

109TH CONGRESS
2^D SESSION

H. R. 5233

To make funding for the housing choice voucher program of the Department of Housing and Urban Development more reliable and predictable at the local level, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 27, 2006

Ms. KILPATRICK of Michigan introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To make funding for the housing choice voucher program of the Department of Housing and Urban Development more reliable and predictable at the local level, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Housing Choice Vouch-
5 er Funding Fairness Act of 2006”.

1 **SEC. 2. FUNDING ALLOCATION.**

2 Section 8 of the United States Housing Act of 1937
3 (42 U.S.C. 1437f) is amended by adding at the end the
4 following new subsections:

5 “(ff) TENANT-BASED CONTRACT RENEWALS.—

6 “(1) ALLOCATION DETERMINATION.—Notwith-
7 standing any other provision of law, for each cal-
8 endar year funding cycle, the Secretary shall allocate
9 amounts made available for such funding cycle for
10 renewal of expiring annual contributions contracts
11 for tenant-based rental assistance for each public
12 housing agency (other than an agency with a special
13 funding agreement under the Moving To Work dem-
14 onstration program) based on the most recent leas-
15 ing and cost data for such funding cycle, as adjusted
16 to reflect likely reasonable future costs—

17 “(A) by applying local and regional annual
18 adjustment factors, as established for such cal-
19 endar year by the Secretary using the most re-
20 cent data available; and

21 “(B) by applying such additional adjust-
22 ments to the most recent leasing and cost data
23 for such funding cycle, to compensate for
24 changes in the number of vouchers under lease
25 or voucher costs, as the Secretary may approve
26 for a public housing agency, pursuant to appli-

1 cation by the agency and in accordance with
2 paragraph (3).

3 “(2) MOST RECENT LEASING AND COST
4 DATA.—For purposes of this subsection, the term
5 ‘most recent leasing and cost data’ means, for any
6 calendar year funding cycle, leasing and per-voucher
7 cost data for the most recent 12-month period for
8 which such verified data is available as of the time
9 of the allocation determination for such funding
10 cycle, except that such data shall not include data
11 with respect to any units leased in excess of the
12 agency’s authorized unit months. The Secretary
13 shall collect new leasing and per-voucher cost data
14 for use under this paragraph for each calendar year
15 funding cycle, which shall be verified data obtained
16 from the Voucher Management System.

17 “(3) ADJUSTMENTS.—

18 “(A) AUTHORITY.—Application and ap-
19 proval of additional adjustments referred to in
20 paragraph (1)(B) for a calendar year shall be
21 in accordance with such limitations as the Sec-
22 retary shall provide, which shall include the use
23 of objective and fair approval criteria estab-
24 lished by the Secretary that provide that—

1 “(i) adjustment to the number of
2 vouchers under lease shall be approved if a
3 public housing agency demonstrates need
4 for renewal of previously issued tenant pro-
5 tection vouchers or of other authorized
6 vouchers to comply with court orders or to
7 meet previous commitments to owners for
8 project-based vouchers in projects ready
9 for occupancy in such calendar year; and

10 “(ii) adjustment of voucher costs shall
11 be approved if an agency demonstrates—

12 “(I) rent increases;

13 “(II) utility rate changes;

14 “(III) known changes in subsidy
15 costs due to enhanced vouchers under
16 subsection (t), portability under sub-
17 section (r), increased average unit
18 size, or approval of higher subsidy
19 payments for people with disabilities
20 due to reasonable accommodation;

21 “(IV) change in average tenant
22 income, including adjustments needed
23 for areas with seasonal employment if
24 income variations are not adequately

1 reflected in the period of data used by
2 the Secretary; or

3 “(V) increase in number of fami-
4 lies participating in the Family Self-
5 Sufficiency program under section 23
6 who are building escrow savings due
7 to increased earnings.

8 “(B) DENIAL OF CERTAIN ADJUST-
9 MENTS.—Notwithstanding subparagraph
10 (A)(ii), the Secretary may deny an adjustment
11 referred to in subclause (I), (II), or (III) of
12 subparagraph (A)(ii) with respect to a public
13 housing agency if the agency is not complying
14 with subsection (o)(10)(A) (regarding rent rea-
15 sonableness).

16 “(C) AMOUNT OF ADJUSTMENTS.—The ag-
17 gregate amount of such additional adjustments
18 referred to in paragraph (1)(B) for all public
19 housing agencies for a calendar year funding
20 cycle shall not exceed 2 percent of the total
21 amount provided for such calendar year for re-
22 newal of expiring annual contributions contracts
23 for tenant-based rental assistance. In any year
24 in which such total amount provided for such
25 renewals is less than the amount needed to pro-

1 vide each public housing agency with the full
2 adjustment amount determined for the agency
3 under this paragraph, each agency for which
4 such an adjustment is approved shall receive
5 the same percentage of the total amount ap-
6 proved for that agency.

7 “(4) PRORATION.—To the extent necessary to
8 stay within the amount made available for a cal-
9 endar year for renewal of expiring annual contribu-
10 tions contracts for tenant-based rental assistance,
11 the Secretary shall prorate each public housing
12 agency’s allocation otherwise established pursuant to
13 this subsection for such year, except that such pro-
14 ration shall not apply to the renewal of enhanced
15 vouchers under any provision of law authorizing
16 such assistance under section 8(t) of the Act.

17 “(gg) AGENCY RESERVES FOR HOUSING CHOICE
18 VOUCHERS.—

19 “(1) AUTHORITY.—Each public housing agency
20 may maintain a reserve of amounts for tenant-based
21 assistance in an amount not to exceed four percent
22 of the amount provided to the agency under its an-
23 nual contributions contract in effect at such time.

24 “(2) ANNUAL REPLENISHMENT.—To the extent
25 that amounts are expressly made available for use

1 under this subsection, at the beginning of the fund-
2 ing cycle for each calendar year, the Secretary shall
3 provide to the reserves of each public housing agency
4 an amount sufficient so that the aggregate amount
5 of such reserves are equal to two percent of the
6 amount provided to the agency under its annual con-
7 tributions contract for such calendar year.

8 “(3) PROHIBITION OF RECAPTURE.—The Sec-
9 retary may not recapture any reserve amounts main-
10 tained by a public housing agency pursuant to this
11 subsection that do not exceed the four percent limi-
12 tation referred to in paragraph (1).

13 “(4) USE.—Amounts in the reserve of a public
14 housing agency under this subsection shall be avail-
15 able to the agency for use for unmet needs for ten-
16 ant-based rental assistance and to support additional
17 vouchers.

18 “(5) USE OF RECAPTURED RESERVE
19 AMOUNTS.—Any reserve amounts in excess of the
20 four percent limitation referred to in paragraph (1)
21 that are recaptured by the Secretary shall be avail-
22 able to the Secretary only for tenant-based contract
23 renewals under subsection (ff) and for replenishment
24 of reserves pursuant to paragraph (2) of this sub-
25 section.

1 “(hh) BUDGET INFORMATION.—The Secretary shall
2 provide to the Congress, and make publicly available, the
3 following information:

4 “(1) BUDGET INFORMATION.—In the annual
5 budget justifications of the Department of Housing
6 and Urban Development, the Secretary shall include
7 information identifying, with respect to the upcom-
8 ing calendar year funding cycle for which such jus-
9 tifications are made—

10 “(A) the number and percentage of author-
11 ized vouchers leased in the most recent 12-
12 month period for which data is available and
13 their average cost;

14 “(B) the administrative fees earned by
15 public housing agencies in such most recent 12-
16 month period;

17 “(C) the funding allocated in such most re-
18 cent 12-month period to public housing agen-
19 cies with special voucher funding agreements
20 under the Moving to Work demonstration pro-
21 gram;

22 “(D) the best estimate available for such
23 upcoming calendar year of the likely applicable
24 weighted average annual adjustment factor
25 under subsection (ff)(1)(A); and

1 “(E) for such upcoming calendar year, an
2 estimate of adjustments required under sub-
3 section (ff)(1)(B) and the number of vouchers
4 that will be eligible for renewal funding after
5 the adjustments required by subsection
6 (ff)(3)(A)(i).

7 “(2) UPDATED INFORMATION.—Not later than
8 April 30 and August 31 of each year, the Secretary
9 shall provide updated leasing and cost data and the
10 final weighted average annual adjustment factor
11 under subsection (ff)(1)(A) that will be applicable in
12 the subsequent calendar year. In each year, the Sec-
13 retary shall provide revised updates, as appropriate,
14 on a timely basis before the enactment of the annual
15 appropriations Act for the Department of Housing
16 and Urban Development.

17 “(3) ANNUAL REPORT.—The Secretary shall
18 submit a report annually on the extent to which pub-
19 lic housing agencies are providing the appropriate
20 amount of subsidy for each family assisted with ten-
21 ant-based rental assistance, based on tenant incomes
22 and reasonable rents in the community and existing
23 policies of the Secretary. Each such report shall in-
24 clude data from monitoring by the Quality Assur-
25 ance Division of the Department and shall compare

1 current rates of correct subsidy payments to such
2 rates for the preceding year.

3 “(ii) MAXIMIZED LEASING.—

4 “(1) IN GENERAL.—In each year, a public
5 housing agency may use amounts provided to the
6 agency for tenant-based rental assistance for such
7 year to provide assistance on behalf of as many fam-
8 ilies as the agency determines is possible, notwith-
9 standing the number of vouchers authorized for the
10 agency for such year for purposes of allocation of
11 amounts.

12 “(2) PROHIBITION ON CONSIDERATION OF
13 OVERLEASING DATA.— In determining the allocation
14 baseline for vouchers or the authorized level of
15 vouchers for any public housing agency for any year,
16 the Secretary may not take into consideration the
17 extent to which the number of families assisted in
18 the preceding year by the agency exceeded such au-
19 thorized level.

20 “(3) PROHIBITION OF LIMITATION ON OVER-
21 LEASING.—

22 “(A) IN GENERAL.—Except as provided in
23 subparagraph (B) and notwithstanding any
24 other provision of law, the Secretary may not

1 establish, implement, carry out, or enforce any
2 limitation on the number of—

3 “(i) families that may be assisted by
4 a public housing agency with amounts pro-
5 vided to the agency for tenant-based rental
6 assistance;

7 “(ii) vouchers that an agency may
8 fund using such amounts; or

9 “(iii) units or unit-months that an
10 agency may have under lease using such
11 amounts

12 “(B) EXCEPTION.—If the Secretary deter-
13 mines that a public housing agency has engaged
14 in financial mismanagement involving leasing in
15 excess of the agency’s authorized level of vouch-
16 ers, the prohibition under subparagraph (A)
17 shall not apply to such agency.

18 “(jj) AUTHORIZATION OF APPROPRIATIONS FOR
19 TENANT-BASED ASSISTANCE.—There are authorized to
20 be appropriated in each fiscal year such sums as may be
21 necessary for tenant-based rental assistance for—

22 “(1) renewal of all expiring annual contribu-
23 tions contracts for such assistance in accordance
24 with subsection (ff) in the amount necessary to

1 avoid proration under paragraph (3) of such sub-
2 section; and

3 “(2) restoring and replenishing all public hous-
4 ing agency’s reserves under subsection (gg) in the
5 amount required under paragraph (2) of such sub-
6 section for such year.”.

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