

110TH CONGRESS  
1ST SESSION

# H. R. 1851

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937.

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Ms. WATERS (for herself, Mr. FRANK of Massachusetts, Mrs. BIGGERT, and Mr. SHAYS) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937.

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 “Section 8 Voucher Re-  
5 form Act of 2007”.

6 **SEC. 2. INSPECTION OF DWELLING UNITS.**

7 Section 8(o)(8) of the United States Housing Act of  
8 1937 (42 U.S.C. 1437f(o)(8)) is amended—

9 (1) by striking subparagraph (A) and inserting  
10 the following new subparagraph:

1 “(A) INITIAL INSPECTION.—

2 “(i) IN GENERAL.—For each dwelling  
3 unit for which a housing assistance pay-  
4 ment contract is established under this  
5 subsection, the public housing agency (or  
6 other entity pursuant to paragraph (11))  
7 shall inspect the unit before any assistance  
8 payment is made to determine whether the  
9 dwelling unit meets the housing quality  
10 standards under subparagraph (B), except  
11 as provided in clause (ii) of this subpara-  
12 graph.

13 “(ii) CORRECTION OF NON-LIFE  
14 THREATENING CONDITIONS.—In the case  
15 of any dwelling unit that is determined,  
16 pursuant to an inspection under clause (i),  
17 not to meet the housing quality standards  
18 under subparagraph (B), assistance pay-  
19 ments may be made for the unit notwith-  
20 standing subparagraph (C) if failure to  
21 meet such standards is a result only of  
22 non-life threatening conditions. A public  
23 housing agency making assistance pay-  
24 ments pursuant to this clause for a dwell-  
25 ing unit shall, 30 days after the beginning

1 of the period for which such payments are  
2 made, suspend any assistance payments  
3 for the unit if any deficiency resulting in  
4 noncompliance with the housing quality  
5 standards has not been corrected by such  
6 time, and may not resume such payments  
7 until each such deficiency has been cor-  
8 rected.”; and

9 (2) by striking subparagraph (D) and inserting  
10 the following new subparagraph:

11 “(D) BIENNIAL INSPECTIONS.—

12 “(i) REQUIREMENT.—Each public  
13 housing agency providing assistance under  
14 this subsection (or other entity, as pro-  
15 vided in paragraph (11)) shall, for each as-  
16 sisted dwelling unit, make biennial inspec-  
17 tions during the term of the housing as-  
18 sistance payments contract for the unit to  
19 determine whether the unit is maintained  
20 in accordance with the requirements under  
21 subparagraph (A). The agency (or other  
22 entity) shall retain the records of the in-  
23 spection for a reasonable time and shall  
24 make the records available upon request to  
25 the Secretary, the Inspector General for

1 the Department of Housing and Urban  
2 Development, and any auditor conducting  
3 an audit under section 5(h).

4 “(ii) SUFFICIENT INSPECTION.—An  
5 inspection of a dwelling unit shall be suffi-  
6 cient to comply with the inspection require-  
7 ment under clause (i) if—

8 “(I) the inspection was conducted  
9 pursuant to requirements under a  
10 Federal, State, or local housing assist-  
11 ance program (including the HOME  
12 investment partnerships program  
13 under title II of the Cranston-Gon-  
14 zalez National Affordable Housing  
15 Act (42 U.S.C. 12721 et seq.)); and

16 “(II) pursuant to such inspec-  
17 tion, the dwelling was determined to  
18 meet the standards or requirements  
19 regarding housing quality or safety  
20 applicable to units assisted under such  
21 program, and the public housing  
22 agency has certified to the Secretary  
23 that such standards or requirements  
24 provide the same protection to occu-  
25 pants of dwelling units meeting such

1 standards or requirements as, or  
2 greater protection than, the housing  
3 quality standards under subparagraph  
4 (B).”.

5 **SEC. 3. RENT REFORM AND INCOME REVIEWS.**

6 (a) RENT FOR PUBLIC HOUSING AND SECTION 8  
7 PROGRAMS.—Section 3 of the United States Housing Act  
8 of 1937 (42 U.S.C. 1437a(a)) is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1) by inserting “LOW-  
11 INCOME OCCUPANCY REQUIREMENT AND RENT-  
12 AL PAYMENTS.—” after “(1)”; and

13 (B) by adding at the end the following new  
14 paragraphs:

15 “(6) REVIEWS OF FAMILY INCOME.—

16 “(A) FREQUENCY.—Reviews of family in-  
17 come for purposes of this section shall be  
18 made—

19 “(i) in the case of all families, upon  
20 the initial provision of housing assistance  
21 for the family;

22 “(ii) annually thereafter, except as  
23 provided in subparagraph (B)(i);

24 “(iii) upon the request of the family,  
25 at any time the income or deductions

1 (under subsection (b)(5)) of the family  
2 change by an amount that is estimated to  
3 result in a decrease of \$1,500 (or such  
4 lower amount as the public housing agency  
5 may, at the option of the agency, establish)  
6 or more in annual adjusted income; and

7 “(iv) at any time the income or deduc-  
8 tions (under subsection (b)(5)) of the fam-  
9 ily change by an amount that is estimated  
10 to result in an increase of \$1,500 or more  
11 in annual adjusted income, except that any  
12 increase in the earned income of a family  
13 shall not be considered for purposes of this  
14 clause (except that earned income may be  
15 considered if the increase corresponds to  
16 previous decreases under clause (iii)).

17 “(B) FIXED-INCOME FAMILIES.—

18 “(i) SELF CERTIFICATION AND 3-YEAR  
19 REVIEW.—In the case of any family de-  
20 scribed in clause (ii), after the initial re-  
21 view of the family’s income pursuant to  
22 subparagraph (A)(i), the public housing  
23 agency or owner shall not be required to  
24 conduct a review of the family’s income  
25 pursuant to subparagraph (A)(ii) for any

1 year for which such family certifies, in ac-  
2 cordance with such requirements as the  
3 Secretary shall establish, that the income  
4 of the family meets the requirements of  
5 clause (ii) of this subparagraph, except  
6 that the public housing agency or owner  
7 shall conduct a review of each such fam-  
8 ily's income not less than once every 3  
9 years.

10 “(ii) ELIGIBLE FAMILIES.—A family  
11 described in this clause is a family who has  
12 an income, as of the most recent review  
13 pursuant to subparagraph (A) or clause (i)  
14 of this subparagraph, of which 90 percent  
15 or more consists of fixed income, as such  
16 term is defined in clause (iii).

17 “(iii) FIXED INCOME.—For purposes  
18 of this subparagraph, the term ‘fixed in-  
19 come’ includes income from—

20 “(I) the supplemental security in-  
21 come program under title XVI of the  
22 Social Security Act, including supple-  
23 mentary payments pursuant to an  
24 agreement for Federal administration  
25 under section 1616(a) of the Social

1 Security Act and payments pursuant  
2 to an agreement entered into under  
3 section 212(b) of Public Law 93–66;  
4 “(II) Social Security payments;  
5 “(III) Federal, State, local and  
6 private pension plans; and  
7 “(IV) other periodic payments re-  
8 ceived from annuities, insurance poli-  
9 cies, retirement funds, disability or  
10 death benefits, and other similar types  
11 of periodic receipts.

12 “(C) IN GENERAL.—Reviews of family in-  
13 come for purposes of this section shall be sub-  
14 ject to the provisions of section 904 of the  
15 Stewart B. McKinney Homeless Assistance  
16 Amendments Act of 1988.

17 “(7) CALCULATION OF INCOME.—

18 “(A) USE OF PRIOR YEAR’S INCOME.—Ex-  
19 cept as otherwise provided in this paragraph, in  
20 determining the income of a family for a year,  
21 a public housing agency or owner may use the  
22 income of the family as determined by the agen-  
23 cy or owner for the preceding year, taking into  
24 consideration any redetermination of income

1 during such prior year pursuant to clause (iii)  
2 or (iv) of paragraph (6)(A).

3 “(B) EARNED INCOME.—For purposes of  
4 this section, the earned income of a family for  
5 a year shall be the amount of earned income by  
6 the family in the prior year minus an amount  
7 equal to 10 percent of the lesser of such prior  
8 year’s earned income or \$10,000, except that  
9 the income of a family for purposes of section  
10 16 (relating to eligibility for assisted housing  
11 and income mix) shall be determined without  
12 regard to any reduction under this subpara-  
13 graph.

14 “(C) INFLATIONARY ADJUSTMENT FOR  
15 FIXED INCOME FAMILIES.—If, for any year, a  
16 public housing agency or owner determines the  
17 income for any family described in paragraph  
18 (6)(B)(ii), or the amount of fixed income of any  
19 other family, based on the prior year’s income  
20 or fixed income, respectively, pursuant to sub-  
21 paragraph (A), such prior year’s income or  
22 fixed income, respectively, shall be adjusted by  
23 applying an inflationary factor as the Secretary  
24 shall, by regulation, establish.

1           “(D) OTHER INCOME.—If, for any year, a  
2 public housing agency or owner determines the  
3 income for any family based on the prior year’s  
4 income, with respect to prior year calculations  
5 of types of income not subject to subparagraph  
6 (B), a public housing agency or owner may  
7 make other adjustments as it considers appro-  
8 priate to reflect current income.

9           “(E) SAFE HARBOR.—A public housing  
10 agency or owner may, to the extent such infor-  
11 mation is available to the public housing agency  
12 or owner, determine the family’s income for  
13 purposes of this section based on timely income  
14 determinations made for purposes of other  
15 means-tested Federal public assistance pro-  
16 grams (including the program for block grants  
17 to States for temporary assistance for needy  
18 families under part A of title IV of the Social  
19 Security Act, a program for medicaid assistance  
20 under a State plan approved under title XIX of  
21 the Social Security Act, and the food stamp  
22 program as defined in section 3(h) of the Food  
23 Stamp Act of 1977).

24           “(F) PHA AND OWNER COMPLIANCE.—A  
25 public housing agency or owner may not be con-

1           sidered to fail to comply with this paragraph or  
2           paragraph (6) due solely to any de minimus er-  
3           rors made by the agency or owner in calculating  
4           family incomes.”;

5           (2) by striking subsections (d) and (e); and

6           (3) by redesignating subsection (f) as sub-  
7           section (d).

8           (b) INCOME.—Section 3(b) of the United States  
9           Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended—

10           (1) by striking paragraph (4) and inserting the  
11           following new paragraph:

12           “(4) INCOME.—The term ‘income’ means, with  
13           respect to a family, income received from all sources  
14           by each member of the household who is 18 years  
15           of age or older or is the head of household, as deter-  
16           mined in accordance with criteria prescribed by the  
17           Secretary, in consultation with the Secretary of Ag-  
18           riculture, subject to the following requirements:

19           “(A) INCLUDED AMOUNTS.—Such term in-  
20           cludes recurring gifts and receipts, actual in-  
21           come from assets, and profit or loss from a  
22           business.

23           “(B) EXCLUDED AMOUNTS.—Such term  
24           does not include—

1           “(i) any imputed return on assets;  
2           and

3           “(ii) any amounts that would be eligi-  
4           ble for exclusion under section 1613(a)(7)  
5           of the Social Security Act (42 U.S.C.  
6           1382b(a)(7)).

7           “(C) EARNED INCOME OF STUDENTS.—  
8           Such term does not include earned income of  
9           any dependent earned during any period that  
10          such dependent is attending school on a full-  
11          time basis.

12          “(D) OTHER EXCLUSIONS.—Such term  
13          shall not include other exclusions from income  
14          as are established by the Secretary or any  
15          amount required by Federal law to be excluded  
16          from consideration as income. The Secretary  
17          may not require a public housing agency or  
18          owner to maintain records of any amounts ex-  
19          cluded from income pursuant to this subpara-  
20          graph.”; and

21          (2) by striking paragraph (5) and inserting the  
22          following new paragraph:

23          “(5) ADJUSTED INCOME.—The term ‘adjusted  
24          income’ means, with respect to a family, the amount  
25          (as determined by the public housing agency or

1 owner) of the income of the members of the family  
2 residing in a dwelling unit or the persons on a lease,  
3 after any deductions from income as follows:

4 “(A) ELDERLY AND DISABLED FAMI-  
5 LIES.—\$725 in the case of any family that is  
6 an elderly family or a disabled family.

7 “(B) DEPENDENTS.—In the case of any  
8 family that includes a member or members  
9 who—

10 “(i) are less than 18 years of age or  
11 attending school or vocational training on  
12 a full-time basis; or

13 “(ii) is a person with disabilities who  
14 is 18 years of age or older and resides in  
15 the household,

16 \$500 for each such member.

17 “(C) HEALTH AND MEDICAL EXPENSES.—  
18 The amount, if any, by which 10 percent of an-  
19 nual family income is exceeded by the sum of—

20 “(i) in the case of any elderly or dis-  
21 abled family, any unreimbursed health and  
22 medical care expenses; and

23 “(ii) any unreimbursed reasonable at-  
24 tendant care and auxiliary apparatus ex-  
25 penses for each handicapped member of

1 the family, to the extent necessary to en-  
2 able any member of such family to be em-  
3 ployed.

4 “(D) PERMISSIVE DEDUCTIONS.—Such ad-  
5 ditional deductions as a public housing agency  
6 may, at its discretion, establish, except that the  
7 Secretary shall establish procedures to ensure  
8 that such deductions do not increase Federal  
9 expenditures.

10 The Secretary shall annually adjust the amounts of  
11 the exclusions under subparagraphs (A) and (B), as  
12 such amounts may have been previously adjusted, by  
13 applying an inflationary factor as the Secretary  
14 shall, by regulation, establish. If the dollar amount  
15 of any such exclusion determined for any year by ap-  
16 plying such inflationary factor is not a multiple of  
17 \$25, the Secretary shall round such amount to the  
18 next lowest multiple of \$25.”.

19 (c) HOUSING CHOICE VOUCHER PROGRAM.—Para-  
20 graph (5) of section 8(o) of the United States Housing  
21 Act of 1937 (42 U.S.C. 1437f(o)(5)) is amended—

22 (1) in the paragraph heading, by striking “AN-  
23 NUAL REVIEW” and inserting “REVIEWS”;

24 (2) in subparagraph (A)—

1 (A) by striking “the provisions of” and in-  
2 serting “paragraphs (6) and (7) of section 3(a)  
3 and to”; and

4 (B) by striking “and shall be conducted  
5 upon the initial provision of housing assistance  
6 for the family and thereafter not less than an-  
7 nually”; and

8 (3) in subparagraph (B), by striking the second  
9 sentence.

10 (d) ENHANCED VOUCHER PROGRAM.—Section  
11 8(t)(1)(D) of the United States Housing Act of 1937 (42  
12 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
13 and inserting “annual adjusted income”.

14 (e) EFFECTIVE DATE AND TRANSITION.—The  
15 amendments made by this section shall apply with respect  
16 to fiscal year 2008 and fiscal years thereafter.

17 **SEC. 4. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS**  
18 **AND INCOME.**

19 (a) ASSETS.—Section 16 of the United States Hous-  
20 ing Act of 1937 (42 U.S.C. 1437n) is amended by insert-  
21 ing after subsection (d) the following new subsection:

22 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-  
23 SETS.—

24 “(1) LIMITATION ON ASSETS.—Subject to para-  
25 graph (3) and notwithstanding any other provision

1 of this Act, a dwelling unit assisted under this Act  
2 may not be rented and assistance under this Act  
3 may not be provided, either initially or at each recer-  
4 tification of family income, to any family—

5 “(A) whose net family assets exceed  
6 \$100,000, as such amount is adjusted annually  
7 by applying an inflationary factor as the Sec-  
8 retary considers appropriate; or

9 “(B) who has a present ownership interest  
10 in, and a legal right to reside in, real property  
11 that is suitable for occupancy as a residence,  
12 except that the prohibition under this subpara-  
13 graph shall not apply to—

14 “(i) any property for which the family  
15 is receiving assistance under this Act;

16 “(ii) any person that is a victim of do-  
17 mestic violence; or

18 “(iii) any family that is making a  
19 good faith effort to sell such property.

20 “(2) NET FAMILY ASSETS.—

21 “(A) IN GENERAL.—For purposes of this  
22 subsection, the term ‘net family assets’ means,  
23 for all members of the household, the net cash  
24 value of all assets after deducting reasonable  
25 costs that would be incurred in disposing of real

1 property, savings, stocks, bonds, and other  
2 forms of capital investment. Such term does not  
3 include interests in Indian trust land, equity ac-  
4 counts in homeownership programs of the De-  
5 partment of Housing and Urban Development,  
6 or Family Self Sufficiency accounts.

7 “(B) EXCLUSIONS.—Such term does not  
8 include—

9 “(i) the value of personal property, ex-  
10 cept for items of personal property of sig-  
11 nificant value, as the public housing agen-  
12 cy may determine;

13 “(ii) the value of any retirement ac-  
14 count; and

15 “(iii) any amounts recovered in any  
16 civil action or settlement based on a claim  
17 of malpractice, negligence, or other breach  
18 of duty owed to a member of the family  
19 and arising out of law, that resulted in a  
20 member of the family being disabled  
21 (under the meaning given such term in  
22 section 1614 of the Social Security Act (42  
23 U.S.C. 1382c)).

24 “(C) TRUST FUNDS.—In cases where a  
25 trust fund has been established and the trust is

1 not revocable by, or under the control of, any  
2 member of the family or household, the value of  
3 the trust fund shall not be considered an asset  
4 of a family if the fund continues to be held in  
5 trust. Any income distributed from the trust  
6 fund shall be considered income for purposes of  
7 section 3(b) and any calculations of annual  
8 family income, except in the case of medical ex-  
9 penses for a minor.

10 “(D) SELF-CERTIFICATION.—A public  
11 housing agency or owner may determine the net  
12 assets of a family, for purposes of this section,  
13 based on the amounts reported by the family at  
14 the time the agency or owner reviews the fam-  
15 ily’s income.

16 “(3) COMPLIANCE FOR PUBLIC HOUSING  
17 DWELLING UNITS.—When recertifying family income  
18 with respect to families residing in public housing  
19 dwelling units, a public housing agency may, in the  
20 discretion of the agency and only pursuant to a pol-  
21 icy that is set forth in the public housing agency  
22 plan under section 5A for the agency, choose not to  
23 enforce the limitation under paragraph (1).

24 “(4) AUTHORITY TO DELAY EVICTIONS.—In the  
25 case of a family residing in a dwelling unit assisted

1 under this Act who does not comply with the limita-  
2 tion under paragraph (1), the public housing agency  
3 or project owner may delay eviction of the family  
4 based on such noncompliance for a period of not  
5 more than 6 months.”.

6 (b) INCOME.—The United States Housing Act of  
7 1937 is amended—

8 (1) in section 3(a)(1) (42 U.S.C. 1437a(a)(1)),  
9 by striking the first sentence and inserting the fol-  
10 lowing: “Dwelling units assisted under this Act may  
11 be rented, and assistance under this Act may be pro-  
12 vided, whether initially or at time of recertification,  
13 only to families who are low-income families at the  
14 time such initial or continued assistance, respec-  
15 tively, is provided. When recertifying family income  
16 with respect to families residing in public housing  
17 dwelling units, a public housing agency may, in the  
18 discretion of the agency and only pursuant to a pol-  
19 icy that is set forth in the public housing agency  
20 plan under section 5A for the agency, choose not to  
21 enforce the prohibition under the preceding sentence.  
22 When recertifying family income with respect to  
23 families residing in dwelling units for which project-  
24 based assistance is provided, a project owner may, in  
25 the owner’s discretion and only pursuant to a policy

1       adopted by such owner, choose not to enforce such  
2       prohibition. In the case of a family residing in a  
3       dwelling unit assisted under this Act who does not  
4       comply with the prohibition under the first sentence  
5       of this paragraph, the public housing agency or  
6       project owner may delay eviction of the family based  
7       on such noncompliance for a period of not more than  
8       6 months.”; and

9               (2) in section 8(o)(4) (42 U.S.C. 1437f(o)(4)),  
10       by striking the matter preceding subparagraph (A)  
11       and inserting the following:

12               “(4) ELIGIBLE FAMILIES.—Assistance under  
13       this subsection may be provided, whether initially or  
14       at each recertification, only pursuant to subsection  
15       (t) to a family eligible for assistance under such sub-  
16       section or to a family who at the time of such initial  
17       or continued assistance, respectively, is a low-income  
18       family that is—”.

19       **SEC. 5. TARGETING ASSISTANCE TO LOW-INCOME WORK-**  
20               **ING FAMILIES.**

21       (a) VOUCHERS.—Section 16(b)(1) of the United  
22       States Housing Act of 1937 (42 U.S.C. 1437n(b)(1)) is  
23       amended—

24               (1) by inserting after “do not exceed” the fol-  
25       lowing: “the higher of (A) the poverty line (as such

1 term is defined in section 673 of the Omnibus Budg-  
2 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-  
3 cluding any revision required by such section) appli-  
4 cable to a family of the size involved, or (B)”; and

5 (2) by inserting before the period at the end the  
6 following: “; and except that clause (A) of this sen-  
7 tence shall not apply in the case of families residing  
8 in Puerto Rico or any other territory or possession  
9 of the United States”.

10 (b) PUBLIC HOUSING.—Section 16(a)(2)(A) of the  
11 United States Housing Act of 1937 (42 U.S.C.  
12 1437n(a)(2)(A)) is amended—

13 (1) by inserting after “do not exceed” the fol-  
14 lowing: “the higher of (i) the poverty line (as such  
15 term is defined in section 673 of the Omnibus Budg-  
16 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-  
17 cluding any revision required by such section) appli-  
18 cable to a family of the size involved, or (ii)”; and

19 (2) by inserting before the period at the end the  
20 following: “; and except that clause (i) of this sen-  
21 tence shall not apply in the case of families residing  
22 in Puerto Rico or any other territory or possession  
23 of the United States”.

1 (c) PROJECT-BASED SECTION 8 ASSISTANCE.—Sec-  
2 tion 16(b)(1) of the United States Housing Act of 1937  
3 (42 U.S.C. 1437n(b)(1)) is amended—

4 (1) by inserting after “do not exceed” the fol-  
5 lowing: “the higher of (A) the poverty line (as such  
6 term is defined in section 673 of the Omnibus Budg-  
7 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-  
8 cluding any revision required by such section) appli-  
9 cable to a family of the size involved, or (B)”;

10 (2) by inserting before the period at the end the  
11 following: “; and except that clause (A) of this sen-  
12 tence shall not apply in the case of families residing  
13 in Puerto Rico or any other territory or possession  
14 of the United States”.

15 **SEC. 6. VOUCHER RENEWAL FUNDING.**

16 (a) IN GENERAL.—Section 8 of the United States  
17 Housing Act of 1937 (42 U.S.C. 1437f) is amended by  
18 striking subsection (dd) and inserting the following new  
19 subsection:

20 “(dd) TENANT-BASED VOUCHERS.—

21 “(1) AUTHORIZATION OF APPROPRIATIONS.—

22 There are authorized to be appropriated, for each of  
23 fiscal years 2008 through 2012, such sums as may  
24 be necessary for tenant-based assistance under sub-  
25 section (o) for the following purposes:

1           “(A) To renew all expiring annual con-  
2 tributions contracts for tenant-based rental as-  
3 sistance.

4           “(B) To provide tenant-based rental assist-  
5 ance for—

6                   “(i) relocation and replacement of  
7 housing units that are demolished or dis-  
8 posed of pursuant to the Omnibus Consoli-  
9 dated Rescissions and Appropriations Act  
10 of 1996 (Public Law 104–134);

11                   “(ii) conversion of section 23 projects  
12 to assistance under this section;

13                   “(iii) the family unification program  
14 under subsection (x) of this section;

15                   “(iv) relocation of witnesses in con-  
16 nection with efforts to combat crime in  
17 public and assisted housing pursuant to a  
18 request from a law enforcement or pros-  
19 ecution agency;

20                   “(v) enhanced vouchers authorized  
21 under subsection (t) of this section;

22                   “(vi) vouchers in connection with the  
23 HOPE VI program under section 24;

24                   “(vii) demolition or disposition of pub-  
25 lic housing units pursuant to section 18 of

1 the United States Housing Act of 1937  
2 (42 U.S.C. 1437p);

3 “(viii) mandatory and voluntary con-  
4 versions of public housing to vouchers, pur-  
5 suant to sections 33 and 22 of the United  
6 States Housing Act of 1937, respectively  
7 (42 U.S.C. 1437z–5, 1437t);

8 “(ix) vouchers necessary to comply  
9 with a consent decree or court order;

10 “(x) vouchers to replace dwelling units  
11 that cease to receive project-based assist-  
12 ance under subsection (b), (c), (d), (e), or  
13 (v) of this section;

14 “(xi) tenant protection assistance, in-  
15 cluding replacement and relocation assist-  
16 ance; and

17 “(xii) emergency voucher assistance  
18 for the protection of victims of domestic vi-  
19 olence, dating violence, sexual assault, or  
20 stalking.

21 Subject only to the availability of sufficient  
22 amounts provided in appropriation Acts, the  
23 Secretary shall provide tenant-based rental as-  
24 sistance to replace all dwelling units that cease

1 to be available as assisted housing as a result  
2 of clause (i), (ii), (v), (vi), (vii), (viii), or (x).

3 “(2) ALLOCATION OF RENEWAL FUNDING  
4 AMONG PUBLIC HOUSING AGENCIES.—

5 “(A) From amounts appropriated for each  
6 year pursuant to paragraph (1)(A), the Sec-  
7 retary shall provide renewal funding for each  
8 public housing agency—

9 “(i) based on leasing and costs from  
10 the preceding calendar year, as adjusted by  
11 an annual adjustment factor to be estab-  
12 lished by the Secretary;

13 “(ii) by making any adjustments nec-  
14 essary to provide for the first-time renewal  
15 of vouchers funded under paragraph  
16 (1)(B); and

17 “(iii) by making such other adjust-  
18 ments as the Secretary considers appro-  
19 priate, including adjustments necessary to  
20 address changes in voucher utilization  
21 rates and voucher costs related to natural  
22 and other major disasters.

23 “(B) LEASING AND COST DATA.—For pur-  
24 poses of subparagraph (A)(i), leasing and cost  
25 data shall be calculated annually by using the

1 average for the preceding calendar year. Such  
2 leasing data shall be adjusted to include vouch-  
3 ers that were set aside under a commitment to  
4 provide project-based assistance under sub-  
5 section (o)(13) and to exclude amounts funded  
6 through advances under paragraph (3).

7 “(C) MOVING TO WORK.—Notwithstanding  
8 subparagraphs (A) and (B), each public hous-  
9 ing agency participating at any time in the  
10 moving to work demonstration under section  
11 204 of the Departments of Veterans Affairs  
12 and Housing and Urban Development, and  
13 Independent Agencies Appropriations Act, 1996  
14 (42 U.S.C. 1437f note) shall be funded pursu-  
15 ant to its agreement under such program and  
16 shall be subject to any pro rata adjustment  
17 made under subparagraph (D)(i).

18 “(D) PRO RATA ALLOCATION.—

19 “(i) INSUFFICIENT FUNDS.—To the  
20 extent that amounts made available for a  
21 fiscal year are not sufficient to provide  
22 each public housing agency with the full al-  
23 location for the agency determined pursu-  
24 ant to subparagraphs (A) and (C), the  
25 Secretary shall reduce such allocation for

1 each agency on a pro rata basis, except  
2 that renewal funding of enhanced vouchers  
3 under section 8(t) shall not be subject to  
4 such proration.

5 “(ii) EXCESS FUNDS.—To the extent  
6 that amounts made available for a fiscal  
7 year exceed the amount necessary to pro-  
8 vide each housing agency with the full allo-  
9 cation for the agency determined pursuant  
10 to subparagraphs (A) and (C), such excess  
11 amounts shall be used for the purposes  
12 specified in subparagraphs (B) and (D) of  
13 paragraph (4).

14 “(3) ADVANCES.—

15 “(A) AUTHORITY.—During the last 3  
16 months of each calendar year, the Secretary  
17 shall provide amounts to any public housing  
18 agency, at the request of the agency, in an  
19 amount up to two percent of the allocation for  
20 the agency for such calendar year, subject to  
21 subparagraph (C).

22 “(B) USE.—Amounts advanced under sub-  
23 paragraph (A) may be used to pay for addi-  
24 tional voucher costs, including costs related to  
25 temporary overleasing.

1           “(C) USE OF PRIOR YEAR AMOUNTS.—  
2           During the last 3 months of a calendar year, if  
3           amounts previously provided to a public housing  
4           agency for tenant-based assistance for such  
5           year or for previous years remain unobligated  
6           and available to the agency—

7                   “(i) the agency shall exhaust such  
8                   amounts to cover any additional voucher  
9                   costs under subparagraph (B) before  
10                  amounts advanced under subparagraph (A)  
11                  may be so used; and

12                   “(ii) the amount that may be ad-  
13                  vanced under subparagraph (A) to the  
14                  agency shall be reduced by an amount  
15                  equal to the total of such previously pro-  
16                  vided and unobligated amounts.

17           “(D) REPAYMENT.—Amounts advanced  
18           under subparagraph (A) in a calendar year  
19           shall be repaid to the Secretary in the subse-  
20           quent calendar year by reducing the amounts  
21           made available for such agency for such subse-  
22           quent calendar year pursuant to allocation  
23           under paragraph (2) by an amount equal to the  
24           amount so advanced to the agency.

25           “(4) RECAPTURE.—

1           “(A) IN GENERAL.—The Secretary shall  
2 recapture, from amounts provided under the  
3 annual contributions contract for a public hous-  
4 ing agency for a calendar year, all accumulated  
5 amounts allocated under paragraph (2) and  
6 from previous years that are unused by the  
7 agency at the end of each calendar year ex-  
8 cept—

9           “(i) with respect to the recapture  
10 under this subparagraph at the end of  
11 2007, an amount equal to one twelfth the  
12 amount allocated to the public housing  
13 agency for such year pursuant to para-  
14 graph (2)(A); and

15           “(ii) with respect to the recapture  
16 under this subparagraph at the end of  
17 each of 2008, 2009, 2010, and 2011, an  
18 amount equal to 2 percent of such amount  
19 allocated to the agency for such year.

20           “(B) REALLOCATION.—Not later than May  
21 1 of each calendar year, the Secretary shall—

22           “(i) calculate the aggregate unused  
23 amounts for the preceding year recaptured  
24 pursuant to subparagraph (A);

1           “(ii) set aside and make available  
2           such amounts as the Secretary considers  
3           appropriate to reimburse public housing  
4           agencies for increased costs related to port-  
5           ability and family self-sufficiency activities  
6           during such year; and

7           “(iii) reallocate all remaining amounts  
8           among public housing agencies, with pri-  
9           ority given based on the extent to which an  
10          agency has utilized the amount allocated  
11          under paragraph (2) for the agency to  
12          serve eligible families.

13          “(C) USE.—Amounts reallocated to a pub-  
14          lic housing agency pursuant to subparagraph  
15          (B)(iii) may be used only to increase voucher  
16          leasing rates to the level authorized for the  
17          agency.”.

18          (b) ABSORPTION OF VOUCHER FROM OTHER AGEN-  
19          CIES.—Section 8(r)(2) of the United States Housing Act  
20          of 1937 (42 U.S.C. 1437f(r)(2)) is amended by adding  
21          after the period at the end the following: “The agency  
22          shall absorb the family into its program for voucher assist-  
23          ance under this section and shall have priority to receive  
24          additional funding from the Secretary for the housing as-

1 sistance provided for such family from amounts made  
2 available pursuant to subsection (dd)(4)(B).”

3 **SEC. 7. ADMINISTRATIVE FEES.**

4 (a) IN GENERAL.—Section 8(q) of the United States  
5 Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended—

6 (1) in paragraph (1), by striking subparagraphs  
7 (B) and (C) and inserting the following new sub-  
8 paragraphs:

9 “(B) CALCULATION.—The fee under this  
10 subsection shall—

11 “(i) be payable to each public housing  
12 agency for each month for which a dwell-  
13 ing unit is covered by an assistance con-  
14 tract;

15 “(ii) include an amount for the cost of  
16 issuing voucher to new participants; and

17 “(iii) be updated each year using an  
18 index of changes in wage data or other ob-  
19 jectively measurable data that reflect the  
20 costs of administering the program for  
21 such assistance, as determined by the Sec-  
22 retary.

23 “(C) PUBLICATION.—The Secretary shall  
24 cause to be published in the Federal Register  
25 the fee rate for each geographic area.”; and

1           (2) in paragraph (4), by striking “1999” and  
2           inserting “2007”.

3           (b) REPEAL.—Section 202 of the Departments of  
4 Veterans Affairs and Housing and Urban Development,  
5 and Independent Agencies Appropriations Act, 1997 (42  
6 U.S.C. 1437f note; Public Law 104–204; 110 Stat. 2893)  
7 is hereby repealed.

8           (c) EFFECTIVE DATE.—The amendment made by  
9 subsection (a) shall take effect on the date of the enact-  
10 ment of this Act.

11 **SEC. 8. SECTION 8 HOMEOWNERSHIP DOWNPAYMENT PRO-**  
12 **GRAM.**

13           Section 8(y)(7) of the United States Housing Act of  
14 1937 (42 U.S.C. 1437f(y)(7)) is amended by striking sub-  
15 paragraphs (A) and (B) and inserting the following new  
16 subparagraph:

17           “(A) IN GENERAL.—Subject to the provi-  
18           sions of this paragraph, in the case of a family  
19           on whose behalf rental assistance under section  
20           8(o) has been provided for a period of not less  
21           than 12 months prior to the date of receipt of  
22           downpayment assistance under this paragraph,  
23           a public housing agency may, in lieu of pro-  
24           viding monthly assistance payments under this  
25           subsection on behalf of a family eligible for

1 such assistance and at the discretion of the  
2 agency, provide a downpayment assistance  
3 grant in accordance with subparagraph (B).

4 “(B) GRANT REQUIREMENTS.—A down-  
5 payment assistance grant under this para-  
6 graph—

7 “(i) shall be used by the family only  
8 as a contribution toward the downpayment  
9 and reasonable and customary closing  
10 costs required in connection with the pur-  
11 chase of a home;

12 “(ii) shall be in the form of a single  
13 one-time grant; and

14 “(iii) may not exceed \$10,000.

15 “(C) NO EFFECT ON OBTAINING OUTSIDE  
16 SOURCES FOR DOWNPAYMENT ASSISTANCE.—  
17 This Act may not be construed to prohibit a  
18 public housing agency from providing downpay-  
19 ment assistance to families from sources other  
20 than a grant provided under this Act, or as de-  
21 termined by the public housing agency.”.

1 **SEC. 9. PHA REPORTING OF RENT PAYMENTS TO CREDIT**  
2 **REPORTING AGENCIES.**

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

6 “(g) PHA REPORTING OF RENT PAYMENTS TO  
7 CREDIT REPORTING AGENCIES.—

8 “(1) AUTHORITY.—To the extent that a family  
9 receiving tenant-based housing choice vouchers  
10 under section 8 by a public housing agency agrees  
11 in writing to reporting under this subsection, the  
12 public housing agency may submit to consumer re-  
13 porting agencies described in section 603(p) of the  
14 Fair Credit Reporting Act (15 U.S.C. 1681a) infor-  
15 mation regarding the past rent payment history of  
16 the family with respect to the dwelling unit for  
17 which such assistance is provided.

18 “(2) FORMAT.—The Secretary, after consulta-  
19 tion with consumer reporting agencies referred in  
20 paragraph (1), shall establish a system and format  
21 to be used by public housing agencies for reporting  
22 of information under such paragraph that provides  
23 such information in a format and manner that is  
24 similar to other credit information submitted to such  
25 consumer reporting agencies and is usable by such  
26 agencies.”.

1 (b) EFFECTIVE DATE.—The amendment made by  
2 subsection (a) shall take effect on the date of the enact-  
3 ment of this Act.

4 **SEC. 10. PERFORMANCE ASSESSMENTS.**

5 Section 8(o) of the United States Housing Act of  
6 1937 (42 U.S.C. 1437f(o)) is amended by adding at the  
7 end the following new paragraph:

8 “(21) PERFORMANCE ASSESSMENTS.—

9 “(A) ESTABLISHMENT.—The Secretary  
10 shall, by regulation, establish standards and  
11 procedures for assessing the performance of  
12 public housing agencies in carrying out the pro-  
13 grams for tenant-based rental assistance under  
14 this subsection and for homeownership assist-  
15 ance under subsection (y).

16 “(B) CONTENTS.—The standards and pro-  
17 cedures under this paragraph shall provide for  
18 assessment of the performance of public hous-  
19 ing agencies in the following areas:

20 “(i) Quality of dwelling units obtained  
21 using such assistance.

22 “(ii) Extent of utilization of assist-  
23 ance amounts provided to the agency.

24 “(iii) Financial condition of the agen-  
25 cy.

1                   “(iv) Timeliness and accuracy of re-  
2                   porting by the agency to the Secretary.

3                   “(v) Effectiveness in carrying out poli-  
4                   cies to achieve deconcentration of poverty.

5                   “(vi) Such other areas as the Sec-  
6                   retary considers appropriate.

7                   “(C) PERIODIC ASSESSMENT.—Using the  
8                   standards and procedures established under this  
9                   paragraph, the Secretary shall conduct an as-  
10                  sessment of the performance of each public  
11                  housing agency carrying out a program referred  
12                  to in subparagraph (A) and shall submit a re-  
13                  port to the Congress regarding the results of  
14                  each such assessment.”.

15 **SEC. 11. PHA PROJECT-BASED ASSISTANCE.**

16                  Section 8(o)(13) of the United States Housing Act  
17                  of 1937 (42 U.S.C. 1437f(o)(13)) is amended—

18                  (1) in subparagraph (H), by inserting before  
19                  the period at the end of the first sentence the fol-  
20                  lowing: “, except that in the case of a contract unit  
21                  that has been allocated low-income housing tax cred-  
22                  its and for which the rent limitation pursuant to  
23                  such section 42 is less than the amount that would  
24                  otherwise be permitted under this subparagraph, the  
25                  rent for such unit may, in the sole discretion of a

1 public housing agency, be established at the higher  
2 section 8 rent, subject only to paragraph (10)(A)”;  
3 and

4 (2) in subparagraph (I)(i), by inserting before  
5 the semicolon the following: “, except that the con-  
6 tract may provide that the maximum rent permitted  
7 for a dwelling unit shall not be less than the initial  
8 rent for the dwelling unit under the initial housing  
9 assistance payments contract covering the unit”.

10 **SEC. 12. REPORTS ON RENT BURDEN.**

11 Section 8(o)(1) of the United States Housing Act of  
12 1937 (42 U.S.C. 1437f(o)(1)) is amended by striking sub-  
13 paragraph (E) and inserting the following new subpara-  
14 graph:

15 “(E) **REVIEWS.**—

16 “(i) **RENT BURDENS.**—The Secretary  
17 shall monitor rent burdens and submit a  
18 report to the Congress annually on the  
19 percentage of families assisted under this  
20 subsection, occupying dwelling units of any  
21 size, that pay more than 30 percent of  
22 their adjusted incomes for rent. Using in-  
23 formation regularly reported by public  
24 housing agencies, the Secretary shall pro-  
25 vide public housing agencies, on an annual

1 basis, a report with the information de-  
2 scribed in the first sentence of this clause,  
3 and may require a public housing agency  
4 to modify a payment standard that results  
5 in a significant percentage of families as-  
6 sisted under this subsection, occupying  
7 dwelling units of any size, paying more  
8 than 30 percent of their adjusted incomes  
9 for rent.

10 “(ii) CONCENTRATION OF POVERTY.—

11 The Secretary shall submit a report to the  
12 Congress annually on the degree to which  
13 families assisted under this subsection in  
14 each metropolitan area are clustered in  
15 lower rent, higher poverty areas and how,  
16 and the extent to which, greater geo-  
17 graphic distribution of such assisted fami-  
18 lies could be achieved, including by increas-  
19 ing payment standards for particular com-  
20 munities within such metropolitan areas.”.

21 **SEC. 13. EFFECTIVE DATE.**

22 Except as otherwise specifically provided in this Act,  
23 this Act and the amendments made by this Act, shall take  
24 effect on January 1, 2008.

○