAGING IN THE ILLEGAL USE OF A CONTROLLED SUBSTANCE.—The term 'currently engaging in

the illegal use of a controlled substance' means the illegal use of a controlled substance that occurred recently enough to justify a reasonable belief that an applicant's illegal use of a controlled substance is current or that continuing illegal use of a controlled substance by the applicant is a real and ongoing problem.

"(8) EFFECTIVE DATE.—This subsection shall take effect upon enactment and without the necessity of guidance from, or any regulation issued by, the Secretary.".

SEC. 576. SCREENING OF APPLICANTS FOR FEDERALLY ASSISTED HOUSING.

(a) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG CRIMES.—Any tenant evicted from federally assisted housing by reason of drug-related criminal activity (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) shall not be eligible for federally assisted housing during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the public housing agency (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(A) who the public housing agency or owner determines is illegally using a controlled substance; or

(B) with respect to whom the public housing agency or owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1)(B), to deny admission to the program or federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) AUTHORITY TO DENY ADMISSION TO CRIMINAL OFFENDERS.—Except as provided in subsections (a) and (b) of this section and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing (as applicable) determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner, or public housing agency employees, the public housing agency or owner may—

(1) deny such applicant admission to the program or to federally assisted housing; and

(2) after the expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the public housing agency or owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such reasonable period.

(d) CONFORMING AMENDMENTS.—The United States Housing Act of 1937 is amended—

(1) in section 6—

(A) by striking subsection (r); and

(B) by redesignating subsections (s), (t), and (u) (as added by the preceding provisions of this Act) as subsections (r), (s), and (t), respectively; and

(2) in section 16 (42 U.S.C. 1437n), by striking subsection (e).

SEC. 577. TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS IN FEDERALLY ASSISTED HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing (as applicable), shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow the agency or owner (as applicable) to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is illegally using a controlled substance; or

(2) whose illegal use (or pattern of illegal use) of a controlled substance, or whose abuse (or pattern of abuse) of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subsection (a)(2), to terminate tenancy or assistance to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household

member, a public housing agency or an owner may consider whether such household member—

(1) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(2) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(3) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

SEC. 578. INELIGIBILITY OF DANGEROUS SEX OFFENDERS FOR ADMISSION TO PUBLIC HOUSING.

(a) IN GENERAL.—Notwithstanding any other provision of law, an owner of federally assisted housing shall prohibit admission to such housing for any household that includes any individual who is subject to a lifetime registration requirement under a State sex offender registration program.

(b) OBTAINING INFORMATION.—As provided in regulations issued by the Secretary to carry out this section—

(1) a public housing agency shall carry out criminal history background checks on applicants for federally assisted housing and make further inquiry with State and local agencies as necessary to determine whether an applicant for federally assisted housing is subject to a lifetime registration requirement under a State sex offender registration program; and

(2) State and local agencies responsible for the collection or maintenance of criminal history record information or information on persons required to register as sex offenders shall comply with requests of public housing agencies for information pursuant to this section.

(c) REQUESTS BY OWNERS FOR PHA'S TO OBTAIN INFORMATION.—A public housing agency may take any action under subsection (b) regarding applicants for, or tenants of, federally assisted housing other than federally assisted housing described in subparagraph (A) or (B) of section 579(a)(2), but only if the housing is located within the jurisdiction of the agency and the owner of such housing has requested that the agency take such action on behalf of the owner. Upon such a request by the owner, the agency shall take the action requested under subsection (b). The agency may not make any information obtained pursuant to the action under subsection (b) available to the owner but shall perform determinations for the owner regarding screening, lease enforcement, and eviction based on criteria supplied by the owner.

(d) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with respect to an applicant for federally assisted housing on the basis that an individual is subject to a lifetime registration requirement under a State sex offender registration program, the public housing agency obtaining the record shall provide the tenant or applicant with a copy of the registration information and an opportunity to dispute the accuracy and relevance of that information.

(e) FEE.—A public housing agency may be charged a reasonable fee for taking actions under subsection (b). In the case of a public housing agency taking actions on behalf of another owner of federally assisted housing pursuant to subsection (c), the agency may pass such fee on to the owner making the request and may charge an additional reasonable fee for making the request on behalf of the owner.

(f) RECORDS MANAGEMENT.—Each public housing agency shall establish and implement a system of records management that ensures that any criminal record or information regarding a lifetime registration requirement under a State sex offender registration program that is obtained under this section by the public housing agency is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed, once the purpose for which the record was requested has been accomplished.

SEC. 579. DEFINITIONS.

(a) DEFINITIONS.—For purposes of this subtitle, the following definitions shall apply:

(1) DRUG-RELATED CRIMINAL ACTIVITY.—The term "drug-related criminal activity" has the meaning given the term in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)).

(2) FEDERALLY ASSISTED HOUSING.—The term "federally assisted housing" means a dwelling unit—

(A) in public housing (as such term is defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a));

(B) assisted with tenant-based assistance under section 8 of the United States Housing Act of 1937;

(C) in housing that is provided project-based assistance under section 8 of the United States Housing Act of 1937, including new construction and substantial rehabilitation projects;

(D) in housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(E) in housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before the enactment of the Cranston-Gonzalez National Affordable Housing Act;

(F) in housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(G) in housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(H) in housing insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; or

(I) in housing assisted under section 514 or 515 of the Housing Act of 1949.

(3) OWNER.—The term "owner" means, with respect to federally assisted housing, the entity or private person (including a cooperative or public housing agency) that has the legal right to lease or sublease dwelling units in such housing.

Subtitle G—Repeals and Related Provisions

SEC. 581. ANNUAL REPORT.

(a) IN GENERAL.—Not later than 1 year after the date of the enactment of this Act, and annually thereafter, the Secretary shall submit a report to the Congress on—

(1) the impact of the amendments made by this Act on—

(A) the demographics of public housing residents and families receiving tenant-based assistance under the United States Housing Act of 1937; and

(B) the economic viability of public housing agencies; and

(2) the effectiveness of the rent policies established by this Act and the amendments made by this Act on the employment status and earned income of public housing residents.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 582. REPEALS RELATING TO PUBLIC HOUSING AND SECTION 8 PROGRAMS.

(a) IN GENERAL.—The following provisions of law are hereby repealed:

(1) PUBLIC HOUSING RENT WAIVERS FOR POLICE.—Section 519 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437a–1).

(2) TREATMENT OF CERTIFICATE AND VOUCHER HOLDERS.—Subsection (c) of section 183 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(3) REPORT REGARDING FAIR HOUSING OBJECTIVES.—Section 153 of the Housing and Community Development Act of 1992 (42 U.S.C. 1437f note).

(4) MISCELLANEOUS PROVISIONS.—Subsections (b)(1) and (c) of section 326 of the Housing and Community Development Amendments of 1981 (Public Law 97–35, 95 Stat. 406; 42 U.S.C. 1437f note).

(5) PAYMENT FOR DEVELOPMENT MANAGERS.—Section 329A of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437j–1).

(6) PUBLIC HOUSING CHILDHOOD DEVELOPMENT.—Section 222 of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z–6 note).

(7) INDIAN HOUSING CHILDHOOD DEVELOPMENT.—Section 518 of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z–6 note).

(8) PUBLIC HOUSING COMPREHENSIVE TRANSITION DEMONSTRATION.—Section 126 of the Housing and Community Development Act of 1987 (42 U.S.C. 1437f note).

(9) PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.—Section 521 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note).

(10) PUBLIC HOUSING MINCS DEMONSTRATION.—Section 522 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note).

(11) PUBLIC HOUSING ENERGY EFFICIENCY DEMONSTRATION.—Section 523 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437g note).

(12) OMAHA HOMEOWNERSHIP DEMONSTRATION.—Section 132 of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3712).

(13) PUBLIC AND ASSISTED HOUSING YOUTH SPORTS PROGRAMS.—Section 520 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a).

(14) MULTIFAMILY FINANCING.—The penultimate sentence of section 302(b)(2) of the National Housing Act (12 U.S.C. 1717(b)(2)) and the penultimate sentence of section 305(a)(2) of the Emergency Home Finance Act of 1970 (12 U.S.C. 1454(a)(2)).

(15) SPECIAL PROJECTS FOR ELDERLY OR HANDICAPPED FAMILIES.—Section 209 of the Housing and Community Development Act of 1974 (42 U.S.C. 1438).

(b) SAVINGS PROVISION.—Except to the extent otherwise provided in this Act, the repeals made by subsection (a) shall not affect any legally binding obligations entered into before the effective date under section 503(a) of this Act.

SEC. 583. PUBLIC HOUSING FLEXIBILITY IN CHAS.

Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended—

(1) by transferring and inserting the flush material that precedes the first paragraph that is designated as (17) (relating to abbreviated housing strategies and consisting of 2 sentences) to the end of the subsection (following the last numbered paragraph);

(2) by redesignating the second paragraph that is designated as paragraph (17) (as added by section 681(2) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3830)) as paragraph (20);

(3) by redesignating paragraph (17) (as added by section 220(b)(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3761)) as paragraph (19);

(4) in the second paragraph designated as paragraph (16) (as so designated by section 220(c)(1) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3762))—

(A) by striking "and" at the end; and

(B) by striking "(16)" and inserting "(18)";

(5) in paragraph (16) (as added by section 1014(3) of the Housing and Community Development Act of 1992 (Public Law 102–550; 106 Stat. 3908))—

(A) by striking the period at the end and inserting a semicolon; and

(B) by striking "(16)" and inserting "(17)";

(6) by redesignating paragraphs (11) through (15) as paragraphs (12) through (16), respectively; and

(7) by inserting after paragraph (10) the following new paragraph:

"(11) describe the manner in which the plan of the jurisdiction will help address the needs of public housing;".

SEC. 584. USE OF AMERICAN PRODUCTS.

(a) PURCHASE OF AMERICAN-MADE EQUIPMENT AND PRODUCTS.—It is the sense of the Congress that, to the greatest extent practicable, all equipment and products purchased with funds made available in this Act should be American made.

(b) NOTICE REQUIREMENT.—In providing financial assistance to, or entering into any contract with, any entity using funds made available in this Act, the head of each Federal agency, to the greatest extent practicable, shall provide to such entity a notice describing the statement made in subsection (a) by the Congress.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 585. GAO STUDY ON HOUSING ASSISTANCE PROGRAM COSTS.

(a) STUDY.—The Comptroller General of the United States shall conduct a study that provides an objective and independent accounting and analysis of the full cost to the Federal Government, public housing agencies, State and local governments, and other entities, per assisted household, of the Federal assisted housing programs, taking into account the qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(b) CONTENTS.—The study under this section shall—

(1) analyze the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs, in accordance with generally accepted accounting principles, and shall conduct the analysis on a nationwide and regional basis and in a manner such that accurate per unit cost comparisons may be made between Federal assisted housing programs, including grants, direct subsidies, tax concessions, Federal mortgage insurance liability, periodic renovation and rehabilitation, and modernization costs, demolition costs, and other ancillary costs such as security; and

(2) measure and evaluate qualitative differences among Federal assisted housing programs in accordance with applicable standards of the Department of Housing and Urban Development.

(c) PROHIBITION OF RECOMMENDATIONS.—In conducting the study under this section and reporting under subsection (e), the Comptroller General may not make any recommendations regarding Federal housing policy.

(d) FEDERAL ASSISTED HOUSING PROGRAMS.—For purposes of this section, the term "Federal assisted housing programs" means—

(1) the public housing program under the United States Housing Act of 1937, except that the study under this section shall differentiate between and compare the development and

construction of new public housing and the assistance of existing public housing structures;

(2) the certificate program for rental assistance under section 8(b)(1) of the United States Housing Act of 1937;

(3) the voucher program for rental assistance under section 8(o) of the United States Housing Act of 1937;

(4) the programs for project-based assistance under section 8 of the United States Housing Act of 1937;

(5) the rental assistance payments program under section 521(a)(2)(A) of the Housing Act of 1949;

(6) the program for housing for the elderly under section 202 of the Housing Act of 1959;

(7) the program for housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(8) the program for financing housing by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(9) the program under section 236 of the National Housing Act;

(10) the program for construction or substantial rehabilitation under section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983; and

(11) any other program for housing assistance administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture, under which occupancy in the housing assisted or housing assistance provided is based on income, as the Comptroller General may determine.

(e) REPORT.—Not later than 12 months after the date of the enactment of this Act, the Comptroller General shall submit to the Congress a final report which shall contain the results of the study under this section, including the analysis and estimates required under subsection (b).

(f) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 586. AMENDMENTS TO PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE.—This section may be cited as the "Public and Assisted Housing Drug Elimination Program Amendments of 1998".

(b) FINDINGS.—Section 5122 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901) is amended—

(1) in paragraph (2), by inserting "or violent" after "drug-related";

(2) in paragraph (4)—

(A) by inserting "and violent" after "drug-related"; and

(B) by striking "and" at the end;

(3) in paragraph (5), by striking the period at the end and inserting a semicolon; and

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

"(6) the Federal Government should provide support for effective safety and security measures to combat drug-related and violent crime, primarily in and around public housing projects with severe crime problems;

"(7) closer cooperation should be encouraged between public and assisted housing managers, local law enforcement agencies, and residents in developing and implementing anti-crime programs; and

"(8) anti-crime strategies should be improved through the expansion of community-oriented policing initiatives.".

(c) AUTHORITY TO MAKE GRANTS.—Section 5123 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11902) is amended—

(1) by inserting "(a) IN GENERAL.—" before "The";

(2) by striking "tribally designated housing entities" and inserting "recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(3) by inserting "and violent" after "drug-related"; and

(4) by adding at the end the following new subsection:

"(b) CONSORTIA.—Subject to terms and conditions established by the Secretary, public housing agencies may form consortia for purposes of applying for grants under this chapter.".

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

(1) in subsection (a)—

(A) in paragraph (4)(A), by striking "drug-related crime on or about" and inserting "drug-related or violent crime in and around";

(B) in paragraph (6), by striking "and" at the end;

(C) in paragraph (7)—

(i) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996"; and

(ii) by striking the period at the end and inserting "; and"; and

(8) by adding at the end the following new paragraph:

"(8) sports programs and sports activities that serve primarily youths from public or other federally assisted low-income housing projects and are operated in conjunction with, or in furtherance of, an organized program or plan designed to reduce or eliminate drugs and drug-related problems in and around such projects."; and

(2) in subsection (b)—

(A) in the matter preceding paragraph (1), by striking "drug-related crime in" and inserting "drug-related crime in and around"; and

(B) in paragraph (2), by striking "drug-related activity at" and inserting "drug-related or violent activity in or around".

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

(1) in subsection (a)—

(A) by striking "tribally designated housing entity" and inserting "recipient of assistance under the Native American Housing Assistance and Self-Determination Act of 1996";

(B) by striking "crime on the premises" and inserting "or violent crime in and around"; and

(C) by inserting before the period at the end the following: ", which plan shall be coordinated with and may be included in the public housing agency plan submitted to the Secretary pursuant to section 5A of the United States Housing Act of 1937";

(2) in subsection (b)—

(A) in the matter that precedes paragraph (1), by striking "Except as" and all that follows through "on—" and inserting the following: "The Secretary shall approve applications under subsection (b) that are not subject to a preference under subsection (b)(2)(A) on the basis of thresholds or criteria such as—"; and

(B) in paragraph (1), by striking "crime problem in" and inserting "or violent crime problem in and around";

(3) in subsection (c)—

(A) in the matter preceding paragraph (1), by striking "subsection (b)" and inserting "subsection (c)"; and

(B) in paragraph (2), by inserting "or violent" after "drug-related" each place it appears;

(4) in subsection (d), by striking "subsection (b)" and inserting "subsection (c)";

(5) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively; and

(6) by inserting after subsection (a) the following new subsection:

"(b) 1-YEAR RENEWABLE GRANTS.—

"(1) IN GENERAL.—An eligible applicant that is a public housing agency may apply for a 1-year grant under this chapter that, subject to the availability of appropriated amounts, shall be renewed annually for a period of not more than 4 additional years, except that such renewal shall be contingent upon the Secretary finding, upon an annual or more frequent review, that the grantee agency is performing under the terms of the grant and applicable laws in a satisfactory manner and meets such other requirements as the Secretary may prescribe. The Secretary may adjust the amount of any grant received or renewed under this paragraph to take into account increases or decreases in amounts appropriated for these purposes or such other factors as the Secretary determines to be appropriate.

"(2) ELIGIBILITY AND PREFERENCE.—The Secretary may not provide assistance under this chapter to an applicant that is a public housing agency unless—

"(A) the agency will use the grants to continue or expand activities eligible for assistance under this chapter, as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, in which case the Secretary shall provide preference to such applicant; except that preference under this subparagraph shall not preclude selection by the Secretary of other meritorious applications that address urgent or serious crime problems nor be construed to require continuation of activities determined by the Secretary to be unworthy of continuation; or

"(B) the agency is in the class established under paragraph (3).

"(3) PHA'S HAVING URGENT OR SERIOUS CRIME PROBLEMS.—The Secretary shall, by regulations issued after notice and opportunity for public comment, set forth criteria for establishing a class of public housing agencies that have urgent or serious crime problems. The Secretary may reserve a portion of the amount appropriated to carry out this chapter in each fiscal year only for grants for public housing agencies in such class, except that any amounts from such portion reserved that are not obligated to agencies in the class shall be made available only for agencies that are subject to a preference under paragraph (2)(A).

"(4) INAPPLICABILITY TO FEDERALLY ASSISTED LOW-INCOME HOUSING.—The provisions of this subsection shall not apply to federally assisted low-income housing.".

(f) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended by striking paragraph (5) and inserting the following new paragraph:

"(5) RECIPIENT.—The term 'recipient', when used in reference to the Native American Housing Assistance and Self-Determination Act of 1996, has the meaning given such term in section 4 of such Act.".

(g) REPORTS, MONITORING, AND FUNDING.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking sections 5127, 5128, 5129, and 5130 and inserting the following new sections:

"SEC. 5127. REPORTS.

"(a) GRANTEE REPORTS.—The Secretary shall require grantees under this chapter to provide periodic reports that include the obligation and expenditure of grant funds, the progress made by the grantee in implementing the plan described in section 5125(a), and any change in the incidence of drug-related crime in projects assisted under this chapter.

"(b) HUD REPORTS.—The Secretary shall submit a report to the Congress not later than 18 months after the date of the enactment of the Quality Housing and Work Responsibility Act of 1998 describing the system used to distribute funding to grantees under this section, which shall include descriptions of—

"(1) the methodology used to distribute amounts made available under this chapter among public housing agencies, including provisions used to provide for renewals of ongoing programs funded under this chapter; and

"(2) actions taken by the Secretary to ensure that amounts made available under this chapter are not used to fund baseline local government services, as described in section 5128(b).

"(c) NOTICE OF FUNDING AWARDS.—The Secretary shall cause to be published in the Federal Register notice of all grant awards made pursuant to this chapter, which shall identify the grantees and the amount of the grants. Such notice shall be published not less frequently than annually.

"SEC. 5128. MONITORING.

"(a) IN GENERAL.—The Secretary shall audit and monitor the programs funded under this chapter to ensure that assistance provided under this chapter is administered in accordance with the provisions of this chapter.

"(b) PROHIBITION OF FUNDING BASELINE SERVICES.—

"(1) IN GENERAL.—Amounts provided under this chapter may not be used to reimburse or support any local law enforcement agency or unit of general local government for the provision of services that are included in the baseline of services required to be provided by any such entity pursuant to a local cooperation agreement under section 5(e)(2) of the United States Housing Act of 1937 or any provision of an annual contributions contract for payments in lieu of taxation pursuant to section 6(d) of such Act.

"(2) DESCRIPTION.—Each public housing agency that receives grant amounts under this chapter shall describe, in the report under section 5127(a), such baseline of services for the unit of general local government in which the jurisdiction of the agency is located.

"(c) ENFORCEMENT.—The Secretary shall provide for the effective enforcement of this section, which may include the use of onsite monitoring, independent public audit requirements, certification by local law enforcement or local government officials regarding the performance of baseline services referred to in subsection (b), and entering into agreements with the Attorney General to achieve compliance, and verification of compliance, with the provisions of this chapter.

"SEC. 5129. AUTHORIZATION OF APPROPRIATIONS.

"(a) IN GENERAL.—There are authorized to be appropriated to carry out this chapter $310,000,000 for fiscal year 1999, and such sums as may be necessary for fiscal years 2000, 2001, 2002, and 2003.

"(b) SET-ASIDE FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—Of any amounts made available in any fiscal year to carry out this chapter not more than 6.25 percent shall be available for grants for federally assisted low-income housing.

"(c) SET-ASIDE FOR TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of any amounts appropriated in any fiscal year to carry out this chapter, amounts shall be available to the extent provided in appropriations Acts to provide training, technical assistance, contract expertise, program oversight, program assessment, execution, and other assistance for or on behalf of public housing agencies, recipients of assistance under the Native American Housing Assistance and Self-Determination Act of 1996, resident organizations, and officials and employees of the Department (including training and the cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees). Assistance and other activities carried out using amounts made available under this subsection may be provided directly or indirectly by grants, contracts, or cooperative agreements.".

SEC. 587. REVIEW OF DRUG ELIMINATION PROGRAM CONTRACTS.

(a) REQUIREMENT.—The Secretary of Housing and Urban Development shall investigate all security contracts awarded by grantees under the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11901 et seq.) that are public housing agencies that own or operate more than 4,500 public housing dwelling units—

(1) to determine whether the contractors under such contracts have complied with all laws and regulations regarding prohibition of discrimination in hiring practices;

(2) to determine whether such contracts were awarded in accordance with the applicable laws and regulations regarding the award of such contracts;

(3) to determine how many such contracts were awarded under emergency contracting procedures; and

(4) to evaluate the effectiveness of the contracts.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall complete the investigation required under subsection (a) and submit a report to the Congress regarding the findings under the investigation. With respect to each such contract, the report shall (1) state whether the contract was made and is operating, or was not made or is not operating, in full compliance with applicable laws and regulations, and (2) for each contract that the Secretary determines is in such compliance issue a certification of such compliance by the Secretary of Housing and Urban Development.

(c) ACTIONS.—For each contract that is described in the report under subsection (b) as not made or not operating in full compliance with applicable laws and regulations, the Secretary of Housing and Urban Development shall promptly take any actions available under law or regulation that are necessary—

(1) to bring such contract into compliance; or

(2) to terminate the contract.

(d) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 588. PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.

Section 105 of the Housing and Community Development Act of 1974 (42 U.S.C. 5305) is amended by adding at the end the following new subsection:

"(h) PROHIBITION ON USE OF ASSISTANCE FOR EMPLOYMENT RELOCATION ACTIVITIES.—Notwithstanding any other provision of law, no amount from a grant under section 106 made in fiscal year 1999 or any succeeding fiscal year may be used to assist directly in the relocation of any industrial or commercial plant, facility, or operation, from 1 area to another area, if the relocation is likely to result in a significant loss of employment in the labor market area from which the relocation occurs.".

SEC. 589. TREATMENT OF OCCUPANCY STANDARDS.

(a) ESTABLISHMENT OF POLICY.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall publish a notice in the Federal Register for effect that takes effect upon publication and provides that the specific and unmodified standards provided in the March 20, 1991, Memorandum from the General Counsel of the Department of Hous-

ing and Urban Development to all Regional Counsel shall be the policy of the Department of Housing and Urban Development with respect to complaints of discrimination under the Fair Housing Act (42 U.S.C. 3601 et seq.) on the basis of familial status which involve an occupancy standard established by a housing provider.

(b) PROHIBITION OF NATIONAL STANDARD.—The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

SEC. 590. INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, for not less than 10 jurisdictions that are metropolitan cities or urban counties for purposes of title I of the Housing and Community Development Act of 1974, grant exceptions not later than 90 days after the date of the enactment of this Act for such jurisdictions that provide that—

(1) for purposes of the HOME investment partnerships program under title II of the Cranston-Gonzalez National Affordable Housing Act, the limitation based on percentage of median income that is applicable under section 104(10), 214(1)(A), or 215(a)(1)(A) for any area of the jurisdiction shall be the numerical percentage that is specified in such section; and

(2) for purposes of the community development block grant program under title I of the Housing and Community Development Act of 1974, the limitation based on percentage of median income that is applicable pursuant to section 102(a)(20) for any area within the State or unit of general local government shall be the numerical percentage that is specified in subparagraph (A) of such section.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC 591. REPORT ON SINGLE FAMILY AND MULTIFAMILY HOMES.

(a) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, the Inspector General of the Department of Housing and Urban Development shall submit to the Congress a report, which shall include information relating to—

(1) with respect to 1- to 4-family dwellings owned by the Department of Housing and Urban Development, on a monthly average basis—

(A) the total number of units in those dwellings;

(B) the number and percentage of units in those dwellings that are unoccupied, and their average period of vacancy, and the number and percentage of units in those dwellings that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(2) with respect to multifamily housing projects (as that term is defined in section 203 of the Housing and Community Development Amendments of 1978) owned by the Department of Housing and Urban Development on a monthly average basis—

(A) the total number of units in those projects;

(B) the number and percentage of units in those projects that are unoccupied, and their average period of vacancy, and the number and percentage of units in those projects that have been unoccupied for more than 1 year, as of that date; and

(C) the number and percentage of units in those projects that are determined by the Inspector General to be substandard, based on any—

(i) lack of hot or cold piped water;

(ii) lack of working toilets;

(iii) regular and prolonged breakdowns in heating;

(iv) dangerous electrical problems;

(v) unsafe hallways or stairways;

(vi) leaking roofs, windows, or pipes;

(vii) open holes in walls and ceilings; and

(viii) indications of rodent infestation; and

(3) the Department's plans and operations to address vacancies and substandard physical conditions described in paragraphs (1) and (2).

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 592. USE OF ASSISTED HOUSING BY ALIENS.

(a) IN GENERAL.—Section 214 of the Housing and Community Development Act of 1980 (42 U.S.C. 1436a) is amended—

(1) in subsection (b)(2), by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary";

(2) in subsection (c)(1)(B), by moving clauses (ii) and (iii) 2 ems to the left;

(3) in subsection (d)—

(A) in paragraph (1)(A)—

(i) by striking "Secretary of Housing and Urban Development" and inserting "applicable Secretary"; and

(ii) by striking "the Secretary" and inserting "the applicable Secretary";

(B) in paragraph (2), in the matter following subparagraph (B)—

(i) by inserting "applicable" before "Secretary"; and

(ii) by moving such matter (as so amended by clause (i)) 2 ems to the right;

(C) in paragraph (4)(B)(ii), by inserting "applicable" before "Secretary";

(D) in paragraph (5), by striking "the Secretary" and inserting "the applicable Secretary"; and

(E) in paragraph (6), by inserting "applicable" before "Secretary";

(4) in subsection (h) (as added by section 576 of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (division C of Public Law 104–208))—

(A) in paragraph (1)—

(i) by striking "Except in the case of an election under paragraph (2)(A), no" and inserting "No";

(ii) by striking "this section" and inserting "subsection (d)"; and

(iii) by inserting "applicable" before "Secretary"; and

(B) in paragraph (2)—

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

"(A) may, notwithstanding paragraph (1) of this subsection, elect not to affirmatively establish and verify eligibility before providing financial assistance"; and

(ii) in subparagraph (B), by striking "in complying with this section" and inserting "in carrying out subsection (d)"; and

(5) by redesignating subsection (h) (as amended by paragraph (4)) as subsection (i).

(b) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 593. PROTECTION OF SENIOR HOMEOWNERS UNDER REVERSE MORTGAGE PROGRAM.

(a) MORTGAGE INSURANCE AUTHORITY.—Section 255(g) of the National Housing Act (12 U.S.C. 1715z–20(g)) is amended by striking the first 2 sentences and inserting the following new sentence: "The aggregate number of mortgages insured under this section may not exceed 150,000.".

(b) OTHER APPROACHES TO CONSUMER EDUCATION.—Section 255(f) of the National Housing Act (12 U.S.C. 1715z–20(f)) is amended by adding after paragraph (5) the following:

"The Secretary shall consult with consumer groups, industry representatives, representatives of counseling organizations, and other interested parties to identify alternative approaches to providing consumer information required by this subsection that may be feasible and desirable for home equity conversion mortgages insured under this section and other types of reverse mortgages. The Secretary may, in lieu of providing the consumer education required by this subsection, adopt alternative approaches to consumer education that may be developed as a result of such consultations, but only if the alternative approaches provide all of the information specified in this subsection.".

(c) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended by adding at the end the following new subsection:

"(l) FUNDING FOR COUNSELING AND CONSUMER EDUCATION AND OUTREACH.—Of any amounts made available for any of fiscal years 2000 through 2003 for housing counseling under section 106 of the Housing and Urban Development Act of 1968, up to a total of $1,000,000 shall be available to the Secretary in each such fiscal

year, in such amounts as the Secretary determines appropriate, for the following purposes in connection with home equity conversion mortgages insured under this section:

"(1) COUNSELING.—For housing counseling authorized by section 106 of the Housing and Urban Development Act of 1968.

"(2) CONSUMER EDUCATION.—For transfer to the departmental salaries and expenses account for consumer education and outreach activities.".

(d) CONFORMING AMENDMENTS.—Section 255 of the National Housing Act (12 U.S.C. 1715z–20) is amended—

(1) in the section heading, by striking "DEMONSTRATION PROGRAM OF";

(2) in subsections (a) and (i)(1), by striking "demonstration" each place it appears;

(3) in subsection (a)—

(A) in paragraph (1), by inserting "and" after the semicolon at the end;

(B) in paragraph (2), by striking "; and" at the end and inserting a period; and

(C) by striking paragraph (3);

(4) by striking subsection (k) (relating to reports to Congress); and

(5) by redesignating subsection (l) (as added by subsection (c) of this section) as subsection (k).

(e) DISCLOSURE REQUIREMENTS AND PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—

(1) IN GENERAL.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(A) in paragraph (2)—

(i) in subparagraph (B), by striking "and" at the end;

(ii) by redesignating subparagraph (C) as subparagraph (D); and

(iii) by inserting after subparagraph (B) the following:

"(C) has received full disclosure, as prescribed by the Secretary, of all costs charged to the mortgagor, including costs of estate planning, financial advice, and other services that are related to the mortgage but are not required to obtain the mortgage, which disclosure shall clearly state which charges are required to obtain the mortgage and which are not required to obtain the mortgage; and"

(B) in paragraph (9)(F), by striking "and";

(C) in paragraph (10), by striking the period at the end and inserting "; and"; and

(D) by adding at the end the following:

"(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services.".

(2) IMPLEMENTATION.—

(A) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amend-

ments made by paragraph (1) in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under subparagraph (B) of this paragraph.

(B) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by paragraph (1). Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(3)(B) of such section).

(f) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 594. HOUSING COUNSELING.

(a) EXTENSION OF EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking "September 30, 1994" and inserting "September 30, 2000".

(b) NOTIFICATION OF DELINQUENCY ON VETERANS HOME LOANS.—

Subparagraph (C) of section 106(c)(5) of the Housing and Urban Development Act of 1968 is amended to read as follows:

"(C) NOTIFICATION.—Notification under subparagraph (A) shall not be required with respect to any loan for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).".

(c) EFFECTIVE DATE.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 595. NATIVE AMERICAN HOUSING ASSISTANCE.

(a) SUBSIDY LAYERING CERTIFICATION.—Section 206 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4136) is amended—

(1) by striking "certification by the Secretary" and inserting "certification by a recipient to the Secretary"; and

(2) by striking "any housing project" and inserting "the housing project involved".

(b) INCLUSION OF HOMEBUYER SELECTION POLICIES AND CRITERIA.—Section 207(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)) is amended—

(1) by striking "TENANT SELECTION.—" and inserting "TENANT AND HOMEBUYER SELECTION.—";

(2) in the matter preceding paragraph (1), by inserting "and homebuyer" after "tenant"; and

(3) in paragraph (3)(A), by inserting "and homebuyers" after "tenants".

(c) REPAYMENT OF GRANT AMOUNTS FOR VIOLATION OF AFFORDABLE HOUSING REQUIREMENT.—Section 209 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C.

4139) is amended by striking "section 205(2)" and inserting "section 205(a)(2)".

(d) AMENDMENT TO UNITED STATES HOUSING ACT OF 1937.—Section 7 of the United States Housing Act of 1937 (42 U.S.C. 1437e) is amended by striking subsection (h).

(e) MISCELLANEOUS.—

(1) DEFINITION OF INDIAN AREAS.—Section 4(10) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(10)) is amended to read as follows:

"(10) INDIAN AREA.—The term 'Indian area' means the area within which an Indian tribe or a tribally designated housing entity, as authorized by 1 or more Indian tribes, provides assistance under this Act for affordable housing.".

(2) CROSS-REFERENCE.—Section 4(12)(C)(i)(II) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12)(C)(i)(II)) is amended by striking "section 107" and inserting "section 705".

(3) LOCAL COOPERATION AGREEMENTS.—Section 101(c) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(c)) is amended to read as follows:

"(c) LOCAL COOPERATION AGREEMENT.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for rental or lease-purchase homeownership units that are owned by the recipient for the tribe unless the governing body of the locality within which the property subject to the development activities to be assisted with the grant amounts is or will be situated has entered into an agreement with the recipient for the tribe providing for local cooperation required by the Secretary pursuant to this Act.".

(4) EXEMPTION FROM TAXATION.—Section 101(d) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4111(d)) is amended—

(A) by striking the subsection designation and subsection heading and all that follows through the end of paragraph (1) and inserting the following:

"(d) EXEMPTION FROM TAXATION.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for affordable housing activities under this Act for rental or lease-purchase dwelling units developed under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) or with amounts provided under this Act that are owned by the recipient for the tribe unless—

"(1) such dwelling units (which, in the case of units in a multi-unit project, shall be exclusive of any portions of the project not developed under the United States Housing Act of 1937 or with amounts provided under this Act) are exempt from all real and personal property taxes levied or imposed by any State, tribe, city, county, or other political subdivision; and"; and

(B) in paragraph (2), in the matter preceding subparagraph (A), by inserting "for the tribe" after "the recipient".

(5) SUBMISSION OF INDIAN HOUSING PLAN.—Section 102(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(a)) is amended—

(A) in paragraph (1), by inserting "(A)" after "(1)";

(B) in paragraph (1)(A), as so designated by subparagraph (A) of this paragraph, by adding "or" at the end;

(C) by striking "(2)" and inserting "(B)"; and

(D) by striking "(3)" and inserting "(2)".

(6) CLARIFICATION.—Section 103(c)(3) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4113(c)(3)) is amended by inserting "not" before "prohibited".

(7) APPLICABILITY OF PROVISIONS OF CIVIL RIGHTS.—Section 201(b)(5) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4131(b)(5)) is amended—

(A) by striking "Indian tribes" and inserting "federally recognized tribes and the tribally designated housing entities of those tribes"; and

(B) by striking "under this subsection" and inserting "under this Act".

(8) ELIGIBILITY.—Section 205(a)(1) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4135(a)(1)) is amended—

(A) in subparagraph (A), by striking "and" at the end; and

(B) by striking subparagraph (B) and inserting the following:

"(B) in the case of a contract to purchase existing housing, is made available for purchase only by a family that is a low-income family at the time of purchase;

"(C) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, is made available for lease-purchase only by a family that is a low-income family at the time the agreement is entered into; and

"(D) in the case of a contract to purchase housing to be constructed, is made available for purchase only by a family that is a low-income family at the time the contract is entered into; and".

(9) TENANT SELECTION.—Section 207(b)(3)(B) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4137(b)(3)(B)) is amended by striking "of any rejected applicant of the grounds for any rejection" and inserting "to any rejected applicant of that rejection and the grounds for that rejection".

(10) AVAILABILITY OF RECORDS.—Section 208 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4138) is amended—

(A) in subsection (a), by striking "paragraph (2)" and inserting "subsection (b)"; and

(B) in subsection (b), by striking "paragraph (1)" and inserting "subsection (a)".

(11) IHP REQUIREMENT.—Section 184(b)(2) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(b)(2)) is amended by striking "that is under the jurisdiction

of an Indian tribe" and all that follows before the period at the end.

(12) AUTHORIZATION OF APPROPRIATIONS.—Section 184(i)(5)(C) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)(5)(C)) is amended by striking "note" and inserting "not".

(13) ENVIRONMENTAL REVIEW UNDER THE INDIAN HOUSING LOAN GUARANTEE PROGRAM.—Section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a) is amended—

(A) by redesignating subsection (k) as subsection (l); and

(B) by inserting after subsection (j) the following:

"(k) ENVIRONMENTAL REVIEW.—For purposes of environmental, review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and any other law that furthers the purposes of that Act, a loan guarantee under this section shall—

"(1) be treated as a grant under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

"(2) be subject to the regulations promulgated by the Secretary to carry out section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115).".

(14) PUBLIC AVAILABILITY OF INFORMATION.—

(A) IN GENERAL.—Title IV of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4161 et seq.) is amended by adding at the end the following:

"SEC. 408. PUBLIC AVAILABILITY OF INFORMATION.

"Each recipient shall make any housing plan, policy, or annual report prepared by the recipient available to the general public.".

(B) TABLE OF CONTENTS.—Section 1(b) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 note) is amended in the table of contents by inserting after the item relating to section 407 the following:

"Sec. 408. Public availability of information.".

(15) INELIGIBILITY OF INDIAN TRIBES.—Section 460 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12899h–1) is amended by striking "fiscal year 1997" and inserting "fiscal year 1998".

(16) TREATMENT OF PREVIOUS AMENDMENTS.—Section 402 of The Balanced Budget Downpayment Act, I (42 U.S.C. 1437a note) is amended by striking subsection (e).

(f) EFFECTIVE DATE.—The amendments made by this section are made and shall apply beginning upon the date of the enactment of this Act.

SEC. 596. CDBG PUBLIC SERVICES CAP.

(a) IN GENERAL.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking "1998" and inserting "2000".

(b) EFFECTIVE DATE.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 597. MODERATE REHABILITATION PROGRAM.

(a) REPROGRAMMING.—Notwithstanding any other provision of law, but only to the extent specifically provided in advance in a subsequent appropriations Act, the Secretary of Housing and Urban Development shall reprogram funds under contracts NY36K113004 and NY36K113005 of the Department of Housing and Urban Development and shall allocate such funds to the City of New Rochelle, New York. Such allocation shall be consistent with the requirements of the HOME Investment Partnerships Act. This section shall take effect on the date of the enactment of this Act.

(b) EXCEPTION PROJECTS.—Section 524(a)(2) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note) is amended—

(1) by inserting "and subject to section 516 of this subtitle" after "Notwithstanding paragraph (1)"; and

(2) by striking "the base rent adjusted by an operating cost adjustment factor established by the Secretary" and inserting "the lesser of existing rents, adjusted by an operating cost adjustment factor established by the Secretary, fair market rents (less any amounts allowed for tenant-purchased utilities), or comparable market rents for the market area".

(c) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 598. NATIONAL CITIES IN SCHOOLS PROGRAM.

From amounts that are or have been recaptured in the Annual Contributions for Assisted Housing account, before any rescissions of such amounts, $5,000,000, shall be transferred to the National Cities in Schools Community Development Program account, to remain available until expended, that the Secretary of Housing and Urban Development shall make available to carry out the National Cities in Schools Community Development Program under section 930 of the Housing and Community Development Act of 1992 (Public Law 102–550, 106 Stat. 3672, 3887). This section shall take effect on the date of the enactment of this Act.

SEC. 599. TENANT PARTICIPATION IN MULTIFAMILY HOUSING PROJECTS.

(a) IN GENERAL.—The last sentence of subsection (a) of section 202 of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1b(a)) is amended by inserting before the period at the end the following: ", or a project which receives project-based assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or enhanced vouchers under the Low-Income Housing Preservation and Resident Homeownership Act of 1990, the provisions of the Emergency Low Income Housing Preservation Act of 1987, or the Multifamily Assisted Housing Reform and Affordability Act of 1997".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599A. CLARIFICATION REGARDING RECREATIONAL VEHICLES.

(a) IN GENERAL.—Section 603(6) of the Manufactured Housing Construction and Safety Standards Act of 1974 (42 U.S.C. 5402(6)) is amended by inserting before the semicolon at the end the following: "; and except that such term shall not include any self-propelled recreational vehicle".

(b) APPLICABILITY.—The amendment made by this section is made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599B. DETERMINATION OF LOW-INCOME ELIGIBILITY FOR HOMEOWNERSHIP ASSISTANCE.

(a) INCOME TARGETING.—Section 214(2) of the Cranston-Gonzalez National Affordable Housing Act is amended by striking "at the time of occupancy or at the time funds are invested, whichever is later".

(b) QUALIFICATION AS AFFORDABLE HOUSING.—Section 215(b)(2) of such Act is amended to read as follows:

"(2) is the principal residence of an owner whose family qualifies as a low-income family—

"(A) in the case of a contract to purchase existing housing, at the time of purchase;

"(B) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, at the time the agreement is signed; or

"(C) in the case of a contract to purchase housing to be constructed, at the time the contract is signed;".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599C. AMENDMENTS TO RURAL HOUSING PROGRAMS.

(a) PERMANENT EXTENSION OF UNDERSERVED AREAS PROGRAM.—Section 509(f)(4)(A) of the Housing Act of 1949 (42 U.S.C. 1479(f)(4)(A)) is amended—

(1) in the first sentence, by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) in the second sentence, by striking "such fiscal year" and inserting "each fiscal year".

(b) PERMANENT EXTENSION OF SECTION 515 PROGRAM.—

(1) AUTHORITY TO MAKE LOANS.—Section 515(b) of the Housing Act of 1949 (42 U.S.C. 1485(b)(4)) is amended—

(A) by striking paragraph (4); and

(B) by redesignating paragraphs (5), (6), and (7) as paragraphs (4), (5), and (6), respectively.

(2) SET-ASIDE FOR NONPROFIT ENTITIES.—The first sentence of section 515(w)(1) of the Housing Act of 1949 (42 U.S.C. 1485(w)(1)) is amended by striking "fiscal year 1998" and inserting "each fiscal year".

(c) LOAN GUARANTEE PROGRAM FOR MULTIFAMILY RENTAL HOUSING IN RURAL AREAS.—Section 538 of the Housing Act of 1949 (42 U.S.C. 1490p–2) is amended—

(1) in subsection (t), by striking "fiscal year 1998" and inserting "each fiscal year"; and

(2) by striking subsection (u) and inserting the following new subsection:

"(u) TAX-EXEMPT FINANCING.—The Secretary may not deny a guarantee under this section on the basis that the interest on the loan or on an obligation supporting the loan for which a guarantee is sought is exempt from inclusion in gross income for purposes of chapter I of the Internal Revenue Code of 1986.".

(d) FARM LABOR HOUSING ELIGIBILITY FOR LOW-INCOME HOUSING TAX CREDIT FINANCING.—The first sentence of section 514(a) of the Housing Act of 1949 (42 U.S.C. 1484(a)) is amended by inserting ", or any nonprofit limited partnership in which the general partner is a nonprofit entity," after "private nonprofit organization".

(e) OPTIONAL CONVERSION OF RENTAL ASSISTANCE PAYMENTS TO OPERATING SUBSIDY FOR MIGRANT FARMWORKER PROJECTS.—

(1) IN GENERAL.—Section 521(a) of the Housing Act of 1949 (42 U.S.C. 1490(a)) is amended by adding at the end the following new paragraph:

"(5) OPERATING ASSISTANCE FOR MIGRANT FARMWORKER PROJECTS.—

"(A) AUTHORITY.—In the case of housing (and related facilities) for migrant farmworkers provided or assisted with a loan under section 514 or a grant under section 516, the Secretary may, at the request of the owner of the project, use amounts provided for rental assistance payments under paragraph (2) to provide assistance for the costs of operating the project. Any project assisted under this paragraph may not receive rental assistance under paragraph (2).

"(B) AMOUNT.—In any fiscal year, the assistance provided under this paragraph for any project shall not exceed an amount equal to 90 percent of the operating costs for the project for the year, as determined by the Secretary. The amount of assistance to be provided for a project under this paragraph shall be an amount that makes units in the project available to migrant farmworkers in the area of the project at rates not exceeding 30 percent of the monthly adjusted incomes of such farmworkers, based on the prevailing incomes of such farmworkers in the area.

"(C) SUBMISSION OF INFORMATION.—The owner of a project assisted under this paragraph shall be required to provide to the Secretary, at least annually, a budget of operating expenses and estimated rental income, which the Secretary may use to determine the amount of assistance for the project.

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) The term 'migrant farmworker' has the same meaning given such term in section 516(k)(7).

"(ii) The term 'operating cost' means expenses incurred in operating a project, including expenses for—

"(I) administration, maintenance, repair, and security of the project;

"(II) utilities, fuel, furnishings, and equipment for the project; and

"(III) maintaining adequate reserve funds for the project.".

(2) CONFORMING AMENDMENTS.—Title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.) is amended—

(A) in section 502—

(i) in subsection (c)(1)(A)(i), by striking "or (a)(2)" and inserting ", (a)(2), or (5)";

(ii) in subsection (c)(4)(B)(ii), by inserting before the period at the end the following: ", or additional assistance or an increase in assistance provided under section 521(a)(5)";

(iii) in subsection (c)(4)(B)(iii), by "or 521(a)(5)" after "section 521(a)(2)";

(iv) in subsection (c)(4)(B)(v), by inserting before the period at the end the following: ", or current tenants of projects not assisted under section 521(a)(5)";

(v) in subsection (c)(5)(C)(iii)—

(I) by striking the second comma; and

(II) by inserting "or any assistance payments received under section 521(a)(5)," before "with respect"; and

(vi) in subsection (c)(5)(D), by inserting before the period at the end the following: "or, in the case of housing assisted under section 521(a)(5), does not exceed the rents established for the project under such section";

(B) in the second sentence of subparagraph (A) of section 509(f)(4), by striking "an amount of section 521 rental assistance" and inserting "from amounts available for assistance under paragraphs (2) and (5) of section 521(a), an amount";

(C) in section 513(c)(2)—

(i) in the matter preceding subparagraph (A), by inserting "or contracts for operating assistance under section 521(a)(5)" after "section 521(a)(2)(A)";

(ii) in subparagraph (A), by inserting "or operating assistance contracts" after "contracts";

(iii) in subparagraph (B), by striking "rental" each place it appears; and

(iv) in subparagraph (C), by inserting "or operating assistance contracts" after "contracts";

(D) in section 521(a)(2)(B)—

(i) by inserting "or paragraph (5)" after "this paragraph"; and

(ii) by striking "which shall" and all that follows through the period at the end and inserting the following: ". The budget (and the income, in the case of a project assisted under this paragraph) shall be used to determine the amount of the assistance for each project.";

(E) in section 521(c), by striking "subsection (a)(2)" and inserting "subsections (a)(2) and (a)(5)";

(F) in section 521(e), by inserting after "recipient" the following: "or any tenant in a project assisted under subsection (a)(5)"; and

(G) in section 530, by striking "rental assistance payments with respect to such project under section 521(a)(2)(A)" and inserting "assistance payments with re-

spect to such project under section 521(a)(2)(A) or 521(a)(5)".

(f) RURAL HOUSING GUARANTEED LOANS.—Section 502(h)(6)(C) of the Housing Act of 1949 (42 U.S.C. 1472(h)(6)(C)) is amended by striking ", subject to the maximum dollar amount limitation of section 203(b)(2) of the National Housing Act" each place it appears.

(g) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599D. REAUTHORIZATION OF NATIONAL FLOOD INSURANCE PROGRAM.

(a) PROGRAM EXPIRATION.—Section 1319 of the National Flood Insurance Act of 1968 (42 U.S.C. 4026) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(b) EMERGENCY IMPLEMENTATION OF PROGRAM.—Section 1336(a) of the National Flood Insurance Act of 1968 (42 U.S.C. 4056(a)) is amended by striking "September 30, 1998" and inserting "September 30, 2001".

(c) APPLICABILITY.—The amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599E. ASSISTANCE FOR SELF-HELP HOUSING PROVIDERS

(a) NATIONAL COMPETITIVE GRANTS.—Section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) is amended—

(1) in subsection (a), by striking "to—" and all that follows and inserting the following: "to national and regional organizations and consortia that have experience in providing or facilitating self-help housing homeownership opportunities.";

(2) in subsection (b)—

(A) in paragraph (4), by striking "Habitat for Humanity, its affiliates, and other"; and

(B) in paragraph (5), by striking "similar to the homeownership program carried out by Habitat for Humanity International,";

(3) by striking subsection (c) and inserting the following new subsection:

"(c) NATIONAL COMPETITION.—The Secretary shall select organizations and consortia referred to in subsection (a) to receive grants through a national competitive process, which the Secretary shall establish.";

(4) in subsection (e), by striking paragraph (2) and inserting the following new paragraph:

"(2) ASSISTANCE TO AFFILIATES.—Any organization or consortia that receives a grant under this section may use amounts in the fund established for such organization or consortia pursuant to paragraph (1) for the purposes under subsection (d) by providing assistance from the fund to local affiliates of such organization or consoria.";

(5) in subsection (f)—

(A) in the subsection heading, by striking "to Other Organizations"; and

(B) in the matter preceding paragraph (1), by striking "subsection (a)(2)" and inserting "subsection (a)";

(6) by striking subsection (g);

(7) in subsection (h)—

(A) by striking the first sentence; and

(B) in the second sentence, by striking "subsection (a)(2)" and inserting "subsection (a)";

(8) in subsection (i)(5), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the comma;

(9) in subsection (j), by inserting "(or, in the case of grant amounts from amounts made available for fiscal year 1996 to carry out this section, within 36 months)" before the second comma;

(10) in subsection (k)(1), by striking "under subsection (a)(1) or (a)(2)";

(11) by redesignating subsection (p) as subsection (q);

(12) by inserting after subsection (o) the following new subsection:

"(p) AUTHORIZATION OF APPROPRIATIONS.—To carry out this section, there are authorized to be appropriated for fiscal years 1999 and 2000 such sums as may be necessary."; and

*(13) in the section heading, by striking "**HABITAT FOR HUMANITY AND OTHER**".*

(b) SAVINGS PROVISIONS.—Notwithstanding the amendments made by subsection (a), any grant under section 11 of the Housing Opportunity Program Extension Act of 1996 (42 U.S.C. 12805 note) from amounts appropriated in fiscal year 1998 or any prior fiscal year shall be governed by the provisions of such section 11 as in effect immediately before the enactment of this Act, except that the amendments made by paragraphs (8) and (9) of subsection (a) of this section shall apply to such grants.

(c) EFFECTIVE DATE.—This section shall take effect, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599F. SPECIAL MORTGAGE INSURANCE ASSISTANCE.

(a) IN GENERAL.—Section 237 of the National Housing Act (12 U.S.C. 1715z–2) is amended—

(1) in subsection (b), by inserting "not more than 26 percent of the total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) of" before "any mortgage";

(2) in paragraph (c)(2) by striking "$18,000:" and all that follows through the end of the paragraph and inserting "$70,000;";

(3) in paragraph (c)(3)—

(A) by inserting ", prior to and during the 12 months immediately following the purchase of the property, from a community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994" after "budget, debt management, and related counseling"; and

(B) by striking "and" at the end;

(4) in paragraph (c)(4)—

(A) by striking "25" and inserting "36"; and

(B) by striking the period and inserting "; and";

(5) in subsection (c), by adding at the end the following new paragraphs:

"(5) require the mortgagor to be subject, if necessary, to a default mitigation effort undertaken by an intermediary community development financial institution under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994, that is acting as a sponsor and pass-through of insurance under section 203 and is approved by the Secretary;

"(6) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) that is not more than 90 percent of the value of the property for which the mortgage is provided; and

"(7) involve a total principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve) in which the mortgagor has equity (as defined by the Secretary) of not less than 10 percent and such equity shall be subordinate to the interest of the Secretary in the mortgaged property.";

(6) in subsection (d), by striking "and (2)" and inserting "(2) to families living in empowerment zones and enterprise communities (as those terms are defined in section 1393(b) of the Internal Revenue Code of 1986 (26 U.S.C. 1393(b)) who are eligible for homeownership assistance, and (3)";

(7) in subsection (e), by striking "public or private organizations" and inserting "community development financial institutions under section 103(5) of the Community Development Banking and Financial Institutions Act of 1994";

(8) in subsection (f), by striking "all mortgages" and inserting "the portions of mortgages";

(9) by redesignating subsection (g) as subsection (j); and

(10) by inserting after subsection (f), the following new subsections:

"(g) Mortgages insured under this section shall be subject to an insurance premium fee of not more than 1.25 percent of the total mortgage principal obligation (including such initial service charges, and such appraisal, inspection, and other fees as the Secretary shall approve).

"(h) Before insuring a mortgage under this section, the Secretary shall enter into such contracts or other agreements as may be necessary to ensure that the mortgagee or other holder of the mortgage shall assume not less than 10 percent and not more than 50 percent of any loss on the insured mortgage, subject to any reasonable limit on the liability of the mortgagee or holder of the mortgage that may be specified in the event of unusual or catastrophic losses that may be incurred by any one mortgagee or mortgage holder.

"(i) No guarantees may be issued under section 306(g) for the timely payment of interest or principal on securities backed, in whole or in part, by mortgages insured under this section.".

(b) EFFECTIVE DATE.—The amendments under by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

SEC. 599G. REHABILITATION DEMONSTRATION GRANT PROGRAM.

(a) IN GENERAL.—The Secretary of Housing and Urban Development shall, to the extent amounts are provided in appropriation Acts to carry out this section, carry out a program to demonstrate the effectiveness of making grants for rehabilitation of single family housing located within 10 demonstration areas designated by the Secretary. Of the areas designated by the Secretary under this section—

(1) 6 shall be areas that have primarily urban characteristics;

(2) 3 shall be areas that are outside of a metropolitan statistical area; and

(3) 1 shall be an area that has primarily rural characteristics.

In selecting areas, the Secretary shall provide for national geographic and demographic diversity.

(b) GRANTEES.—Grants under the program under this section may be made only to agencies of State and local governments and non-profit organizations operating within the demonstration areas.

(c) SELECTION CRITERIA.—In selecting among applications for designation of demonstration areas and grants under this section, the Secretary shall consider—

(1) the extent of single family residences located in the proposed area that have rehabilitation needs;

(2) the ability and expertise of the applicant in carrying out the purposes of the demonstration program, including the availability of qualified housing counselors and contractors in the proposed area willing and able to participate in rehabilitation activities funded with grant amounts;

(3) the extent to which the designation of such area and the grant award would promote affordable housing opportunities;

(4) the extent to which selection of the proposed area would have a beneficial effect on the neighborhood or community in the area and on surrounding areas;

(5) the extent to which the applicant has demonstrated that grant amounts will be used to leverage additional public or private funds to carry out the purposes of the demonstration program;

(6) the extent to which lenders (including local lenders and lenders outside the proposed area) are willing and able to make loans for rehabilitation activities assisted with grant funds; and

(7) the extent to which the application provides for the involvement of local residents in the planning of rehabilitation activities in the demonstration area.

(d) USE OF GRANT FUNDS.—Funds from grants made under this section may be used by grantees—

(1) to subsidize interest on loans, over a period of not more than 5 years from the origination date of the loan, made after the date of the enactment of this Act for rehabilitation of any owner-occupied 1- to 4-family residence, including the payment

of interest during any period in which a residence is uninhabitable because of rehabilitation activities;

(2) to facilitate loans for rehabilitation of 1- to 4-family properties previously subject to a mortgage insured under the National Housing Act that has been foreclosed or for which insurance benefits have been paid, including to establish revolving loan funds, loan loss reserves, and other financial structures; and

(3) to provide technical assistance in conjunction with the rehabilitation of owner-occupied 1- to 4-family residences, including counseling, selection contractors, monitoring of work, approval of contractor payments, and final inspection of work.

(e) DEFINITION OF REHABILITATION.—For purposes of this section, the term "rehabilitation" has the meaning given such term in section 203(k)(2)(B) of the National Housing Act (12 U.S.C. 1709(k)(2)(B)).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary to carry out this section such sums as may be necessary for each of fiscal years 1999 through 2003.

(g) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 599H. ASSISTANCE FOR CERTAIN LOCALITIES.

(a) USE OF HOME FUNDS FOR PUBLIC HOUSING MODERNIZATION.—Notwithstanding section 212(d)(5) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(5)), amounts made available to the City of Bismarck, North Dakota or the State of North Dakota, under subtitle A of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12741 et seq.) for fiscal year 1998, 1999, 2000, 2001, or 2002, may be used to carry out activities authorized under section 14 of the United States Housing Act of 1937 (42 U.S.C. 1437l) for the purpose of modernizing the Crescent Manor public housing project located at 107 East Bowen Avenue, in Bismarck, North Dakota, if—

(1) the Burleigh County Housing Authority (or any successor public housing agency that owns or operates the Crescent Manor public housing project) has obligated all other Federal assistance made available to that public housing agency for that fiscal year; or

(2) the Secretary of Housing and Urban Development authorizes the use of those amounts for the purpose of modernizing that public housing project, which authorization may be made with respect to 1 or more of those fiscal years.

(b) CONSULTATION WITH AFFECTED AREAS IN SETTLEMENT OF LITIGATION.—In negotiating any settlement of, or consent decree for, significant litigation regarding public housing or section 8 tenant-based assistance that involves the Secretary and any public housing agency or any unit of general local government, the Secretary shall seek the views of any units of general local government and public housing agencies having jurisdictions that are adjacent to the jurisdiction of the public housing agency involved, if the resolution of such litigation would involve the acquisition or development of public housing dwelling units or the use of vouchers under section 8 of the United States Housing Act of 1937 in jurisdictions that are ad-

jacent to the jurisdiction of the public housing agency involved in the litigation.

(c) TREATMENT OF PHA REPAYMENT AGREEMENT.—

(1) LIMITATION ON SECRETARY.—During the 2-year period beginning on the date of the enactment of this Act, if the Housing Authority of the City of Las Vegas, Nevada, is otherwise in compliance with the Repayment Lien Agreement and Repayment Plan approved by the Secretary on February 12, 1997, the Secretary of Housing and Urban Development shall not take any action that has the effect of reducing the inventory of senior citizen housing owned by such housing authority that does not receive assistance from the Department of Housing and Urban Development.

(2) ALTERNATIVE REPAYMENT OPTIONS.—During the period referred to in paragraph (1), the Secretary shall assist the housing authority referred to in such paragraph to identify alternative repayment options to the plan referred to in such paragraph and to execute an amended repayment plan that will not adversely affect the housing referred to in such paragraph.

(3) RULE OF CONSTRUCTION.—This subsection may not be construed to alter—

(A) any lien held by the Secretary pursuant to the agreement referred to in paragraph (1); or

(B) the obligation of the housing authority referred to in paragraph (1) to close all remaining items contained in the Inspector General audits numbered 89 SF 1004 (issued January 20, 1989), 93 SF 1801 (issued October 30, 1993), and 96 SF 1002 (issued February 23, 1996).

(d) CEILING RENTS FOR CERTAIN SECTION 8 PROPERTIES.—Notwithstanding any other provision of law, within 30 days after the date of the enactment of this Act, the Secretary shall establish ceiling rents for the Marshall Field Garden Apartments Homes in Chicago, Illinois, at rent levels, in the determination of the Secretary made in consultation with the owner, that facilitate retaining or attracting working class families.

(e) APPLICATION FOR MOVING TO WORK DEMONSTRATION PROGRAM.—Upon the submission of an application for participation in the moving to work demonstration program under section 204 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (as contained in section 101(e) of the Omnibus Consolidated Rescissions and Appropriations Act of 1996; 42 U.S.C. 1437f note) by the Charlotte Housing Authority of Charlotte, North Carolina, or the Housing Authority of the City of Pittsburgh, Pennsylvania, the Secretary of Housing and Urban Development shall—

(1) consider such application, notwithstanding—

(A) the limitation under subsection (b) of such section on the number of public housing agencies that may participate in such program; or

(B) any limitation regarding the date for the submission of applications for participation in such program; and

(2) approve or disapprove the application based on the criteria for selection for participation in such program, notwith-

standing the limitations referred to in paragraph (1) of this subsection.

(f) USE OF PROJECT TO BENEFIT LOW-INCOME PERSONS.—The project funded by the Secretary of Housing and Urban Development under the supportive housing program of title IV of the Stewart B. McKinney Homeless Assistance Act through grant number FL 29T90–1285 (commonly known as Royal Pointe) shall be considered to have been approved pursuant to section 423(b)(3) of such Act as of December 31, 1995 for use for the direct benefit of low-income persons.

(g) RURAL HOUSING ASSISTANCE.—The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before the period the following: ", and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000".

(h) FUNDING FOR PURCHASE AND CONVERSION OF EXISTING ASSISTED HOUSING.—Notwithstanding any other provision of law, and only to the extent specifically provided in a subsequent appropriations Act, from any amounts previously appropriated for Annual Contributions for Assisted Housing or for the Public Housing Capital Fund and not obligated by the Secretary, the Secretary may make available to the Lockport Housing Authority in Lockport, New York, such sums as may be necessary for use in accordance with section 5 of the United States Housing Act of 1937 (42 U.S.C. 1437c) for the purchase and rehabilitation of a project that is assisted under section 8 of such Act and located on a site contiguous to the site of a public housing project administered by the agency.

(i) RURAL AND TRIBAL ASSISTANCE.—From the amounts that were made available to the Secretary under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998, for grants for rural and tribal areas pursuant to the 5th undesignated paragraph of the heading "COMMUNITY PLANNING AND DEVELOPMENT—COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAMS" (Public Law 105–65; 111 Stat. 1357), the Secretary shall provide from any amounts remaining unobligated—

(1) $2,800,000 for seed money for a multi-State rural homeownership campaign administered by the Rural Opportunities Affordable Housing Finance Alliance; and

(2) $500,000 to the Rural Housing Institute of the Muscatine Center for Strategic Action.

Notwithstanding any other provision of this Act, this subsection shall take affect only to the extent specifically provided in a subsequent appropriations Act.

(j) COMMUNITY SERVICES DEMONSTRATION.—

(1) AUTHORITY.—The Secretary of Housing and Urban Development shall, to the extent amounts are appropriated to carry out this subsection, provide financial assistance to the Bethune-Cookman College in Volusia County, Florida (in this subsection referred to as the "College"), in accordance with the provisions of this subsection, for the College to establish and operate, as a national demonstration, the Bethune-Cookman Community Services Student Union Center.

(2) USE.—Any financial assistance provided to the College pursuant to this subsection shall be used by the College for the construction, maintenance, and endowment of the Bethune-Cookman Community Services Student Union Center through—

(A) the acquisition of necessary equipment, including utility vehicles; or

(B) the acquisition of necessary real property;

(3) APPLICATION.—The Secretary shall provide financial assistance under this subsection only pursuant to application by the College for such assistance at such time, in such manner, and providing such information as the Secretary of Housing and Urban Development may reasonably require.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as may be necessary for assistance under this subsection. Any amounts appropriated pursuant to this subsection shall remain available until expended.

(k) INDEPENDENCE SQUARE FOUNDATION.—Notwithstanding any other provision of law, including 28 U.S.C. 516, the Secretary of Housing and Urban Development shall enforce the use agreement entered into between the Secretary and the Independence Square Foundation of Newport, Rhode Island: Provided further, That such enforcement shall include the option of instituting civil litigation to determine the current applicability of the aforementioned use agreement or petition for the issuance of an injunction to prevent the demolition of the property subject to the aforementioned use agreement.

*(l) REMOVAL OF HOPE VI DEMOLITION REQUIREMENT.—The Secretary may approve otherwise qualified applications received in response to a notice published at 63 Federal Register 15489 (March 31, 1998) for grants from the $26,000,000 set-aside of amounts made available under the head "**REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)**" in the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105–65, 111 Stat. 1354) without regard to whether such applications propose or plan demolition of obsolete public housing projects.*

(m) EFFECTIVE DATE.—This section shall take effect on, and the amendments made by this section are made on, and shall apply beginning upon, the date of the enactment of this Act.

TITLE VI—FHA PROPERTY DISPOSITION REFORM

SEC. 601. SINGLE FAMILY CLAIMS REFORM AND SALE OF PROPERTY.

(a) REVISION OF CLAIMS PROCEDURES.—Section 204 of the National Housing Act (12 U.S.C. 1710) is amended by striking "SEC. 204." and all that follows through the end of subsection (a) and inserting the following:

"SEC. 204. (a) IN GENERAL.—

"(1) AUTHORIZED CLAIMS PROCEDURES.—The Secretary may, in accordance with this subsection and terms and conditions prescribed by the Secretary, pay insurance benefits to a mortgagee for any mortgage insured under section 203 through any of the following methods:

"(A) ASSIGNMENT OF MORTGAGE.—The Secretary may pay insurance benefits whenever a mortgage has been in a monetary default for not less than 3 full monthly installments or whenever the mortgagee is entitled to foreclosure for a nonmonetary default. Insurance benefits shall be paid pursuant to this subparagraph only upon the assignment, transfer, and delivery to the Secretary of—

"(i) all rights and interests arising under the mortgage;

"(ii) all claims of the mortgagee against the mortgagor or others arising out of the mortgage transaction;

"(iii) title evidence satisfactory to the Secretary; and

"(iv) such records relating to the mortgage transaction as the Secretary may require.

"(B) CONVEYANCE OF TITLE TO PROPERTY.—The Secretary may pay insurance benefits if the mortgagee has acquired title to the mortgaged property through foreclosure or has otherwise acquired such property from the mortgagor after a default upon—

"(i) the prompt conveyance to the Secretary of title to the property which meets the standards of the Secretary in force at the time the mortgage was insured and which is evidenced in the manner provided by such standards; and

"(ii) the assignment to the Secretary of all claims of the mortgagee against the mortgagor or others, arising out of mortgage transaction or foreclosure proceedings, except such claims as may have been released with the consent of the Secretary.

The Secretary may permit the mortgagee to tender to the Secretary a satisfactory conveyance of title and transfer of possession directly from the mortgagor or other appropriate grantor, and may pay to the mortgagee the insurance benefits to which it would otherwise be entitled if such conveyance had been made to the mortgagee and from the mortgagee to the Secretary.

"(C) CLAIM WITHOUT CONVEYANCE OF TITLE.—The Secretary may pay insurance benefits upon sale of the mortgaged property at foreclosure where such sale is for at least the fair market value of the property (with appropriate adjustments), as determined by the Secretary, and upon assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B).

"(D) PREFORECLOSURE SALE.—The Secretary may pay insurance benefits upon the sale of the mortgaged property by the mortgagor after default and the assignment to the Secretary of all claims referred to in clause (ii) of subparagraph (B), if—

"(i) the sale of the mortgaged property has been approved by the Secretary;

"(ii) the mortgagee receives an amount at least equal to the fair market value of the property (with ap-

propriate adjustments), as determined by the Secretary; and

"(iii) the mortgagor has received an appropriate disclosure, as determined by the Secretary.

"(2) PAYMENT FOR LOSS MITIGATION.—The Secretary may pay insurance benefits to the mortgagee to recompense the mortgagee for all or part of any costs of the mortgagee for taking loss mitigation actions that provide an alternative to foreclosure of a mortgage that is in default (including but not limited to actions such as special forbearance, loan modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)). No actions taken under this paragraph, nor any failure to act under this paragraph, by the Secretary or by a mortgagee shall be subject to judicial review.

"(3) DETERMINATION OF CLAIMS PROCEDURE.—The Secretary shall publish guidelines for determining which of the procedures for payment of insurance under paragraph (1) are available to a mortgagee when it claims insurance benefits. At least one of the procedures for payment of insurance benefits specified in paragraph (1)(A) or (1)(B) shall be available to a mortgagee with respect to a mortgage, but the same procedure shall not be required to be available for all of the mortgages held by a mortgagee.

"(4) SERVICING OF ASSIGNED MORTGAGES.—If a mortgage is assigned to the Secretary under paragraph (1)(A), the Secretary may permit the assigning mortgagee or its servicer to continue to service the mortgage for reasonable compensation and on terms and conditions determined by the Secretary. Neither the Secretary nor any servicer of the mortgage shall be required to forbear from collection of amounts due under the mortgage or otherwise pursue loss mitigation measures.

"(5) CALCULATION OF INSURANCE BENEFITS.—Insurance benefits shall be paid in accordance with section 520 and shall be equal to the original principal obligation of the mortgage (with such additions and deductions as the Secretary determines are appropriate) which was unpaid upon the date of—

"(A) assignment of the mortgage to the Secretary;

"(B) the institution of foreclosure proceedings;

"(C) the acquisition of the property after default other than by foreclosure; or

"(D) sale of the mortgaged property by the mortgagor.

"(6) FORBEARANCE AND RECASTING AFTER DEFAULT.—The mortgagee may, upon such terms and conditions as the Secretary may prescribe—

"(A) extend the time for the curing of the default and the time for commencing foreclosure proceedings or for otherwise acquiring title to the mortgaged property, to such time as the mortgagee determines is necessary and desirable to enable the mortgagor to complete the mortgage payments, including an extension of time beyond the stated maturity of the mortgage, and in the event of a subsequent foreclosure or acquisition of the property by other means the

Secretary may include in the amount of insurance benefits an amount equal to any unpaid mortgage interest; or

"(B) provide for a modification of the terms of the mortgage for the purpose of recasting, over the remaining term of the mortgage or over such longer period pursuant to guidelines as may be prescribed by the Secretary, the total unpaid amount then due, with the modification to become effective currently or to become effective upon the termination of an agreed-upon extension of the period for curing the default; and the principal amount of the mortgage, as modified, shall be considered the 'original principal obligation of the mortgage' for purposes of paragraph (5).

"(7) TERMINATION OF PREMIUM OBLIGATION.—The obligation of the mortgagee to pay the premium charges for insurance shall cease upon fulfillment of the appropriate requirements under which the Secretary may pay insurance benefits, as described in paragraph (1). The Secretary may also terminate the mortgagee's obligation to pay mortgage insurance premiums upon receipt of an application filed by the mortgagee for insurance benefits under paragraph (1), or in the event the contract of insurance is terminated pursuant to section 229.

"(8) EFFECT ON PAYMENT OF INSURANCE BENEFITS UNDER SECTION 230.—Nothing in this section shall limit the authority of the Secretary to pay insurance benefits under section 230.

"(9) TREATMENT OF MORTGAGE ASSIGNMENT PROGRAM.—Notwithstanding any other provision of law, or the Amended Stipulation entered as a consent decree on November 8, 1979, in Ferrell v. Cuomo, No. 73 C 334 (N.D. Ill.), or any other order intended to require the Secretary to operate the program of mortgage assignment and forbearance that was operated by the Secretary pursuant to the Amended Stipulation and under the authority of section 230, prior to its amendment by section 407(b) of The Balanced Budget Downpayment Act, I (Public Law 104–99; 110 Stat. 45), no mortgage assigned under this section may be included in any mortgage foreclosure avoidance program that is the same or substantially equivalent to such a program of mortgage assignment and forbearance.".

(b) EFFECTIVE DATE.—The Secretary shall publish a notice in the Federal Register stating the effective date of the terms and conditions prescribed by the Secretary under section 204(a)(1) of the National Housing Act, as amended by subsection (a) of this section. Subsections (a) and (k) of section 204 of the National Housing Act, as in effect immediately before such effective date, shall continue to apply to any mortgage insured under section 203 of the National Housing Act before such effective date, except that the Secretary may, at the request of the mortgagee, pay insurance benefits as provided in subparagraphs (A) and (D) of section 204(a)(1) of such Act to calculate insurance benefits in accordance with section 204(a)(5) of such Act.

(c) REPEAL OF REDUNDANT PROVISION.—Subsection (k) of section 204 of the National Housing Act (12 U.S.C. 1710(k)) is hereby repealed.

(d) AUTHORITY TO SELL.—Section 204(g) of the National Housing Act (12 U.S.C. 1710(g)) is amended by adding at the end the

following new sentence: "The Secretary may sell real and personal property acquired by the Secretary pursuant to the provisions of this Act on such terms and conditions as the Secretary may prescribe.".

(e) AUTHORITY TO INSURE MORTGAGE.—Section 223(c) of the National Housing Act (12 U.S.C. 1715n(c)) is amended—

(1) by striking "him" each place it appears and inserting "the Secretary"; and

(2) by inserting before "of any property acquired", the following: ", including a sale through another entity acting under authority of the fourth sentence of section 204(g),".

(f) LOSS MITIGATION.—Section 230 of the National Housing Act is amended—

(1) by redesignating subsections (a) through (e) as (b) through (f); and

(2) by inserting a new subsection (a) as follows:

"(a) Upon default of any mortgage insured under this title, mortgagees shall engage in loss mitigation actions for the purpose of providing an alternative to foreclosure (including but not limited to actions such as special forbearance, loss modification, and deeds in lieu of foreclosure, but not including assignment of mortgages to the Secretary under section 204(a)(1)(A)) as provided in regulations by the Secretary.".

(g) PENALTY.—Section 536(a) of the National Housing Act is amended by inserting at the end of paragraph (2) the following:

"In the case of the mortgagee's failure to engage in loss mitigation activities, as provided in section 536(b)(1)(I), the penalty shall be in the amount of three times the amount of any insurance benefits claimed by the mortgagee with respect to any mortgage for which the mortgagee failed to engage in such loss mitigation actions.".

(h) VIOLATION.—Section 536(b)(1) of the National Housing Act is amended by inserting after subparagraph (h) the following:

"(I) Failure to engage in loss mitigation actions as provided in section 230(a) of this Act.".

SEC. 602. DISPOSITION OF HUD-OWNED SINGLE FAMILY ASSETS IN REVITALIZATION AREAS.

Section 204 of the National Housing Act (12 U.S.C. 1710) is amended—

(1) by redesignating subsection (h) as subsection (i); and

(2) by inserting after subsection (g) the following new subsection:

"(h) DISPOSITION OF ASSETS IN REVITALIZATION AREAS.—

"(1) IN GENERAL.—The purpose of this subsection is to require the Secretary to carry out a program under which eligible assets (as such term is defined in paragraph (2)) shall be made available for sale in a manner that promotes the revitalization, through expanded homeownership opportunities, of revitalization areas. Notwithstanding the authority under the last sentence of subsection (g), the Secretary shall dispose of all eligible assets under the program and shall establish the program in accordance with the requirements under this subsection.

"(2) ELIGIBLE ASSETS.—For purposes of this subsection, the term 'eligible asset' means any of the following assets of the Secretary:

"(A) PROPERTIES.—Any property that—

"(i) is designed as a dwelling for occupancy by 1 to 4 families;

"(ii) is located in a revitalization area;

"(iii) was previously subject to a mortgage insured under the provisions of this Act; and

"(iv) is owned by the Secretary pursuant to the payment of insurance benefits under this Act.

"(B) MORTGAGES.—Any mortgage that—

"(i) is an interest in a property that meets the requirements of clauses (i) and (ii) of subparagraph (A);

"(ii) was previously insured under the provisions of this Act; and

"(iii) is held by the Secretary pursuant to the payment of insurance benefits under this Act.

For purposes of this subsection, an asset under this subparagraph shall be considered to be located in a revitalization area, or in the asset control area of a preferred purchaser, if the property described in clause (i) is located in such area.

"(C) FUTURE INTERESTS.—Any contingent future interest of the Secretary in an asset described in subparagraph (A) or (B).

"(3) REVITALIZATION AREAS.—The Secretary shall designate areas as revitalization areas for purposes of this subsection. Before designation of an area as a revitalization area, the Secretary shall consult with affected units of general local government and interested nonprofit organizations. The Secretary may designate as revitalization areas only areas that meet one of the following requirements:

"(A) VERY-LOW INCOME AREA.—The median household income for the area is less than 60 percent of the median household income for—

"(i) in the case of any area located within a metropolitan area, such metropolitan area; or

"(ii) in the case of any area not located within a metropolitan area, the State in which the area is located.

"(B) HIGH CONCENTRATION OF ELIGIBLE ASSETS.—A high rate of default or foreclosure for single family mortgages insured under the National Housing Act has resulted, or may result, in the area—

"(i) having a disproportionately high concentration of eligible assets, in comparison with the concentration of such assets in surrounding areas; or

"(ii) being detrimentally impacted by eligible assets in the vicinity of the area.

"(C) LOW HOME OWNERSHIP RATE.—The rate for home ownership of single family homes in the area is substantially below the rate for homeownership in the metropolitan area.

"(4) PREFERENCE FOR SALE TO PREFERRED PURCHASERS.—The Secretary shall provide a preference, among prospective

purchasers of eligible assets, for sale of such assets to any purchaser who—

"(A) is—

"(i) the unit of general local government having jurisdiction with respect to the area in which are located the eligible assets to be sold; or

"(ii) a nonprofit organization;

"(B) in making a purchase under the program under this subsection—

"(i) establishes an asset control area, which shall be an area that consists of part or all of a revitalization area; and

"(ii) purchases all interests of the Secretary in all assets of the Secretary that, at any time during the period which shall be set forth in the sale agreement required under paragraph (7)—

"(I) are or become eligible assets; and

"(II) are located in the asset control area of the purchaser; and

"(C) has the capacity to carry out the purchase of eligible assets under the program under this subsection and under the provisions of this paragraph.

"(5) AGREEMENTS REQUIRED FOR PURCHASE.—

"(A) PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligible asset as provided in paragraph (4) to a preferred purchaser only pursuant to a binding agreement by the preferred purchaser that the eligible asset will be used in conjunction with a home ownership plan that provides as follows:

"(i) The plan has as its primary purpose the expansion of home ownership in, and the revitalization of, the asset control area, established pursuant to paragraph (4)(B)(i) by the purchaser, in which the eligible asset is located.

"(ii) Under the plan, the preferred purchaser has established, and agreed to meet, specific performance goals for increasing the rate of home ownership for eligible assets in the asset control area that are under the purchaser's control. The plan shall provide that the Secretary may waive or modify such goals or deadlines only upon a determination by the Secretary that a good faith effort has been made in complying with the goals through the homeownership plan and that exceptional neighborhood conditions prevented attainment of the goal.

"(iii) Under the plan, the preferred purchaser has established rehabilitation standards that meet or exceed the standards for housing quality established under subparagraph (B)(iii) by the Secretary, and has agreed that each asset property for an eligible asset purchased will be rehabilitated in accordance with such standards.

"(B) NON-PREFERRED PURCHASERS.—Under the program under this subsection, the Secretary may sell an eligi-

ble asset to a purchaser who is not a preferred purchaser only pursuant to a binding agreement by the purchaser that complies with the following requirements:

"(i) The purchaser has agreed to meet specific performance goals established by the Secretary for home ownership of the asset properties for the eligible assets purchased by the purchaser, except that the Secretary may, by including a provision in the sale agreement required under paragraph (7), provide for a lower rate of home ownership in sales involving exceptional circumstances.

"(ii) The purchaser has agreed that each asset property for an eligible asset purchased will be rehabilitated to comply with minimum standards for housing quality established by the Secretary for purposes of the program under this subsection.

"(6) DISCOUNT FOR PREFERRED PURCHASERS.—

"(A) IN GENERAL.—For the purpose of providing a public purpose discount for the bulk sales of eligible assets made under the program under this subsection by preferred purchasers, each eligible asset sold through the program under this subsection to a preferred purchaser shall be sold at a price that is discounted from the value of the asset, as based on the appraised value of the asset property (as such term is defined in paragraph (8)).

"(B) APPRAISALS.—The Secretary shall require that each appraisal of an eligible asset under this paragraph is based upon—

"(i) the market value of the asset property in its 'as is' physical condition, which shall take into consideration age and condition of major mechanical and structural systems; and

"(ii) the value of the property appraised for home ownership.

"(C) DISCOUNT CLASSES.—The Secretary, in the sole discretion of the Secretary, shall establish the discount under this paragraph for an eligible asset, which shall be in one of the following amounts:

"(i) STANDARD DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, do not meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that—

"(I) is appropriate to provide reasonable resources for the improvement such assets; and

"(II) takes into consideration the financial safety and soundness of the Mutual Mortgage Insurance Fund.

"(ii) DEEP DISCOUNT.—In the case only of eligible assets described in clause (i) for which the Secretary determines a deep discount is appropriate, an amount that exceeds the amount of a standard discount under clause (i). In making a determination whether a deep discount is appropriate, the Secretary may consider the

condition of the asset property, the extent of resources available to the preferred purchaser, the comprehensive revitalization plan undertaken by such purchaser, or any other circumstances the Secretary considers appropriate.

"(iii) MINIMAL DISCOUNT.—In the case only of eligible assets with asset properties that, at the time of sale under this subsection, meet or substantially meet the standards for housing quality established pursuant to paragraph (5)(B)(ii), an amount that is less than the amount of a standard discount under clause (i) of this subparagraph and is sufficient to provide assistance to the preferred purchaser in meeting costs associated with compliance with the program requirements under this subsection.

"(D) DETERMINATION OF DISCOUNT CLASS.—The Secretary shall, in the sole discretion of the Secretary, establish a method for determining which discount under clause (i) or (ii) subparagraph (C) shall be provided for an eligible asset that is described in such clause (i) and sold to a preferred purchaser. The method may result in the assignment of discounts on any basis consistent with subparagraph (C) that the Secretary considers appropriate to carry out the purposes of this subsection.

"(7) SALE AGREEMENT.—The Secretary may sell an eligible asset under this subsection only pursuant to a sale agreement entered into under this paragraph with the purchaser, which shall include the following provisions:

"(A) ASSETS.—The sale agreement shall identify the eligible assets to be purchased and the interests sold.

"(B) REVITALIZATION AREA AND ASSET CONTROL AREA.—The sale agreement shall identify—

"(i) the boundaries of the specific revitalization areas (or portions thereof) in which are located the eligible assets that are covered by the agreement; and

"(ii) in the case of a preferred purchaser, the asset control area established pursuant to paragraph (4)(B)(i) that is covered by the agreement.

"(C) FINANCING.—The sale agreement shall identify the sources of financing for the purchase of the eligible assets.

"(D) BINDING AGREEMENTS.—The sale agreement shall contain binding agreements by the purchaser sufficient to comply with—

"(i) in the case of a preferred purchaser, the requirements under paragraph (5)(A), which agreements shall provide that the eligible assets purchased will be used in conjunction with a home ownership plan meeting the requirements of such paragraph, and shall set forth the terms of the homeownership plan, including—

"(I) the goals of the plan for the eligible assets purchased and for the asset control area subject to the plan;

"(II) the revitalization areas (or portions thereof) in which the homeownership plan is operating or will operate;

"(III) the specific use or disposition of the eligible assets under the plan; and

"(IV) any activities to be conducted and services to be provided under the plan; or

"(ii) in the case of a purchaser who is not a preferred purchaser, the requirements under paragraph (5)(B).

"(E) PURCHASE PRICE AND DISCOUNT.—The sale agreement shall establish the purchase price of the eligible assets, which in the case of a preferred purchaser shall provide for a discount in accordance with paragraph (6).

"(F) HOUSING QUALITY.—The sale agreement shall provide for compliance of the eligible assets purchased with the rehabilitation standards established under paragraph (5)(A)(iii) or the minimum standards for housing quality established under paragraph (5)(B)(ii), as applicable, and shall specify such standards.

"(G) PERFORMANCE GOALS AND SANCTIONS.—The sale agreement shall set forth the specific performance goals applicable to the purchaser, in accordance with paragraph (5), shall set forth any sanctions for failure to meet such goals and deadlines, and shall require the purchaser to certify compliance with such goals.

"(H) PERIOD COVERED.—The sale agreement shall establish—

"(i) in the case of a preferred purchaser, the time period referred to in paragraph (4)(B)(ii); and

"(ii) in the case of a purchaser who is not a preferred purchaser, the time period for purchase of eligible assets that may be covered by the purchase.

"(I) OTHER TERMS.—The agreement shall contain such other terms and conditions as may be necessary to require that eligible assets purchased under the agreement are used in accordance with the program under this subsection.

"(8) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

"(A) ASSET CONTROL AREA.—The term 'asset control area' means the area established by a preferred purchaser pursuant to paragraph (4)(B)(i).

"(B) ASSET PROPERTY.—The term 'asset property' means—

"(i) with respect to an eligible asset that is a property, such property; and

"(ii) with respect to an eligible asset that is a mortgage, the property that is subject to the mortgage.

"(C) ELIGIBLE ASSET.—The term 'eligible asset' means an asset described in paragraph (2).

"(D) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means a private organization that—

"(i) is organized under State or local laws;

"(ii) has no part of its net earnings inuring to the benefit of any member, shareholder, founder, contributor, or individual; and

"(iii) complies with standards of financial responsibility that the Secretary may require.

"(E) PREFERRED PURCHASER.—The term 'preferred purchaser' means a purchaser described in paragraph (4).

"(F) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.

"(9) SECRETARY'S DISCRETION.—The Secretary shall have the authority to implement and administer the program under this subsection in such manner as the Secretary may determine. The Secretary may, in the sole discretion of the Secretary, enter into contracts to provide for the proper administration of the program with such public or nonprofit entities as the Secretary determines are qualified.

"(10) REGULATIONS.—The Secretary shall issue regulations to implement the program under this subsection through rulemaking in accordance with the procedures established under section 553 of title 5, United States Code, regarding substantive rules. Such regulations shall take effect not later than the expiration of the 2-year period beginning on the date of the enactment of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999.".

Titles I, II, III, IV, and VI of this Act may be cited as the "Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999".

And the Senate agree to the same.

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
R. FRELINGHUYSEN,
MARK W. NEUMANN,
ROGER WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,
Managers on the Part of the House.

KIT BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE CAMPBELL,
LARRY E. CRAIG,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
FRANK R. LAUTENBERG,
TOM HARKIN,
ROBERT C. BYRD,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 4194) making appropriations for the Departments of Veterans Affairs and Housing and Urban Development, and for sundry independent agencies, boards, commissions, corporations, and offices for the fiscal year ending September 30, 1999, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying report.

The language and allocations set forth in House Report 105–610 and Senate Report 105–216 should be complied with unless specifically addressed to the contrary in the conference report and statement of the managers. Report language included by the House which is not changed by the report of the Senate or the conference, and Senate report language which is not changed by the conference is approved by the committee of conference. The statement of the managers, while repeating some report language for emphasis, does not intend to negate the language referred to above unless expressly provided herein. In cases in which the House or Senate have directed the submission of a report, such report is to be submitted to both House and Senate Committees on Appropriations.

TITLE I—DEPARTMENT OF VETERANS AFFAIRS

VETERANS HEALTH ADMINISTRATION

MEDICAL CARE

Appropriates $17,306,000,000 for medical care, instead of $17,361,395,998 ($17,057,396,000 in the medical care account and an additional $303,999,998 in Sec. 427 of the General Provisions) as proposed by the House and $17,250,000,000 as proposed by the Senate.

The amount provided for medical care is an increase of $278,025,000 above the VA's budget request and reflects the high priority the conferees place on ensuring quality health care for veterans. The VA is to propose how it plans to spend these additional funds, including the increased number of veterans that will be able to receive health care, in the operating plan. That plan is to be submitted within 30 days of enactment of the appropriations bill.

Delays the availability of $778,000,000 of the medical care appropriation in the equipment and land and structures object classifications until August 1, 1999, instead of delaying the availability of $777,000,000—a net of $846,000,000 in the medical care account and a reduction in that amount of $69,000,000 as provided in Sec.

425 of the General Provisions—as proposed by the House and $687,000,000 as proposed by the Senate.

Deletes language proposed by the House and stricken by the Senate earmarking $6,000,000 of the medical care appropriation for the Musculoskeletal Disease Center. Funding for this activity is included in the medical and prosthetic research appropriation.

Restores language proposed by the House and stricken by the Senate transferring not to exceed $22,633,000 from the medical care appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management (ORM) and the Office of Employment Discrimination Complaint Adjudication (OEDCA), amended to transfer not to exceed $27,420,000 ($25,690,000 for ORM and $1,730,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

Deletes language proposed by the Senate earmarking $14,000,000 for the homeless grant program and $6,000,000 for the homeless per diem program, and expanding authorized homeless assistance activities. In deleting the bill language, the conferees agree that not less than $20,000,000 of fiscal year 1999 medical care funds shall be made available for the homeless grant and homeless per diem programs.

Inserts language proposed by the Senate earmarking $10,000,000 of fiscal year 1999 medical care funds for implementation of the Primary Care Providers Incentive Act, contingent upon enactment of authorizing legislation, amended to earmark not to exceed $10,000,000.

The conferees have provided $3,000,000 for the Center of Excellence at the Truman Memorial VA Medical Center which would support such activities as clinical studies on hypertension, surfactants, and lupus erythematosus.

The conferees note concerns have been expressed that the use of local pay surveys may be of questionable validity in determining nurse pay rates, and urge the Department to address this matter expeditiously. The VA is to prepare a report on its plans to address this concern and submit it to the House and Senate authorization and appropriations committees by December 1, 1998.

The conferees are aware of a recently released General Accounting Office report titled "VA Health Care: More Veterans Are Being Served, but Better Oversight Is Needed." The VA is directed to take immediate steps to implement the report's recommendations. The VA is also directed to report to the Committees on Appropriations by February 1, 1999 on proposals to address the recommendations contained in the report.

MEDICAL AND PROSTHETIC RESEARCH

Appropriates $316,000,000 for medical and prosthetic research, instead of $320,000,000 ($310,000,000 in the medical and prosthetic research account and an additional $10,000,000 in Sec. 423 of the General Provisions) as proposed by the House and $310,000,000 as proposed by the Senate.

Inserts language earmarking $6,000,000 of the increase in the medical and prosthetic research appropriation for the Musculoskeletal Disease Center, instead of earmarking such funds in the

medical care appropriation as proposed by the House. The Senate did not propose such an earmarking of funds.

Last year's conference agreement included $10,000,000 for research into Parkinson's Disease. The conferees agree that the VA is to utilize up to $10,000,000 of the recommended increase to expand research into Parkinson's Disease.

The fiscal year 1998 medical and prosthetic research appropriation included $12,500,000 for research relating to Persian Gulf War illnesses. The conferees expect the VA to maintain such research as a high priority in fiscal year 1999.

MEDICAL ADMINISTRATION AND MISCELLANEOUS OPERATING EXPENSES

Appropriates $63,000,000 for medical administration and miscellaneous operating expenses, instead of $60,000,000 as proposed by the House and the Senate.

The Under Secretary for Health has identified high priority areas that need to be strengthened for better results in the delivery of healthcare. To support these higher priority activities, VA has started a reduction-in-force in the Office of Facilities Management's (OFM) tactical support function. To provide time to explore other options for funding these services, the conferees have agreed to a one-time increase of $3,000,000 to support enhanced clinical, quality and performance management activities. The conferees note that Price Waterhouse recently completed, at the request of the Veterans Health Administration, an independent review of the Office of Facilities Management. That review recommended a number of changes to improve the management of VA facility infrastructure. The conferees expect that the Department will develop a plan for implementing Price Waterhouse's recommendations, wherever appropriate, and any decisions made pursuant to the future of OFM's tactical support functions are to be made consistent with that report. The VA is to prepare a report for the Committees on Appropriations, to be submitted concurrently with the fiscal year 2000 budget request, on its long-range plans for the Office of Facilities Management. The conferees do not expect that any reductions-in-force will be required in fiscal year 1999, unless the VA fails to submit an acceptable alternative proposal.

DEPARTMENTAL ADMINISTRATION

GENERAL OPERATING EXPENSES

Appropriates $855,661,000 for general operating expenses as proposed by the House, instead of $854,661,000 as proposed by the Senate.

The $6,000,000 increase above the budget request is for the activities associated with restructuring the Veterans Benefits Administration (VBA) so as to improve the timeliness and accuracy of processing the various types of claims. The average time it currently takes to process claims is not acceptable. The availability of the increase is subject to the submission of a detailed operating plan for VBA that closely follows the recommendations of the National Academy of Public Administration.

In the past, the VA has not had realistic plans to improve service delivery to veterans. The VBA should set realistic goals for timeliness and accuracy for each different type of claim and develop a multi-year plan for attaining these goals—commensurate with the level of resources requested and planned for the future. Goals and plans should be developed not only at the national level, but also for each regional office. Regional office directors should then be held accountable for achieving those individual goals. The performance among regional offices should also be compared. The conferees recognize that it will take time to improve the delivery of services to veterans, and need plans with annual goals to measure the progress realized each year. The VA is to prepare a detailed report for the Committees on Appropriations on these goals and plans. The report is to be submitted concurrently with the fiscal year 2000 budget request.

NATIONAL CEMETERY SYSTEM

Restores language proposed by the House and stricken by the Senate transferring not to exceed $86,000 from the national cemetery system appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication, amended to transfer not to exceed $90,000 ($84,000 for ORM and $6,000 for OEDCA). Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

OFFICE OF INSPECTOR GENERAL

Appropriates $36,000,000 for the Office of Inspector General as proposed by the Senate, instead of $32,702,000 as proposed by the House.

Inserts language transferring not to exceed $30,000 from the Office of Inspector General appropriation to the general operating expenses appropriation for expenses of the Office of Resolution Management ($28,000) and the Office of Employment Discrimination Complaint Adjudication ($2,000). Although the House and the Senate did not propose similar language, the VA planned to seek a small amount of reimbursement for the two new offices from this appropriation. Additional information on funding for these two offices is included under the VA's administrative provisions section of this report.

CONSTRUCTION, MAJOR PROJECTS

Appropriates $142,300,000 for construction, major projects as proposed by the Senate, instead of $143,000,000 as proposed by the House. The conference agreement includes the following changes from the budget estimate:

+$20,800,000 for ambulatory care improvements at the Louis Stokes Cleveland VA Medical Center.

+$25,200,000 for construction of an ambulatory care addition at the Tucson VA Medical Center.

+$7,500,000 for additional gravesite development at the Jefferson Barracks National Cemetery.

+$9,500,000 for nursing unit renovations at the Lebanon, Pennsylvania VA Medical Center.

−$17,700,000 from available unobligated balances in the working reserve.

Inserts language authorizing that not to exceed $125,000 of unobligated funds in the working reserve in the construction, major projects appropriation may be made available for necessary expenses of the redevelopment of the Pershing Hall building in Paris, France. The conferees expect that these funds, and funds previously made available, will be totally reimbursed in future years. Although not proposed by the House or the Senate, the VA has requested this language.

The conferees urge the Secretary to establish a new national cemetery in Eastern Kentucky. The VA is to utilize such sums as may be necessary to initiate the planning phase. Planning should include site selection, acquisition, and design. A report on the progress of the initial phase of this project should be submitted to the Committees on Appropriations by March 31, 1999.

A mental health enhancement project has been proposed by Veterans Integrated Service Network 17 for the Dallas VA Medical Center. The conferees urge the Administration to give consideration to including $24,200,000 for this project in its fiscal year 2000 budget request.

GRANTS FOR CONSTRUCTION OF STATE EXTENDED CARE FACILITIES

Appropriates $90,000,000 for grants for construction of state extended care facilities as proposed by the Senate, instead of $101,000,000 ($80,000,000 in the grants for construction of state extended care facilities account and an additional $21,000,000 in Sec. 432 of the General Provisions) as proposed by the House.

ADMINISTRATIVE PROVISIONS

Restores language, section 109, proposed by the House and stricken by the Senate renaming the Salisbury VA Medical Center in North Carolina as the "W. G. (Bill) Hefner Salisbury Department of Veterans Affairs Medical Center."

Deletes language proposed by the Senate authorizing the reimbursement of expenses for the Office of Resolution Management and the Office of Employment Discrimination Complaint Adjudication from other VA appropriations beginning in fiscal year 1999. Funding for these two offices in fiscal year 1999 is provided by language transferring amounts in medical care ($27,420,000—$25,690,000 for ORM and $1,730,000 for OEDCA), national cemetery system ($90,000—$84,000 for ORM and $6,000 for OEDCA), and Office of Inspector General ($30,000—$28,000 for ORM and $2,000 for OEDCA) to the general operating expenses appropriation. In addition, $2,209,000 is assumed in the general operating expenses appropriation for these activities. The House proposed similar transfer language. The VA, on an informal basis, has recently indicated the need for a 43 percent increase ($9,812,000) above the funding level assumed in the fiscal year 1999 budget request for ORM. The conferees question the requirement for such a large increase and have provided a more realistic addition of 22

percent. All funds for these two offices should be requested in the general operating expenses appropriation in fiscal year 2000.

Inserts language, section 110, proposed by the Senate authorizing the Secretary of Veterans Affairs to convey land in Tuscaloosa County, Alabama, to the University of Alabama.

Inserts new language, section 111, renaming the Cleveland Department of Veterans Affairs Medical Center in Cleveland, Ohio, as the "Louis Stokes Cleveland Department of Veterans Affairs Medical Center." The conferees are taking this action in recognition of Congressman Stokes' long and distinguished service in support of veterans and veterans programs.

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Inserts a modification to Senate report language requiring HUD to provide beginning March 1, 1999, an annual review of the HUD 2020 plan.

Deletes direction to HUD to provide a report regarding unexpended balances by January 15, 1999, as proposed by the House.

PUBLIC AND INDIAN HOUSING

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFERS AND RESCISSION OF FUNDS)

Appropriates $10,326,542,030 for the housing certificate fund, instead of $10,240,542,030 as proposed by the House and $10,013,542,030 as proposed by the Senate. The conference agreement includes:

—$9,600,000,000 for expiring section 8 contracts, as proposed by the House instead of $9,540,000,000 as proposed by the Senate;

—$0 for section 8 amendments, as proposed by the Senate instead of $97,000,000 as proposed by the House;

—$10,000,000 for regional opportunity counseling, as proposed by the House instead of $0 as proposed by the Senate; and,

—$283,000,000 for welfare-to-work section 8 rental assistance vouchers, instead of $100,000,000 as proposed by the House and $40,000,000 as proposed by the Senate.

The conferees agree to fund 50,000 housing vouchers to address concerns raised by the Administration that reforms included in the public housing legislation attached to this appropriation measure may unduly disadvantage very low-income families on waiting lists. Though this is not the intent of the reforms, there is no clear data on the potential extent of this problem and the conferees want to be sensitive to the inevitable fear of the unknown. Therefore, HUD is directed to design a protocol that tracks the impact of the various reform measures on very low-income families on waiting lists, to analyze the information and to report any findings and conclusions to the Senate and House Banking committees and the House and Senate VA, HUD and Independent Agencies subcommittees. HUD should brief the Committees and Subcommittees about the

methodology they plan to utilize to meet this request by March 1, 1999.

Deletes language proposed by the House authorizing HUD to waive any administrative requirements or any provision of the United States Housing Act of 1937 with regard to welfare-to-work vouchers.

Inserts a modification to clarify that the welfare-to-work program is not intended to exclude families receiving time-limited tenant-based rental assistance under state or local initiatives.

Rescinds $1,650,000,000 from excess section 8 funds, specifically from section 8 amendments and from the section 8 moderate rehabilitation program, instead of $1,400,000,000 as proposed by the Senate.

Inserts language proposed by the House to expand tenant protection eligibility to families being relocated due to a HOPE VI revitalization plan.

Inserts a modification to report language proposed by the House directing rather than urging HUD to revise its Performance Plan to incorporate measurable goals and outcomes for the welfare-to-work program and to include those goals in HUD's 1999 Operating Plan.

Like the House and Senate bills, the conference agreement provides funding for so-called "enhanced" or "sticky" vouchers, to be provided to residents who lose the benefit of housing affordability restrictions when owners prepay federally assisted mortgages. Because questions have been raised as to whether these vouchers are renewable, the conferees would like to emphasize their intention that enhanced vouchers (funded under this or prior appropriations bills) are renewable from year to year under the same terms and conditions, and have included language clarifying this point. Because appropriations for renewal of section 8 certificates and vouchers are now provided on an annual basis, it is not possible for HUD or public housing authorities to enter into binding commitments to provide this assistance for terms longer than one year. However, the Appropriations Committees have made it a high priority to ensure that sufficient funding is provided each year to allow for renewal of all expiring section 8 assistance, including enhanced vouchers.

The conferees agree to include a technical amendment clarifying the terms of enhanced vouchers. Under this amendment, if the income of a family with such a voucher drops significantly (because of job loss, retirement or death of a family member, for example), the rental payment required of that family will be reduced, so that the percentage of income paid in rent by that family does not exceed the greater of (1) the percentage paid in rent before the mortgage prepayment that triggered the enhanced voucher, or (2) the normal section 8 payment standard of 30 percent. The conferees intend HUD to issue regulations or other appropriate guidance implementing this provision.

SECTION 8 RESERVE PRESERVATION ACCOUNT

Deletes language proposed by the Senate requiring HUD to collect amounts recaptured from section 8 tenant-based assistance.

PUBLIC HOUSING CAPITAL FUND

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $3,000,000,000 for the public housing capital fund, as proposed by the House instead of $2,550,000,000 as proposed by the Senate.

Inserts language, as an administrative provision, prohibiting funds from being used to support any units not funded prior to October 1, 1998, except for those funded under the HOPE VI program. Appropriated amounts for the Capital Fund and the Operating Fund are predicated on the current number of public housing units. Adding thousands of units of formerly state or locally subsidized housing, as included in Title V, would cause a significant hardship to existing developments by decreasing available funds. This prohibition applies to both the Public Housing Capital and Operating Funds.

PUBLIC HOUSING OPERATING FUND

The conferees support the efforts of public housing authorities to use private funds to make capital improvements in order to lower energy costs and believe this program could lead to significant long-term savings for a small investment. To accomplish this, HUD should consider the savings that are recognized from existing energy performance contracts and encourage future contracts under the Performance Funding System and the incentives provided by section 118 of the Housing and Community Development Act of 1987. In addition, HUD should educate field office staff as to the usefulness of this program.

DRUG ELIMINATION GRANTS FOR LOW-INCOME HOUSING

(INCLUDING TRANSFER OF FUNDS)

Appropriates $310,000,000 for drug elimination grants, as proposed by the Senate instead of $290,000,000 as proposed by the House. Of the amount provided, $20,000,000 is for the New Approach Anti-Drug program, as proposed by the Senate.

The conferees are concerned with the overall implementation and effectiveness of the New Approach Anti-Drug program and, therefore, expect the Department to provide the committees with a report on both the implementation and effectiveness of the program by May 15, 1999.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING

(HOPE VI)

Appropriates $625,000,000 for the revitalization of severely distressed public housing program, an increase of $25,000,000 above the House and Senate recommendations. The conferees agree to increase the appropriation in recognition of the significant contributions the program makes to replacing nonviable public housing with affordable homes and apartment buildings that are safe, that fit into the neighborhood landscape, and that provide needed services for the families who live in them. The appropriation includes

$15,000,000 for technical assistance, as proposed by the Senate instead of $10,000,000 as proposed by the House.

Inserts a restriction requiring that funds appropriated to this account are used for HOPE VI program activities, as proposed by the House.

NATIVE AMERICAN HOUSING BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $620,000,000 for Native American block grants, as proposed by the House instead of $600,000,000 as proposed by the Senate.

Limits the guarantee of the Title VI Indian federal guarantees program to $54,600,000, as proposed by the House instead of $217,000,000 as proposed by the Senate.

Transfers $200,000 to salaries and expenses for administrative costs associated with the Title VI guarantee program, as proposed by the House.

Directs HUD to provide annual, rather than semi-annual, reports to the Committees evaluating the Native American housing block grant program.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Transfers $400,000 to salaries and expenses for administrative costs associated with the Indian housing loan guarantee program, as proposed by the House.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

Appropriates $25,000,000 for rural housing and economic development, instead of $35,000,000 as proposed by the Senate. The conference agreement provides:

—$4,000,000 for capacity building at the state and local level, of which $1,000,000 is for development of a clearinghouse of ideas for innovative strategies for rural housing and economic development and $3,000,000 is for direct capacity building funding to local rural nonprofits, community development corporations and Indian tribes; and,

—$21,000,000 to fund Indian tribes, state housing finance agencies, state community and/or economic development agencies, local rural nonprofits and community development corporations for innovative housing and economic development activities in rural areas. Of this amount, $5,000,000 is for seed funding for Indian tribes, nonprofits and community development corporations that are located in areas that have limited capacity for the development of rural housing and for economic development.

The conferees urge HUD, in consultation with USDA, to award these funds not necessarily to the poorest of all communities, but to develop balanced guidelines that recognize need but also that recognize those grantees and projects that are innovative and forward-looking and that can be duplicated as a successful model to meet rural needs throughout the country.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriates $215,000,000 for housing opportunities for persons with AIDS, instead of $204,000,000 as proposed by the House and $225,000,000 as proposed by the Senate.

Deletes language proposed by the Senate requiring HUD to submit a report to Congress summarizing all technical assistance provided in this account. The conferees, however, direct HUD to provide this information to the VA, HUD and Independent Agencies Subcommittees.

The conferees agree to reiterate the request, proposed in both the House and Senate reports, for a reexamination of this program—particularly its formula for distributing funds.

Under current law, 90 percent of HOPWA funds are distributed on a formula basis. States and metropolitan areas qualify for funding when the cumulative number of AIDS cases in the locality exceeds 1,500. Three quarters of the formula funds are then distributed among all qualifying states and metropolitan areas based on proportionate shares of cumulative cases. The remaining one quarter is distributed to qualifying metropolitan areas with above-average current incidence of AIDS.

This approach of giving states and metro areas entitlement to a portion of formula funds when the cumulative number of AIDS cases (since the early 1980s) crosses a fixed numerical threshold leads to an increase in the number of qualifying jurisdictions each year. This requires available funds to be spread more thinly each year. The rising number of qualifying jurisdictions is a major reason why the Appropriations Committees have sought to provide annual increases for this program, but the conferees are not at all confident that budgetary conditions will allow future funding to keep pace with the annual increases in eligible jurisdictions.

In addition, as more metro areas cross the threshold and qualify, the rest of the state often loses all funding, as subtracting the metro area often brings the number of cases in the balance of the state below the threshold. The conferees have once again included temporary grandfathering language to preserve funding for another year for states caught in these circumstances, but believe a more permanent solution is needed.

The conferees appreciate the detailed report submitted by the Department in response to requests in last year's appropriations reports. However, that report recommended against a change in the formula, primarily because of the importance of maintaining stability in this program. The conferees recognize the virtue of stability, but point out that aspects of the present system are not particularly stable—in fact, the "bonus" portion of the formula (the portion that uses current incidences of AIDS cases relative to the current national average) produces wide annual swings in funding for some jurisdictions. More importantly, as noted above, the conferees are concerned that the present system cannot be sustained without annual appropriations increases larger than can be realistically expected.

For all these reasons, the conferees urge the authorizing committees, the Department, and the AIDS housing community to con-

sider whether it is time to redesign the basic funding formulas for the HOPWA program—giving particular attention to means of basing eligibility and allocations on better measures of relative current need, and perhaps also considering whether a competitive element should be introduced so as to channel some extra funds to areas with particularly well developed and successful programs.

None of the above is intended to express doubt concerning the very real needs that the HOPWA program serves. Rather, the conferees are concerned that the current funding approach may be unsustainable and anxious that scarce funding be distributed so as to address the highest priority needs and reward the best performing programs.

COMMUNITY DEVELOPMENT BLOCK GRANTS

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $4,750,000,000 for community development grants, as proposed by the Senate instead of $4,725,000,000 as proposed by the House. The conferees agree to the following earmarks:

—$50,000,000 for section 107 grants, as proposed by the House instead of $32,000,000 as proposed by the Senate. The conference agreement provides the following earmarks:

—$3,000,000 is for community development work study,

—$10,000,000 is for historically black colleges and universities with $1,000,000 for Dillard University in New Orleans, Louisiana,

—$7,500,000 is for the Community Outreach Partnerships program,

—$7,000,000 is for insular areas,

—$7,500,000 is for technical assistance,

—$8,500,000 is for management information systems, and

—$6,500,000 is for Hispanic Serving Institutions with $850,000 for the San Bernardino Community College District;

—$3,000,000 is for 1999 Special Olympics World Summer Games;

—$12,000,000 is for the City of Oklahoma City, Oklahoma, to deal with the costs of the Oklahoma City bombing;

—$15,000,000 is for Capacity Building for Community Development and Affordable Housing, authorized by section 4 of P.L. 103–120, as in effect before June 12, 1997. The conferees note that the capacity building program has been in place for several years, and believe that an assessment would be appropriate. Accordingly, the conferees request the Department to report to the authorizing and appropriations committees, no later than April 1, 1999, regarding its assessment of the effectiveness of this program and recommendations for the future. The report should address, among other matters, whether eligibility for grants should be expanded to other specified organizations or otherwise changed, or whether grants should be awarded through an open competition.

—$55,000,000 for supportive services, as proposed by the Senate instead of $50,000,000 as proposed by the House. Of that amount, $20,000,000 is earmarked for service coordinators and congregate services as proposed by the House instead of $10,000,000 as proposed by the Senate;

—$20,000,000 for grants to eligible grantees under section 11 of the Self-Help Housing Opportunity Program Extension Act of 1996, as proposed by the House, and $7,500,000 for Habitat for Humanity International for capacity building activities;

—$225,000,000 for economic development grants, instead of $50,000,000 as proposed by the House and $85,000,000 as proposed by the Senate. The conferees agree to the following targeted economic development grants:

—$500,000 for the Chabot Observatory and Science Center in the City of Oakland, California for a science education center;

—$500,000 to the City of Oceanside, California for activities associated with the City of Oceanside's Redevelopment Project;

—$600,000 to the Alameda County Housing Agency—the Housing and Community Development Department for the Alameda County Homeless Base Conversion in Oakland, California;

—$500,000 to Golden Gate University in San Francisco, California for the Golden Gate University Agricultural Business Resource Center project in Monterey, California;

—$500,000 to the Inland Valley Development Agency for San Bernardino International Airport in San Bernardino, California for activities associated with the base conversion project;

—$500,000 to the City of Los Angeles, California for the activities associated with the economic redevelopment of the City of Los Angeles' Santa Barbara Plaza project;

—$600,000 to the University of San Diego in San Diego, California for the development of the University of San Diego Science and Education Research Center to provide education and training of low income students;

—$100,000 to CALSTART in the Los Angeles International Airport in Los Angeles, California for an electric vehicle rental demonstration;

—$1,000,000 to the Lake Champlain Science Center in Burlington, Vermont for development activities;

—$1,000,000 to the City of Barre, Vermont for downtown development;

—$300,000 to the Vermont Housing and Conservation Board for affordable housing activities in Bennington, Vermont;

—$200,000 to Burlington Community Land Trust for a multi-generational center in Burlington, Vermont;

—$250,000 to the Vermont Technical College, in Randolph, Vermont for the Vermont Technology Workforce Training Initiative;

—$250,000 to the Town of Wells River, Vermont for downtown redevelopment activities;

—$800,000 to the City of Dubuque, Iowa for work associated with the development of the Upper Mississippi River National Wildlife and Fish Refuge Interpretive Center in Dubuque, Iowa;

—$1,000,000 to the City of Sioux City, Iowa for the restoration of the Warrior Hotel in Sioux City, Iowa to be used for adult day care and other direct services;

—$700,000 to City of Cedar Rapids, Iowa for revitalization in the Cedar Rapids, Iowa Southside neighborhood development project;

—$500,000 to the City of Waterloo, Iowa for affordable housing development in Waterloo, Iowa

—$750,000 for the New Jersey Community Development Corporation to rehabilitate a site in Paterson, New Jersey to establish an employment opportunity center;

—$750,000 to Cumberland County, New Jersey for the City of Bridgeton, New Jersey redevelopment project;

—$500,000 to Covenant House for the construction of a residential and community service center in Newark, New Jersey;

—$500,000 to New Community Corporation to develop abandoned property in Newark, New Jersey;

—$500,000 for the Lower Essex Street Waterfront redevelopment project in Rahway, New Jersey;

—$3,000,000 for the construction of a Science/Computer teaching center at Wheeling Jesuit University in Wheeling, West Virginia;

—$2,000,000 to Hawaii Housing Authority for the work associated with the construction of the Community Resource Center at Kuhio Homes/Kuhio Park Terrace in Honolulu, Hawaii;

—$250,000 to the County of Hawaii for infrastructure development in Puna, Hawaii;

—$250,000 to the County of Maui, Hawaii for the acquisition of the Malama Family Recovery Center to provide counseling and support to at risk women of substance abuse;

—$500,000 to the City of Ozark, Arkansas for the development of its downtown area as a tourist destination;

—$500,000 to the Turtle Mountain Community College in North Dakota, for the Turtle Mountain Economic Development and Education Complex;

—$500,000 to the Rural Economic Area Partnership Investment Board in North Dakota for rural and economic development activities;

—$250,000 to the Atlantic Beach Community Development Corporation in Horry County, South Carolina for activities associated with economic development in Horry County, South Carolina;

—$250,000 to the School of Public Health at the University of South Carolina in Columbia, South Carolina to consolidate its programs in a new central location;

—$500,000 to Dillon County, South Carolina for the restoration of the Dillon County Library;

—$1,500,000 to the City of Milwaukee for the second phase of the riverwalk development in Milwaukee's Historic Third Ward;

—$1,000,000 to the City of Sioux Falls, South Dakota for the downtown restoration and redevelopment purposes;

—$400,000 to the Greater Huron Development Corporation for economic development efforts in the Huron, South Dakota community;

—$500,000 to the Northern Hills Community Development Corporation for economic development efforts in the Lead, South Dakota area;

—$350,000 to the City of Woonsocket, South Dakota for infrastructure improvements at the city's industrial park;

—$350,000 to the City of Mobridge, South Dakota for economic development expansion and development purposes;

—$200,000 to the Mitchell Economic Development Corporation to construct an access road and make improvements at the Railroad Industrial Park in Mitchell, South Dakota;

—$100,000 to the Sioux Falls Downtown Economic Development Incentive Fund for business development in the City of Sioux Falls, South Dakota;

—$200,000 to the City of Webster, South Dakota for infrastructure improvements to the community's industrial park;

—$200,000 to the City of Siseton, South Dakota for business development purposes;

—$500,000 the Boston Symphony Orchestra in Boston, Massachusetts for the restoration of the Boston Symphony Hall;

—$750,000 to the Antelope Valley Partnership for the redevelopment of Lincoln, Nebraska;

—$250,000 to the Inner City Education and Recreation Foundation in Chicago, Illinois to rehabilitate vacant inner city parcel;

—$650,000 to Bethel New Life in Chicago, Illinois for economic development efforts at the former St. Anne's hospital site in Chicago, Illinois;

—$500,000 to the Enterprise Foundation in Columbia, Maryland for multi-state welfare-to-work child care initiative;

—$250,000 for development efforts in the Scottsdale subdivision of Harvey, Louisiana;

—$500,000 to the East Baton Rouge Health Alliance in East Baton Rouge Parish, Louisiana for economic development, health promotion and disease prevention;

—$250,000 to the Wing Luke Museum in the international district of Seattle, Washington for rehabilitation and expansion of the Wing Luke Museum;

—$500,000 to the City of Seattle, Washington for the rehabilitation and new construction associated with the Noji Gardens Homesight project;

—$100,000 to the Mountain Association for Community Economic Development for economic development activities in Kentucky;

—$750,000 to the Boys and Girls Club of Las Vegas, Nevada for activities associated with the renovation and expansion of the existing education and recreation facility;

—$900,000 to the City of Tampa, Florida for the refurbishment of the West Tampa El Centro Espanol Building;

—$500,000 to the City of Portland, Oregon for Phase 2 of the Portland Central City Streetcar project to provide service to the emerging North Macadam district;

—$500,000 to the Navajo Nation in Shiprock, New Mexico for a multi-purpose center to be used as a safe haven for at-risk Indian juveniles;

—$250,000 to the Bayview Citizens for Social Justice in Norhthampton County, Virginia for economic development activities;

—$250,000 to the Museum for African Art in New York, New York;

—$1,500,000 to Prince George's County Maryland for work associated with the Manchester Square Redevelopment Project in Suitland, Maryland;

—$1,500,000 to Montgomery County, Maryland for economic development and revitalization in the southern Silver Spring business district;

—$1,500,000 to the Maryland Department of Housing and Community Development to establish a national Pediatric Functional Imaging Center, to serve as a job training site for individuals with neurological impairments, located in a federally designated empowerment zone;

—$100,000 to Payne Memorial Outreach, Inc. in Baltimore, Maryland for economic development efforts related to the 1701 Madison Avenue Redevelopment Project;

—$400,000 to Garret County, Maryland, for activities related to development activities associated with the Highview Apartments Redevelopment Project in Oakland, Maryland;

—$250,000 to the Baltimore City Unity Partnership, Inc. for economic development and community revitalization activities in Baltimore, Maryland;

—$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland;

—$300,000 to the Santa Fe, NM Neighborhood Housing Service to create the Self-Help Housing Loan Fund;

—$300,000 to the City of Kansas City, KS to demolish the Huron Building and the Security Bank Building;

—$1,600,000 to the St. Stephen Lifestyle Enrichment Center Campus for renovations in Louisville, KY;

—$750,000 to the City of Riverside, CA for the expansion of the Goeske Senior and Disabled Citizens Center;

—$100,000 to the City of Riverside, CA for Phase II of the Citrus Park.

—$150,000 to the County of Riverside, CA for the Riverside School of the Arts at Riverside Community College;

—$1,000,000 to the City of San Diego, CA for the San Diego Childrens Convalescent Hospital;

—$200,000 to Ascension Parish, LA for parks and recreation development;

—$100,000 to the City of Plaquemine, LA for the development of the City Activity Center;

—$50,000 to the City of Plaquemine, LA for the historic train depot;

—$250,000 to the Los Angeles County Development Commission, CA for the Growing Experience at the Carmelitos Center;

—$250,000 to the Los Angeles County Development Commission, CA for the Telemedicine project at the Carmelitos Center;

—$350,000 to Marshall County, AL for the Lewis Mountain drinking water infrastructure improvements;

—$1,000,000 to Etowah, AL for the Lake Gadsden infrastructure improvements;

—$500,000 to the Nevada Rural Health Centers, NV for the Nevada Mobile Mammography unit for a mammovan;

—$250,000 to Westhampton Beach, NY for the renovation and revitalization of the Westhampton Beach Performing Arts Center;

—$1,000,000 to Ball State University, IN for the Muncie-Delaware County Workforce Development Initiative;

—$1,000,000 to Indiana University in Bloomington, IN for the renovation of the Midwest Proton Radiation Institute;

—$450,000 to Rural Enterprises in the City of Durant, OK for the purpose of assisting businesses in economically distressed rural areas;

—$500,000 to the City of Topeka, KS for drinking water infrastructure;

—$250,000 to Pittsburg State University, KS for facilities improvements at the Kansas Technology Center;

—$500,000 to Riverton, UT for the restoration of the civic center;

—$650,000 to the City of Bernalillo, NM for the completion of the youth center;

—$500,000 to Rampo College of New Jersey, NJ for the construction of the Center for Performing and Visual Arts;

—$1,000,000 to CALSTART for creation and relocation of business incubator activities associated with the cities of Pasadena, CA and Camarillo, CA;

—$250,000 to Elizabethtown, KY for the revitalization of the State Theater;

—$250,000 to Liberal, KS for the revitalization effort of the Original Town of Liberal Revitalization Corporation;

—$100,000 to Gamaliel, KY for construction costs associated with the Gamaliel Fire House;

—$100,000 to Tompkinsville, KY for construction costs associated with the Community Development Training Center;

—$130,000 to Columbia, KY for construction of the Adair County Community Development Training Center to retrain displaced textile workers in the area;

—$100,000 to the City of Russellville, KY for water system infrastructure improvements;

—$20,000 to Central City, KY for the GISH Playground site improvements as well as the purchase of new equipment;

—$300,000 to the Ewing Naval Warfare Center Reuse Committee, NJ for economic redevelopment of the area;

—$50,000 to Somerset County Board of Social Services, NJ for AGAPE House Homeless Shelter;

—$500,000 to Cathedral City, CA for infrastructure improvement needs related to the bridge over crossing at Interstate 10 and Date Palm Drive;

—$500,000 to the University of New Hampshire, NH for library and laboratory enhancements as well as telecommunications access;

—$500,000 to the University of Montana, Missoula, MT for the planning, design and establishment of a Research Development Enterprise;

—$1,250,000 to City of Charlotte, NC for economic development in the Wilkinson Boulevard Corridor;

—$250,000 to the Arkansas Enterprise Group of Arkadelphia, AR to address child care issues in conjunction with welfare to work initiatives;

—$500,000 to County of Tulare, CA for the Tulare International Trade Center;

—$1,000,000 to the City of Youngstown, OH for the Southside Medical Center campus;

—$600,000 to the City of Kendleton, Fort Bend County, TX for upgrading the sewer and water system;

—$500,000 to the nonprofit 1490 Enterprises Community Center in Buffalo, NY for renovation of the community center;

—$100,000 to Wayne State University, MI for the renovation of Hilberry Theater;

—$1,000,000 to Wittenberg University, OH for Phase I of the science facility renovation project;

—$500,000 to County of Fresno, CA for Westcare's Fresno County Community Healthcare campus to provide low-income health care services;

—$1,000,000 to the Tampa Port Authority, FL for economic development and revitalization efforts;

—$1,500,000 to the County of Sacramento, CA for the Sacramento Urban League Workforce Development Center;

—$500,000 to Houghton College, NY for the costs associated with the development of an academic Fine Arts Center;

—$500,000 to the County of Fairfax, VA for revitalization efforts at Bailey's Crossroads and Annandale, VA;

—$200,000 to Abington Township, PA for the Abington Township library construction and renovation project;

—$530,000 to the Norristown Borough, PA for construction of a parking garage;

—$10,000 to the Wissahickon Public Library, Blue Bell, PA for technology infrastructure;

—$10,000 to the Conshohocken Public Library, Borough of Conshohoken, PA for technology infrastructure;

—$175,000 to Montgomery County, PA for the acquisition of a senior adult activity center;

—$25,000 to Conshohocken Borough, PA for the construction of a Veterans memorial;

—$50,000 to Montgomery County, PA for the Hatboro Borough library renovation and construction project;

—$250,000 to the City of Stockton, CA for the acquisition and rehabilitation of the Old Stockton Hotel;

—$250,000 to the Edison Welding Institute, Columbus, OH for a specialized job training program related to welfare to work initiatives in central Ohio;

—$350,000 to the City of Citrus Heights, CA for transitional cost of the City's recent incorporation;

—$125,000 to the City of Folsom, CA for the Brownfields Redevelopment project at Folsom City Landfill and Corporation Yard;

—$125,000 to Placer County, CA for the regional wastewater treatment facility;

—$250,000 to the City of Newhall, CA for the Newhall Metrolink Station;

—$250,000 to the City of Lancaster, CA for construction of the National Soccer Activity Center;

—$250,000 to the City of Lancaster, CA for costs associated with the 50th District Agricultural Association Fairgrounds relocation;

—$250,000 to Ventura County, CA for construction of Rail Tunnel 26;

—$750,000 to the City of Sardis, MS for a wastewater treatment facility;

—$250,000 to the Town Silver City, NM for wastewater treatment facility upgrades;

—$1,000,000 to Holmes County, OH for the Northeast Ohio Health Outreach Network;

—$1,000,000 to Newstead, NY for construction costs associated with a library;

—$350,000 to the City of Hammond, LA for historic Columbia Theater renovations;

—$750,000 to City Park in New Orleans, LA for infrastructure and renovation needs;

—$750,000 to the City of Covington, LA for the Community Workforce Development Center;

—$350,000 to Grace House in New Orleans, LA for facility improvements;

—$1,000,000 to the Audubon Institute Living Sciences Museum in New Orleans, LA;

—$300,000 to the University of New Orleans, LA for the Welfare Entrepreneurship program;

—$500,000 to the County of San Bernardino, CA for the Shack Attack program in the Morongo Basin and other desert areas in the County;

—$1,000,000 to the City of Redlands, CA for the redevelopment initiatives near the historic Fox Theater;

—$500,000 to the City of Redlands, CA for the reconstruction of the Alabama Street Bridge;

—$1,000,000 to the City of Highland, CA for construction of the Highland Community Center;

—$1,000,000 to the City of Loma Linda, CA for infrastructure improvements at Redlands Boulevard and California Streets;

—$300,000 to the Town of Apple Valley, CA for the Happy Trails Chidrens Foundation for site improvements at Cooper Home;

—$250,000 to the County of San Bernardino, CA for a public park facility to serve the Children's Forest, Hoffman Elementary School, Rim of the World Recreation and Park District and local businesses;

—$500,000 to the Boys and Girls Club of Redlands for the development of a youth facility, Redlands, CA;

—$375,000 to Clearfield Borough, PA for the Dimeling Hotel renovation project for senior living apartments;

—$2,750,000 to the Olympic Regional Development Authority, NY for upgrades at Mt. Van Hoevenberg Sports Complex;

—$750,000 to St. Josephs Hospital Health Center for the Central New York Cardiac Care and Hemodialysis Enhancement Center in Syracuse, NY;

—$2,000,000 to the Childrens Center of Brooklyn, NY for the construction of a facility to house educational and therapeutic programs for disabled preschool children;

—$400,000 to the City of Syracuse, NY for the Museum of Science and Technology;

—$100,000 to the Sally Coyne Health Care Center for Independence in North Syracuse, NY;

—$200,000 to the Boys and Girls Club in Syracuse, NY for the renovation of existing facilities;

—$500,000 to Wyoming County, PA for the construction of a residential and treatment facility for autistic adults;

—$500,000 to City of Scranton, PA for the Goodwill Industries elderly housing project at the former North Scranton Intermediate School;

—$500,000 to the City of Scranton, PA to replace the treatment and residential facility in Scranton which serves and houses children in need of mental health, behavioral, and protective services;

—$500,000 to Lacawanna County, PA to improve the site tipple and yard in Lacawanna County Coal Mine;

—$500,000 to Morristown, NJ for economic redevelopment initiatives;

—$500,000 to Science Park in Newark, NJ for academic and infrastructure needs;

—$500,000 to the Stevens Institute of Technology Laboratory Business Innovation in Hoboken, NJ;

—$500,000 to the University of Oklahoma, OK for Phase I of planning for incubator operations at the Advanced Research Park;

—$500,000 to the City of San Juan Capastrano, CA for construction of a Boys and Girls Club of Capastrano Valley;

—$1,250,000 to the University of Connecticut, for the continued construction of the Agriculture Biotechnology Laboratory in Storrs, CT;

—$500,000 to Montgomery County, MD for the Easter Seals Break-Away Senior Day Care Center;

—$1,500,000 to the Detroit Rescue Mission Ministries for infrastructure repairs, Detroit, MI;

—$1,000,000 to the Mill Springs Battlefield Association for the construction of an interactive visitors center and museum at the Mill Springs Battlefield in Pulaski County, KY;

—$225,000 to the City of Logan, UT for the Logan City Trails/Transportation project;

—$75,000 to the City of Logan, UT for the Logan City Willow Park Zoo;

—$200,000 to the City of Layton, UT for the completion of the Kays Creek Corridor project in northeast Layton;

—$500,000 to the Haymarket Center's Community and Family Learning Center, Chicago, IL for the comprehensive substance abuse treatment center;

—$650,000 to the City of Jacksonville, FL for the Talleyrand Redevelopment Project;

—$100,000 to the City of Jacksonville Beach, FL for water and wastewater infrastructure improvements;

—$500,000 to the University of Cincinnati Medical Center, OH for an addition to and renovation of the Medical Sciences Building;

—$250,000 to the County of San Bernardino, CA for the Running Springs Downtown Revitalization Project;

—$750,000 to the non-profit Charter Schools Development Corporation for working capital and design of a credit enhancement program required to leverage private financing for charter school facilities using the District of Columbia as a model for a national approach;

—$500,000 to Pacific Union College, Angwin, CA for the Nappa Valley Resource Center development a welfare to technology job training program;

—$1,000,000 to the California State University, Long Beach, CA to implement an affordable, disaster resistant, energy efficient housing program in conjunction with the City of Omaha, NE;

—$275,000 to Warren County, VA for asbestos remediation and lead paint removal at the Avtex Superfund Site in Front Royal, VA.

—$2,500,000 for the University of Alaska Museum, Fairbanks, Alaska;

—$350,000 for the Noel Wien Memorial Library in Fairbanks, Alaska;

—$2,500,000 for the Alaska Vocational Technical Center in Seward, Alaska for a maritime vessel simulator;

—$500,000 for the Homer Dock in Homer, Alaska;

—$2,000,000 for the University of Missouri for the Center for Life Sciences;

—$700,000 for the Little Sisters of the Poor in Kansas City, Missouri for the renovation and reconstruction of affordable housing;

—$350,000 for the Guadalupe Center in Kansas City, Missouri;

—$4,000,000 for the City of St. Louis for the Washington Avenue Loft District Streetscape Improvements, consistent with the 1998 Downtown Now! Plan;

—$1,500,000 for Provo, Utah the revitalization of the historic downtown business center;

—$500,000 for the Redevelopment Agency of Salt Lake City, Utah for the redevelopment of the Gateway District;

—$500,000 for SHARE House to build a new non-medical detoxification center in Missoula County, Montana;

—$750,000 for the Samuel U. Rodgers Community Health Center in Kansas City, Missouri, for community revitalization and capital improvement projects;

—$250,000 for the Family Health Center in Columbia, Missouri for the delivery of health care services for low-income patients;

—$250,000 for the Children's Center of Southwest Missouri for capital improvement projects;

—$2,500,000 for the City of Kansas City for the Liberty Memorial Monument for renovation;

—$1,000,000 for the City of Durango, Colorado to develop the Cultural Arts Complex of southwest Colorado;

—$1,000,000 for the City of Aurora for the redevelopment of the Fitzsimmons Army base;

—$1,000,000 for the Arapahoe House in Denver, Colorado for rehabilitation needs and services.

—$600,000 for Bethune-Cookman College Daytona Beach, Florida;

—$1,000,000 for the City of Brookhaven, Mississippi for renovating historic Whitworth College buildings in Brookhaven, Mississippi;

—$500,000 for the City of Jackson, Mississippi for creating a youth entrepreneurship program;

—$250,000 for renovation, accessibility and asbestos remediation for the Wellstone Neighborhood Center, Wellstone, Missouri;

—$900,000 to support homeless initiatives, with $300,000 for the Bond Center in Pine Lawn, Missouri,

$300,000 for the Kitchens in Springfield, Missouri and $300,000 for Rose Brooks in Kansas City, Missouri;

—$500,000 for Nottoway County, Virginia for the revitalization of its governmental complex.

—$1,000,000 for Project Social Care in Brooklyn, New York;

—$1,000,000 for Touro Law Center in Long Island, New York for its relocation project;

—$2,000,000 for the Hispanic Cultural Center in Albuquerque, New Mexico;

—$600,000 for the Jardin de los Ninos homeless daycare center in Las Cruces, New Mexico;

—$2,000,000 for the North Carolina State Museum of Natural Resources for the construction and installation of interactive natural history exhibits;

—$300,000 for the City of Rockingham, North Carolina for a Neighborhood Level Park;

—$300,000 for Richmond County, North Carolina for a neighborhood park;

—$250,000 for the Beech Glenn Community of Madison County, North Carolina for a community library, daycare, adult education, recreational activities and facilities for youth leagues;

—$250,000 for Buncombe Technical Community College, North Carolina for a small business incubator;

—$250,000 for Blue Ridge Community College, North Carolina for the Blue Ridge Environmental Training Center;

—$250,000 for the Aycock Recreational Complex in Henderson, North Carolina;

—$250,000 for Edenton, North Carolina for waterfront renovation;

—$2,000,000 for the Pacific Science Center in Seattle, Washington;

—$500,000 for the renovation of the opera house at Enosburg, Falls, Vermont;

—$500,000 for Crawford County, Georgia for a community development center in Roberta, Georgia;

—$500,000 for a community development center/courthouse annex project in Crawford county, Georgia for use in facilitating increases in social service needs associated with significant population growth;

—$1,000,000 for the King Urban Life Center in Buffalo, New York for an early childhood school and community center;

—$1,400,000 for Columbia University for its Audubon III Project in New York City;

—$2,500,000 to the City of Kellogg, ID for the restoration of Milo Creek in Kellogg and Wardner, Idaho;

—$2,000,000 for Campbellsville University in Kentucky to implement a job training partnership;

—$2,000,000 for Jarrell, Texas for a public park and a storm shelter;

—$2,500,000 for a new science and mathematic facility at the University of Alabama in Tuscaloosa, Alabama;

—$500,000 for Calhoun County Community College Advance Manufacturing Center in Decatur, Alabama;

—$1,000,000 for the City of Huntsville for the development of the Center for Early Southern Life at Alabama Constitution Village;

—$2,000,000 for Pittsburgh, Pennsylvania to redevelopment the Sun Company/LTV Steel site in Hazelwood, PA;

—$250,000 for the development of a business development center and a job training center in the underserved communities of Central and South Philadelphia;

—$1,000,000 for Wilkes-Barre, PA for a downtown revitalization project;

—$1,200,000 for the development of the Riverbend Research and Training Park in Post Falls, Idaho;

—$600,000 for Marguerite's Place, a shelter for battered women, in Nashua, N.H.;

—$300,000 for Keystone Hall, a drug and rehabilitation Center in Nashua, N.H.;

—$100,000 for Southern New Hampshire Services for homeless outreach in Nashua, N.H.;

—$450,000 to the Great Lakes Science Center, in Cleveland, Ohio to further the creation, renovation and upgrade of the Great Ideas Community and Great Lakes Environment Exhibits;

—$500,000 to John Carroll University in Cleveland, Ohio for the Bohannon Science Center's advancement of the Center for Science Education, Teaching and Technology;

—$500,000 to the Cleveland Public Library in Cleveland, Ohio for the academic enrichment and workforce development project;

—$500,000 to the Amistad Development Corporation in Cleveland, Ohio for the Lee Harvard Shopping Center and District infrastructure enhancement and redevelopment investment initiative;

—$500,000 to the Jewish Community Center of Cleveland, Ohio for the restoration and upgrade of daycare facilities and enhancement of services and programs for children and seniors;

—$500,000 to the Murtis H. Taylor Multi-Service Center in Cleveland, Ohio for furthering a full range of community outreach and social services delivery and enhancement;

—$350,000 to the Cleveland Boys and Girls Club in Cleveland, Ohio for the enhancement of youth and community outreach, and human and economic capital development and investment;

—$800,000 to Cleveland Housing Network, Inc. in Cleveland, Ohio for furthering the lease purchase housing initiative on the east side of Cleveland;

—$1,000,000 to the Playhouse Square Foundation in Cleveland, Ohio for the four-theater complex Allen Theatre restoration project;

—$1,000,000 to the City of Parkersburg, West Virginia for economic development and downtown revitalization efforts;

—$250,000 to the Vandalia Heritage Foundation, a 501(c)(3) organization which promotes community and economic development in northern West Virginia;

—$200,000 to the Institute for Software Research in Fairmont, West Virginia to be used for capital equipment, operational expenses, and program development;

—$350,000 to the City of Fairmont, West Virginia to be distributed as follows: $250,000 for the Fairmont Community Development Partnership and $100,000 for the Friends of Highgate;

—$400,000 to the town of Thomas, West Virginia for downtown revitalization and historic preservation;

—$2,200,000 to the City of Toledo, Ohio to address improvements to central city neighborhoods, the historic main public library, and downtown area projects, and to leverage the potential of Toledo's not-for-profit community development corporations;

—$2,200,000 to the Alternatives Program of Dade County, Inc. for rehabilitation of distressed buildings in the Edison-Little River neighborhood in Miami, Florida;

—$650,000, to the City of Durham, North Carolina for economic and neighborhood revitalization efforts;

—$700,000 to the City of Mackinac Island, Michigan for renovation of the historic Mackinac County courthouse;

—$950,000, to the North West Concentrated Employment Program in Ashland, Wisconsin for education, training, counseling, emergency assistance, and related services for displaced workers and their families;

—$150,000 to the Saint Vincent Archabbey in Latrobe, Pennsylvania for restoration of the historic Saint Vincent Abbey grist mill;

—$240,000 to the Fort Ligonier Association for restoration of buildings at Fort Ligonier, Pennsylvania;

—$185,000 to the Salisbury-Elk Lick School District in Somerset County, Pennsylvania to construct a community center to house intergenerational technology and early childhood programs as well as a library;

—$150,000 to the Redevelopment Authority of Cambria County, Pennsylvania for a waterline extension;

—$75,000 to the City of Latrobe, Pennsylvania for demolition of buildings to open lots for new development;

—$200,000 to Fallingwater in Mill Run Pennsylvania, to construct a water treatment facility;

—$400,000 to the City of Tacoma, Washington to implement its downtown redevelopment plan;

—$300,000 to the City of Minneapolis, Minnesota for the restoration of Dania Hall;

—$300,000 to the City of Minneapolis, Minnesota for the Portland Place housing development initiative;

—$500,000 to the Los Angeles Brotherhood Crusade for the Brotherhood Business Development and Capital Fund;

—$700,000 to the City and County of San Francisco, California for community revitalization efforts in the Visitacion Valley neighborhood;

—$450,000 to the City of Lake Station, Indiana for rehabilitation of sewer lines;

—$400,000 to ADVANCE, of Whittier, California for community economic development activities, including technical assistance and outreach to small businesses in the Los Angeles County region;

—$450,000 to the Village of Port Chester, New York for downtown revitalization;

—$50,000 to the Mount Hope Housing Company of New York City for the renovation of various aspects of a multi-use community center;

—$300,000 to the New York City Department of Parks and Recreation for the rebuilding and restoration of Joyce Kilmer Park in the South Bronx;

—$400,000 to Arlington County, Virginia to assist the county in developing an innovative low income housing program to facilitate home ownership for families displaced through the redevelopment of the Arna Valley apartments;

—$50,000 to the McLean Revitalization Corporation in McLean, Virginia to implement the McLean revitalization plan developed by Fairfax County for the aging McLean business district;

—$400,000 for the North County Community Development Corporation in North Adams, Massachusetts for the construction of a small business incubator;

—$350,000 to the Arizona Science Center to provide science and technology education and training opportunities to low-income and minority students in downtown Phoenix;

—$250,000 to the National Children's Advocacy Center in Huntsville, Alabama for construction of a new facility;

—$100,000 to Alabama A&M University in Normal, Alabama for renovation of historic buildings on the university's campus;

—$50,000 to Princess Theater in Decatur, Alabama for renovation and operation of the current facility;

—$750,000 to the Oregon Garden Project to construct a wastewater treatment, education and training facility in Silverton, Oregon;

—$500,000 to the City of Buffalo, New York for improvements to LaSalle Park;

—$250,000 to the Town of Tonawanda, New York for demolition of abandoned grain elevators;

—$500,000 to Great Brook Valley Health Center, Inc. in Worcester, Massachusetts to support a capital expansion project to increase health services to the poor and indigent;

—$200,000 to Assumption College in Worcester, Massachusetts for construction of the Joseph P. Kennedy, Jr. Science and Technology Center;

—$100,000 to the Appalachian Health Services Cooperative in Hillsboro, Ohio for a rural Medicaid health cooperative among Highland District Hospital, Brown County General Hospital and Adams County Hospital;

—$400,000 to the Portsmouth Metropolitan Housing Authority in Portsmouth, Ohio for air conditioning of housing units;

—$400,000 to the Far From Home Foundation in Indianapolis, Indiana to provide substance abuse treatment and transitional housing for homeless veterans;

—$400,000 to the City of San Diego Redevelopment Agency for development of the retail portion of City Heights Urban Village in San Diego, California;

—$300,000 to the City of Bad Axe, Michigan for a water and sewer project;

—$100,000 to Harambee Institute in St. Louis, Missouri to continue expansion of facilities providing educational guidance and encouragement to children and adults interested in pursuing a career in the arts;

—$100,000 to the St. Louis Black Repertory Company, to further the expansion and renovation of a facility to provide cultural arts activities for the St. Louis metropolitan area;

—$150,000 to Better Family Life, Inc. in St. Louis, Missouri to assist with the construction of new facilities offering school-based programs and cultural programs;

—$100,000 to The Black World History Wax Museum in St. Louis, Missouri for structural renovation and improvements in the building's accessibility and safety;

—$50,000 to Grace Hill Neighborhood Services in St. Louis, Missouri to improve community services at a facility dedicated to strengthening low-income neighborhoods in North St. Louis;

—$300,000 to Williamsburg County, South Carolina for the Williamsburg County Industrial Park;

—$50,000 to the Westside Association for Community Action in Chicago, Illinois for its community development, job training, drug prevention and juvenile delinquency prevention programs;

—$50,000 to the Coalition for United Community Action in Chicago, Illinois for job training and development programs;

—$50,000 to the Chinese American Service League in Chicago, Illinois for community development, and social services programs;

—$50,000 for SANKOFA of Chicago, Illinois for housing counseling, rehabilitation, and tenant education programs;

—$350,000 to the City of Salinas, California for development of housing and daycare facilities for farmworker families;

—$400,000 to Memphis Incubator System, Inc. to establish a business incubator in Memphis, Tennessee;

—$500,000 to the Rural Development and Finance Corporation to seed a special opportunities fund, underwrite project technical assistance, and make capacity-building grants to rural community development corporations along the Texas/Mexico border;

—$200,000 to the Village of Dixmoor, Illinois for the purchase and renovation of a building for a community and senior center and for the acquisition of adjacent land for recreation park development and open space preservation;

—$200,000 to Metropolitan Family Services in Chicago, Illinois for the purpose of renovating and expanding the Calumet Center;

—$300,000 to Covenant House/Texas for their transitional housing program for runaway and homeless youth;

—$350,000 to the City of Dallas, Texas for redevelopment initiatives in the southern areas of the city;

—$400,000 to the Commonwealth of Massachusetts, of which $250,000 is for the Arlington-Boston Bike Path and $150,000 is for the Minuteman Commuter Bikeway;

—$400,000 to the Southside Institutions Neighborhood Alliance of Hartford, Connecticut for neighborhood revitalization efforts;

—$300,000 to the Cleveland Botanical Garden of Cleveland, Ohio for development of an environmental educational facility;

—$1,600,000 to Spelman College in Atlanta, Georgia for development of a science center;

—$300,000 to Schenectady Family Health Services in Schenectady, New York, for facilities expansion;

—$300,000 to the Rockaway Development and Revitalization Corporation in New York City, for rehabilitation of a building for use as a commercial incubator facility;

—$300,000 to the Northeast Ventures Corporation in Duluth, Minnesota for economic development projects in northeastern Minnesota;

—$400,000 to the Southern West Virginia Community and Technical College in Williamson, West Virginia for construction and furnishing of a library;

—$400,000 to the Apollo Theatre Foundation in New York City, for renovation and upgrades to the theatre;

—$200,000 to Project Restore of Los Angeles, California for the Los Angeles City Civic Center Trust, to revitalize and redevelop the Civic Center neighborhood;

—$150,000 to the Southeast Rio Vista Family YMCA, for development of a child care center in the City of Huntington Park, California;

—$50,000 to the City of Los Angeles for redevelopment of a former prison site;

—$100,000 to the City of Richmond, Virginia for an alternative school program in the East End community of Richmond;

—$50,000 to Best Friends, Inc. in Newport News, Virginia for its work with at-risk and economically disadvantaged adolescent girls;

—$100,000 to Hampton University in Virginia for a high-speed technology information network;

—$350,000 to the City of Petersburg, Virginia for the creation of the Appomattox Regional Governor's School for Technology and the Arts in Petersburg;

—$300,000 to the University of Rochester Medical Center in Rochester, New York for its Institute of Biomedical Sciences;

—$350,000 to the Delta Foundation in Greenville, Mississippi for its Urban Revolving Business Fund;

—$300,000 to the Brooklyn (New York) campus of Long Island University, to support the renovation of a community-based performing arts facility;

—$500,000 to the Black Women's Forum in Los Angeles, California for site acquisition and construction of a multi-purpose center;

—$350,000 to Marin County, California for development of a cultural and community center in the Marin City region of the county;

—$50,000 to the City of Rialto, CA for construction at the city's Teen Center.

—$42,500,000 for Youthbuild, instead of $35,000,000 as proposed by the House and $40,000,000 as proposed by the Senate. The conferees agree that not more than $2,500,000 of the funds shall be used for capacity building activities; and

—$25,000,000 for the Neighborhood Initiatives program, as proposed by the House.

Deletes a provision earmarking $20,000,000 for Brownfields, as proposed by the House. The conferees agree to provide $25,000,000 for Brownfields in a separate account as proposed by the Senate.

Deletes a provision providing $70,000,000 for lead-based paint hazard reduction program and prohibiting funds for the healthy homes initiative, as proposed by the Senate. The conferees agree to provide $80,000,000 for the lead-based paint hazard reduction program and the healthy homes initiative in a separate account, as proposed by the House.

Inserts language proposed by the Senate that no more than $250,000 of the funds made available for emergencies may be used for a non-federal cost-share of a project funded by the Corps of Engineers.

The conferees agree that HUD shall not require additional states to implement the Integrated Disbursement and Information

System (IDIS) until problems associated with it are corrected. The problems include, but are not limited to, the lack of a fully functioning Electronic Data Interchange, full internet capacity, and complete reporting abilities. HUD shall report to Congress, no later than January 1, 1999, as to the specific corrective actions being taken to resolve existing system problems for current state users.

BROWNFIELDS REDEVELOPMENT

Appropriates $25,000,000 for brownfields redevelopment, as proposed by the Senate.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriates $1,600,000,000 for the HOME program, as proposed by the House instead of $1,550,000,000 as proposed by the Senate. An earmark of $17,500,000 is provided for housing counseling, instead of $10,000,000 as proposed by the House and $25,000,000 as proposed by the Senate.

The conference agreement directs rather than recommends that HUD develop a process for measuring the performance of housing counseling agencies as proposed by the House.

The conferees are aware that the McGuire House, an unoccupied low-income housing project in Prince George's County, Maryland, has been vacant for quite some time. The conferees, therefore, encourage HUD to work with the County to redevelop this property, thereby assisting in the economic development of the area.

HOMELESS ASSISTANCE GRANTS

Appropriates $975,000,000 for homeless assistance grants, as proposed by the House instead of $1,000,000,000 as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to review obligated amounts, and to deobligate those funds if appropriate, particularly if it seems likely a contract is unlikely to be performed. The conferees note that deobligating these funds should result in a funding level significantly above $1,000,000,000.

Inserts language requiring at least 30% of the appropriation be directed to permanent housing, as proposed by the Senate.

Inserts language requiring a 25% match by grantees for services, as proposed by the Senate.

Inserts language proposed by the House authorizing HUD to use 1% of funds appropriated for technical assistance and for tracking systems needed to collect information on the unduplicated number of clients serviced and the disposition of the client exiting homeless programs.

HOUSING PROGRAMS

HOUSING FOR SPECIAL POPULATIONS

Appropriates $854,000,000 for housing for special populations, instead of $839,000,000 as proposed by the House and $870,000,000 as proposed by the Senate. For section 202 housing for the elderly, $660,000,000 is appropriated instead of $645,000,000 as proposed by the House and $676,000,000 as pro-

posed by the Senate. The conferees reiterate Senate report language directing $1,000,000 of the funds to the Maryland Department of Housing and Community Development to build Caritas House and for expanding the St. Ann Adult Medical Day Care facility.

FEDERAL HOUSING ADMINISTRATION

FHA—MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

Limits obligations for direct loans to no more than $100,000,000 as proposed by the Senate instead of $50,000,000 as proposed by the House.

Deletes language proposed by the Senate providing $25,000,000 for enforcement of standards on FHA insured multifamily projects.

FHA—GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

Limits obligations for the principal amount of direct loans to no more than $50,000,000, of which no more than $30,000,000 is for bridge financing, as proposed by the House, instead of limiting obligations for direct loans to no more than $120,000,000, of which no more than $100,000,000 was for bridge financing as proposed by the Senate.

Deletes report language proposed by the Senate directing HUD to refrain from conducting bulk mortgage sales of FHA-insured single family mortgages.

The conferees are concerned that HUD has invested considerable time and resources in developing a policy statement that clarifies its position on lender-paid mortgage broker fees and their legality under the Real Estate Settlement Procedures Act. Congress never intended payments by lenders to mortgage brokers for goods or facilities actually furnished or for services actually performed to be violations of subsections (a) or (b) (12 U.S.C. Sec. 2607) in its enactment of RESPA. Publishing a policy statement could provide invaluable guidance to consumers, brokers, and the courts. The conferees are concerned about the legal uncertainty that continues absent such a policy statement. The conferees direct HUD to clarify its position on lender payments to mortgage brokers within 90 days after the enactment of this appropriation Act. The conferees expect HUD to work with representatives of industry, Federal agencies, consumer groups, and other interested parties on this policy statement.

HUD is instituting a new, computerized, uniform physical inspection requirement for its FHA-insured and its subsidized multifamily housing. This new requirement is part of the Department's efforts to obtain an objective, comprehensive assessment of the condition of the overall HUD multifamily portfolio. The conferees understand that the housing industry generally supports these efforts, but the initial implementation of this new procedure will impose cost burdens on private companies with existing contracts with mortgage investors. For purposes of prudent and equitable im-

plementation of the new system, the conferees believe HUD should contract for a portfolio-wide baseline review of its multifamily housing stock. The conferees expect HUD to use money in the General Insurance and Special Risk Fund or section 8 amounts or other funding, as appropriate and proportional, for the purpose of paying for all or part of the cost of implementing the new physical inspection standards.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriates $47,500,000 for research and technology, including $10,000,000 for PATH, as proposed by the House instead of $36,500,000 as proposed by the Senate.

Deletes language prohibiting funds from being used for demonstration programs unless they already exist or are authorized in this legislation, as proposed by the Senate. The conferees agree, however, that new demonstration programs not specifically authorized shall not receive funds from this account unless approved in the HUD Operating Plan or in a reprogramming request.

Inserts a modification directing, rather than urging, HUD to collaborate with the Swope Parkway Health Center in Kansas City, as proposed by the Senate.

Inserts direction to HUD requiring it to cooperate with other federal agencies and the housing industry, and to engage in PATH activities that will provide research, development, testing, and engineering protocols for building materials and methods, as described in the Industry Implementation Plan of the Residential National Construction Goals. The conferees direct HUD to furnish the VA, HUD and Independent Agencies subcommittees with an operating plan for PATH, including specific and measurable goals, no later than December 31, 1998, and a draft evaluation report describing progress made toward meeting those goals no later than April 30, 1999.

Inserts direction requesting from HUD a report due by June 30, 1999, on the impact on the welfare population residing in federally subsidized public housing located in those states that have declined federal Welfare-to-Work funds to determine if any positive or negative impact has occurred because of the state's decision to decline these federal funds.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriates $40,000,000 for fair housing activities, as proposed by the House instead of $35,000,000 as proposed by the Senate. The conferees agree to the distribution of funds in the House report.

Deletes language proposed by the Senate directing HUD to develop policy guidelines on aspects of Fair Housing by August 1, 1999.

OFFICE OF LEAD HAZARD CONTROL

LEAD HAZARD REDUCTION

Appropriates $80,000,000 for lead hazard reduction, as proposed by the House instead of $70,000,000 as proposed by the Senate.

Provides that $70,000,000 of the total appropriation shall be for lead hazard reduction, including $2,500,000 for CLEARCorps, as proposed by the House, and $10,000,000 shall be for the Healthy Homes Initiative, instead of $20,000,000 as proposed by the House. The conferees agree to the set-asides and directives contained in the House report.

MANAGEMENT AND ADMINISTRATION

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $985,826,000 for salaries and expenses as proposed by the House instead of $992,826,000 as proposed by the Senate.

Inserts language proposed by the Senate prohibiting HUD from employing more than 77 schedule C and 20 non-career SES employees.

The House report requested a report from HUD regarding its procedures for determining whether various functions should be contracted out or performed in-house. The conferees are appreciative of HUD's timely response to this request, but are somewhat alarmed by the content of that response.

HUD's response seems to be saying that its only real procedures for determining whether a function should be contracted out are those procedures required under OMB Circular A–76, but that the Department has not actually conducted an A–76 review in a number of years. The response explains why, in HUD's view, this lack of reviews does not violate Circular A–76. However, the Committee's concern was not so much whether HUD contracting out decisions violate the law, but rather whether these decisions make sense. In particular, the Committee was concerned that HUD's desire to meet stringent personnel reduction goals has led to contracting out of functions that could be performed more efficiently or less expensively in-house. The conferees reiterate these concerns, and urge the Department to reconsider whether it needs further controls and analytical procedures to make sure that contracting out is done only when it is cost effective to do so.

OFFICE OF INSPECTOR GENERAL

(INCLUDING TRANSFERS OF FUNDS)

Appropriates $81,910,000 for the Office of Inspector General, as proposed by the House instead of $66,850,000 as proposed by the Senate.

Inserts language clarifying the Inspector General's authority over personnel matters within the Office of Inspector General.

OFFICE OF FEDERAL HOUSING ENTERPRISE OVERSIGHT

SALARIES AND EXPENSES

(INCLUDING TRANSFER OF FUNDS)

Appropriates $16,000,000 for the Office of Federal Housing Enterprise Oversight (OFHEO) as proposed by the Senate, instead of $16,551,000 as proposed by the House.

ADMINISTRATIVE PROVISIONS

Inserts modification to language proposed by the Senate by eliminating additional public and assisted housing reform extenders.

Inserts language agreed to by the conferees clarifying Freddie Mac's ability to lower the costs of providing low downpayment loans by using lower cost methods of protecting against the risk of default with the approval of their safety and soundness regulator.

Deletes language proposed by the House providing for a lower rent subsidy based on the cost of an efficiency apartment instead of a one-bedroom.

Inserts language proposed by the Senate to provide incentives for refinancing multifamily projects originally financed with FAF bonds.

Inserts language proposed by the Senate prohibiting prosecution of persons under the Fair Housing Act.

Deletes language proposed by the Senate requiring public notice and comment in rulemaking procedures.

Inserts modification to language proposed by the Senate to permanently make Brownfields an eligible activity under the CDBG program as proposed by the Senate.

Inserts language proposed by the Senate providing HUD with flexibility to make rehabilitation grants and loans in disposing of HUD-owned and HUD-held properties.

Deletes language proposed by the Senate making technical corrections to the Housing For Persons With AIDS (HOPWA) program.

Deletes language proposed by the House to extend public housing reforms.

Deletes language proposed by the House to delay for three months the reissuance of section 8 vouchers and certificates.

Inserts language proposed by the House making changes to the HOPWA formula to correct anomalies that result in the loss of funds for a state when the incidence of AIDS in a large city within the state increases.

Inserts language proposed by the House allowing PHAs to draw down capital grants funds on construction-related schedules and deposit the funds in an escrow account to collateralize bonds for construction and rehabilitation.

Inserts language proposed by the House eliminating the shopping incentive in the section 8 program.

Inserts language proposed by the House allowing HUD, through negotiated rulemaking, to review the current performance funding system (PFS).

Inserts language proposed by the Senate extending HUD's multifamily mortgage insurance risk-sharing programs through fiscal year 1999.

Inserts modification to language proposed by the Senate extending the FHA single-family streamlined downpayment demonstration program to every state.

Inserts language proposed by the Senate providing funding for implementing IDIS.

Inserts language proposed by the Senate making technical corrections to nursing home lease terms.

Deletes language proposed by the Senate prohibiting the use of enterprise zones and empowerment communities as criteria in awarding program grants. The conferees have dropped the prohibition against HUD awarding additional grant points because a jurisdiction has been designated as an empowerment zone or enterprise community. Instead, HUD is directed to establish criteria for identifying high-performing empowerment zones and enterprise communities and to provide the committees with the criteria and a list of all high-performing empowerment zones and enterprise communities. HUD further is directed to provide bonus points, where appropriate, only to such high-performing areas for purposes of awarding grants.

Deletes language proposed by the Senate requiring HUD to notify the Committees on Appropriations of all grant awards at least 24 hours before public or private announcements. The conferees are concerned that HUD has not provided adequate notice of awards on a timely basis and expect HUD to make timely notice of awards to all members, regardless of party affiliation.

Inserts language proposed by the Senate enabling Native Americans to have access to the use of emergency CDBG funds.

Deletes language proposed by the Senate requiring HUD to make all recaptured funds subject to a reprogramming request.

Deletes language proposed by the Senate prohibiting HUD from providing tuition payments under the community builders program. The conferees believe that education and educational opportunities are an important component of federal employment, but remain concerned over some costs that may be considered excessive. The conferees direct HUD, as part of its operating plan, to provide a review of all education programs and activities (including the Community Builders program) available to HUD employees, as well as a breakdown of all costs associated with these programs and activities. All proposed programs and activities shall be subject to approval as part of the operating plan approval process.

Inserts language proposed by the Senate to provide funding flexibility to a project in Bismarck, North Dakota.

Inserts language proposed by the House extending for one year a provision that waives the 15% public service cap for the City and County of Los Angeles. The conferees note their concern, however, about continuing this extension beyond this fiscal year. Therefore, HUD is directed to provide a report to the Subcommittees on VA, HUD and Independent Agencies on what the City and County do with these additional funds. In the report, the City and County should explain the nexus between the public services cap and the riots for which the cap was waived.

Deletes language proposed by the Senate making technical changes to portfolio reengineering legislation.

Inserts a modification to language proposed by the Senate requiring five months notice to residents and local governments of an owner's intent to prepay the mortgage note in preservation-eligible projects. The conferees direct HUD to provide guidance regarding the notice requirement so that it includes an explanation of alternative housing assistance, such as enhanced housing vouchers, that will be made available to residents in buildings where affordability restrictions are removed.

Inserts language proposed by the Senate clarifying that Indian Housing Authorities or tribally designated housing entities are eligible to receive Drug Elimination Grants.

Inserts language proposed by the Senate authorizing HUD to provide information and to buy information on the multifamily FHA-insured program.

Inserts language proposed by the Senate allowing HUD to auction HUD-held and HUD-owned multifamily mortgages until December 31, 2002.

Inserts language proposed by the Senate redirecting $250,000 to the Central Vermont Revolving Loan Fund.

Inserts modification to language proposed by the Senate requiring HUD to provide an annual report to Congress on management deficiencies found in the FHA audited financial statement by eliminating language that conditions implementation of the FHA loan limits on receipt of this report.

Deletes language proposed by the Senate requiring owners of preservation-eligible properties to file a one-year notice of prepayment.

Inserts modification to language proposed by the Senate requiring disclosure to consumers about the costs of FHA-insured mortgages as compared to conventionally insured mortgages and by changing the effective date of the disclosure.

Inserts modification to language proposed by the Senate by making excess rent rules applicable to certain section 236 projects.

Inserts modification to language increasing the FHA single family loan limits, as proposed by the Senate, allowing uniformity within metropolitan statistical areas.

Inserts language which would recapture 1996 HOPE VI grant funds awarded to the Housing Authority of Baltimore City (HABC) for development efforts at the Hollander Ridge housing development. The funds are to be recaptured if HUD decides to rescind the grant award. The bill also includes language which directs HUD to award the recaptured funds to HABC if HABC applies for a future HOPE VI grant for Hollander Ridge and the application meets the criteria of the applicable NOFA.

Inserts language agreed to by the conferees canceling any liability to the Federal Government for outstanding principal balance of the public facilities loan for the Town of Hobson City, Alabama.

Inserts language agreed to by the conferees providing a one day grace period for the City of Wichita and Sedgwick County, Kansas, for submission of Continuum of Care Homeless Assistance program.

Inserts new language increasing the community development block grants public service cap for the City of Miami. The City of Miami shall provide an annual report to HUD and the Committees on Appropriations on the use of these public service funds. The Department shall provide the Committees on Appropriations with a report on the lessons learned by the City's use of these funds.

TITLE III—INDEPENDENT AGENCIES

AMERICAN BATTLE MONUMENTS COMMISSION

SALARIES AND EXPENSES

Appropriates $26,431,000 for salaries and expenses as proposed by the House instead of $26,931,000 as proposed by the Senate. The amount provided represents an increase of $2,500,000 above the budget request, which the conferees expect will be used by the Commission to continue reducing the backlog of maintenance requirements.

Language proposed by the Senate with respect to the Liberty Memorial Monument has not been retained.

CHEMICAL SAFETY AND HAZARD INVESTIGATION BOARD

SALARIES AND EXPENSES

Appropriates $6,500,000 for salaries and expenses as proposed by the House and the Senate. Language contained in both the House and Senate bills which would limit the Board to three career Senior Executive Service positions has been retained.

DEPARTMENT OF THE TREASURY

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS

COMMUNITY DEVELOPMENT FINANCIAL INSTITUTIONS FUND PROGRAM ACCOUNT

Appropriates $80,000,000 for the Community Development Financial Institutions Fund, as proposed by the House, instead of $55,000,000 as proposed by the Senate. The conferees encourage the CDFI to give full and equal consideration to credit unions and specialized community development credit unions as eligible entities for grants, loans, and technical assistance. By their very existence, credit unions are grassroots community development institutions, and the CDFI should encourage and assist credit unions in taking a lead in their communities.

CONSUMER PRODUCT SAFETY COMMISSION

SALARIES AND EXPENSES

Appropriates $47,000,000 for the Consumer Product Safety Commission, salaries and expenses, instead of $46,000,000 as proposed by the House and $46,500,000 as proposed by the Senate. The conferees agree to delete a general provision which was included in the House bill which appropriated an additional $5,000,000 for this account.

The conferees have included language in the bill which requires the Commission to contract with the National Academy of Sciences' Committee on Toxicology to study the potential toxicologic risks of all flame-retardant chemicals identified by the Commission as likely candidates for use in residential upholstered furniture for the purpose of meeting regulations proposed by the Commission for flame resistance of residential upholstered furniture. The NAS study shall assess toxicologic hazards to human health, including carcinogenicity, mutangenicity, neurotoxicity, and other chronic and acute effects to consumers exposed to fabrics intended to be used in residential upholstered furniture which would be chemically treated to meet the Commission's proposed flame resistance standards. The study shall also assess potential human exposures to such flame-retardant chemicals in residential upholstered furniture, and research needed to fill important data gaps related to toxicologic risks of flame-retardant chemicals. The NAS shall complete the report within 12 months of finalizing arrangements with the Commission, and shall submit the final report to the Congress. The Commission, before promulgating any notice of proposed rulemaking or final rule setting flammability standards for residential upholstered furniture, shall consider fully the findings of the NAS. The conferees have provided $500,000 for the NAS study.

In addition, the conferees direct that the General Accounting Office conduct a review of the process the Commission has conducted regarding a possible rulemaking establishing a standard for upholstered furniture flammability, including consideration of the potential toxicity of the chemicals which would be used as flame retardants, cost-benefit analysis, and consideration of the percentage of residential fire deaths stemming from small open flames relative to other sources. As part of this study, the conferees request the GAO to review the major causes of household fires, including fires caused by cigarette smoking and small open flames. The Commission is to consider the GAO findings and recommendations prior to promulgating a final rule on upholstered furniture flammability. This issue is addressed in Section 423.

The conferees direct the General Accounting Office to study and report on the effect of the child sleepwear standard currently in effect as a result of changes adopted by the Consumer Product Safety Commission in January, 1997. The GAO is to review children's burn incident data for the 18-month period of July 1997 through January 1999 and compare this data to child burn incident data from the prior four years. GAO shall also assess the information and education campaign which has been undertaken by the Commission and the apparel and retail industry since the new standards took effect in January 1997, to determine whether it effectively maximized children's safety. The Commission shall consider and substantively address the findings of the GAO and additional information collected through the National Electronic Information Surveillance System on burn data as it considers revisions to the children's sleepwear standards. This issue is addressed in section 429.

CORPORATION FOR NATIONAL AND COMMUNITY SERVICE

NATIONAL AND COMMUNITY SERVICE PROGRAMS OPERATING EXPENSES

Appropriates $425,500,000 for national and community service programs operating expenses as proposed by the Senate. The House proposed termination of the Corporation for National and Community Service from funds appropriated in fiscal year 1998.

Limits funds for administrative expenses to not more than $28,500,000, instead of $27,000,000 as proposed by the Senate. The conferees agree that additional funds are needed to achieve better financial management, and have provided $1,500,000 above the fiscal year 1998 level with the expectation that the Corporation will find $1,500,000 from existing lower priority administrative expenses activities and redirect those funds to urgent program administration needs such as financial management, data base and related financial systems development, and Year 2000 computer problems. The conferees note that approximately the same level of funding is provided for administrative expenses of the Corporation in the Labor-Health and Human Services-Education appropriations bill, making a total of approximately $57,000,000 available for program administration. To ensure the availability of additional funds for these urgent program administration needs, the conference agreement also includes bill language earmarking not to exceed $3,000,000 of administrative expenses funding for this purpose. In addition, the conferees understand that the majority of the $3,000,000 appropriated in fiscal year 1996 for reforms of the financial management system will be spent in fiscal years 1999 and 2000. The $3,000,000 appropriated in this bill, together with $3,000,000 appropriated in fiscal year 1996, will provide significant funding to improve financial management and other urgent program administration activities.

The conferees intend that the Corporation will submit to the House and Senate Committees on Appropriations within 60 days of the enactment of this Act a detailed plan for the expenditure of the $3,000,000 in funds reserved to meet urgent program administration needs. Further, the Corporation will provide regular updates to the House and Senate Committees on Appropriations every 60 days on the use of these funds in accordance with that plan. The conferees also intend that the Office of Inspector General will, within 30 calendar days after the submission of each such report, including the plan for the expenditure of the $3,000,000 for urgent needs, independently review and comment upon each report submitted by the Corporation.

Limits funds for quality and innovation activities to not more than $28,500,000, instead of $30,000,000 as proposed by the Senate.

Limits funds as proposed by the Senate to not more than: $2,500 for official reception and representation expenses; $70,000,000 for education awards, of which not to exceed $5,000,000 shall be available for national service scholarships for high school students performing community service; $227,000,000 for AmeriCorps grants, of which not to exceed $40,000,000 may be for national direct programs; $5,500,000 for the Points of Light Foundation; $18,000,000 for the civilian community corps;

$43,000,000 for school-based and community-based service-learning programs; and $5,000,000 for audits and other evaluations.

Inserts language proposed by the Senate which prohibits using any funds for national service programs run by Federal agencies; provides that, to the maximum extent feasible, funds for the AmeriCorps program will be provided consistent with the recommendation of peer review panels; and provides that, to the maximum extent practicable, the level of matching funds shall be increased, education only awards shall be expanded, and the cost per participant shall be reduced.

The House proposed that the Corporation be terminated and did not include any of the foregoing limitations or provisions proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $3,000,000 for the Office of Inspector General as proposed by the Senate. The House proposed the orderly termination of the Office of Inspector General from previously appropriated funds.

COURT OF VETERANS APPEALS

SALARIES AND EXPENSES

Appropriates $10,195,000 for salaries and expenses as proposed by the House, instead of $10,000,000 as proposed by the Senate.

ENVIRONMENTAL PROTECTION AGENCY

SCIENCE AND TECHNOLOGY

Appropriates $650,000,000 for science and technology instead of $656,505,000 as provided by the House and $643,460,000 as provided by the Senate.

The conferees have agreed to the following increases to the budget request:

1. $1,250,000 for continuation of the California Regional PM 10 and 2.5 air quality study.
2. $2,500,000 for EPSCoR.
3. $400,000 for continuation of the study of livestock and agricultural pollution abatement at Tarleton State University.
4. $3,000,000 for the Water Environment Research Foundation.
5. $2,700,000 for continued research on urban waste management at the University of New Orleans.
6. $800,000 to establish an environmental molecular toxicology program at the University of Montana.
7. $2,000,000 for the Mickey Leland National Urban Air Toxics Research Center.
8. $4,000,000 for the American Water Works Association Research Foundation, including $1,000,000 for continued research on arsenic.
9. $2,000,000 for the National Decentralized Water Resource Capacity Development Project, in coordination with EPA, for continued training and research and development program.

10. $1,500,000 for the Integrated Petroleum Environmental Consortium project.

11. $800,000 for the National Center for Atlantic and Caribbean Reef Research at the Rosenstiel School of Marine and Atmospheric Science.

12. $1,900,000 for continued Salton Sea research, at the University of Redlands.

13. $1,800,000 for continued research on treatment technologies relating to perchlorate managed by AWWARF on behalf of the East Valley Water District, California.

14. $2,000,000 for the Lovelace National Environmental Respiratory Center.

15. $4,000,000 to CE–CERT at the University of California/Riverside for the development of a next generation environmental chamber to enable advanced research into atmospheric processes under low NO_X conditions ($3,000,000) and for the development of test track research facilities ($1,000,000).

16. $800,000 to the University of New Hampshire to develop, test, and evaluate innovative technologies for enhanced bioremediation of organically contaminated bedrock aquifers.

17. $2,500,000 for the Gulf Coast Hazardous Substance Research Center.

18. $1,000,000 for the development, design, and implementation of a research effort on tributyltin based ship bottom paints at Old Dominion University.

19. $1,750,000 for the National Jewish Medical and Research Center for research on the relationship between indoor and outdoor pollution and the development of respiratory diseases.

20. $800,000 for the university portion of the Southern Oxidants Study.

21. $1,250,000 for the Center for Air Toxic Metals at the Energy and Environmental Research Center.

22. $1,000,000 for the Texas Regional Institute for Environmental Studies to test new cost-effective environmental restoration technologies.

23. $1,000,000 for the Institute for Environmental and Industrial Science at Southwest Texas State University.

24. $6,000,000 for the Mine Waste Technology Program and the Heavy Metal Water Program at the National Environmental Waste Technology, Testing, and Evaluation Center.

25. $1,000,000 for the Alabama Center for Estuarine Studies.

26. $2,000,000 for the Center for Environmental Research, Education and Training at the University of Maryland-Baltimore County, for research on watershed science, ecological and environmental impacts of urban and suburban development, fate and transport of contaminants from urban and rural land use, and analysis of large spatial data sets.

27. $500,000 for the Brazos River Authority for poultry pollution abatement research in the Brazos Navasota watershed.

The conferees have agreed to the following reductions from the budget request:

1. $19,955,000 from the climate change research program.

2. $6,358,000 from the global change research program.

3. $4,000,200 from the Advanced Measurement Initiative.

4. $8,372,000 from the Project EMPACT.

5. $11,654,800 as a general reduction.

Within the funds provided for science and technology, the conferees direct that $2,000,000 be used to continue the initiative to transfer technology developed in Federal laboratories to meet the environmental needs of small companies in the Great Lakes region. This initiative should be accomplished through a NASA sponsored Midwest regional technology transfer center working in collaboration with an HBCU from the region.

For fiscal year 1999, the conferees have provided $46,700,000 for continued research on particulate matter (PM), an increase of $18,000,000 above the budget request. The conferees note that the actual obligation of 1998 funds has, for many reasons, not proceeded at the pace originally expected. Nevertheless, the Agency has established July, 2002 as the date for completion of the next NAAQS review, and it is thus imperative that research be well underway and where possible, providing important data for the review and decision-making process. The conferees strongly commend the Agency for its fine efforts to date in working with the National Academy of Sciences (NAS) and others on this important research matter, and expect that the research funds provided for fiscal year 1999 will be obligated as quickly as possible. In this regard, the Agency is instructed not to await approval of the annual operating plan prior to obligation of these funds.

As previously noted, the Agency has established July, 2002 as the date for completion of the next NAAQS review. Because of the time necessary to conduct additional PM research, the conferees are concerned that the schedule established by EPA may not allow for adequate consideration of research that will result from the enhanced fiscal years 1998 and 1999 appropriations. The conferees strongly urge EPA to amend its PM NAAQS review schedule by reducing the Agency's drafting time and internal review time to provide as much time as possible for the consideration of new research.

Finally, with respect to the speciation component of the Agency's PM monitoring plan, the conferees request that the NAS assist EPA's Clean Air Science Advisory Committee (CASAC) by providing recommendations regarding the number and location of monitors and specific objectives and operating conditions for the various types of speciation monitors in EPA's plan. Also, NAS should evaluate the adequacy of the speciation component of the monitoring plan to characterize those constituents of PM that are biologically active. The NAS is expected to facilitate a thorough peer review of the speciation component of EPA's monitoring plan by CASAC.

EPA's recently published Contaminated Sediment Management Strategy states that EPA will not proceed with clean-up of a contaminated sediment site if the short-term and long-term impacts of dredging are determined to cause more environmental harm than leaving the contaminants in place. The conferees believe, however, that EPA is proceeding with some orders to dredge even though the evaluations called for in EPA's own policies have not been undertaken. Further, a National Academy of Sciences evaluation of dredging technology required by the House Appropriations Committee in fiscal year 1998, is not yet available. The conferees expect

EPA will implement its Contaminated Sediment Management Strategy by evaluating the short-term and long-term impacts of the proposed clean-up in relation to the reduction of risks to human health and the environment and other benefits.

It is vital that EPA and the Congress have the benefit of the NAS study on remediation technologies for contaminated sediments, including dredging, to assess the ability of various methods to attain the environmental objectives of the remediation, and the potential of these methods to cause greater harm to the environment or other problems. The conferees urge EPA to await the completion of the NAS study before spending any Superfund money on dredging, initiating any new dredging action, or issuing any more dredging orders. Exceptions to this should be considered where EPA has found on the record that the contaminated sediment poses a significant threat to the public health to which an urgent or time critical response is necessary, remedial and/or removal alternatives to dredging have been fully evaluated, an appropriate site for disposal of the contaminated material has been selected, and the potential impacts of dredging, associated disposal, and alternatives have been explained to the affected community. The Agency should take all reasonable steps to assure the expeditious completion of the NAS study.

The conferees understand that portions of EPA's 1994 draft dioxin reassessment have been widely criticized within the scientific community and by EPA's own Science Advisory Board (SAB). The SAB's report, "A Second Look at Dioxins" (November 1995) noted numerous weaknesses with the risk characterization and dose-response chapters of the reassessment. In particular, the SAB criticized EPA's conclusion that dioxins have the potential to produce a broad spectrum of effects in humans at or near current background levels. The SAB directed EPA to ensure that its conclusions were based on a more complete consideration of available scientific studies.

The conferees understand that EPA is preparing to release a revised reassessment for public review, followed by a second SAB review. The final dioxin reassessment, particularly the risk characterization chapter, will provide the basis for future federal policies and regulations relating to dioxin and other chemicals. The conferees believe it is essential that EPA fully address concerns raised by the SAB and recommend that the Agency reconvene a SAB panel which would include those members of the original Panel whose expertise is germane to the redrafted portions of the reassessment.

There are several aspects of tropospheric ozone formation that would benefit from targeted research and investigation, including NO_X-limited conditions (as can be the case in rural areas and urban areas with cleaner air), multi-day stagnation events, and the changes in levels of ozone and particulate matter caused by emissions of ozone precursors in ambient air. Therefore, the conferees are providing $3,000,000 for the development of an environmental chamber to enable scientific research into the atmospheric processes involved in the formation of ozone and particulate matter. More precise tools are required to improve understanding and modeling of the potential of volatile organic compounds (VOCs) to affect

ozone formation in the ambient air, including the process that forms pollutants in rural and cleaner urban environments, as recommended by the 1991 National Academy of Sciences/National Research Council's "Rethinking the Ozone Problem in Urban and Regional Air Pollution." The new large chamber will provide information that EPA and state regulators can use to develop more cost-effective strategies for controlling pollution. In particular, this chamber will allow more accurate measurements of positive and negative reactivity of VOC emissions from architectural coatings.

Not later than 45 days after the date of enactment of this Act, the Administrator of the Environmental Protection Agency (EPA) shall enter into an agreement with the National Academy of Sciences (NAS) to conduct a comprehensive study of the effects of copper in drinking water on human health. Once completed, the Administrator of the EPA shall review the NAS study, and report to the Congress on what plans the agency has to review the copper action level pursuant to section 1412(b)(9) of the Safe Drinking Water Act.

ENVIRONMENTAL PROGRAMS AND MANAGEMENT

Appropriates $1,848,000,000 for environmental programs and management instead of $1,856,000,000 as proposed by the House and $1,840,500,000 as proposed by the Senate. The conferees have included bill language providing a limitation on the use of funds to implement or administer the interim guidance relating to title VI of the Civil Rights Act of 1964, with certain exceptions, as proposed by the House. The conferees note that this provision does not provide the Agency statutory authority to implement its Environmental Justice Guidance. Rather, it simply clarifies the applicability of the Interim Guidance with respect to certain pending cases as an administrative convenience for the Agency. With respect to any cases that may be pending before EPA and that are not or will not be covered by the Interim Guidance, the conferees urge EPA to resolve such cases as expeditiously as possible and without undue delay.

It is the conferees' understanding that the currently filed South Bronx complaint is covered by the Interim Guidance and should be dealt with expeditiously.

The conferees have also adopted new language prohibiting the use of funds to take certain actions for the purpose of implementing or preparing to implement the Kyoto Protocol, instead of language proposed by the House. The conferees note that this restriction on the use of funds shall not apply to the conduct of education activities and seminars by the Agency.

The conferees note that several programs funded through this Act conduct science and technology research that are associated partly with global climate change. To the extent that the conferees have funded this work, they have done so based on each program's individual merits of contributing to issues associated with domestic energy production, national energy security, energy efficiency and cost savings, related environmental assessments, and general energy emission improvements. The bill language is intended to prohibit funds provided in this bill from being used to implement ac-

tions called for solely under the Kyoto Protocol, prior to its ratification.

The Byrd-Hagel Resolution which passed in 1997 (S. Res. 98) remains the clearest statement of the will of the Senate with regards to the Kyoto Protocol, and the conferees are committed to ensuring that the Administration not implement the Kyoto Protocol without Congressional consent. The conferees recognize, however, that there are also longstanding energy research programs which have goals and objectives that, if met, could have positive effects on energy use and the environment. The conferees do not intend to preclude these programs from proceeding, provided they have been funded and approved by Congress.

To the extent future funding requests may be submitted which would increase funding for climate change activities prior to Senate consideration of the Kyoto Protocol (whether under the auspices of the Climate Change Technology Initiative or any other initiative), the Administration must do a better job of explaining the components of the programs, their anticipated goals and objectives, the justification for any funding increases, a discussion of how success will be measured, and a clear definition of how these programs are justified by goals and objectives independent of implementation of the Kyoto Protocol. The conferees expect these items to be included as part of the fiscal year 2000 budget submission for all affected agencies.

The conferees have agreed to the following increases to the budget request:

1. $2,500,000 for the Michigan Biotechnology Institute for continued development of viable cleanup technologies.

2. $1,300,000 for the Lake Wallenpaupack, Pennsylvania environmental restoration project.

3. $130,000 for the Saint Vincent watershed environmental restoration project.

4. $500,000 for continued activities of the Small Business Pollution Prevention Center at the University of Northern Iowa.

5. $1,300,000 for the Great Lakes National Program Office.

6. $750,000 for the painting and coating compliance project at the University of Northern Iowa.

7. $550,000 for continuation of the Idaho Water Initiative.

8. $1,700,000 for the Sacramento Regional County Sanitation District to continue the cost-shared Sacramento River Toxic Pollution Control Project. This appropriation and previously appropriated funds shall be administered by the Sacramento Regional County Sanitation District in accordance with the workplans submitted by the District.

9. $1,300,000 for continuation of a water reuse demonstration project in Yucca Valley ($500,000) and the continuation of a water distribution system study in Twentynine Palms ($800,000), California.

10. $600,000 for ongoing activities at the Canaan Valley Institute.

11. $3,000,000 for the Southwest Center for Environmental Research and Policy (SCERP).

12. $2,600,000 for the National Institute for Environmental Renewal to establish a regional environmental data center, and to de-

velop an integrated, automated water quality monitoring and information system for watersheds impacting the Chesapeake Bay.

13. $500,000 for continuation of the Small Water Systems Institute at Montana State University.

14. $11,362,000 for rural water technical assistance activities and groundwater protection for a total program level of $13,050,000. The distribution of funds is as follows: $8,000,000 for the National Rural Water Association; $2,100,000 for the Rural Community Assistance Program; $400,000 for the Groundwater Protection Council; $1,550,000 for Small Flows Clearinghouse; and $1,000,000 for the National Environmental Training Center.

15. $900,000 for implementation of the National Biosolids Partnership Program.

16. $3,000,000 for continuation of the New York and New Jersey dredge decontamination project.

17. $900,000 for continued work on the water quality management plans for the Onondaga and Cayuga County, New York watersheds.

18. $400,000 for continued work on the Cortland County, New York aquifer protection plan, $150,000 of which is for planning and implementation of the Upper Susquehanna watershed.

19. $900,000 for continued work on the Soil Aquifer Treatment Demonstration Project.

20. $400,000 for operation of the Long Island Sound Office.

21. $900,000 for the Southern Appalachian Mountain Institute.

22. $900,000 for continued operations of the California Urban Environmental Research and Education Center.

23. $1,300,000 for a one-year demonstration of Project SEARCH (Special Environmental Assistance for Regulations of Communities and Habitat) in Idaho.

24. $2,200,000 for the National Center for Excellence for Environmental Management at the University of Findlay.

25. $400,000 to analyze the environmental and public health impacts of waste transfer stations in Hunts Point, South Bronx, New York, with inclusion of the community in the design and implementation of the study.

26. $100,000 to the Miami-Dade County Department of Environmental Resources management to expand the existing education program.

27. $200,000 for the Snohomish River Basin Work Group to perform a comprehensive watershed analysis, including a quantitative water quality study of the Snohomish River. Special attention in the study should be given to the lower reaches of the river.

28. $2,200,000 for the Federal Energy Technology Center and EPA Region III to conduct a comprehensive acid mine drainage cleanup program.

29. $400,000 to initiate a surface water improvement demonstration project in Mecklenberg, North Carolina.

30. $125,000 to the University of Louisville for the establishment of a regional environmental finance center at the Kentucky Institute for the Environment and Sustainable Development.

31. $200,000 to Ventura County, California for development of the Calleguas Creek watershed management plan.

32. $2,600,000 to Lycoming County, Pennsylvania to assist in the development of a comprehensive CSO plan.

33. $2,200,000 to the Lake Pontchartrain Basin Foundation circuit rider water quality initiative in Fluker Chapel and Mandeville, Louisiana.

34. $3,100,000 for the Environmental Technology Commercialization Center (ETC2) in Cleveland, Ohio.

35. $2,000,000 to support efforts to address the causes, mechanisms, and health and environmental effects of Pfiesteria.

36. $500,000 for treatment of uranium contamination of well heads within the Morongo Valley Community Service District, California.

37. $3,000,000 for the New River, California environmental restoration project by the Imperial Irrigation District.

38. $8,500,000 to the Salton Sea Authority for extensive planning, development, and permitting requirements.

39. $650,000 for water restoration activities at the City of Stockton, California.

40. $650,000 for watershed management initiatives at Santa Ana River, Riverside County, California.

41. $320,000 for the St. Mary's River, Maryland watershed management and monitoring program.

42. $1,500,000 for training grants under 104(g) of the Clean Water Act.

43. $500,000 for the Small Public Water System Technology Center at Western Kentucky University.

44. $500,000 for the Small Public Water System Technology Center at the University of Missouri-Columbia.

45. $500,000 for the Small Public Water System Technology Center at the University of New Hampshire.

46. $3,000,000 to continue the demonstration project involving leaking fuel tanks in rural Alaska villages.

47. $1,000,000 for water quality monitoring in the Tennessee River basin through the Alabama Department of Environmental Management.

48. $1,250,000 to continue the onsite wastewater treatment demonstration program through the Small Flows Clearinghouse.

49. $2,000,000 for the New York City watershed protection program.

50. $500,000 for EPA's Office of Sustainable Ecosystems and Communities and the Hawaii Department of Health to conduct demonstration projects to aid communities on the islands of Maui and Molokai to meet successfully the water quality permitting requirements for rehabilitating native Hawaiian fish ponds.

51. $2,500,000 for the King County, Washington molten carbonate fuel cell demonstration project.

52. $800,000 for the National Center for Vehicle Emissions Control and Safety for onboard diagnostic research.

53. $5,000,000 under section 104(b) of the Clean Water Act for America's Clean Water Foundation for implementation of on-farm environmental assessments for hog production operations, with the goal of improving surface and groundwater quality.

54. $500,000 for the Coordinated Tribal Water Quality Program through the Northwest Indian Fisheries Commission.

55. $500,000 for the Ala Wai Canal watershed improvement project.

56. $500,000 for a study of dioxin in the Ohio River basin.

57. $100,000 to continue the Design for the Environment for Farmers Program to address the unique environmental concerns of the American Pacific area and the need to develop and adopt sustainable agricultural practices for these fragile tropical ecosystems.

58. $1,000,000 for the Lake Champlain management plan.

59. $1,500,000 for the National Alternative Fuels Vehicle Training Program.

60. $250,000 for a pilot program to evaluate the most cost-effective technologies for treating non-point sources of phosphorus in the Lake Sammamish, Washington watershed.

61. $250,000 to work with farmers and the Natural Resources Conservation Service in Vermont to adopt best management practices to reduce phosphorus runoff into Lake Memphremagog.

62. $750,000 for the Chesapeake Bay Small Watershed Grants Program.

63. $1,000,000 to strengthen the State Small Business Ombudsman and Technical Assistance programs as authorized by section 507 of the Clean Air Act.

64. $500,000 for the Office of Regulatory Management and Information (ORMI) to involve small local governments in the regulatory process as envisioned by the Regulatory Flexibility Act (RFA) and the Small Business Regulatory Enforcement Fairness Act (SBREFA). ORMI serves as the coordinating body for EPA's SBREFA compliance. SBREFA and RFA require EPA to notify small entities—small businesses and small local governments—and actively involve them in the rulemaking process, including participation on SBREFA panels.

65. $200,000 for the Hawaii Department of Agriculture and the University of Hawaii College of Tropical Agriculture and Human Resources to develop agriculturally based remediation technologies.

66. $100,000 for the City of Philadelphia to study the impact on the Delaware River watershed of vacant and abandoned land in Philadelphia, determine the environmental and economic benefits of remediation, and implement mitigation measures.

67. $2,000,000 for the Food and Agricultural Policy Research Institute's Missouri watershed initiative project to link economic and environmental data with ambient water quality.

68. $1,000,000 for the Animal Waste Management Consortium through the University of Missouri, working with Iowa State, North Carolina State, Michigan State, Oklahoma State, and Purdue Universities to supplement ongoing research, demonstration, and outreach projects associated with animal waste management.

69. $500,000 for the Environmentors projects involving the matching of young people with environmental science professionals to work on environmentally oriented research projects.

70. $1,000,000 for the City of West Palm Beach, Florida for its wetlands-based potable water reuse program including stormwater and wastewater recycling.

71. $300,000 for the Dry Creek Channel project in Sandy, Utah, to design and implement a non-point source project in conjunction with the ongoing Jordan River non-point source project, in-

cluding the creation of wetlands to control urban stormwater runoff.

72. $2,000,000 for the University of Missouri Agroforestry Center to support the agroforestry floodplain initiative on non-point source pollution.

73. $300,000 for the Northeast States for coordinated air use management.

74. $1,000,000 for the Columbia Basin groundwater management assessment.

75. $500,000 for the Urban Rivers Awareness Program at the Academy of Natural Sciences in Philadelphia to develop a new environmental science program.

76. $2,000,000 for education, outreach, technical studies, and training to minimize lead hazards created during home improvement and repainting projects. To make lead dust testing more available and affordable, the conferees urge EPA to develop a relevant one-day sampling technician training course and to encourage recognition of this discipline.

77. $1,000,000 for an expansion of EPA's efforts related to the government purchase and use of environmentally preferable products under Executive Order 12873, including life cycle analysis.

78. $200,000 to develop a technical guidance manual for use by permit reviewers and product specifiers to ensure appropriate uses of preserved wood in applications including housing, piers, docks, bridges, utility poles, and railroad ties.

79. $2,000,000 for the State of Missouri Department of Natural Resources for a clandestine methamphetamine lab cleanup project.

80. $200,000 for the Fairmount Water Works Interpretive Center for environmental education activities.

81. $500,000 for the CCAR-Greenlink Compliance Assistance Center.

82. $500,000 for the City of Gainesville to address stormwater discharges from the Sweetwater Basin into Paines Prairie and the Florida Aquifer.

83. $400,000 for the Small Water Systems Technology Assistance Center at the University of Alaska in Sitka.

84. $500,000 for the Treasure Valley Hydrologic project.

85. $150,000 to sample and conduct hydrologic investigations of occurrence, distribution, and characteristics of radium in groundwater in the Magothy and Patapsco Aquifers in Anne Arundel, Baltimore and Harford Counties, Maryland.

86. $225,000 to enable the EPA and the Maryland Bureau of Mines to map and conduct a geologic/hydrologic investigation of the Kempton Abandoned Mine Complex in West Virginia and Maryland.

87. $225,000 to support a cooperative research and demonstration project with the State of Maryland to determine the feasibility of using poultry litter as a fuel to generate electric power.

88. $400,000 for Iberville Parish, Louisiana, to complete cleanup of Water District #3.

The conferees have agreed to the following reductions from the budget request:

1. $1,598,000 from the Urban Livability Program.

2. $1,000,000 from the OSWER Chemical Action Prevention program.

3. $1,000,000 from GLOBE.

4. $9,638,000 from the Montreal Protocol Multilateral Fund.

5. $86,002,000 from Climate Change Technology Initiative.

6. $10,331,000 from Office of Enforcement programs.

7. $11,500,000 from Project EMPACT.

8. $126,218,000 as a general reduction. In determining the base from which to apply the general reduction specified for this account, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA–HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

9. $5,000,000 from sustainable development challenge grants.

The National Estuary Program has been fully funded at the budget request level, and the conferees direct that not more than $4,300,000 of this amount is available for EPA's intramural costs of the program. Similarly the conferees note that the National Environmental Education and Training Foundation has been funded at the statutory level.

The conferees note the success of the cooperative lead-based paint real estate notification program, and have been informed that additional resources for this program are no longer necessary.

Within the amounts provided for the Clean Water Action Plan, $3,500,000 is intended to support groundwater and source water protection efforts in priority watersheds that primarily encompass small communities and/or rural areas. These resources should support source water assessment and protection activities at the local level, integration of groundwater concerns into watershed assessment and restoration plans, implementation of wellhead protection programs locally, and/or field technicians supporting communities considering new groundwater/source water ordinances targeted at high risk watersheds. The primary intent of this language is to assist small communities in meeting Federal drinking water standards and to assist those communities in contributing to the achievement of state water quality standards. These funds are to be distributed through a competitive solicitation and EPA is to report to the Committees on Appropriations within 60 days of enactment of this Act on its plans for such solicitation.

The conferees are concerned regarding the progress that has been made by the Agency in dealing with the matter of potential security risks associated with EPA's proposal to make available via the Internet or other means risk management plan (RMP) data submitted to the Agency pursuant to Clean Air Act section 112(r). The conferees strongly urge that EPA continue to work on this issue in close consultation with the Federal Bureau of Investigation and other security experts so that EPA may implement distribution of the RMP data in a manner that strikes the appropriate balance between methods of public dissemination and legitimate national security and anti-terrorist concerns. To that end, the conferees direct the Federal Bureau of Investigation to submit to Congress no later than December 1, 1998 a written report containing the Bureau's recommendations for the appropriate methods of public dis-

semination of RMP data submitted to the EPA pursuant to Clean Air Act section 112(r) and further direct the Agency to provide to the Congress monthly updates as to its progress in working with the FBI and other Federal agencies to develop appropriate RMP protocol guidelines. In this regard, the conferees expect the Agency to include a final proposal, including the use of such appropriate protocols, as part of the fiscal year 1999 operation plan.

The conferees are concerned that EPA is not providing for adequate public participation in the proposed regional haze rule-making. The conferees note that the EPA has noticed a supplemental, but strictly limited, comment period on "information related" to the proposed rule, i.e. the proposal submitted by the Western Governors and the recently enacted Inhofe Amendment to TEA–21. The conferees are concerned, however, that the notice precludes adequate discussion of the full WGA proposal and fails to provide adequate notice of how EPA proposes to integrate the Inhofe Amendment into the previously proposed rule. In addition to the procedural flaws, the conferees are concerned about the lack of consideration of issues that were inadequately addressed in the proposed rule, such as smoke from fires on public lands, road dust, and emissions from foreign sources, and other significant issues raised by the States. EPA is therefore strongly encouraged to repropose the regional haze rule in its entirety for public comment so that the public can understand how EPA proposes to integrate these important issues into the rule. Finally, the conferees note with approval the House committee report language providing resources for the formation of additional visibility transport commissions to define reasonable progress for improving visibility in their respective Class I areas.

The conferees urge EPA to (1) develop, after a period of public comment, a guidance document to facilitate the conduct of water quality and designated use reviews for CSO-receiving waters; (2) provide technical and financial assistance to states and EPA regions to conduct these reviews; and (3) submit a report to the relevant authorizing and appropriations committees of the House and Senate by December 1, 1999 on the progress of meeting the requirements set forth above.

Of the funds provided for the Chesapeake Bay Program, the conferees direct that $200,000 shall be made available for the Alliance for the Chesapeake Bay to conduct a comprehensive evaluation of the Program, including a review of the institutional framework, progress in meeting watershed restoration commitments, and emerging issues which may affect present and future estuary conditions. The conferees expect the report to include options and recommendations for improving the Chesapeake Bay Program and be used as the basis for the development of a comprehensive plan to guide the restoration effort as it continues beyond the year 2000. The report and plan shall be completed for review and adoption by the Executive Council no later than the end of calendar year 2000.

Additionally, the conferees encourage the Agency to study the feasibility of real time automated water quality monitoring within the watershed of the Chesapeake Bay at its tributaries.

The conferees are concerned that the EPA has acted unilaterally to contract with a private entity for a study of the Salton Sea,

and that this study will address matters related to the allocation of Colorado River waters, which is the exclusive responsibility of the Secretary of the Interior. The Administrator is directed to consult with the Salton Sea Authority and the Secretary of the Interior before initiating any action related to the Salton Sea, and the Administrator is prohibited from using any funds to support any work or work product related to the allocation of water from the Colorado River.

The conferees commend the work done by the Safety, Health and Environmental Management Division in the Office of Administration for their work to develop peer-reviewed tools and products for use by EPA and other Federal agencies to improve their compliance with environmental and occupational health and safety requirements. Particular note is taken of the thorough and effective use of peer review. The Agency is urged to assess the feasibility of making these important compliance tools available to state and local governments.

The conferees recognize the Agency's efforts in issuing a rule regarding the safe handling of halons. This rule, if properly enforced, should assure continued significant environmental benefits while placing only minimal burdens on industry. The conferees are concerned that the rule as written does not provide adequate guidance to the fire protection industry and others who handle halons as to what operating policies should be followed to comply with the rule.

The conferees strongly encourage the EPA to achieve compliance with this rule by requiring that no persons or entities may dispose of halon-containing equipment except by sending it for halon recycling to a manufacturer, fire equipment dealer, or recycler operating in accordance with ASTM, NFPA, and/or ISO industry standards (as referenced in the preamble of rule 63 Fed. Reg. 11084, March 5, 1998) and that no persons or entities shall dispose of halon or import halon which is recovered but not reclaimed except by sending it for halon recycling to a recycler operating in accordance with the ASTM, NFPA, and/or ISO industry standard. Imported reclaimed halon must meet industry standards.

EPA recently issued two reports to Congress addressing mercury emissions, including the "Mercury Study Report to Congress," issued in December, 1997, and the "Study of Hazardous Air Pollutant (HAP) Emissions from Electric Utility Steam Generating Units-Final Report to Congress," issued in February, 1998. In April, 1998, EPA entered into a settlement agreement whereby the Agency intends to make a regulatory determination by November 15, 1998 regarding the potential need for controls on utility mercury emissions. Research needs in this regard include unresolved issues about mercury speciation and the transport, fate, and effects of mercury. Moreover, currently there are no commercially available, cost-effective technologies to significantly control mercury emissions from utilities.

In order to help fill research gaps, EPA is participating in funding: (1) the joint Federal-State Lake Superior Study on mercury transport; and (2) the government-wide National Health and Nutrition Examination Survey on fish consumption and mercury ingestion. In addition to these studies, EPA is directed to enter into

a contract, within 60 days of the enactment of this Act, with the National Academy of Sciences (NAS) to perform a comprehensive review of mercury health research and prepare recommendations on the appropriate level for a mercury exposure reference dose. The conferees intend that the NAS complete the study and recommendations within 18 months of entering into this contract, and complete all work within a budget of $1,000,000 of available EPA funds. It is the conferees intent that there be no further extension of time for completion of the NAS study beyond 18 months from the date of the EPA contract. Finally, it is also the conferees intent that EPA not issue any regulatory determination for mercury emissions from utilities until EPA reviews the results of the NAS study.

OFFICE OF INSPECTOR GENERAL

Appropriates $31,154,000 for Office of Inspector General, the same as proposed by the House and the Senate.

BUILDINGS AND FACILITIES

Appropriates $56,948,000 for buildings and facilities instead of $60,948,000 as proposed by the House and $52,948,000 as proposed by the Senate. The conferees have provided $36,000,000 for continued construction of the new consolidated research facility at Research Triangle Park, North Carolina. With this year's funding, the conferees note that some $236,000,000 of the $272,700,000 authorized for this project has been appropriated.

HAZARDOUS SUBSTANCE SUPERFUND

Appropriates $1,500,000,000 for hazardous substance superfund as proposed by both the House and the Senate. The conferees have included bill language making available for obligation on October 1, 1999 an additional $650,000,000 for Superfund response actions, only if specific reauthorization of the Superfund occurs on or before August 1, 1999. The language requires the Congressional Budget Office to make appropriate scorekeeping adjustments if such reauthorization does not occur.

The conferees have also included bill language which deletes the sunset provisions contained in sections 119 (e)(2)(C) and 119 (g)(5) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980. The deletion of these two provisions will make it possible for Superfund cleanup contractors to obtain more easily surety bonds for new contracts.

The conferees have agreed to the following fiscal year 1999 program levels:

$1,000,000,000 for Superfund response/cleanup actions, including the budget request for Brownfields.

$155,000,000 for enforcement activities.

$130,000,000 for management and support, including $12,237,000 for the Office of Inspector General.

$40,000,000 for research and development activities, to be transferred to the Science and Technology account.

$60,000,000 for the National Institute of Environmental Health Sciences, including $23,000,000 for worker training and $37,000,000 for research activities.

$76,000,000 for the Agency for Toxic Substances and Disease Registry. Included within this level of funding is $2,000,000 for new children's health and medical monitoring activities, subject to a detailed spending plan to be submitted as part of the fiscal year 1999 operating plan. Also included within the funds provided herein is $4,000,000 for minority health professions, $2,500,000 for continuation of a health effects study on the consumption of Great Lakes fish, and $2,000,000 for continued work on the Toms River, New Jersey cancer evaluation and research project.

$39,000,000 for interagency activities, including $29,000,000 for activities of the Department of Justice, $650,000 for OSHA, $1,100,000 for FEMA, $2,450,000 for NOAA, $4,800,000 for the Coast Guard, and $1,000,000 for the Department of the Interior.

While the conferees have again this year provided the full budget request of $91,000,000 for the Brownfields program, there nevertheless remains concern that this growing program, though very important and worthy, is draining scarce resources from the equally important and worthy Superfund response program. In the short-term, the conferees strongly urge the Agency to fully review this program and make program reductions wherever feasible which do not adversely impact the integrity of the program. For the long-term, the conferees request the Agency to review other possible means of funding this program and report back to the Committees on Appropriations by April 1, 1999 on the results of this review.

The conferees remain concerned that EPA has begun cleanup activities at the Agriculture Street, New Orleans landfill Superfund site without including the option of using buyout authority. The conferees expect the Agency to continue to explore aggressively this option with local authorities, as well as other Federal agencies for a possible solution. The Agency is directed to report back to the Committees on Appropriations by January 15, 1999 on actions to address this problem.

The conferees expect EPA to finalize the guidance document governing disbursements of funds to parties performing response actions at a site where a special account has been established. The conferees further direct that special account funds be appropriately disbursed to the parties consenting to undertake response actions at the facility to reimburse such response efforts. The conferees recognize that the Agency is entitled to a reasonable retention of special account funds for past and future response costs of the United States and any affected State.

LEAKING UNDERGROUND STORAGE TANK PROGRAM

Appropriates $72,500,000 for leaking underground storage tank program instead of $70,000,000 as provided by the House and $75,000,000 as provided by the Senate. Bill language has been included which expands the use of LUST funds pursuant to new authorization under section 9004 (f) of the Solid Waste Disposal Act.

Again this year, the conferees direct that no less than 85 percent of the appropriated level be provided to the states and tribal governments.

OIL SPILL RESPONSE

Appropriates $15,000,000 for oil spill response, the same as proposed by the House and the Senate.

STATE AND TRIBAL ASSISTANCE GRANTS

Appropriates $3,386,750,000 for state and tribal assistance grants instead of $3,233,132,000 as proposed by the House and $3,255,000,000 as proposed by the Senate.

Bill language provides the following program levels:

$1,350,000,000 for Clean Water State Revolving Fund capitalization grants.

$775,000,000 for Safe Drinking Water State Revolving Fund capitalization grants.

$880,000,000 for state and tribal program/categorical grants, including $200,000,000 for section 319 non-point source pollution grants, $115,529,300 for section 106 water quality grants, and an increase above the budget request of $5,343,000 for section 103/105 air quality grants. The conferees note that the Clean Water Action Plan has been fully funded at the budget request level.

$50,000,000 for high priority U.S./ Mexico border projects. Within this amount, the conferees have provided $1,000,000 for the U.S./Mexico Foundation for Science. The amount provided for fiscal year 1999 represents a decrease of $25,000,000 below the fiscal year 1998 level. The conferees have agreed to this reduction in view of the fact that the recipients of border funds—principally the International Boundary and Water Commission, the North American Development Bank, and the Border Environment Cooperation Commission—have been slow to make project commitments. Of the $375,000,000 appropriated to date for this program, EPA anticipates it will have $124,000,000 that has not been committed to a particular project by the end of the fiscal year.

$30,000,000 for grants to address drinking water and wastewater infrastructure needs of Alaska rural and native villages.

$301,750,000 for special needs drinking water, wastewater and groundwater infrastructure grants.

The conferees have included bill language which reaffirms that funds appropriated this year, and in previous years, for grants for Drinking Water State Revolving Funds and other water infrastructure grant programs under section 1452 of the Safe Drinking Water Act are not to be reserved by the Administrator for conducting drinking water health effect studies. As in previous years, funding for health effects studies is provided under the Science and Technology account.

Bill language has also been included which for fiscal year 1999 and prior years permits states to include as principal amounts considered to be the cost of administering State Revolving Fund loans to eligible borrowers.

The conferees note that the categorical grant activity contains the following environmental grants, State/tribal program grants, and assistance and capacity building grants: (1) nonpoint source (sec. 319 of the Federal Water Pollution Control Act); (2) water quality cooperative agreements (sec. 104(b)(3) of FWPCA); (3) public water system supervision; (4) air resource assistance to State,

local, and tribal governments (secs. 105 and 103 of the Clean Air Act); (5) radon State grants; (6) water pollution control agency resource supplementation (sec. 106 of the FWPCA); (7) wetlands State program development; (8) underground injection control; (9) Pesticides Program implementation; (10) lead grants; (11) hazardous waste financial assistance; (12) pesticides enforcement grants; (13) pollution prevention; (14) toxic substances enforcement grants; (15) Indians general assistance grants; and, (16) underground storage tanks. The funds provided in this account, exclusive of the funds for the SRFs and the special water and wastewater treatment projects, may be used by the Agency to enter into performance partnerships with States and tribes rather than media-specific categorical program grants, if requested by the States and tribes. The performance partnership/categorical grants are exempt from the Congressional reprogramming limitation.

The conferees agree that the special needs funds are provided as follows:

1. $30,000,000 for Boston Harbor wastewater needs.

2. $2,610,000 for continued wastewater needs in Bristol County, Massachusetts.

3. $6,525,000 for New Orleans wastewater needs.

4. $11,310,000 to implement combined sewer overflow improvements in Richmond ($5,655,000) and Lynchburg, ($5,655,000), Virginia.

5. $8,700,000 for continuation of the Rouge River National Wet Weather Demonstration project.

6. $3,045,000 for wastewater, sewer overflow, and water system needs of the Westfall Municipal Sewage Authority ($1,740,000), and Jefferson Township, Lackawanna County ($1,305,000), Pennsylvania.

7. $1,000,000 for the Olivenhain, California water infrastructure project.

8. $870,000 for the combined sewer overflow project for Sacramento, California.

9. $8,700,000 for water system improvements at Lake Hopatcong, New Jersey.

10. $13,050,000 for continued planning and implementation of a storm water abatement system in the Doan Brook Watershed Area, Ohio.

11. $7,395,000 for wastewater infrastructure needs for Jefferson Parish ($2,350,000); Baton Rouge ($2,000,000); and Grand Isle ($3,045,000), Louisiana.

12. $8,700,000 for alternative water source development for the Southwest Florida, St. John's River, Northwest Florida, and South Florida Water Management Districts.

13. $1,800,000 for wastewater infrastructure improvements for the City of Port Huron, Michigan.

14. $2,175,000 for the Grand Rapids, Michigan combined sewer overflow project.

15. $2,828,000 for water system and wastewater infrastructure requirements for the Somerset Township Municipal Authority ($1,088,000) and for the Johnstown-Cambria County Airport ($1,740,000), Pennsylvania.

16. $1,305,000 for ongoing work at the Geysers Recharge Project in Northern California.

17. $8,700,000 for continued clean water improvements of Onondaga Lake.

18. $7,047,000 for wastewater and water system improvement needs for the Centerville/Cumberland Valley Township ($261,000); the Houtzdale Borough Municipal Authority ($174,000); the Northern Blair Regional Sewer Authority ($696,000); the Richfield Borough Joint Municipal Authority ($348,000); Chambersburgh Borough ($2,175,000); the Letterkenny Reuse Authority ($522,000); the Lewistown Municipal Water Authority ($696,000); and the Hollidaysburg Borough ($2,175,000), Pennsylvania.

19. $8,700,000 for water supply and wastewater needs for the City of Paintsville ($1,900,000); Pike County, Mountain Water District ($2,200,000); the City of Fleming Neon ($1,500,000); the City of Salyersville ($500,000); Wolfe County ($1,700,000); and the City of Booneville ($900,000), Kentucky.

20. $2,610,000 for wastewater infrastructure improvements at Artesia, New Mexico.

21. $4,000,000 for the St. Louis Metropolitan Sewer District Meramac River enhancement and wetlands protection project.

22. $5,350,000 for wastewater and sewer infrastructure needs for DeSoto County ($2,675,000) and the City of Jackson ($2,675,000), Mississippi.

23. $1,740,000 for wastewater facilities and improvements in Essex County, Massachsetts.

24. $3,000,000 for the Milwaukee Metropolitan Sewerage District interceptor system.

25. $1,305,000 for the Miami-Dade County sanitary sewer overflow demonstration project.

26. $2,610,000 for wastewater improvements at Florida City, Florida.

27. $2,450,000 for the basin stormwater retention and reuse project at Big Haynes Creek, Georgia.

28. $5,655,000 for the tunnel and reservoir project (TARP) of the Metropolitan Water Reclamation District in Chicago, Illinois.

29. $5,000,000 for sewer and stormwater infrastructure needs at Bozeman, Montana.

30. $4,900,000 for the Mille Lacs regional wastewater treatment facility, Minnesota.

31. $1,555,000 for wastewater, sewer, and water infrastructure needs in Lovelock ($1,305,000) and Moapa Valley Water District ($250,000), Nevada.

32. $3,750,000 for combined sewer overflow requirements of the Passaic Valley Sewerage Commission, New Jersey.

33. $12,500,000 for water, wastewater, and system infrastructure development and improvements for the Yucaipa Valley Water District ($4,500,000); the Lower Owens River Project in Inyo County ($3,000,000); the City of Barstow ($3,000,000); and the San Timoteo Creek environmental restoration project in Loma Linda ($2,000,000), California.

34. $1,740,000 for water reuse system improvements for Riverton, Utah.

35. $2,500,000 for water supply needs for Brownsville, Texas.

36. $1,741,000 for drinking water infrastructure needs for White Oak, Wolfe Branch Utility District ($653,000), and for Frankfort, Potter Chapel, and the Island Ford area, Sunbright Utility District ($1,088,000), Tennessee.

37. $4,350,000 for sewage treatment facilities to reduce nitrogen flowing into the Susquehanna River and ultimately into the Chesapeake Bay.

38. $283,000 for the reservoir restoration project in Albemarle City, North Carolina.

39. $1,305,000 for the water runoff and sewer treatment program of the San Diego Coastal Low Flow Storm Diversion Project.

40. $1,435,000 for wastewater infrastructure improvements for Springettsbury Township/City of York ($1,000,000) and Delta Borough ($435,000), Pennsylvania.

41. $2,133,000 for wastewater infrastructure improvements for the City of San Diego, California.

42. $3,000,000 for water supply needs of the Lake Marion Regional Water Agency, South Carolina.

43. $500,000 for a groundwater replenishment system for Orange County, California.

44. $1,305,000 for the Connecticut River, Massachusetts and Connecticut combined sewer overflow project.

45. $653,000 for the interceptor collection project at Avondale, Arizona.

46. $870,000 for the MERTS wastewater treatment facility at South Tongue Point, Oregon.

47. $1,000,000 for the Sonoma County Water Agency, Russian River Restoration project.

48. $2,500,000 for completion of the export pipeline replacement to protect Lake Tahoe.

49. $2,200,000 for the Charleston Water Conservancy District, Utah to meet sewer infrastructure needs associated with the 2002 Winter Olympic games.

50. $1,000,000 for the Ogden City, Utah water and sewer system.

51. $1,600,000 for the town of Mountain Village and Telluride, Colorado for a shared sewer system upgrade.

52. $2,500,000 for the City of Winterset, Iowa for sewer system improvements.

53. $7,000,000 for the Village of Hempstead, New York for water system improvements.

54. $500,000 for the City of Hartford, South Dakota for the upgrade of its wastewater treatment plant.

55. $2,000,000 for the City of Berlin, New Hampshire for water infrastructure improvements.

56. $5,000,000 for the City of Cumberland, Maryland to separate and relocate the city's combined sewer and stormwater system.

57. $4,750,000 for improvements to the St. Maries, Idaho drinking water system.

58. $1,200,000 for the village of Jemez Springs, New Mexico to improve its wastewater treatment system.

59. $3,500,000 for the City of Springfield, Vermont to upgrade its wastewater system.

60. $4,900,000 for the City of Grand Forks, North Dakota water treatment plant relocation project.

61. $5,600,000 for the Eastern Band of Cherokee Indians, North Carolina, Big Cove Community wastewater collection project.

62. $8,000,000 for Jackson County, Mississippi for remaining construction of pipeline and water treatment improvements.

63. $2,000,000 for Anderson County, Kentucky to renovate the Alton Water District's sewer system.

64. $1,550,000 for the City of Kinston, North Carolina wastewater treatment improvements.

65. $350,000 for the Green River Water District, Hart County, Kentucky, for water system improvements.

66. $1,200,000 for the Matanuska-Susitna Borough, Alaska water and sewer improvements.

67. $1,700,000 for the City of Anchorage for water system improvements involving the town of Girdwood, Alaska.

68. $1,000,000 for the City of Fairbanks, Alaska for water system improvements.

69. $1,000,000 for the Middleburg/Franklin Township, Pennsylvania wastewater improvement project.

70. $2,250,000 for the City of Sparks, Nevada to construct a water treatment facility including nitrogen removal.

71. $3,000,000 for Geneva County, Alabama drinking water system improvements.

72. $1,000,000 for the Goodwater Utilities Board, Alabama to connect the town of Goodwater with Alexander City.

73. $4,000,000 for the Kansas City Blue River wastewater treatment plant improvements.

74. $1,000,000 for Somerset County, Maryland wastewater treatment improvements in support of biological nutrient removal.

75. $2,500,000 for the three rivers wet weather demonstration project, Allegheny County, Pennsylvania, to eliminate separate sewer flows.

76. $1,000,000 to support Springfield, Missouri efforts for phosphorus removal at the Southwest Wastewater Treatment Plant.

77. $10,000,000 for a National Community Decentralized Wastewater Demonstration Project. The conferees expect this project will help "jump start" the process of technology transfer of various decentralized wastewater treatment options. Three geographically and geologically diverse sites have been determined for this project, and include Warren, Vermont ($1,500,000), Block Island/Green Hill Pond, Rhode Island ($3,000,000), and LaPine, Deschutes County, Oregon ($5,500,000). Each of these communities has already expended considerable resources in the development of these projects, and it is the conferees intention that such previous expenditures be counted toward a local cost share for these projects only of 25 percent.

78. $1,000,000 for the City of Arnold, Pennsylvania for sewer system infrastructure improvements.

79. $250,000 for the City of McCall, Idaho for water infrastructure improvements, including filtration needs.

80. $1,000,000 for wastewater treatment system improvements in the Lake Tomahawk Sanitary District, Wisconsin.

WORKING CAPITAL FUND

The conferees have included bill language which makes technical changes to the Agency's Working Capital Fund.

ADMINISTRATIVE PROVISION

The conferees have included new language, in lieu of language proposed by the Senate, which limits the use of appropriated funds to issue or to establish an interpretation or guidance relating to fats, oils, and greases which does not recognize and provide for the differences of environmental effects and physical, chemical, biological, and other characteristics of edible and non-edible fats, oils, and greases as defined in the Edible Oil Regulatory Reform Act, Public Law 104–55. The language further requires the Administrator to issue regulations amending 40 C.F.R. 112 to comply with the requirements of Public Law 104–55 not later than March 31, 1999.

The conferees have not included bill language proposed by the Senate regarding a limitation on the use of funds to enable the export of government-owned ships for dismantling.

EXECUTIVE OFFICE OF THE PRESIDENT

OFFICE OF SCIENCE AND TECHNOLOGY POLICY

The conferees are in receipt of a report on Nuclear Magnetic Resonance (NMR) technology which focuses on new research opportunities. The report was developed by a committee of renowned NMR spectroscopists, assembled at the suggestion of the National Science Foundation. This recently released report calls for interagency collaboration to expand utilization of NMR. The conferees encourage the Science Advisor to review this report and, if appropriate, assist in developing an interagency solution for this important opportunity.

COUNCIL ON ENVIRONMENTAL QUALITY AND OFFICE OF ENVIRONMENTAL QUALITY

Appropriates $2,675,000 for the Council on Environmental Quality and Office of Environmental Quality as proposed by the House instead of $2,575,000 as proposed by the Senate. The conferees direct that no less than $100,000 of the appropriated amount be used by CEQ for work on the NEPA Reinvention project. The conferees expect that, among other Reinvention activities, CEQ will use these funds to support efforts to establish a memorandum of understanding between the Federal Energy Regulatory Commission and other appropriate Federal departments and agencies to expedite review of natural gas pipeline projects.

Again this year, bill language has been included which stipulates that for fiscal year 1999 there will be just one member of the Council on Environmental Quality and that individual will serve as chairman. Language is also included again this year which prohibits CEQ from using funds other than those appropriated directly to CEQ under this heading. The conferees expect CEQ to implement this provision in a manner consistent with its implementation during fiscal year 1998.

FEDERAL EMERGENCY MANAGEMENT AGENCY

DISASTER RELIEF

Appropriates $307,745,000 for disaster relief as proposed by the House instead of $846,000,000 as proposed by the Senate.

The conferees have agreed to include language in the bill making available $40,000,000 from section 404 hazard mitigation grant funding available to the State of California for pilot projects to demonstrate seismic retrofit technology. Of this amount, FEMA is directed to use $5,000,000 in fiscal year 1999 to conduct a pilot project of seismic retrofit technology on an existing welded steel frame building at California State University, San Bernardino. FEMA is directed to report to the Committees on Appropriations of the House and Senate, on or before March 31, 1999, and again on or before June 30, 1999, regarding progress made toward completion of this retrofit and development of an essential data base. The conferees recommend that FEMA establish a steering committee to receive input from industry associations and the technical community regarding the appropriate use of updated building codes and industry standards in performing this type of retrofit.

SALARIES AND EXPENSES

Appropriates $171,138,000 for salaries and expenses as proposed by the House instead of $170,000,000 as proposed by the Senate.

While the conferees are unable to provide additional funds for salaries and expenses above the original budget request, the conferees strongly support adequate funding for consequence management planning activities associated with preparing for a terrorist incident involving chemical and/or biological weapons, and urge FEMA to make necessary resources available for such activities.

The conferees direct FEMA to provide $400,000 and necessary workyears, in addition to funds requested in the budget, to administer the dam safety program as authorized by section 12(e) of the National Dam Safety Program Act.

The conferees understand that there may be a need for a new headquarters facility for FEMA which meets its special needs. The Agency should review this matter and, if appropriate, develop a workable plan to address this requirement.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,400,000 for the Office of Inspector General as proposed by the Senate instead of $4,930,000 as proposed by the House.

EMERGENCY MANAGEMENT PLANNING AND ASSISTANCE

Appropriates $240,824,000 for emergency management planning and assistance instead of $231,674,000 as proposed by the House and $239,000,000 as proposed by the Senate.

The conferees agree to provide $25,000,000 for the Project Impact program; $11,000,000 to address the requirements outlined in the July 9, 1998 budget amendment for anti-terrorism; $3,500,000 for an emergency operations center in Monroe County, Pennsyl-

vania; $1,000,000 for a pilot program to demonstrate two-foot contour mapping by the Louisiana Oil Spill Coordinator's Office; $1,600,000 for development of an emergency communications system for Pointe Coupe Parish, Louisiana; and $400,000 for a University of Missouri-Columbia Fire and Rescue Training Institute pilot program for hazards materials response training.

The conferees have included language in the bill which modifies the House language with regard to a smoke detector pilot project. The conferees agree that $750,000 is to be provided to the U.S. Fire Administration to conduct a nationwide pilot project to distribute smoke detectors in the 20 statistical areas at highest risk for residential fires. The program should also include an educational component designed to encourage the proper installation and maintenance of smoke detectors. The conferees note that previous smoke detector distribution and education programs have been successful by enlisting the support and cooperation of various state and local departments or organizations, and the Fire Administrator is encouraged to pursue such cooperation. The U.S. Fire Administration shall transmit the results of its pilot project to the Congress and the Consumer Product Safety Commission upon completion of the project.

In addition, the conferees agree to provide a total of $3,500,000 for the Dam Safety Program which is $2,000,000 above the budget request; and an increase of $5,500,000 for State and Local Assistance grants. The conferees expect state and local authorities to plan for a 50–50 cost share starting with fiscal year 2000. Finally, the conferees have included $824,000 for MERS equipment and direct FEMA to provide a report to the Committees on Appropriations which outlines the total requirements for the MERS program.

NATIONAL FLOOD INSURANCE FUND

The conferees have included bill language which authorizes the National Flood Insurance Program for fiscal year 1999. Without this authorization, new flood insurance policies could not be written throughout the fiscal year.

GENERAL SERVICES ADMINISTRATION

CONSUMER INFORMATION CENTER

Appropriates $2,619,000 for the Consumer Information Center as proposed by the House instead of $2,419,000 as proposed by the Senate.

NATIONAL AERONAUTICS AND SPACE ADMINISTRATION

Appropriates a total of $13,665,000,000 for National Aeronautics and Space Administration instead of $13,328,200,000 as proposed by the House and $13,615,000,000 as proposed by the Senate.

The conferees have included bill language in section 434 renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn. The conferees are taking this action

in recognition of Senator Glenn's significant contributions and achievements in the field of space exploration and research.

The conferees agree to retain the current NASA account structure for fiscal year 1999, but have included provisions which will restrict the use of non-space station funds for space station related activities. The conferees direct NASA to provide as part of its fiscal year 2000 budget submission a separate account for the international space station. The conferees have taken this action because of concern that the current account structure may facilitate the easy movement of funding from other human space flight activities into the space station program without timely or adequate notification to the Congress.

The conferees agree to remove language included in the House bill which prohibits the use of fiscal year 1999 funds for initiation of the Triana mission to be positioned at the Earth-Sun LaGrange-1 point. The conferees understand that NASA has selected a peer reviewed mission concept with enhanced science, which may also incorporate commercial involvement. The conferees understand that the enhanced mission estimate is $75,000,000, with a Shuttle launch by December 2000, and expect that NASA will outline a funding plan for initiation of Triana in the operating plan.

The conferees agree to include a general provision which provides indemnification and cross-waivers of liability with regard to the X–33 and X–34 programs. The language included in the conference agreement is the Senate bill language with some technical changes.

Of the amounts approved in the following appropriations accounts, NASA must limit transfers of funds between programs and activities to not more than $500,000 without prior approval of the Committees on Appropriations. Further, no changes may be made to any account or program element if it is construed to be policy or a change in policy. Any activity or program cited in this report shall be construed as the position of the conferees and should not be subject to reductions or reprogramming without prior approval of the Committees on Appropriations of the House and Senate. Finally, it is the intent of the conferees that all carryover funds in the various appropriations accounts be subject to the normal reprogramming requirements outlined above.

In determining the base from which to apply the general reductions for NASA, the Agency shall first deduct from the total the items of Congressional interest specifically listed in the conference report and statement of the managers for the fiscal year 1999 VA–HUD and Independent Agencies Appropriations Act, and in the House and Senate Committee reports.

HUMAN SPACE FLIGHT

Appropriates $5,480,000,000 for human space flight. The House had proposed $5,309,000,000 in this account. The Senate had proposed two new accounts, International Space Station and Launch Vehicles and Payload Operations, with a total of $5,541,000,000. Within the amount provided, the appropriation for space shuttle is $3,028,000,000, the appropriation for payload and utilization is $182,000,000, and the appropriation for space station development related activities is $2,270,000,000.

The amount provided for space shuttle operations is $31,000,000 below the budget request. These funds have been transferred to the mission support account to cover emergent requirements in the areas of personnel compensation and travel. In addition, the conferees direct NASA to provide $3,000,000 for the U.S. Space and Rocket Center in Huntsville, Alabama.

The amount provided for the international space station program is $2,270,000,000, the same as the budget request. The first two elements of the station are essentially ready for launch in November and December of 1998. The critical third element, the Russian-provided service module, still requires some assembly and has been scheduled for launch in April of 1999. Currently the launch date of the service module is in a state of flux and further delay will most likely occur. The conferees are very concerned about the status of the space station development schedule and in particular the impact of the economic and political situation in Russia. Because of this concern, the conferees will not endorse fiscal year 1999 transfer payments to the Russian Government at this time. The conferees have included a general provision which directs NASA to explore avenues other than government to government transfer payments to ensure adequate funding finds its way to the enterprises which are providing services and equipment for the space station program. The conferees will not approve any movement of funds to compensate for Russian nonperformance until a report is provided to the Committees on Appropriations of the House and Senate detailing the reasons for accepting or rejecting alternative financial arrangements, including government to government transfers, U.S. government to foreign contractor arrangements, and U.S. contractor to foreign contractor arrangements. The conferees expect to receive the report within 60 days of enactment of this Act.

SCIENCE, AERONAUTICS AND TECHNOLOGY

Appropriates $5,653,900,000 for science, aeronautics and technology. The House had proposed $5,541,600,000 in this account. The Senate had proposed two new accounts, science and technology, and aeronautics, space transportation, and technology, with a total of $5,562,400,000. The amount provided is $196,500,000 above the budget request for science, aeronautics and technology. The amount provided consists of:

$2,119,200,000 for space science, an increase of $60,800,000 to the budget request.

$263,500,000 for life and microgravity sciences, an increase of $21,500,000 to the budget request.

$1,413,800,000 for earth sciences, an increase of $41,800,000 to the budget request.

$1,338,900,000 for aeronautics and space transportation, an increase of $33,900,000 to the budget request.

$380,000,000 for mission support, no change from the budget request.

$138,500,000 for academic programs, an increase of $38,500,000 to the budget request.

Specific program adjustments are outlined below.

SPACE SCIENCE

The conferees agree to the following changes to the budget request:

1. A general reduction of $21,200,000.

2. An increase of $20,000,000 for the Mars 2001 program.

3. An increase of $10,500,000 for Cross Enterprise Advance Technology Development.

4. An increase of $12,000,000 for Next Generation Space Telescope.

5. An increase of $11,000,000 for Sun-Earth connecting advanced technology development to provide full funding for Solar-B, continue microsatellite technology, and support launch of solar stereo by 2002.

6. An increase of $1,000,000 for an astronomical satellite telescope operated at Western Kentucky University.

7. An increase of $10,000,000 for Space Solar Power.

8. An increase of $1,000,000 for the Near Earth Asteroid Tracking program.

9. An increase of $2,000,000 for a Science Center at Glendale Community College.

10. An increase of $2,500,000 for the Bishop Museum/Mauna Kea Astronomy Education Center.

11. An increase of $2,000,000 for the Chabot Observatory and Science Center, Oakland, CA.

12. An increase of $2,000,000 for a center on life in extreme thermal environments at Montana State University in Bozeman.

13. An increase of $2,000,000 for Montana State University in Bozeman to carry out research into advanced hardware and software technologies for development of advanced optoelectronic materials.

14. An increase of $2,000,000 for an atmospheric research small expendable deployed phase-B study.

15. An increase of $4,000,000 for the University of Alabama in Huntsville on behalf of the Center for Space Science and Technology Alliance to establish the National Center for Space Science and Technology adjacent to existing optics and material university research laboratories in Huntsville, Alabama.

LIFE AND MICROGRAVITY SCIENCES

The conferees agree to the following changes to the budget request:

1. An increase of $15,000,000 for a shuttle mission which accommodates research payloads. The conferees, remain concerned about the lack of shuttle-based science missions in fiscal year 1999. Additional research missions during space station assembly are critical for providing scientists the opportunity to develop research capabilities needed for optimal utilization of the International Space Station. Therefore, the conferees have provided $15,000,000 for such a mission. NASA is directed to submit, as part of its operating plan, a schedule for accomplishing this mission in fiscal year 1999.

2. An increase of $6,500,000 for space radiation research.

EARTH SCIENCES

The conferees agree to the following changes to the budget request.

1. A general reduction of $11,200,000.

2. An increase of $25,000,000 to support EOS AM–1 launch requirement, including interoperability of the EOS ground systems.

3. An increase of $10,000,000 for a remote sensing project at Mississippi State University.

4. An increase of $3,500,000 for the NASA International Earth Observing System Natural Resource Training Center at the University of Montana, Missoula.

5. An increase of $2,000,000 for Environmental Computer Center at Oregon State University.

6. An increase of $2,000,000 for an institute for research in commercial remote sensing applications at the University of Missouri-Columbia.

7. An increase of $1,000,000 for the Pipelines project at Iowa State University/Southern University-Baton Rouge.

8. An increase of $1,000,000 for the consortium for the application of space data to education (CASDE).

9. An increase of $5,500,000 for biodiversity-related science programs at the American Museum of Natural History.

10. An increase of $3,000,000 for the Regional Application Center in Cayuga County, New York.

AERONAUTICS AND SPACE TRANSPORTATION

The conferees agree to the following changes to the budget request.

1. A general reduction of $13,850,000.

2. An increase of $6,000,000 for studies of liquid flyback booster systems.

3. An increase of $4,000,000 for studies of a fifth stage solid rocket booster system.

4. An increase of $20,000,000 for NASA participation in the Air Force Military Space Plane project.

5. An increase of $6,000,000 for hybrid propulsion testing.

6. An increase of $5,000,000 for the six NASA Regional Technology Transfer Centers for programs to link women and minority owned businesses and businesses from distressed communities.

7. An increase of $2,000,000 for the Midwest Technology Transfer Center for the Garrett Morgan initiative throughout Ohio and the Great Lakes region.

8. An increase of $1,500,000 for MSE-Technology Applications, Western Environmental Technology Office.

9. An increase of $3,000,000 for a small business incubator program for two new incubators, at least one of which is to be located in Florida.

10. An increase of $250,000 for the Institute for Software Research (ISR) in Fairmont, West Virginia which will support a collaborative research effort between ISR and NASA Dryden to ensure cost effectiveness and safety for NASA programs through basic research.

MISSION COMMUNICATIONS

The conferees have provided $380,000,000 for Mission Communications, the same as the budget request and the Senate level and a reduction of $5,000,000 from the House proposed funding level.

ACADEMIC PROGRAMS

The conferees have agreed to the following changes to the budget request.

1. An increase of $5,600,000 for the National Space Grant College and Fellowship Program.

2. An increase of $5,400,000 for the NASA EPSCoR program. The increase results in a total funding level of $9,600,000 in fiscal year 1999. The conferees expect the program to be operated out of NASA headquarters and to permit each awardee to pursue research in any or all of the four NASA strategic enterprises. Finally, the conferees expect NASA to report to the Committees on Appropriations by March 1, 1999 on how it intends to aggressively expand future appropriations for this program so as to help diversify the university base which NASA research activities support.

3. An increase of $3,500,000 for academic and infrastructure needs at the University of Redlands.

4. An increase of $1,000,000 for a residential aerospace education center at NASA Glenn Research Center.

5. An increase of $2,000,000 for a center for advanced information technology at the University of Maryland, College Park.

6. An increase of $11,600,000 for Historically Black Colleges and Universities. Of this amount, $10,000,000 is to be applied to the SEMMA program as specified in House Report 105-610, and $1,600,000 is for a grant to Morgan State University for capital renovations and environmental remediation at the University's multipurpose facility to facilitate its effective use for the conduct of math and science education workshops to at-risk students in middle and high school.

7. An increase of $9,400,000 for the Partnership Awards program.

MISSION SUPPORT

Appropriates $2,511,100,000 for mission support instead of $2,458,600,000 as proposed by the House and $2,491,600,000 as proposed by the Senate. The amount provided includes $2,000,000 for settlement of claims associated with the Integrated Test Facility at the Dryden Flight Research Center, and $1,500,000 for completion of facilities at the Stennis Space Center. The amount provided also includes an increase of $31,000,000, derived from the human space flight account, to cover emergent requirements related to lower than anticipated personnel retirements/buyouts, increased costs associated with retirement system changes, government-wide pay rate changes, and higher requirements for travel funding. The conferees hereby increase NASA's travel limitation by $1,400,000.

The conferees continue to believe that the Administrator should work closely with the City of Downey, California regarding the disposition and excessing of Parcels 1 and 2 of the NASA In-

dustrial Plant, Downey, to the City. It is the agreement of the conferees that this property be conveyed to the City for economic/industrial development in an expeditious manner. The conferees direct the Administrator to submit a report by February 1, 1999, outlining a plan for transfer of Parcels 1 and 2 to the City of Downey. The report should identify any potential obstacles to timely transfer, including environmental considerations, proposals for overcoming those obstacles, and a timetable by which orderly transfer could be effected.

The conferees continue to prohibit the use of funds appropriated or otherwise made available to the National Aeronautics and Space Administration by this Act, or any other Act enacted before the date of enactment of this Act, by the Administrator of NASA to relocate aircraft of the National Aeronautics and Space Administration based east of the Mississippi River to the Dryden Flight Research Center in California.

OFFICE OF INSPECTOR GENERAL

Appropriates $20,000,000 for the Office of Inspector General as proposed by the Senate, instead of $19,000,000 as proposed by the House.

NATIONAL CREDIT UNION ADMINISTRATION

CENTRAL LIQUIDITY FACILITY

Appropriates $2,000,000 for the National Credit Union Administration for the Community Development Revolving Loan Program for credit unions as authorized by Public Law 103–325, as proposed by the House instead of $1,000,000 as proposed by the Senate.

NATIONAL SCIENCE FOUNDATION

RESEARCH AND RELATED ACTIVITIES

Appropriates $2,770,000,000 for research and related activities instead of $2,815,000,000 as proposed by the House and $2,725,000,000 as proposed by the Senate. Bill language is included which provides a limitation of $257,460,000 for Polar research and operations support. The conferees have also included bill language which prohibits the expenditure of funds after September 30, 1998 for activities associated with the administration of the Internet.

Specific bill language which provided $50,000,000 for a comprehensive research initiative on plant genomes for economically significant crops as proposed by the Senate has not been included, however, the conferees have included $50,000,000 for such an initiative within the overall research program funded through this account. This amount represents an increase of $10,000,000 above the budget request.

The conferees note that the amount provided the research and related activities account represents an increase of nearly $225,000,000, or eight percent, over the comparable fiscal year 1998 level. The Foundation is expected to spread this increase across all research directorates in a proportional manner consistent with the budget proposal. Within this framework, the Foundation is expected to make every effort to maximize resources for the

Ocean, Earth and Atmospheric Sciences programs. The conferees also note that the GLOBE program has been provided up to $2,000,000.

For the U.S. Arctic Research Program, the conferees have provided up to $22,000,000, an increase of up to $12,500,000 above the budget request. These additional funds are intended to support ongoing and planned high priority research in the Arctic region, including appropriate logistic needs. Prior to the obligation of these additional resources, the conferees expect the Foundation to provide a detailed spending plan on the use of these funds. Such plan should be submitted as part of the fiscal year 1999 operating plan.

The conferees have not included provisions as contained in the Senate report which created three new research centers for applied molecular biology and which provided funds to establish three new centers under the KDI program. The conferees believe that support for doctoral I and doctoral II institutions (as classified by the Carnegie Foundation) is critical if the nation is to fully develop its human resources with respect to science and engineering research. The conferees recognize that NSF support for these institutions currently exceeds $150,000,000 or about eight percent of the total NSF research budget. Nevertheless, the conferees expect the NSF to take all appropriate steps to enhance the resources available for doctoral I and II institutions, including taking steps to ensure that all directorates below the NSF-wide average increase grants for these institutions to achieve no less than this eight percent level. Moreover, the conferees direct the Foundation to review the need for the establishment of new centers to meet the purposes as proposed by the Senate, and review the desirability and feasibility of establishing a new and separate pool of resources to benefit doctoral I and II institutions. The conferees expect these reviews to be completed and submitted to the Committees on Appropriations no later than April 1, 1999.

The conferees believe that the "Grand Challenges" identified in the National Research Council's recent report, "Opportunities in Ocean Science," contains valuable perspectives on the benefit derived by broad coordinated research investigations. The NSF director shall communicate the findings of the report, and counsel with The National Ocean Leadership Council and the Office of Management and Budget, to define ocean science initiatives that will help realize the economic and environmental benefits described in the report.

Within amounts provided in this account, $1,500,000 is for continued operation of the RaDiUs database program. The conferees note that this database may represent a useful tool in the analysis of all research and development expenditures throughout the Federal government, and request the Foundation to report by May 1, 1999 on its assessment of the value and usefulness of this program. The amount provided is in addition to other amounts provided to the Foundation for CTI services.

MAJOR RESEARCH EQUIPMENT

Appropriates $90,000,000 for major research equipment as proposed by the House instead of $94,000,000 as proposed by the Senate. Included within this amount is $9,000,000 for the Millimeter

Array, $22,000,000 for the Large Hadron Collider, $20,000,000 for Polar support aircraft upgrades, and $39,000,000 for continued maintenance and construction of new facilities in Antarctica.

EDUCATION AND HUMAN RESOURCES

Appropriates $662,000,000 for education and human resources instead of $642,500,000 as proposed by the House and $683,000,000 as proposed by the Senate.

The conferees have included bill language renaming the Alliances for Minority Participation (AMP) Program after retiring Congressman Louis Stokes. The purpose of the AMP Program is to build partnerships among different kinds of institutions of higher education for the express purpose of attracting and retaining minority students in academic programs that lead to degrees in science and engineering. Congressman Stokes has been equally committed to building partnerships and alliances throughout his distinguished career. It is therefore fitting that this program which embodies these important principles be redesignated the Louis Stokes Alliances for Minority Participation Program.

Within the amount provided, $46,000,000 is for the Informal Education Program, and an increase of $10,000,000 above the budget request is provided for the EPSCoR program.

The conferees have provided $13,500,000 through the education and human resources account for education reform initiatives targeted to underrepresented populations served through the nation's historically black colleges and universities (HBCUs). Of these amounts, $7,500,000 shall be allocated for graduate level activities, and $6,000,000 for undergraduate activities under the UPUR program established in House Report 105–297. The undergraduate funds are to be augmented with an additional $2,000,000 from the research and related activities account for a total UPUR program level for fiscal year 1999 of $8,000,000.

For fiscal year 1998, $6,000,000 was provided for this program by the NSF instead of $12,000,000 as intended by the conferees. As a result, fewer institutions were given the opportunity to compete for available resources. It is the intent of the conferees that all eligible institutions, including those which were granted awards in fiscal year 1998, be given equal opportunity to compete for funds provided for fiscal year 1999. It is also the intent of the conferees that awards be of sufficient size so as to meet the needs of the competing institutions. However, it is not the intent of the conferees that NSF establish either a minimum or a maximum award size in the determination of grant recipients. Rather, each application should be judged on its merits without regard to its proposed cost. Finally, the Foundation is urged to indicate in its fiscal year 2000 budget submission how it intends to sustain the UPUR initiative at appropriate funding levels.

SALARIES AND EXPENSES

Appropriates $144,000,000 for salaries and expenses as proposed by the House instead of $136,950,000 as proposed by the Senate.

OFFICE OF INSPECTOR GENERAL

Appropriates $5,200,000 for the Office of Inspector General as proposed by the House and the Senate.

NEIGHBORHOOD REINVESTMENT CORPORATION

PAYMENT TO THE NEIGHBORHOOD REINVESTMENT CORPORATION

Appropriates $90,000,000 for the Neighborhood Reinvestment Corporation as proposed by the House instead of $60,000,000 as proposed by the Senate. Language is included which provides $25,000,000 for a pilot homeownership initiative, as proposed by the House.

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

Appropriates $24,176,000 for salaries and expenses as proposed by the House, instead of $24,940,000 as proposed by the Senate.

TITLE IV—GENERAL PROVISIONS

Restores language proposed by the House and stricken by the Senate permitting EPA, NSF, and NASA funds to be used for an endowment for the United States/Mexico Foundation for Science, amended to make technical modifications to the language.

Retains language proposed by the Senate limiting the use of funds appropriated to the Department of the Housing and Urban Development.

Deletes language proposed by the House and stricken by the Senate establishing new loan limits for Federal Housing Administration mortgages, providing additional appropriations of $10,000,000 for VA's medical and prosthetic research account and $70,000,000 for the National Science Foundation's research and related activities account, and defining the term "area." The Senate proposed language establishing new loan limits for Federal Housing Administration mortgages under HUD's administrative provisions. New FHA loan limits and revised definitions are addressed under HUD's administrative provisions section, and the appropriations for the VA and NSF accounts are addressed under those appropriating paragraphs.

Inserts and modifies language proposed by the House, directing the Consumer Product Safety Commission to contract with the National Academy of Sciences for a study of flame retardant chemicals under consideration for use in upholstered furniture. The study is to be completed prior to promulgation of a notice of proposed rulemaking or final rulemaking.

Deletes language proposed by the House and stricken by the Senate reducing the amount of medical care funds with delayed availability. The total amount of funds with delayed availability is addressed under the medical care account.

Deletes language proposed by the House and stricken by the Senate regarding child sleepwear flammability standards, and in-

serts new language directing the Consumer Product Safety Commission to address sleepwear standards.

Deletes language proposed by the House and stricken by the Senate reducing funds for non-overhead administrative expenses of the Federal Housing Administration by a total of $303,999,998 and increasing funds for VA's medical care account by the same amount. All funds for these activities are addressed under the FHA and VA's medical care accounts.

Deletes language proposed by the House and stricken by the Senate prohibiting the use of FEMA funds to permit the use of seismic hazard mitigation program funds to relocate a hospital.

Restores language proposed by the House and stricken by the Senate prohibiting the use of funds in this Act for research on reducing methane emissions from livestock.

Restores language proposed by the House and stricken by the Senate prohibiting funds in this Act from being used to carry out Executive Order 13083 concerning federalism.

Deletes language proposed by the House and stricken by the Senate reducing funds for HUD's housing opportunities for persons with AIDS (HOPWA) account by $21,000,000 and increasing funds for VA's grants for construction of state extended care facilities account by the same amount. Funding for these activities is addressed under HUD's HOPWA and VA's grants for construction of state extended care facilities accounts.

Deletes language proposed by the House and stricken by the Senate restricting the use of funds in this Act for implementation of section 12B.2(b) of the Administrative Code of San Francisco.

Deletes language proposed by the Senate placing certain conditions on entities that receive grants providing emergency shelter for homeless individuals.

Inserts language proposed by the Senate modifying the National Fallen Firefighters Foundation Act to eliminate the cap on staffing, amended to make technical changes.

Inserts language proposed by the Senate prohibiting individuals convicted of methamphetamine manufacture from receiving public housing assistance.

Deletes language proposed by the Senate regarding maximum travel distance for veterans to health care facilities.

Deletes language proposed by the Senate regarding detailed justifications for salary and expenses activities of the agencies in the bill. While the committee of conference has deleted the bill language, it remains concerned with the lack of detail contained in the budget justifications submitted by some of the agencies in the bill. As such, all of the departments and agencies are directed to provide detailed justifications for all salary and expenses activities, including personnel compensation and benefits, consulting costs, professional services or technical service contracts regardless of the dollar amount, contracting out costs, travel and other standard object classifications for all headquarters offices, regional offices, or field installations and laboratories, including the number of full-time equivalents per office, and the personnel compensation, benefits and travel cost for each Secretary, Assistant Secretary, Administrator, or other major operating office.

Inserts language proposed by the Senate allowing the Office of Science and Technology Policy to contract with the National Academy of Sciences for a study to develop methods for evaluating federally funded research and development programs.

Inserts language proposed by the Senate which provides indemnification and cross-waivers of liability with regard to the X–33 and X–34 flight test programs.

Inserts language proposed by the Senate providing land allotments to Alaska native Vietnam-era veterans, amended to reduce the eligibility period to three years, decrease the amount of lands subject to allotment, and provide the Secretary of the Interior with discretion regarding which lands are subject to allotment, among other changes.

Inserts new language directing the National Aeronautics and Space Administration to report on alternative methods of contracting with Russian entities.

Inserts new language renaming NASA's Lewis Research Center in Cleveland, Ohio the John H. Glenn Research Center at Lewis Field, in honor of retiring U.S. Senator John H. Glenn.

Inserts new language waiving the statutory waiting period prior to adoption of new accounting standards for NASA.

TITLE VI—SINGLE FAMILY PROPERTY DISPOSITION

Inserts language providing HUD with additional flexibility to choose the most cost-effective methods of paying insurance claims and disposing of acquired notes or homes under FHA single family programs. Specifically, the provision:

(1) reorganizes the current section 204(a) of the National Housing Act and eliminates obsolete or redundant provisions;

(2) provides a new claims payment procedure that permits HUD to pay a claim upon assignment of the mortgage rather than upon conveyance of the property;

(3) authorizes HUD to take assignment of the notes and transfer them to private parties for servicing, foreclosure avoidance, foreclosure, property management, and asset disposition; and,

(4) provides HUD with authority, similar to the FHA multifamily disposition program, that allows FHA to be an equity participant in private entities.

Additionally, the provision allows a structured financing for asset disposition in which FHA retains an equity interest, thereby increasing the value of the asset over simple asset sales. It eliminates the precise statutory formula for determining insurance benefits due a mortgagee by allowing HUD to adjust the additions and deductions prospectively through administrative action, to reflect new information, changing conditions, and state law requirements.

The conferees wish to impress upon HUD the importance of an aggressive and effective loss mitigation program. Such a program could keep families in their homes longer and would, most certainly, decrease losses to the FHA insurance fund. Currently, HUD's mortgage servicers have no affirmative duty to undertake loss mitigation activities. Therefore, the conference agreement has included language requiring loss mitigation activities upon default of a mortgage. Failure by a mortgagee to engage in loss mitigation

activities could result in a penalty of three times the amount of any insurance benefits claimed by the mortgagee. The conferees urge HUD, in conjunction with the lending community, to develop a comprehensive loss mitigation program and to propose to the Congress any statutory changes necessary to implement such a program.

Finally, the provision substitutes a requirement of disclosure of information regarding pre-foreclosure sales for the counseling currently required before use of pre-foreclosure sales and eliminates a requirement excluding the use of loss mitigation tools by enabling mortgagees to make better use of recasting and forbearance as part of loss mitigation.

Inserts language requiring HUD to treat certain FHA single family assets in certain distressed neighborhoods differently than those in non-revitalization areas in order to make the areas sustainable and to diminish the number of properties sold to speculators. The provision is designed to stabilize the neighborhood by encouraging homeownership of good, decent, and structurally sound homes, and replaces the current "right of first refusal" and discount system.

HUD is required, in conjunction with local stakeholders, to establish revitalization areas. These areas are determined on the basis of whether they have a high proportion of low income households, a high number of troubled assets, or a low rate of homeownership.

Additionally, the legislation provides for the establishment of smaller asset control areas within the larger revitalization areas. In those targeted areas, HUD and local partners shall implement an agreement to increase the level of repair and the level of owner occupant purchasers in those specially targeted areas. To encourage these agreements, HUD is authorized to offer pricing discounts that are based on an appropriate appraisal. HUD is obligated to offer, and the local partners are obligated to take, all FHA single family assets that are or that become available in these areas.

Once the revitalization and asset control areas are determined, assets offered for sale must be repaired so purchasers are not saddled with high repair costs. The conferees believe that adequate rehabilitation and renovations must be made to these homes to make them attractive to buyers as well as to increase the stability of the neighborhood. Therefore, rehabilitation standards should include whether the homes are in good, safe and habitable condition, whether major systems are dependable and in good repair, and whether the properties are marketable to owner occupants given the standards and preferences of the local community. Though preferred purchasers may incorporate higher rehabilitation standards, non-preferred purchasers must meet at least minimum property standards, as determined by HUD.

The conferees believe that increasing homeownership in these areas is particularly important if they are to become sustainable. Therefore, assets (within the control of the purchasers) in these areas must be sold to owner occupants in a proportion that matches, if not exceeds, the proportion of owner occupants in the metropolitan area. Though HUD is given the authority, in certain circumstances, to waive this provision, any deviations are expected to be rare and merit consultation with local units of government

and other involved parties. The conferees do not intend for HUD to waive the homeownership requirement for solely economic consideration. Downward deviations should be only for the purpose of strengthening the revitalization of the areas in which they may occur.

The conferees direct HUD to report to Congress annually on the number and characteristics of areas designated, or rejected, as revitalization and asset control areas. The report should include the number of eligible assets within each area and the basis for any rejection of designation.

CONFERENCE TOTAL—WITH COMPARISONS

The total new budget (obligational) authority for the fiscal year 1999 recommended by the Committee of Conference, with comparisons to the fiscal year 1998 amount, the 1999 budget estimates, and the House and Senate bills for 1999 follow:

New budget (obligational) authority, fiscal year 1998	$88,392,163,000
Budget estimates of new (obligational) authority, fiscal year 1999	93,688,871,105
House bill, fiscal year 1999	94,375,545,030
Senate bill, fiscal year 1999	93,331,942,030
Conference agreement, fiscal year 1999	93,390,780,030
Conference agreement compared with:	
New budget (obligational) authority, fiscal year 1998	+4,998,617,030
Budget estimates of new (obligational) authority, fiscal year 1999	−298,091,075
House bill, fiscal year 1999	−984,765,000
Senate bill, fiscal year 1999	+58,838.000

JERRY LEWIS,
TOM DELAY,
JAMES T. WALSH,
DAVID L. HOBSON,
JOE KNOLLENBERG,
R. FRELINGHUYSEN,
MARK W. NEUMANN,
ROGER WICKER,
BOB LIVINGSTON,
LOUIS STOKES,
ALAN B. MOLLOHAN,
MARCY KAPTUR,
CARRIE P. MEEK,
DAVID E. PRICE,
DAVE OBEY,
Managers on the Part of the House.

KIT BOND,
CONRAD BURNS,
TED STEVENS,
RICHARD SHELBY,
BEN NIGHTHORSE CAMPBELL,
LARRY E. CRAIG,
BARBARA A. MIKULSKI,
PATRICK LEAHY,
FRANK R. LAUTENBERG,
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ROBERT C. BYRD,
Managers on the Part of the Senate.

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