

114TH CONGRESS
2D SESSION

H. R. 3700

AN ACT

To provide housing opportunities in the United States through modernization of various housing programs, 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,*

1 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
 3 “Housing Opportunity Through Modernization Act of
 4 2016”.

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

Sec. 1. Short title and table of contents.

TITLE I—SECTION 8 RENTAL ASSISTANCE AND PUBLIC HOUSING

Sec. 101. Inspection of dwelling units.
 Sec. 102. Income reviews.
 Sec. 103. Limitation on public housing tenancy for over-income families.
 Sec. 104. Limitation on eligibility for assistance based on assets.
 Sec. 105. Units owned by public housing agencies.
 Sec. 106. PHA project-based assistance.
 Sec. 107. Establishment of fair market rent.
 Sec. 108. Collection of utility data.
 Sec. 109. Public housing Capital and Operating Funds.
 Sec. 110. Family unification program for children aging out of foster care.
 Sec. 111. Public housing heating guidelines.
 Sec. 112. Use of vouchers for manufactured housing.
 Sec. 113. Preference for United States citizens or nationals.
 Sec. 114. Exception to public housing agency resident board member require-
 ment.

TITLE II—RURAL HOUSING

Sec. 201. Delegation of guaranteed rural housing loan approval.
 Sec. 202. Guaranteed underwriting user fee.

TITLE III—FHA MORTGAGE INSURANCE FOR CONDOMINIUMS

Sec. 301. Modification of FHA requirements for mortgage insurance for con-
 dominiums.

**TITLE IV—HOUSING REFORMS FOR THE HOMELESS AND FOR
 VETERANS**

Sec. 401. Definition of geographic area for Continuum of Care Program.
 Sec. 402. Inclusion of public housing agencies and local redevelopment authori-
 ties in emergency solutions grants.
 Sec. 403. Special assistant for Veterans Affairs in the Department of Housing
 and Urban Development.
 Sec. 404. Annual supplemental report on veterans homelessness.
 Sec. 405. Reopening of public comment period for continuum of care program
 regulations.

TITLE V—MISCELLANEOUS

- Sec. 501. Inclusion of Disaster Housing Assistance Program in certain fraud and abuse prevention measures.
- Sec. 502. Energy efficiency requirements under Self-Help Homeownership Opportunity program.
- Sec. 503. Data exchange standardization for improved interoperability.

TITLE VI—REPORTS

- Sec. 601. Report on interagency family economic empowerment strategies.

TITLE VII—HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

- Sec. 701. Formula and terms for allocations to prevent homelessness for individuals living with HIV or AIDS.

1 **TITLE I—SECTION 8 RENTAL AS-** 2 **SISTANCE AND PUBLIC HOUS-** 3 **ING**

4 **SEC. 101. INSPECTION OF DWELLING UNITS.**

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

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

10 “(A) INITIAL INSPECTION.—

11 “(i) IN GENERAL.—For each dwelling
12 unit for which a housing assistance pay-
13 ment contract is established under this
14 subsection, the public housing agency (or
15 other entity pursuant to paragraph (11))
16 shall inspect the unit before any assistance
17 payment is made to determine whether the
18 dwelling unit meets the housing quality
19 standards under subparagraph (B), except

1 as provided in clause (ii) or (iii) of this
2 subparagraph.

3 “(ii) CORRECTION OF NON-LIFE-
4 THREATENING CONDITIONS.—In the case
5 of any dwelling unit that is determined,
6 pursuant to an inspection under clause (i),
7 not to meet the housing quality standards
8 under subparagraph (B), assistance pay-
9 ments may be made for the unit notwith-
10 standing subparagraph (C) if failure to
11 meet such standards is a result only of
12 non-life-threatening conditions, as such
13 conditions are established by the Secretary.
14 A public housing agency making assistance
15 payments pursuant to this clause for a
16 dwelling unit shall, 30 days after the be-
17 ginning of the period for which such pay-
18 ments are made, withhold any assistance
19 payments for the unit if any deficiency re-
20 sulting in noncompliance with the housing
21 quality standards has not been corrected
22 by such time. The public housing agency
23 shall recommence assistance payments
24 when such deficiency has been corrected,
25 and may use any payments withheld to

1 make assistance payments relating to the
2 period during which payments were with-
3 held.

4 “(iii) USE OF ALTERNATIVE INSPEC-
5 TION METHOD FOR INTERIM PERIOD.—In
6 the case of any property that within the
7 previous 24 months has met the require-
8 ments of an inspection that qualifies as an
9 alternative inspection method pursuant to
10 subparagraph (E), a public housing agency
11 may authorize occupancy before the inspec-
12 tion under clause (i) has been completed,
13 and may make assistance payments retro-
14 active to the beginning of the lease term
15 after the unit has been determined pursu-
16 ant to an inspection under clause (i) to
17 meet the housing quality standards under
18 subparagraph (B). This clause may not be
19 construed to exempt any dwelling unit
20 from compliance with the requirements of
21 subparagraph (D).”;

22 (2) by redesignating subparagraph (G) as sub-
23 paragraph (H); and

24 (3) by inserting after subparagraph (F) the fol-
25 lowing new subparagraph:

1 “(G) ENFORCEMENT OF HOUSING QUALITY
2 STANDARDS.—

3 “(i) DETERMINATION OF NONCOMPLI-
4 ANCE.—A dwelling unit that is covered by
5 a housing assistance payments contract
6 under this subsection shall be considered,
7 for purposes of subparagraphs (D) and
8 (F), to be in noncompliance with the hous-
9 ing quality standards under subparagraph
10 (B) if—

11 “(I) the public housing agency or
12 an inspector authorized by the State
13 or unit of local government deter-
14 mines upon inspection of the unit that
15 the unit fails to comply with such
16 standards;

17 “(II) the agency or inspector no-
18 tifies the owner of the unit in writing
19 of such failure to comply; and

20 “(III) the failure to comply is not
21 corrected—

22 “(aa) in the case of any
23 such failure that is a result of
24 life-threatening conditions, within

1 24 hours after such notice has
2 been provided; and

3 “(bb) in the case of any
4 such failure that is a result of
5 non-life-threatening conditions,
6 within 30 days after such notice
7 has been provided or such other
8 reasonable longer period as the
9 public housing agency may estab-
10 lish.

11 “(ii) WITHHOLDING OF ASSISTANCE
12 AMOUNTS DURING CORRECTION.—The
13 public housing agency may withhold assist-
14 ance amounts under this subsection with
15 respect to a dwelling unit for which a no-
16 tice pursuant to clause (i)(II), of failure to
17 comply with housing quality standards
18 under subparagraph (B) as determined
19 pursuant to an inspection conducted under
20 subparagraph (D) or (F), has been pro-
21 vided. If the unit is brought into compli-
22 ance with such housing quality standards
23 during the periods referred to in clause
24 (i)(III), the public housing agency shall re-
25 commence assistance payments and may

1 use any amounts withheld during the cor-
2 rection period to make assistance payments
3 relating to the period during which pay-
4 ments were withheld.

5 “(iii) ABATEMENT OF ASSISTANCE
6 AMOUNTS.—The public housing agency
7 shall abate all of the assistance amounts
8 under this subsection with respect to a
9 dwelling unit that is determined, pursuant
10 to clause (i) of this subparagraph, to be in
11 noncompliance with housing quality stand-
12 ards under subparagraph (B). Upon com-
13 pletion of repairs by the public housing
14 agency or the owner sufficient so that the
15 dwelling unit complies with such housing
16 quality standards, the agency shall recom-
17 mence payments under the housing assist-
18 ance payments contract to the owner of the
19 dwelling unit.

20 “(iv) NOTIFICATION.—If a public
21 housing agency providing assistance under
22 this subsection abates rental assistance
23 payments pursuant to clause (iii) with re-
24 spect to a dwelling unit, the agency shall,
25 upon commencement of such abatement—

1 “(I) notify the tenant and the
2 owner of the dwelling unit that—

3 “(aa) such abatement has
4 commenced; and

5 “(bb) if the dwelling unit is
6 not brought into compliance with
7 housing quality standards within
8 60 days after the effective date of
9 the determination of noncompli-
10 ance under clause (i) or such rea-
11 sonable longer period as the
12 agency may establish, the tenant
13 will have to move; and

14 “(II) issue the tenant the nec-
15 essary forms to allow the tenant to
16 move to another dwelling unit and
17 transfer the rental assistance to that
18 unit.

19 “(v) PROTECTION OF TENANTS.—An
20 owner of a dwelling unit may not terminate
21 the tenancy of any tenant because of the
22 withholding or abatement of assistance
23 pursuant to this subparagraph. During the
24 period that assistance is abated pursuant

1 to this subparagraph, the tenant may ter-
2minate the tenancy by notifying the owner.

3 “(vi) TERMINATION OF LEASE OR AS-
4SISTANCE PAYMENTS CONTRACT.—If as-
5sistance amounts under this section for a
6dwelling unit are abated pursuant to clause
7(iii) and the owner does not correct the
8noncompliance within 60 days after the ef-
9fective date of the determination of non-
10compliance under clause (i), or such other
11reasonable longer period as the public
12housing agency may establish, the agency
13shall terminate the housing assistance pay-
14ments contract for the dwelling unit.

15 “(vii) RELOCATION.—

16 “(I) LEASE OF NEW UNIT.—The
17agency shall provide the family resid-
18ing in such a dwelling unit a period of
1990 days or such longer period as the
20public housing agency determines is
21reasonably necessary to lease a new
22unit, beginning upon termination of
23the contract, to lease a new residence
24with tenant-based rental assistance
25under this section.

1 “(II) AVAILABILITY OF PUBLIC
2 HOUSING UNITS.—If the family is un-
3 able to lease such a new residence
4 during such period, the public housing
5 agency shall, at the option of the fam-
6 ily, provide such family a preference
7 for occupancy in a dwelling unit of
8 public housing that is owned or oper-
9 ated by the agency that first becomes
10 available for occupancy after the expi-
11 ration of such period.

12 “(III) ASSISTANCE IN FINDING
13 UNIT.—The public housing agency
14 may provide assistance to the family
15 in finding a new residence, including
16 use of up to two months of any assist-
17 ance amounts withheld or abated pur-
18 suant to clause (ii) or (iii), respec-
19 tively, for costs directly associated
20 with relocation of the family to a new
21 residence, which shall include security
22 deposits as necessary and may include
23 reimbursements for reasonable moving
24 expenses incurred by the household,
25 as established by the Secretary. The

1 agency may require that a family re-
2 ceiving assistance for a security de-
3 posit shall remit, to the extent of such
4 assistance, the amount of any security
5 deposit refunds made by the owner of
6 the dwelling unit for which the lease
7 was terminated.

8 “(viii) TENANT-CAUSED DAMAGES.—

9 If a public housing agency determines that
10 any damage to a dwelling unit that results
11 in a failure of the dwelling unit to comply
12 with housing quality standards under sub-
13 paragraph (B), other than any damage re-
14 sulting from ordinary use, was caused by
15 the tenant, any member of the tenant’s
16 household, or any guest or other person
17 under the tenant’s control, the agency may
18 waive the applicability of this subpara-
19 graph, except that this clause shall not ex-
20 onerate a tenant from any liability other-
21 wise existing under applicable law for dam-
22 ages to the premises caused by such ten-
23 ant.

24 “(ix) APPLICABILITY.—This subpara-
25 graph shall apply to any dwelling unit for

1 which a housing assistance payments con-
 2 tract is entered into or renewed after the
 3 date of the effectiveness of the regulations
 4 implementing this subparagraph.”.

5 (b) **EFFECTIVE DATE.**—The Secretary of Housing
 6 and Urban Development shall issue notice or regulations
 7 to implement subsection (a) of this section and such sub-
 8 section shall take effect upon such issuance.

9 **SEC. 102. INCOME REVIEWS.**

10 (a) **INCOME REVIEWS FOR PUBLIC HOUSING AND**
 11 **SECTION 8 PROGRAMS.**—Section 3 of the United States
 12 Housing Act of 1937 (42 U.S.C. 1437a) is amended—

13 (1) in subsection (a)—

14 (A) in the second sentence of paragraph
 15 (1), by striking “at least annually” and insert-
 16 ing “pursuant to paragraph (6)”; and

17 (B) by adding at the end the following new
 18 paragraphs:

19 “(6) **REVIEWS OF FAMILY INCOME.**—

20 “(A) **FREQUENCY.**—Reviews of family in-
 21 come for purposes of this section shall be
 22 made—

23 “(i) in the case of all families, upon
 24 the initial provision of housing assistance
 25 for the family;

1 “(ii) annually thereafter, except as
2 provided in paragraph (1) with respect to
3 fixed-income families;

4 “(iii) upon the request of the family,
5 at any time the income or deductions
6 (under subsection (b)(5)) of the family
7 change by an amount that is estimated to
8 result in a decrease of 10 percent (or such
9 lower amount as the Secretary may, by no-
10 tice, establish, or permit the public housing
11 agency or owner to establish) or more in
12 annual adjusted income; and

13 “(iv) at any time the income or deduc-
14 tions (under subsection (b)(5)) of the fam-
15 ily change by an amount that is estimated
16 to result in an increase of 10 percent or
17 more in annual adjusted income, or such
18 other amount as the Secretary may by no-
19 tice establish, except that any increase in
20 the earned income of a family shall not be
21 considered for purposes of this clause (ex-
22 cept that earned income may be considered
23 if the increase corresponds to previous de-
24 creases under clause (iii)), except that a
25 public housing agency or owner may elect

1 not to conduct such review in the last three
2 months of a certification period.

3 “(B) IN GENERAL.—Reviews of family in-
4 come for purposes of this section shall be sub-
5 ject to the provisions of section 904 of the
6 Stewart B. McKinney Homeless Assistance
7 Amendments Act of 1988 (42 U.S.C. 3544).

8 “(7) CALCULATION OF INCOME.—

9 “(A) USE OF CURRENT YEAR INCOME.—In
10 determining family income for initial occupancy
11 or provision of housing assistance pursuant to
12 clause (i) of paragraph (6)(A) or pursuant to
13 reviews pursuant to clause (iii) or (iv) of such
14 paragraph, a public housing agency or owner
15 shall use the income of the family as estimated
16 by the agency or owner for the upcoming year.

17 “(B) USE OF PRIOR YEAR INCOME.—In
18 determining family income for annual reviews
19 pursuant to paragraph (6)(A)(ii), a public hous-
20 ing agency or owner shall, except as otherwise
21 provided in this paragraph and paragraph (1),
22 use the income of the family as determined by
23 the agency or owner for the preceding year,
24 taking into consideration any redetermination

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

3 “(C) OTHER INCOME.—In determining the
4 income for any family based on the prior year’s
5 income, with respect to prior year calculations
6 of income not subject to subparagraph (B), a
7 public housing agency or owner may make other
8 adjustments as it considers appropriate to re-
9 flect current income.

10 “(D) SAFE HARBOR.—A public housing
11 agency or owner may, to the extent such infor-
12 mation is available to the public housing agency
13 or owner, determine the family’s income prior
14 to the application of any deductions based on
15 timely income determinations made for pur-
16 poses of other means-tested Federal public as-
17 sistance programs (including the program for
18 block grants to States for temporary assistance
19 for needy families under part A of title IV of
20 the Social Security Act, a program for Medicaid
21 assistance under a State plan approved under
22 title XIX of the Social Security Act, and the
23 supplemental nutrition assistance program (as
24 such term is defined in section 3 of the Food
25 and Nutrition Act of 2008 (7 U.S.C. 2012))).

1 The Secretary shall, in consultation with other
2 appropriate Federal agencies, develop electronic
3 procedures to enable public housing agencies
4 and owners to have access to such benefit deter-
5 minations made by other means-tested Federal
6 programs that the Secretary determines to have
7 comparable reliability. Exchanges of such infor-
8 mation shall be subject to the same limitations
9 and tenant protections provided under section
10 904 of the Stewart B. McKinney Homeless As-
11 sistance Act Amendments of 1988 (42 U.S.C.
12 3544) with respect to information obtained
13 under the requirements of section 303(i) of the
14 Social Security Act (42 U.S.C. 503(i)).

15 “(E) ELECTRONIC INCOME
16 VERIFICATION.—The Secretary shall develop a
17 mechanism for disclosing information to a pub-
18 lic housing agency for the purpose of verifying
19 the employment and income of individuals and
20 families in accordance with section 453(j)(7)(E)
21 of the Social Security Act (42 U.S.C.
22 653(j)(7)(E)), and shall ensure public housing
23 agencies have access to information contained
24 in the ‘Do Not Pay’ system established by sec-
25 tion 5 of the Improper Payments Elimination

1 and Recovery Improvement Act of 2012 (Public
2 Law 112–248; 126 Stat. 2392).

3 “(F) PHA AND OWNER COMPLIANCE.—A
4 public housing agency or owner may not be con-
5 sidered to fail to comply with this paragraph or
6 paragraph (6) due solely to any de minimis er-
7 rors made by the agency or owner in calculating
8 family incomes.”;
9 (2) by striking subsections (d) and (e); and
10 (3) by redesignating subsection (f) as sub-
11 section (d).

12 (b) CERTIFICATION REGARDING HARDSHIP EXCEP-
13 TION TO MINIMUM MONTHLY RENT.—Not later than the
14 expiration of the 6-month period beginning on the date
15 of the enactment of this Act, the Secretary of Housing
16 and Urban Development shall submit to the Congress a
17 certification that the hardship and tenant protection provi-
18 sions in clause (i) of section 3(a)(3)(B) of the United
19 States Housing Act of 1937 (42 U.S.C.
20 1437a(a)(3)(B)(i)) are being enforced at such time and
21 that the Secretary will continue to provide due consider-
22 ation to the hardship circumstances of persons assisted
23 under relevant programs of this Act.

24 (c) INCOME; ADJUSTED INCOME.—Section 3(b) of
25 the United States Housing Act of 1937 (42 U.S.C.

1 1437a(b)) is amended by striking paragraphs (4) and (5)
2 and inserting the following new paragraphs:

3 “(4) INCOME.—The term ‘income’ means, with
4 respect to a family, income received from all sources
5 by each member of the household who is 18 years
6 of age or older or is the head of household or spouse
7 of the head of the household, plus unearned income
8 by or on behalf of each dependent who is less than
9 18 years of age, as determined in accordance with
10 criteria prescribed by the Secretary, in consultation
11 with the Secretary of Agriculture, subject to the fol-
12 lowing requirements:

13 “(A) INCLUDED AMOUNTS.—Such term in-
14 cludes recurring gifts and receipts, actual in-
15 come from assets, and profit or loss from a
16 business.

17 “(B) EXCLUDED AMOUNTS.—Such term
18 does not include—

19 “(i) any imputed return on assets, ex-
20 cept to the extent that net family assets
21 exceed \$50,000, except that such amount
22 (as it may have been previously adjusted)
23 shall be adjusted for inflation annually by
24 the Secretary in accordance with an infla-
25 tionary index selected by the Secretary;

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

5 “(iii) deferred disability benefits from
6 the Department of Veterans Affairs that
7 are received in a lump sum amount or in
8 prospective monthly amounts;

9 “(iv) any expenses related to aid and
10 attendance under section 1521 of title 38,
11 United States Code, to veterans who are in
12 need of regular aid and attendance; and

13 “(v) exclusions from income as estab-
14 lished by the Secretary by regulation or
15 notice, or any amount required by Federal
16 law to be excluded from consideration as
17 income.

18 “(C) EARNED INCOME OF STUDENTS.—

19 Such term does not include—

20 “(i) earned income, up to an amount
21 as the Secretary may by regulation estab-
22 lish, of any dependent earned during any
23 period that such dependent is attending
24 school or vocational training on a full-time
25 basis; or

1 “(ii) any grant-in-aid or scholarship
2 amounts related to such attendance used—

3 “(I) for the cost of tuition or
4 books; or

5 “(II) in such amounts as the Sec-
6 retary may allow, for the cost of room
7 and board.

8 “(D) EDUCATIONAL SAVINGS ACCOUNTS.—
9 Income shall be determined without regard to
10 any amounts in or from, or any benefits from,
11 any Coverdell education savings account under
12 section 530 of the Internal Revenue Code of
13 1986 or any qualified tuition program under
14 section 529 of such Code.

15 “(E) RECORDKEEPING.—The Secretary
16 may not require a public housing agency or
17 owner to maintain records of any amounts ex-
18 cluded from income pursuant to this subpara-
19 graph.

20 “(5) ADJUSTED INCOME.—The term ‘adjusted
21 income’ means, with respect to a family, the amount
22 (as determined by the public housing agency or
23 owner) of the income of the members of the family
24 residing in a dwelling unit or the persons on a lease,
25 after any deductions from income as follows:

1 “(A) ELDERLY AND DISABLED FAMI-
2 LIES.—\$525 in the case of any family that is
3 an elderly family or a disabled family.

4 “(B) MINORS, STUDENTS, AND PERSONS
5 WITH DISABILITIES.—\$480 for each member of
6 the family residing in the household (other than
7 the head of the household or his or her spouse)
8 who is less than 18 years of age or is attending
9 school or vocational training on a full-time
10 basis, or who is 18 years of age or older and
11 is a person with disabilities.

12 “(C) CHILD CARE.—Any reasonable child
13 care expenses necessary to enable a member of
14 the family to be employed or to further his or
15 her education.

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

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

22 “(ii) any unreimbursed reasonable at-
23 tendant care and auxiliary apparatus ex-
24 penses for each handicapped member of
25 the family, if determined necessary by the

1 public housing agency or owner to enable
2 any member of such family to be employed.

3 The Secretary shall, by regulation, provide
4 hardship exemptions to the requirements of this
5 subparagraph and subparagraph (C) for im-
6 pacted families who demonstrate an inability to
7 pay calculated rents because of financial hard-
8 ship. Such regulations shall include a require-
9 ment to notify tenants regarding any changes
10 to the determination of adjusted income pursu-
11 ant to such subparagraphs based on the deter-
12 mination of the family's claim of financial hard-
13 ship exemptions required by the preceding sen-
14 tence. Such regulations shall be promulgated in
15 consultation with tenant organizations, industry
16 participants, and the Secretary of Health and
17 Human Services, with an adequate comment
18 period provided for interested parties.

19 “(E) PERMISSIVE DEDUCTIONS.—Such ad-
20 ditional deductions as a public housing agency
21 may, at its discretion, establish, except that the
22 Secretary shall establish procedures to ensure
23 that such deductions do not materially increase
24 Federal expenditures.

1 The Secretary shall annually calculate the amounts
2 of the deductions under subparagraphs (A) and (B),
3 as such amounts may have been previously cal-
4 culated, by applying an inflationary factor as the
5 Secretary shall, by regulation, establish, except that
6 the actual deduction determined for each year shall
7 be established by rounding such amount to the next
8 lowest multiple of \$25.”.

9 (d) HOUSING CHOICE VOUCHER PROGRAM.—Section
10 8(o) of the United States Housing Act of 1937 (42 U.S.C.
11 1437f(o)) is amended—

12 (1) in paragraph (1)(D), by inserting before the
13 period at the end the following: “, except that a pub-
14 lic housing agency may establish a payment stand-
15 ard of not more than 120 percent of the fair market
16 rent where necessary as a reasonable accommodation
17 for a person with a disability, without approval of
18 the Secretary. A public housing agency may use a
19 payment standard that is greater than 120 percent
20 of the fair market rent as a reasonable accommoda-
21 tion for a person with a disability, but only with the
22 approval of the Secretary. In connection with the use
23 of any increased payment standard established or
24 approved pursuant to either of the preceding two
25 sentences as a reasonable accommodation for a per-

1 son with a disability, the Secretary may not estab-
2 lish additional requirements regarding the amount of
3 adjusted income paid by such person for rent”; and

4 (2) in paragraph (5)—

5 (A) in the paragraph heading, by striking
6 “ANNUAL REVIEW” and inserting “REVIEWS”;

7 (B) in subparagraph (A)—

8 (i) by striking “the provisions of” and
9 inserting “paragraphs (1), (6), and (7) of
10 section 3(a) and to”; and

11 (ii) by striking “and shall be con-
12 ducted” and all that follows through the
13 end of the subparagraph and inserting a
14 period; and

15 (C) in subparagraph (B), by striking the
16 second sentence.

17 (e) ENHANCED VOUCHER PROGRAM.—Section
18 8(t)(1)(D) of the United States Housing Act of 1937 (42
19 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”
20 each place such term appears and inserting “annual ad-
21 justed income”.

22 (f) PROJECT-BASED HOUSING.—Paragraph (3) of
23 section 8(c) of the United States Housing Act of 1937
24 (42 U.S.C. 1437f(c)(3)) is amended by striking the last
25 sentence.

1 (g) IMPACT ON PUBLIC HOUSING REVENUES.—

2 (1) ADJUSTMENTS TO OPERATING FORMULA.—

3 If the Secretary of Housing and Urban Development
4 determines that the application of subsections (a)
5 through (e) of this section results in a material and
6 disproportionate reduction in the rental income of
7 certain public housing agencies during the first year
8 in which such subsections are implemented, the Sec-
9 retary may make appropriate adjustments in the for-
10 mula income for such year of those agencies experi-
11 encing such a reduction.

12 (2) HUD REPORTS ON REVENUE AND COST IM-

13 PACT.—In each of the first two years after the first
14 year in which subsections (a) through (e) are imple-
15 mented, the Secretary of Housing and Urban Devel-
16 opment shall submit a report to Congress identifying
17 and calculating the impact of changes made by such
18 subsections and section 104 of this Act on the reve-
19 nues and costs of operating public housing units, the
20 voucher program for rental assistance under section
21 8 of the United States Housing Act of 1937, and
22 the program under such section 8 for project-based
23 rental assistance. If such report identifies a material
24 reduction in the net income of public housing agen-
25 cies nationwide or a material increase in the costs of

1 funding the voucher program or the project-based
2 assistance program, the Secretary shall include in
3 such report recommendations for legislative changes
4 to reduce or eliminate such a reduction.

5 (h) EFFECTIVE DATE.—The Secretary of Housing
6 and Urban Development shall issue notice or regulations
7 to implement this section and this section shall take effect
8 after such issuance, except that this section may only take
9 effect upon the commencement of a calendar year.

10 (i) STUDY ON IMPACT ON ELDERLY AND DISABLED
11 FAMILIES OF DECREASED DEDUCTIONS IN INCOME.—

12 (1) STUDY.—The Secretary of Housing and
13 Urban Development shall conduct a study to deter-
14 mine the impacts, on rents paid by elderly and dis-
15 abled individuals and families assisted under the sec-
16 tion 8 rental assistance and public housing programs
17 under the United States Housing Act of 1937 (42
18 U.S.C. 1437 et seq.), of any decreases in the
19 amounts of any deductions from income (for pur-
20 poses of section 3(b) of such Act (42 U.S.C.
21 1437a(b))), as compared to such deductions under
22 such section 3(b) as in effect before the effectiveness
23 of this section, resulting from the amendments made
24 by this section.

1 (2) REPORT.—The Secretary shall submit to
 2 the Congress a report setting forth the results of the
 3 study conducted pursuant to paragraph (1) not later
 4 than the expiration of the 12-month period begin-
 5 ning on the date of the enactment of this Act.

6 (3) EFFECTIVE DATE.—Notwithstanding sub-
 7 section (h) of this section, this subsection shall take
 8 effect on the date of the enactment of this Act.

9 **SEC. 103. LIMITATION ON PUBLIC HOUSING TENANCY FOR**
 10 **OVER-INCOME FAMILIES.**

11 Subsection (a) of section 16 of the United States
 12 Housing Act of 1937 (42 U.S.C. 1437n(a)) is amended
 13 by adding at the end the following new paragraph:

14 “(5) LIMITATIONS ON TENANCY FOR OVER-IN-
 15 COME FAMILIES.—

16 “(A) LIMITATIONS.—Except as provided in
 17 subparagraph (D), in the case of any family re-
 18 siding in a dwelling unit of public housing
 19 whose income for the most recent two consecu-
 20 tive years, as determined pursuant to income
 21 reviews conducted pursuant to section 3(a)(6),
 22 has exceeded the applicable income limitation
 23 under subparagraph (C), the public housing
 24 agency shall—

1 “(i) notwithstanding any other provi-
2 sion of this Act, charge such family as
3 monthly rent for the unit occupied by such
4 family an amount equal to the greater of—

5 “(I) the applicable fair market
6 rental established under section 8(c)
7 for a dwelling unit in the same mar-
8 ket area of the same size; or

9 “(II) the amount of the monthly
10 subsidy provided under this Act for
11 the dwelling unit, which shall include
12 any amounts from the Operating
13 Fund and Capital Fund under section
14 9 used for the unit, as determined by
15 the agency in accordance with regula-
16 tions that the Secretary shall issue to
17 carry out this subclause; or

18 “(ii) terminate the tenancy of such
19 family in public housing not later than 6
20 months after the income determination de-
21 scribed in subparagraph (A).

22 “(B) NOTICE.—In the case of any family
23 residing in a dwelling unit of public housing
24 whose income for a year has exceeded the appli-
25 cable income limitation under subparagraph

1 (C), upon the conclusion of such year the public
2 housing agency shall provide written notice to
3 such family of the requirements under subpara-
4 graph (A).

5 “(C) INCOME LIMITATION.—The income
6 limitation under this subparagraph shall be 120
7 percent of the median income for the area, as
8 determined by the Secretary with adjustments
9 for smaller and larger families, except that the
10 Secretary may establish income limitations
11 higher or lower than 120 percent of such me-
12 dian income on the basis of the Secretary’s
13 findings that such variations are necessary be-
14 cause of prevailing levels of construction costs,
15 or unusually high or low family incomes, va-
16 cancy rates, or rental costs.

17 “(D) EXCEPTION.—Subparagraph (A)
18 shall not apply to a family occupying a dwelling
19 unit in public housing pursuant to paragraph
20 (5) of section 3(a) (42 U.S.C. 1437a(a)(5)).

21 “(E) REPORTS ON OVER-INCOME FAMILIES
22 AND WAITING LISTS.—The Secretary shall re-
23 quire that each public housing agency shall—

1 “(i) submit a report annually, in a
 2 format required by the Secretary, that
 3 specifies—

4 “(I) the number of families resid-
 5 ing, as of the end of the year for
 6 which the report is submitted, in pub-
 7 lic housing administered by the agen-
 8 cy who had incomes exceeding the ap-
 9 plicable income limitation under sub-
 10 paragraph (C); and

11 “(II) the number of families, as
 12 of the end of such year, on the wait-
 13 ing lists for admission to public hous-
 14 ing projects of the agency; and

15 “(ii) make the information reported
 16 pursuant to clause (i) publicly available.”.

17 **SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE**
 18 **BASED ON ASSETS.**

19 Section 16 of the United States Housing Act of 1937
 20 (42 U.S.C. 1437n) is amended by inserting after sub-
 21 section (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, a legal right to reside in, and the effective
11 legal authority to sell, real property that is suit-
12 able for occupancy by the family as a residence,
13 except that the prohibition under this subpara-
14 graph shall not apply to—

15 “(i) any property for which the family
16 is receiving assistance under subsection (y)
17 or (o)(12) of section 8 of this Act;

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

20 “(iii) any family that is offering such
21 property for sale.

22 “(2) NET FAMILY ASSETS.—

23 “(A) IN GENERAL.—For purposes of this
24 subsection, the term ‘net family assets’ means,
25 for all members of the household, the net cash

1 value of all assets after deducting reasonable
2 costs that would be incurred in disposing of real
3 property, savings, stocks, bonds, and other
4 forms of capital investment. Such term does not
5 include interests in Indian trust land, equity in
6 property for which the family is receiving assist-
7 ance under subsection (y) or (o)(12) of section
8 8, equity accounts in homeownership programs
9 of the Department of Housing and Urban De-
10 velopment, or Family Self Sufficiency accounts.

11 “(B) EXCLUSIONS.—Such term does not
12 include—

13 “(i) the value of personal property, ex-
14 cept for items of personal property of sig-
15 nificant value, as the Secretary may estab-
16 lish or the public housing agency may de-
17 termine;

18 “(ii) the value of any retirement ac-
19 count;

20 “(iii) real property for which the fam-
21 ily does not have the effective legal author-
22 ity necessary to sell such property;

23 “(iv) any amounts recovered in any
24 civil action or settlement based on a claim
25 of malpractice, negligence, or other breach

1 of duty owed to a member of the family
2 and arising out of law, that resulted in a
3 member of the family being disabled;

4 “(v) the value of any Coverdell edu-
5 cation savings account under section 530
6 of the Internal Revenue Code of 1986 or
7 any qualified tuition program under sec-
8 tion 529 of such Code; and

9 “(vi) such other exclusions as the Sec-
10 retary may establish.

11 “(C) TRUST FUNDS.—In cases in which a
12 trust fund has been established and the trust is
13 not revocable by, or under the control of, any
14 member of the family or household, the value of
15 the trust fund shall not be considered an asset
16 of a family if the fund continues to be held in
17 trust. Any income distributed from the trust
18 fund shall be considered income for purposes of
19 section 3(b) and any calculations of annual
20 family income, except in the case of medical ex-
21 penses for a minor.

22 “(3) SELF-CERTIFICATION.—

23 “(A) NET FAMILY ASSETS.—A public
24 housing agency or owner may determine the net
25 assets of a family, for purposes of this section,

1 based on a certification by the family that the
2 net assets of such family do not exceed
3 \$50,000, as such amount is adjusted annually
4 by applying an inflationary factor as the Sec-
5 retary considers appropriate.

6 “(B) NO CURRENT REAL PROPERTY OWN-
7 ERSHIP.—A public housing agency or owner
8 may determine compliance with paragraph
9 (1)(B) based on a certification by the family
10 that such family does not have any current
11 ownership interest in any real property at the
12 time the agency or owner reviews the family’s
13 income.

14 “(C) STANDARDIZED FORMS.—The Sec-
15 retary may develop standardized forms for the
16 certifications referred to in subparagraphs (A)
17 and (B).

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

1 “(5) ENFORCEMENT.—When recertifying the
2 income of a family residing in a dwelling unit as-
3 sisted under this Act, a public housing agency or
4 owner may choose not to enforce the limitation
5 under paragraph (1) or may establish exceptions to
6 such limitation based on eligibility criteria, but only
7 pursuant to a policy that is set forth in the public
8 housing agency plan under section 5A for the agency
9 or under a policy adopted by the owner. Eligibility
10 criteria for establishing exceptions may provide for
11 separate treatment based on family type and may be
12 based on different factors, such as age, disability, in-
13 come, the ability of the family to find suitable alter-
14 native housing, and whether supportive services are
15 being provided.

16 “(6) AUTHORITY TO DELAY EVICTIONS.—In the
17 case of a family residing in a dwelling unit assisted
18 under this Act who does not comply with the limita-
19 tion under paragraph (1), the public housing agency
20 or project owner may delay eviction or termination
21 of the family based on such noncompliance for a pe-
22 riod of not more than 6 months.

23 “(7) VERIFYING INCOME.—

24 “(A) Beginning in fiscal year 2018, the
25 Secretary shall require public housing agencies

1 to require each applicant for, or recipient of,
2 benefits under this Act to provide authorization
3 by the applicant or recipient (or by any other
4 person whose income or resources are material
5 to the determination of the eligibility of the ap-
6 plicant or recipient for such benefits) for the
7 public housing agency to obtain (subject to the
8 cost reimbursement requirements of section
9 1115(a) of the Right to Financial Privacy Act)
10 from any financial institution (within the mean-
11 ing of section 1101(1) of such Act) any finan-
12 cial record (within the meaning of section
13 1101(2) of such Act) held by the institution
14 with respect to the applicant or recipient (or
15 any such other person) whenever the public
16 housing agency determines the record is needed
17 in connection with a determination with respect
18 to such eligibility or the amount of such bene-
19 fits.

20 “(B) Notwithstanding section 1104(a)(1)
21 of the Right to Financial Privacy Act, an au-
22 thorization provided by an applicant or recipi-
23 ent (or any other person whose income or re-
24 sources are material to the determination of the
25 eligibility of the applicant or recipient) pursuant

1 to subparagraph (A) of this paragraph shall re-
2 main effective until the earliest of—

3 “(i) the rendering of a final adverse
4 decision on the applicant’s application for
5 eligibility for benefits under this Act;

6 “(ii) the cessation of the recipient’s
7 eligibility for benefits under this Act; or

8 “(iii) the express revocation by the ap-
9 plicant or recipient (or such other person
10 referred to in subparagraph (A)) of the au-
11 thorization, in a written notification to the
12 Secretary.

13 “(C)(i) An authorization obtained by the
14 public housing agency pursuant to this para-
15 graph shall be considered to meet the require-
16 ments of the Right to Financial Privacy Act for
17 purposes of section 1103(a) of such Act, and
18 need not be furnished to the financial institu-
19 tion, notwithstanding section 1104(a) of such
20 Act.

21 “(ii) The certification requirements of sec-
22 tion 1103(b) of the Right to Financial Privacy
23 Act shall not apply to requests by the public
24 housing agency pursuant to an authorization
25 provided under this clause.

1 “(iii) A request by the public housing
2 agency pursuant to an authorization provided
3 under this clause is deemed to meet the require-
4 ments of section 1104(a)(3) of the Right to Fi-
5 nancial Privacy Act and the flush language of
6 section 1102 of such Act.

7 “(iv) The public housing agency shall in-
8 form any person who provides authorization
9 pursuant to this paragraph of the duration and
10 scope of the authorization.

11 “(D) If an applicant for, or recipient of,
12 benefits under this Act (or any such other per-
13 son referred to in subparagraph (A)) refuses to
14 provide, or revokes, any authorization made by
15 the applicant or recipient for the public housing
16 agency to obtain from any financial institution
17 any financial record, the public housing agency
18 may, on that basis, determine that the appli-
19 cant or recipient is ineligible for benefits under
20 this title.”.

21 **SEC. 105. UNITS OWNED BY PUBLIC HOUSING AGENCIES.**

22 Paragraph (11) of section 8(o) of the United States
23 Housing Act of 1937 (42 U.S.C. 1437f(o)(11)) is amend-
24 ed—

1 (1) by striking “(11) LEASING OF UNITS
2 OWNED BY PHA.—If” and inserting the following:

3 “(11) LEASING OF UNITS OWNED BY PHA.—

4 “(A) INSPECTIONS AND RENT DETERMINA-
5 TIONS.—If”; and

6 (2) by adding at the end the following new sub-
7 paragraph:

8 “(B) UNITS OWNED BY PHA.—For pur-
9 poses of this subsection, the term ‘owned by a
10 public housing agency’ means, with respect to a
11 dwelling unit, that the dwelling unit is in a
12 project that is owned by such agency, by an en-
13 tity wholly controlled by such agency, or by a
14 limited liability company or limited partnership
15 in which such agency (or an entity wholly con-
16 trolled by such agency) holds a controlling in-
17 terest in the managing member or general part-
18 ner. A dwelling unit shall not be deemed to be
19 owned by a public housing agency for purposes
20 of this subsection because the agency holds a
21 fee interest as ground lessor in the property on
22 which the unit is situated, holds a security in-
23 terest under a mortgage or deed of trust on the
24 unit, or holds a non-controlling interest in an
25 entity which owns the unit or in the managing

1 member or general partner of an entity which
2 owns the unit.”.

3 **SEC. 106. PHA PROJECT-BASED ASSISTANCE.**

4 (a) IN GENERAL.—Paragraph (13) of section 8(o) of
5 the United States Housing Act of 1937 (42 U.S.C.
6 1437f(o)(13)) is amended—

7 (1) by striking “structure” each place such
8 term appears and inserting “project”;

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

11 “(B) PERCENTAGE LIMITATION.—

12 “(i) IN GENERAL.—Subject to clause
13 (ii), a public housing agency may use for
14 project-based assistance under this para-
15 graph not more than 20 percent of the au-
16 thorized units for the agency.

17 “(ii) EXCEPTION.—A public housing
18 agency may use up to an additional 10
19 percent of the authorized units for the
20 agency for project-based assistance under
21 this paragraph, to provide units that house
22 individuals and families that meet the defi-
23 nition of homeless under section 103 of the
24 McKinney-Vento Homeless Assistance Act
25 (42 U.S.C. 11302), that house families

1 with veterans, that provide supportive
2 housing to persons with disabilities or el-
3 derly persons, or that are located in areas
4 where vouchers under this subsection are
5 difficult to use, as specified in subpara-
6 graph (D)(ii)(II). Any units of project-
7 based assistance that are attached to units
8 previously subject to federally required
9 rent restrictions or receiving another type
10 of long-term housing subsidy provided by
11 the Secretary shall not count toward the
12 percentage limitation under clause (i) of
13 this subparagraph. The Secretary may, by
14 regulation, establish additional categories
15 for the exception under this clause.”;

16 (3) by striking subparagraph (D) and inserting
17 the following new subparagraph:

18 “(D) INCOME-MIXING REQUIREMENT.—

19 “(i) IN GENERAL.—Except as pro-
20 vided in clause (ii), not more than the
21 greater of 25 dwelling units or 25 percent
22 of the dwelling units in any project may be
23 assisted under a housing assistance pay-
24 ment contract for project-based assistance
25 pursuant to this paragraph. For purposes

1 of this subparagraph, the term ‘project’
2 means a single building, multiple contig-
3 uous buildings, or multiple buildings on
4 contiguous parcels of land.

5 “(ii) EXCEPTIONS.—

6 “(I) CERTAIN FAMILIES.—The
7 limitation under clause (i) shall not
8 apply to dwelling units assisted under
9 a contract that are exclusively made
10 available to elderly families or to
11 households eligible for supportive serv-
12 ices that are made available to the as-
13 sisted residents of the project, accord-
14 ing to standards for such services the
15 Secretary may establish.

16 “(II) CERTAIN AREAS.—With re-
17 spect to areas in which tenant-based
18 vouchers for assistance under this
19 subsection are difficult to use, as de-
20 termined by the Secretary, and with
21 respect to census tracts with a poverty
22 rate of 20 percent or less, clause (i)
23 shall be applied by substituting ‘40
24 percent’ for ‘25 percent’, and the Sec-

1 retary may, by regulation, establish
2 additional conditions.

3 “(III) CERTAIN CONTRACTS.—

4 The limitation under clause (i) shall
5 not apply with respect to contracts or
6 renewal of contracts under which a
7 greater percentage of the dwelling
8 units in a project were assisted under
9 a housing assistance payment contract
10 for project-based assistance pursuant
11 to this paragraph on the date of the
12 enactment of the Housing Oppor-
13 tunity Through Modernization Act of
14 2016.

15 “(IV) CERTAIN PROPERTIES.—

16 Any units of project-based assistance
17 under this paragraph that are at-
18 tached to units previously subject to
19 federally required rent restrictions or
20 receiving other project-based assist-
21 ance provided by the Secretary shall
22 not count toward the percentage limi-
23 tation imposed by this subparagraph
24 (D).

1 “(iii) ADDITIONAL MONITORING AND
2 OVERSIGHT REQUIREMENTS.—The Sec-
3 retary may establish additional require-
4 ments for monitoring and oversight of
5 projects in which more than 40 percent of
6 the dwelling units are assisted under a
7 housing assistance payment contract for
8 project-based assistance pursuant to this
9 paragraph.”;

10 (4) by striking subparagraph (F) and inserting
11 the following new subparagraph:

12 “(F) CONTRACT TERM.—

13 “(i) TERM.—A housing assistance
14 payment contract pursuant to this para-
15 graph between a public housing agency
16 and the owner of a project may have a
17 term of up to 20 years, subject to—

18 “(I) the availability of sufficient
19 appropriated funds for the purpose of
20 renewing expiring contracts for assist-
21 ance payments, as provided in appro-
22 priation Acts and in the agency’s an-
23 nual contributions contract with the
24 Secretary, provided that in the event
25 of insufficient appropriated funds,

1 payments due under contracts under
2 this paragraph shall take priority if
3 other cost-saving measures that do
4 not require the termination of an ex-
5 isting contract are available to the
6 agency; and

7 “(II) compliance with the inspec-
8 tion requirements under paragraph
9 (8), except that the agency shall not
10 be required to make biennial inspec-
11 tions of each assisted unit in the de-
12 velopment.

13 “(ii) ADDITION OF ELIGIBLE UNITS.—
14 Subject to the limitations of subparagraphs
15 (B) and (D), the agency and the owner
16 may add eligible units within the same
17 project to a housing assistance payments
18 contract at any time during the term
19 thereof without being subject to any addi-
20 tional competitive selection procedures.

21 “(iii) HOUSING UNDER CONSTRUC-
22 TION OR RECENTLY CONSTRUCTED.—An
23 agency may enter into a housing assistance
24 payments contract with an owner for any
25 unit that does not qualify as existing hous-

1 ing and is under construction or recently
2 has been constructed whether or not the
3 agency has executed an agreement to enter
4 into a contract with the owner, provided
5 that the owner demonstrates compliance
6 with applicable requirements prior to exe-
7 cution of the housing assistance payments
8 contract. This clause shall not subject a
9 housing assistance payments contract for
10 existing housing under this paragraph to
11 such requirements or otherwise limit the
12 extent to which a unit may be assisted as
13 existing housing.

14 “(iv) ADDITIONAL CONDITIONS.—The
15 contract may specify additional conditions,
16 including with respect to continuation, ter-
17 mination, or expiration, and shall specify
18 that upon termination or expiration of the
19 contract without extension, each assisted
20 family may elect to use its assistance
21 under this subsection to remain in the
22 same project if its unit complies with the
23 inspection requirements under paragraph
24 (8), the rent for the unit is reasonable as
25 required by paragraph (10)(A), and the

1 family pays its required share of the rent
2 and the amount, if any, by which the unit
3 rent (including the amount allowed for ten-
4 ant-based utilities) exceeds the applicable
5 payment standard.”;

6 (5) in subparagraph (G), by striking “15 years”
7 and inserting “20 years”;

8 (6) by striking subparagraph (I) and inserting
9 the following new subparagraph:

10 “(I) RENT ADJUSTMENTS.—A housing as-
11 sistance payments contract pursuant to this
12 paragraph entered into after the date of the en-
13 actment of the Housing Opportunity Through
14 Modernization Act of 2016 shall provide for an-
15 nual rent adjustments upon the request of the
16 owner, except that—

17 “(i) by agreement of the parties, a
18 contract may allow a public housing agency
19 to adjust the rent for covered units using
20 an operating cost adjustment factor estab-
21 lished by the Secretary pursuant to section
22 524(c) of the Multifamily Assisted Housing
23 Reform and Affordability Act of 1997
24 (which shall not result in a negative ad-
25 justment), in which case the contract may

1 require an additional adjustment, if re-
2 requested, up to the reasonable rent periodi-
3 cally during the term of the contract, and
4 shall require such an adjustment, if re-
5 requested, upon extension pursuant to sub-
6 paragraph (G);

7 “(ii) the adjusted rent shall not ex-
8 ceed the maximum rent permitted under
9 subparagraph (H);

10 “(iii) the contract may provide that
11 the maximum rent permitted for a dwelling
12 unit shall not be less than the initial rent
13 for the dwelling unit under the initial
14 housing assistance payments contract cov-
15 ering the units; and

16 “(iv) the provisions of subsection
17 (c)(2)(C) shall not apply.”;

18 (7) in subparagraph (J)—

19 (A) in the first sentence—

20 (i) by striking “shall” and inserting
21 “may”; and

22 (ii) by inserting before the period the
23 following: “or may permit owners to select
24 applicants from site-based waiting lists as
25 specified in this subparagraph”;

1 (B) by striking the third sentence and in-
2 serting the following: “The agency or owner
3 may establish preferences or criteria for selec-
4 tion for a unit assisted under this paragraph
5 that are consistent with the public housing
6 agency plan for the agency approved under sec-
7 tion 5A and that give preference to families
8 who qualify for voluntary services, including
9 disability-specific services, offered in conjunc-
10 tion with assisted units.”; and

11 (C) by striking the fifth and sixth sen-
12 tences and inserting the following: “A public
13 housing agency may establish and utilize proce-
14 dures for owner-maintained site-based waiting
15 lists, under which applicants may apply at, or
16 otherwise designate to the public housing agen-
17 cy, the project or projects in which they seek to
18 reside, except that all eligible applicants on the
19 waiting list of an agency for assistance under
20 this subsection shall be permitted to place their
21 names on such separate list, subject to policies
22 and procedures established by the Secretary. All
23 such procedures shall comply with title VI of
24 the Civil Rights Act of 1964, the Fair Housing
25 Act, section 504 of the Rehabilitation Act of

1 1973, and other applicable civil rights laws. The
2 owner or manager of a project assisted under
3 this paragraph shall not admit any family to a
4 dwelling unit assisted under a contract pursu-
5 ant to this paragraph other than a family re-
6 ferred by the public housing agency from its
7 waiting list, or a family on a site-based waiting
8 list that complies with the requirements of this
9 subparagraph. A public housing agency shall
10 disclose to each applicant all other options in
11 the selection of a project in which to reside that
12 are provided by the public housing agency and
13 are available to the applicant.”;

14 (8) in subparagraph (M)(ii), by inserting before
15 the period at the end the following: “relating to
16 funding other than housing assistance payments”;
17 and

18 (9) by adding at the end the following new sub-
19 paragraphs:

20 “(N) STRUCTURE OWNED BY AGENCY.—A
21 public housing agency engaged in an initiative
22 to improve, develop, or replace a public housing
23 property or site may attach assistance to an ex-
24 isting, newly constructed, or rehabilitated struc-
25 ture in which the agency has an ownership in-

terest or which the agency has control of without following a competitive process, provided that the agency has notified the public of its intent through its public housing agency plan and subject to the limitations and requirements of this paragraph.

“(O) SPECIAL PURPOSE VOUCHERS.—A public housing agency that administers vouchers authorized under subsection (o)(19) or (x) of this section may provide such assistance in accordance with the limitations and requirements of this paragraph, without additional requirements for approval by the Secretary.”.

(b) EFFECTIVE DATE.—The Secretary of Housing and Urban Development shall issue notice or regulations to implement subsection (a) of this section and such subsection shall take effect upon such issuance.

SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.

(a) IN GENERAL.—Paragraph (1) of section 8(c) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1)) is amended—

(1) by inserting “(A)” after the paragraph designation;

(2) by striking the fourth, seventh, eighth, and ninth sentences; and

1 (3) by adding at the end the following:

2 “(B) Fair market rentals for an area shall be pub-
3 lished not less than annually by the Secretary on the site
4 of the Department on the World Wide Web and in any
5 other manner specified by the Secretary. Notice that such
6 fair market rentals are being published shall be published
7 in the Federal Register, and such fair market rentals shall
8 become effective no earlier than 30 days after the date
9 of such publication. The Secretary shall establish a proce-
10 dure for public housing agencies and other interested par-
11 ties to comment on such fair market rentals and to re-
12 quest, within a time specified by the Secretary, reevalua-
13 tion of the fair market rentals in a jurisdiction before such
14 rentals become effective. The Secretary shall cause to be
15 published for comment in the Federal Register notices of
16 proposed material changes in the methodology for esti-
17 mating fair market rentals and notices specifying the final
18 decisions regarding such proposed substantial methodo-
19 logical changes and responses to public comments.”.

20 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-
21 tion 8(o)(1) of the United States Housing Act of 1937
22 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-
23 fore the period at the end the following: “, except that
24 no public housing agency shall be required as a result of
25 a reduction in the fair market rental to reduce the pay-

1 ment standard applied to a family continuing to reside in
 2 a unit for which the family was receiving assistance under
 3 this section at the time the fair market rental was reduced.
 4 The Secretary shall allow public housing agencies to re-
 5 quest exception payment standards within fair market
 6 rental areas subject to criteria and procedures established
 7 by the Secretary”.

8 (c) EFFECTIVE DATE.—The amendments made by
 9 this section shall take effect upon the date of the enact-
 10 ment of this Act.

11 **SEC. 108. COLLECTION OF UTILITY DATA.**

12 Section 8(o) of the United States Housing Act of
 13 1937 (42 U.S.C. 1437f(o)) is amended by adding at the
 14 end the following new paragraph:

15 “(20) COLLECTION OF UTILITY DATA.—

16 “(A) PUBLICATION.—The Secretary shall,
 17 to the extent that data can be collected cost ef-
 18 fectively, regularly publish such data regarding
 19 utility consumption and costs in local areas as
 20 the Secretary determines will be useful for the
 21 establishment of allowances for tenant-paid util-
 22 ities for families assisted under this subsection.

23 “(B) USE OF DATA.—The Secretary shall
 24 provide such data in a manner that—

1 “(i) avoids unnecessary administrative
 2 burdens for public housing agencies and
 3 owners; and

4 “(ii) protects families in various unit
 5 sizes and building types, and using various
 6 utilities, from high rent and utility cost
 7 burdens relative to income.”.

8 **SEC. 109. PUBLIC HOUSING CAPITAL AND OPERATING**
 9 **FUNDS.**

10 (a) CAPITAL FUND REPLACEMENT RESERVES.—Sec-
 11 tion 9 of the United States Housing Act of 1937 (42
 12 U.S.C. 1437g) is amended—

13 (1) in subsection (j), by adding at the end the
 14 following new paragraph:

15 “(7) TREATMENT OF REPLACEMENT RE-
 16 SERVE.—The requirements of this subsection shall
 17 not apply to funds held in replacement reserves es-
 18 tablished pursuant to subsection (n).”; and

19 (2) by adding at the end the following new sub-
 20 section:

21 “(n) ESTABLISHMENT OF REPLACEMENT RE-
 22 SERVES.—

23 “(1) IN GENERAL.—Public housing agencies
 24 shall be permitted to establish a replacement reserve

1 to fund any of the capital activities listed in sub-
2 section (d)(1).

3 “(2) SOURCE AND AMOUNT OF FUNDS FOR RE-
4 PLACEMENT RESERVE.—At any time, a public hous-
5 ing agency may deposit funds from such agency’s
6 Capital Fund into a replacement reserve, subject to
7 the following:

8 “(A) At the discretion of the Secretary,
9 public housing agencies may transfer and hold
10 in a replacement reserve funds originating from
11 additional sources.

12 “(B) No minimum transfer of funds to a
13 replacement reserve shall be required.

14 “(C) At any time, a public housing agency
15 may not hold in a replacement reserve more
16 than the amount the public housing authority
17 has determined necessary to satisfy the antici-
18 pated capital needs of properties in its portfolio
19 assisted under this section, as outlined in its
20 Capital Fund 5-Year Action Plan, or a com-
21 parable plan, as determined by the Secretary.

22 “(D) The Secretary may establish, by reg-
23 ulation, a maximum replacement reserve level
24 or levels that are below amounts determined
25 under subparagraph (C), which may be based

1 upon the size of the portfolio assisted under
2 this section or other factors.

3 “(3) TRANSFER OF OPERATING FUNDS.—In
4 first establishing a replacement reserve, the Sec-
5 retary may allow public housing agencies to transfer
6 more than 20 percent of its operating funds into its
7 replacement reserve.

8 “(4) EXPENDITURE.—Funds in a replacement
9 reserve may be used for purposes authorized by sub-
10 section (d)(1) and contained in its Capital Fund 5-
11 Year Action Plan.

12 “(5) MANAGEMENT AND REPORT.—The Sec-
13 retary shall establish appropriate accounting and re-
14 porting requirements to ensure that public housing
15 agencies are spending funds on eligible projects and
16 that funds in the replacement reserve are connected
17 to capital needs.”.

18 (b) FLEXIBILITY OF OPERATING FUND AMOUNTS.—
19 Paragraph (1) of section 9(g) of the United States Hous-
20 ing Act of 1937 (42 U.S.C. 1437g(g)(1)) is amended—

21 (1) by striking “(1)” and all that follows
22 through “—Of” and inserting the following:

23 “(1) FLEXIBILITY IN USE OF FUNDS.—

24 “(A) FLEXIBILITY FOR CAPITAL FUND
25 AMOUNTS.—Of”; and

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

3 “(B) FLEXIBILITY FOR OPERATING FUND
 4 AMOUNTS.—Of any amounts appropriated for
 5 fiscal year 2016 or any fiscal year thereafter
 6 that are allocated for fiscal year 2016 or any
 7 fiscal year thereafter from the Operating Fund
 8 for any public housing agency, the agency may
 9 use not more than 20 percent for activities that
 10 are eligible under subsection (d) for assistance
 11 with amounts from the Capital Fund, but only
 12 if the public housing plan under section 5A for
 13 the agency provides for such use.”.

14 **SEC. 110. FAMILY UNIFICATION PROGRAM FOR CHILDREN**
 15 **AGING OUT OF FOSTER CARE.**

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

18 (1) in paragraph (2)(B)—

19 (A) by striking “18 months” and inserting
 20 “36 months”;

21 (B) by striking “21 years of age” and in-
 22 serting “24 years of age”; and

23 (C) by inserting after “have left foster
 24 care” the following: “, or will leave foster care
 25 within 90 days, in accordance with a transition

1 plan described in section 475(5)(H) of the So-
2 cial Security Act, and is homeless or is at risk
3 of becoming homeless”;

4 (2) by redesignating paragraph (4) as para-
5 graph (5); and

6 (3) by inserting after paragraph (3) the fol-
7 lowing new paragraph:

8 “(4) COORDINATION BETWEEN PUBLIC HOUS-
9 ING AGENCIES AND PUBLIC CHILD WELFARE AGEN-
10 CIES.—The Secretary shall, not later than the expi-
11 ration of the 180-day period beginning on the date
12 of the enactment of the Housing Opportunity
13 Through Modernization Act of 2016 and after con-
14 sultation with other appropriate Federal agencies,
15 issue guidance to improve coordination between pub-
16 lic housing agencies and public child welfare agen-
17 cies in carrying out the program under this sub-
18 section, which shall provide guidance on—

19 “(A) identifying eligible recipients for as-
20 sistance under this subsection;

21 “(B) coordinating with other local youth
22 and family providers in the community and par-
23 ticipating in the Continuum of Care program
24 established under subtitle C of title IV of the

1 McKinney-Vento Homeless Assistance Act (42
2 U.S.C. 11381 et seq.);

3 “(C) implementing housing strategies to
4 assist eligible families and youth;

5 “(D) aligning system goals to improve out-
6 comes for families and youth and reducing
7 lapses in housing for families and youth; and

8 “(E) identifying resources that are avail-
9 able to eligible families and youth to provide
10 supportive services available through parts B
11 and E of title IV of the Social Security Act (42
12 U.S.C. 621 et seq.; 670 et seq.) or that the
13 head of household of a family or youth may be
14 entitled to receive under section 477 of the So-
15 cial Security Act (42 U.S.C. 677).”.

16 **SEC. 111. PUBLIC HOUSING HEATING GUIDELINES.**

17 Section 9 of the United States Housing Act of 1937
18 (42 U.S.C. 1437g), as amended by the preceding provi-
19 sions of this Act, is further amended by adding at the end
20 the following new subsection:

21 “(o) PUBLIC HOUSING HEATING GUIDELINES.—The
22 Secretary shall publish model guidelines for minimum
23 heating requirements for public housing dwelling units op-
24 erated by public housing agencies receiving assistance
25 under this section.”.

1 **SEC. 112. USE OF VOUCHERS FOR MANUFACTURED HOUS-**
2 **ING.**

3 (a) IN GENERAL.—Section 8(o)(12) of the United
4 States Housing Act of 1937 (42 U.S.C. 1437f(o)(12)) is
5 amended—

6 (1) in subparagraph (A), by striking the period
7 at the end of the first sentence and all that follows
8 through “of” in the second sentence and inserting
9 “and rents”; and

10 (2) in subparagraph (B)—

11 (A) in clause (i), by striking “the rent”
12 and all that follows and inserting the following:
13 “rent shall mean the sum of the monthly pay-
14 ments made by a family assisted under this
15 paragraph to amortize the cost of purchasing
16 the manufactured home, including any required
17 insurance and property taxes, the monthly
18 amount allowed for tenant-paid utilities, and
19 the monthly rent charged for the real property
20 on which the manufactured home is located, in-
21 cluding monthly management and maintenance
22 charges.”;

23 (B) by striking clause (ii); and

24 (C) in clause (iii)—

25 (i) by inserting after the period at the
26 end the following: “If the amount of the

1 monthly assistance payment for a family
2 exceeds the monthly rent charged for the
3 real property on which the manufactured
4 home is located, including monthly man-
5 agement and maintenance charges, a pub-
6 lic housing agency may pay the remainder
7 to the family, lender or utility company, or
8 may choose to make a single payment to
9 the family for the entire monthly assist-
10 ance amount.”; and

11 (ii) by redesignating such clause as
12 clause (ii).

13 (b) **EFFECTIVE DATE.**—The Secretary of Housing
14 and Urban Development shall issue notice to implement
15 the amendments made by subsection (a) and such amend-
16 ments shall take effect upon such issuance.

17 **SEC. 113. PREFERENCE FOR UNITED STATES CITIZENS OR**
18 **NATIONALS.**

19 Section 214(a)(7) of the Housing and Community
20 Development Act of 1980 (42 U.S.C. 1436a(a)(7)) is
21 amended by striking “such alien” and all that follows
22 through the period at the end and inserting “any citizen
23 or national of the United States shall be entitled to a pref-
24 erence or priority in receiving financial assistance before
25 any such alien who is otherwise eligible for assistance.”.

1 **SEC. 114. EXCEPTION TO PUBLIC HOUSING AGENCY RESI-**
 2 **DENT BOARD MEMBER REQUIREMENT.**

3 Subsection (b) of section 2 of the United States
 4 Housing Act of 1937 (42 U.S.C. 1437(b)) is amended—

5 (1) in paragraph (1), by striking “paragraph
 6 (2)” and inserting “paragraphs (2) and (3)”;

7 (2) by redesignating paragraph (3) as para-
 8 graph (4); and

9 (3) by inserting after paragraph (2) the fol-
 10 lowing new paragraph:

11 “(3) EXCEPTION FOR CERTAIN JURISDIC-
 12 TIONS.—

13 “(A) EXCEPTION.—A covered agency (as
 14 such term is defined in subparagraph (C) of
 15 this paragraph) shall not be required to include
 16 on the board of directors or a similar governing
 17 board of such agency a member described in
 18 paragraph (1).

19 “(B) ADVISORY BOARD REQUIREMENT.—
 20 Each covered agency that administers Federal
 21 housing assistance under section 8 (42 U.S.C.
 22 1437f) that chooses not to include a member
 23 described in paragraph (1) on the board of di-
 24 rectors or a similar governing board of the
 25 agency shall establish an advisory board of not
 26 less than 6 residents of public housing or recipi-

ents of assistance under section 8 (42 U.S.C. 1437f) to provide advice and comment to the agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

“(C) COVERED AGENCY OR ENTITY.—For purposes of this paragraph, the term ‘covered agency’ means a public housing agency or such other entity that administers Federal housing assistance for—

“(I) the Housing Authority of the county of Los Angeles, California; or

“(ii) any of the States of Alaska, Iowa, and Mississippi.”.

TITLE II—RURAL HOUSING

SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING LOAN APPROVAL.

Subsection (h) of section 502 of the Housing Act of 1949 (42 U.S.C. 1472(h)) is amended by adding at the end the following new paragraph:

“(18) DELEGATION OF APPROVAL.—The Secretary may delegate, in part or in full, the Secretary’s authority to approve and execute binding Rural Housing Service loan guarantees pursuant to

1 this subsection to certain preferred lenders, in ac-
2 cordance with standards established by the Sec-
3 retary.”.

4 **SEC. 202. GUARANTEED UNDERWRITING USER FEE.**

5 Section 502 of the Housing Act of 1949 (42 U.S.C.
6 1472) is amended by adding at the end the following new
7 subsection:

8 “(i) GUARANTEED UNDERWRITING USER FEE.—

9 “(1) AUTHORITY; MAXIMUM AMOUNT.—The
10 Secretary may assess and collect a fee for a lender
11 to access the automated underwriting systems of the
12 Department in connection with such lender’s partici-
13 pation in the single family loan program under this
14 section and only in an amount necessary to cover the
15 costs of information technology enhancements, im-
16 provements, maintenance, and development for auto-
17 mated underwriting systems used in connection with
18 the single family loan program under this section,
19 except that such fee shall not exceed \$50 per loan.

20 “(2) CREDITING; AVAILABILITY.—Any amounts
21 collected from such fees shall be credited to the
22 Rural Development Expense Account as offsetting
23 collections and shall remain available until expended,
24 in the amounts provided in appropriation Acts, sole-
25 ly for expenses described in paragraph (1).”.

1 **TITLE III—FHA MORTGAGE IN-**
2 **SURANCE FOR CONDOMIN-**
3 **IUMS**

4 **SEC. 301. MODIFICATION OF FHA REQUIREMENTS FOR**
5 **MORTGAGE INSURANCE FOR CONDOMIN-**
6 **IUMS.**

7 Section 203 of the National Housing Act (12 U.S.C.
8 1709) is amended by adding at the end the following new
9 subsection:

10 “(y) REQUIREMENTS FOR MORTGAGES FOR CON-
11 DOMINIUMS.—

12 “(1) PROJECT RECERTIFICATION REQUIRE-
13 MENTS.—Notwithstanding any other law, regulation,
14 or guideline of the Secretary, including chapter 2.4
15 of the Condominium Project Approval and Proc-
16 essing Guide of the FHA, the Secretary shall
17 streamline the project certification requirements that
18 are applicable to the insurance under this section for
19 mortgages for condominium projects so that recer-
20 tifications are substantially less burdensome than
21 certifications. The Secretary shall consider length-
22 ening the time between certifications for approved
23 properties, and allowing updating of information
24 rather than resubmission.

1 “(2) COMMERCIAL SPACE REQUIREMENTS.—
2 Notwithstanding any other law, regulation, or guide-
3 line of the Secretary, including chapter 2.1.3 of the
4 Condominium Project Approval and Processing
5 Guide of the FHA, in providing for exceptions to the
6 requirement for the insurance of a mortgage on a
7 condominium property under this section regarding
8 the percentage of the floor space of a condominium
9 property that may be used for nonresidential or com-
10 mercial purposes, the Secretary shall provide that—

11 “(A) any request for such an exception and
12 the determination of the disposition of such re-
13 quest may be made, at the option of the re-
14 quester, under the direct endorsement lender
15 review and approval process or under the HUD
16 review and approval process through the appli-
17 cable field office of the Department; and

18 “(B) in determining whether to allow such
19 an exception for a condominium property, fac-
20 tors relating to the economy for the locality in
21 which such project is located or specific to
22 project, including the total number of family
23 units in the project, shall be considered.

24 Not later than the expiration of the 90-day period
25 beginning on the date of the enactment of this para-

graph, the Secretary shall issue regulations to implement this paragraph, which shall include any standards, training requirements, and remedies and penalties that the Secretary considers appropriate.

“(3) TRANSFER FEES.—Notwithstanding any other law, regulation, or guideline of the Secretary, including chapter 1.8.8 of the Condominium Project Approval and Processing Guide of the FHA and section 203.41 of the Secretary’s regulations (24 CFR 203.41), existing standards of the Federal Housing Finance Agency relating to encumbrances under private transfer fee covenants shall apply to the insurance of mortgages by the Secretary under this section to the same extent and in the same manner that such standards apply to the purchasing, investing in, and otherwise dealing in mortgages by the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation. If the provisions of part 1228 of the Director of the Federal Housing Finance Agency’s regulations (12 CFR part 1228) are amended or otherwise changed after the date of the enactment of this paragraph, the Secretary of Housing and Urban Development shall adopt any such amendments or changes for purposes of this paragraph, unless the Secretary causes to be pub-

lished in the Federal Register a notice explaining why the Secretary will disregard such amendments or changes within 90 days after the effective date of such amendments or changes.

“(4) OWNER-OCCUPANCY REQUIREMENT.—

“(A) ESTABLISHMENT OF PERCENTAGE REQUIREMENT.—Not later than the expiration of the 90-day period beginning on the date of the enactment of this paragraph, the Secretary shall, by rule, notice, or mortgagee letter, issue guidance regarding the percentage of units that must be occupied by the owners as a principal residence or a secondary residence (as such terms are defined by the Secretary), or must have been sold to owners who intend to meet such occupancy requirements, including justifications for the percentage requirements, in order for a condominium project to be acceptable to the Secretary for insurance under this section of a mortgage within such condominium property.

“(B) FAILURE TO ACT.—If the Secretary fails to issue the guidance required under subparagraph (A) before the expiration of the 90-

1 day period specified in such clause, the fol-
2 lowing provisions shall apply:

3 “(i) 35 PERCENT REQUIREMENT.—In
4 order for a condominium project to be ac-
5 ceptable to the Secretary for insurance
6 under this section, at least 35 percent of
7 all family units (including units not cov-
8 ered by FHA-insured mortgages) must be
9 occupied by the owners as a principal resi-
10 dence or a secondary residence (as such
11 terms are defined by the Secretary), or
12 must have been sold to owners who intend
13 to meet such occupancy requirement.

14 “(ii) OTHER CONSIDERATIONS.—The
15 Secretary may increase the percentage ap-
16 plicable pursuant to clause (i) to a condo-
17 minium project on a project-by-project or
18 regional basis, and in determining such
19 percentage for a project shall consider fac-
20 tors relating to the economy for the local-
21 ity in which such project is located or spe-
22 cific to project, including the total number
23 of family units in the project.”.

1 **TITLE IV—HOUSING REFORMS**
2 **FOR THE HOMELESS AND FOR**
3 **VETERANS**

4 **SEC. 401. DEFINITION OF GEOGRAPHIC AREA FOR CON-**
5 **TINUUM OF CARE PROGRAM.**

6 (a) DEFINITION.—Subtitle C of the McKinney-Vento
7 Homeless Assistance Act is amended—

8 (1) by redesignating sections 432 and 433 (42
9 U.S.C. 11387, 11388) as sections 433 and 434, re-
10 spectively; and

11 (2) by inserting after section 431 (42 U.S.C.
12 11386e) the following new section:

13 **“SEC. 432. GEOGRAPHIC AREAS.**

14 “(a) REQUIREMENT TO DEFINE.—For purposes of
15 this subtitle, the term ‘geographic area’ shall have such
16 meaning as the Secretary shall by notice provide.

17 “(b) ISSUANCE OF NOTICE.—Not later than the expi-
18 ration of the 90-day period beginning on the date of the
19 enactment of the Housing Opportunity Through Mod-
20 ernization Act of 2016, the Secretary shall issue a notice
21 setting forth the definition required by subsection (a).”.

22 (b) CLERICAL AMENDMENT.—The table of contents
23 in section 101(b) of the McKinney-Vento Homeless Assist-
24 ance Act (42 U.S.C. 11301 note) is amended by striking

- 1 the items relating to sections 432 and 433 and inserting
 2 the following new items:

“Sec. 432. Geographic areas.
 “Sec. 433. Regulations.
 “Sec. 434. Reports to Congress.”.

3 **SEC. 402. INCLUSION OF PUBLIC HOUSING AGENCIES AND**
 4 **LOCAL REDEVELOPMENT AUTHORITIES IN**
 5 **EMERGENCY SOLUTIONS GRANTS.**

6 Section 414(c) of the McKinney-Vento Homeless As-
 7 sistance Act (42 U.S.C. 11373(c)) is amended—

8 (1) in the subsection heading, by inserting “,
 9 PUBLIC HOUSING AGENCIES, AND LOCAL REDEVEL-
 10 OPMENT AUTHORITIES” after “ORGANIZATIONS”;
 11 and

12 (2) in the first sentence, by inserting before the
 13 period at the end the following: “, to public housing
 14 agencies (as defined under section 3(b)(6) of the
 15 United States Housing Act of 1937), or to local re-
 16 development authorities (as defined under State
 17 law)”.

18 **SEC. 403. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN**
 19 **THE DEPARTMENT OF HOUSING AND URBAN**
 20 **DEVELOPMENT.**

21 (a) TRANSFER OF POSITION TO OFFICE OF THE SEC-
 22 RETARY.—Section 4 of the Department of Housing and
 23 Urban Development Act (42 U.S.C. 3533) is amended by
 24 adding at the end the following new subsection:

1 “(h) SPECIAL ASSISTANT FOR VETERANS AF-
2 FAIRS.—

3 “(1) POSITION.—There shall be in the Office of
4 the Secretary a Special Assistant for Veterans Af-
5 fairs, who shall report directly to the Secretary.

6 “(2) APPOINTMENT.—The Special Assistant for
7 Veterans Affairs shall be appointed based solely on
8 merit and shall be covered under the provisions of
9 title 5, United States Code, governing appointments
10 in the competitive service.

11 “(3) RESPONSIBILITIES.—The Special Assist-
12 ant for Veterans Affairs shall be responsible for—

13 “(A) ensuring veterans have fair access to
14 housing and homeless assistance under each
15 program of the Department providing either
16 such assistance;

17 “(B) coordinating all programs and activi-
18 ties of the Department relating to veterans;

19 “(C) serving as a liaison for the Depart-
20 ment with the Department of Veterans Affairs,
21 including establishing and maintaining relation-
22 ships with the Secretary of Veterans Affairs;

23 “(D) serving as a liaison for the Depart-
24 ment, and establishing and maintaining rela-
25 tionships with the United States Interagency

1 Council on Homelessness and officials of State,
2 local, regional, and nongovernmental organiza-
3 tions concerned with veterans;

4 “(E) providing information and advice re-
5 garding—

6 “(i) sponsoring housing projects for
7 veterans assisted under programs adminis-
8 tered by the Department; or

9 “(ii) assisting veterans in obtaining
10 housing or homeless assistance under pro-
11 grams administered by the Department;

12 “(F) coordinating with the Secretary of
13 Housing and Urban Development and the Sec-
14 retary of Veterans Affairs in carrying out sec-
15 tion 404 of the Housing Opportunity Through
16 Modernization Act of 2016;

17 “(G) collaborating with the Department of
18 Veterans Affairs on making joint recommenda-
19 tions to the Congress, the Secretary of Housing
20 and Urban Development, and the Secretary of
21 Veterans Affairs on how to better coordinate
22 and improve services to veterans under both
23 Department of Housing and Urban Develop-
24 ment and Department of Veteran Affairs vet-
25 erans housing programs, including ways to im-

1 prove the Independent Living Program of the
2 Department of Veteran Affairs; and

3 “(H) carrying out such other duties as
4 may be assigned to the Special Assistant by the
5 Secretary or by law.”.

6 (b) TRANSFER OF POSITION IN OFFICE OF DEPUTY
7 ASSISTANT SECRETARY FOR SPECIAL NEEDS.—On the
8 date that the initial Special Assistant for Veterans Affairs
9 is appointed pursuant to section 4(h)(2) of the Depart-
10 ment of Housing and Urban Development Act, as added
11 by subsection (a) of this section, the position of Special
12 Assistant for Veterans Programs in the Office of the Dep-
13 uty Assistant Secretary for Special Needs of the Depart-
14 ment of Housing and Urban Development shall be termi-
15 nated.

16 **SEC. 404. ANNUAL SUPPLEMENTAL REPORT ON VETERANS**
17 **HOMELESSNESS.**

18 (a) IN GENERAL.—The Secretary of Housing and
19 Urban Development and the Secretary of Veterans Af-
20 fairs, in coordination with the United States Interagency
21 Council on Homelessness, shall submit annually to the
22 Committees of the Congress specified in subsection (b),
23 together with the annual reports required by such Secre-
24 taries under section 203(c)(1) of the McKinney-Vento
25 Homeless Assistance Act (42 U.S.C. 11313(c)(1)), a sup-

1 plemental report that includes the following information
2 with respect to the preceding year:

3 (1) The same information, for such preceding
4 year, that was included with respect to 2010 in the
5 report by the Secretary of Housing and Urban De-
6 velopment and the Secretary of Veterans Affairs en-
7 titled “Veterans Homelessness: A Supplemental Re-
8 port to the 2010 Annual Homeless Assessment Re-
9 port to Congress”.

10 (2) Information regarding the activities of the
11 Department of Housing and Urban Development re-
12 lating to veterans during such preceding year, as fol-
13 lows:

14 (A) The number of veterans provided as-
15 sistance under the housing choice voucher pro-
16 gram for Veterans Affairs supported housing
17 under section 8(o)(19) of the United States
18 Housing Act of 1937 (42 U.S.C. 1437f(o)(19)),
19 the socioeconomic characteristics of such home-
20 less veterans, and the number, types, and loca-
21 tions of entities contracted under such section
22 to administer the vouchers.

23 (B) A summary description of the special
24 considerations made for veterans under public
25 housing agency plans submitted pursuant to

1 section 5A of the United States Housing Act of
2 1937 (42 U.S.C. 1437c–1) and under com-
3 prehensive housing affordability strategies sub-
4 mitted pursuant to section 105 of the Cranston-
5 Gonzalez National Affordable Housing Act (42
6 U.S.C. 12705).

7 (C) A description of the activities of the
8 Special Assistant for Veterans Affairs of the
9 Department of Housing and Urban Develop-
10 ment.

11 (D) A description of the efforts of the De-
12 partment of Housing and Urban Development
13 and the other members of the United States
14 Interagency Council on Homelessness to coordi-
15 nate the delivery of housing and services to vet-
16 erans.

17 (E) The cost to the Department of Hous-
18 ing and Urban Development of administering
19 the programs and activities relating to veterans.

20 (F) Any other information that the Sec-
21 retary of Housing and Urban Development and
22 the Secretary of Veterans Affairs consider rel-
23 evant in assessing the programs and activities
24 of the Department of Housing and Urban De-
25 velopment relating to veterans.

1 (b) COMMITTEES.—The Committees of the Congress
2 specified in this subsection are as follows:

3 (1) The Committee on Banking, Housing, and
4 Urban Affairs of the Senate.

5 (2) The Committee on Veterans' Affairs of the
6 Senate.

7 (3) The Committee on Appropriations of the
8 Senate.

9 (4) The Committee on Financial Services of the
10 House of Representatives.

11 (5) The Committee on Veterans' Affairs of the
12 House of Representatives.

13 (6) The Committee on Appropriations of the
14 House of Representatives.

15 **SEC. 405. REOPENING OF PUBLIC COMMENT PERIOD FOR**
16 **CONTINUUM OF CARE PROGRAM REGULA-**
17 **TIONS.**

18 Not later than the expiration of the 30-day period
19 beginning on the date of the enactment of this Act, the
20 Secretary of Housing and Urban Development shall re-
21 open the period for public comment regarding the Sec-
22 retary's interim rule entitled "Homeless Emergency As-
23 sistance and Rapid Transition to Housing: Continuum of
24 Care Program", published in the Federal Register on July
25 31, 2012 (77 Fed. Reg. 45422; Docket No. FR-5476-

1 I-01). Upon re-opening, such comment period shall re-
2 main open for a period of not fewer than 60 days.

3 **TITLE V—MISCELLANEOUS**

4 **SEC. 501. INCLUSION OF DISASTER HOUSING ASSISTANCE** 5 **PROGRAM IN CERTAIN FRAUD AND ABUSE** 6 **PREVENTION MEASURES.**

7 The Disaster Housing Assistance Program adminis-
8 tered by the Department of Housing and Urban Develop-
9 ment shall be considered a “program of the Department
10 of Housing and Urban Development” under section 904
11 of the Stewart B. McKinney Homeless Assistance Amend-
12 ments Act of 1988 (42 U.S.C. 3544) for the purpose of
13 income verifications.

14 **SEC. 502. ENERGY EFFICIENCY REQUIREMENTS UNDER** 15 **SELF-HELP HOMEOWNERSHIP OPPORTUNITY** 16 **PROGRAM.**

17 Section 11 of the Housing Opportunity Program Ex-
18 tension Act of 1996 (42 U.S.C. 12805 note) is amended
19 by inserting after subsection (f) the following new sub-
20 section:

21 “(g) **ENERGY EFFICIENCY REQUIREMENTS.**—The
22 Secretary may not require any dwelling developed using
23 amounts from a grant made under this section to meet
24 any energy efficiency standards other than the standards
25 applicable at such time pursuant to section 109 of the

1 Cranston-Gonzalez National Affordable Housing Act (42
2 U.S.C. 12709) to housing specified in subsection (a) of
3 such section.”.

4 **SEC. 503. DATA EXCHANGE STANDARDIZATION FOR IM-**
5 **PROVED INTEROPERABILITY.**

6 (a) DATA EXCHANGE STANDARDIZATION.—Title I of
7 the United States Housing Act of 1937 (42 U.S.C. 1437
8 et seq.) is amended by adding at the end the following
9 new section:

10 **“SEC. 37. DATA EXCHANGE STANDARDS FOR IMPROVED**
11 **INTEROPERABILITY.**

12 “(a) DESIGNATION.—The Secretary shall, in con-
13 sultation with an interagency work group established by
14 the Office of Management and Budget, and considering
15 State government perspectives, designate data exchange
16 standards to govern, under this Act—

17 “(1) necessary categories of information that
18 State agencies operating related programs are re-
19 quired under applicable law to electronically ex-
20 change with another State agency; and

21 “(2) Federal reporting and data exchange re-
22 quired under applicable law.

23 “(b) REQUIREMENTS.—The data exchange standards
24 required by subsection (a) shall, to the maximum extent
25 practicable—

1 “(1) incorporate a widely accepted, nonproprietary, searchable, computer-readable format, such as
2 the eXtensible Markup Language;

3 “(2) contain interoperable standards developed
4 and maintained by intergovernmental partnerships,
5 such as the National Information Exchange Model;

6 “(3) incorporate interoperable standards developed and maintained by Federal entities with authority over contracting and financial assistance;
7 “(4) be consistent with and implement applicable accounting principles;

8 “(5) be implemented in a manner that is cost-effective and improves program efficiency and effectiveness; and
9 “(6) be capable of being continually upgraded as necessary.

10 “(c) RULES OF CONSTRUCTION.—Nothing in this
11 section requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

12 “(d) RULES OF CONSTRUCTION.—Nothing in this
13 section requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

14 “(e) RULES OF CONSTRUCTION.—Nothing in this
15 section requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

16 “(f) RULES OF CONSTRUCTION.—Nothing in this
17 section requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

18 “(g) RULES OF CONSTRUCTION.—Nothing in this
19 section requires a change to existing data exchange standards for Federal reporting found to be effective and efficient.”.

proposed rule to carry out the amendments made by subsection (a).

(2) REQUIREMENTS.—The rule shall—

(A) identify federally required data exchanges;

(B) include specification and timing of exchanges to be standardized;

(C) address the factors used in determining whether and when to standardize data exchanges;

(D) specify State implementation options; and

(E) describe future milestones.

TITLE VI—REPORTS

SEC. 601. REPORT ON INTERAGENCY FAMILY ECONOMIC EMPOWERMENT STRATEGIES.

The Secretary of Housing and Urban Development, in consultation with the Secretary of Labor, shall submit a report to the Congress annually that describes—

(1) any interagency strategies of such Departments that are designed to improve family economic empowerment by linking housing assistance with essential supportive services, such as employment counseling and training, financial education and growth, childcare, transportation, meals, youth rec-

1 reational activities, and other supportive services;
 2 and

3 (2) any actions taken in the preceding year to
 4 carry out such strategies and the extent of progress
 5 achieved by such actions.

6 **TITLE VII—HOUSING OPPORTU-**
 7 **NITIES FOR PERSONS WITH**
 8 **AIDS**

9 **SEC. 701. FORMULA AND TERMS FOR ALLOCATIONS TO**
 10 **PREVENT HOMELESSNESS FOR INDIVIDUALS**
 11 **LIVING WITH HIV OR AIDS.**

12 (a) IN GENERAL.—Subsection (c) of section 854 of
 13 the AIDS Housing Opportunity Act (42 U.S.C. 12903(c))
 14 is amended by—

15 (1) redesignating paragraph (3) as paragraph
 16 (5); and

17 (2) striking paragraphs (1) and (2) and insert-
 18 ing the following:

19 “(1) ALLOCATION OF RESOURCES.—

20 “(A) ALLOCATION FORMULA.—The Sec-
 21 retary shall allocate 90 percent of the amount
 22 approved in appropriations Acts under section
 23 863 among States and metropolitan statistical
 24 areas as follows:

1 “(I) 75 percent of such amounts
2 among—

3 “(I) cities that are the most pop-
4 ulous unit of general local government
5 in a metropolitan statistical area with
6 a population greater than 500,000, as
7 determined on the basis of the most
8 recent census, and with more than
9 2,000 individuals living with HIV or
10 AIDS, using the data specified in sub-
11 paragraph (B); and

12 “(II) States with more than
13 2,000 individuals living with HIV or
14 AIDS outside of metropolitan statis-
15 tical areas.

16 “(ii) 25 percent of such amounts
17 among States and metropolitan statistical
18 areas based on the method described in
19 subparagraph (C).

20 “(B) SOURCE OF DATA.—For purposes of
21 allocating amounts under this paragraph for
22 any fiscal year, the number of individuals living
23 with HIV or AIDS shall be the number of such
24 individuals as confirmed by the Director of the
25 Centers for Disease Control and Prevention, as

1 of December 31 of the most recent calendar
2 year for which such data is available.

3 “(C) ALLOCATION UNDER SUBPARAGRAPH
4 (A)(ii).—For purposes of allocating amounts
5 under subparagraph (A)(ii), the Secretary shall
6 develop a method that accounts for—

7 “(I) differences in housing costs
8 among States and metropolitan statistical
9 areas based on the fair market rental es-
10 tablished pursuant to section 8(c) of the
11 United States Housing Act of 1937 (42
12 U.S.C. 1437f(c)) or another methodology
13 established by the Secretary through regu-
14 lation; and

15 “(ii) differences in poverty rates
16 among States and metropolitan statistical
17 areas based on area poverty indexes or an-
18 other methodology established by the Sec-
19 retary through regulation.

20 “(2) MAINTAINING GRANTS.—

21 “(A) CONTINUED ELIGIBILITY OF FISCAL
22 YEAR 2016 GRANTEES.—A grantee that received
23 an allocation in fiscal year 2016 shall continue
24 to be eligible for allocations under paragraph
25 (1) in subsequent fiscal years, subject to—

1 “(I) the amounts available from ap-
2 propriations Acts under section 863;

3 “(ii) approval by the Secretary of the
4 most recent comprehensive housing afford-
5 ability strategy for the grantee approved
6 under section 105; and

7 “(iii) the requirements of subpara-
8 graph (C).

9 “(B) ADJUSTMENTS.—Allocations to
10 grantees described in subparagraph (A) shall be
11 adjusted annually based on the administrative
12 provisions included in fiscal year 2016 appro-
13 priations Acts.

14 “(C) REDETERMINATION OF CONTINUED
15 ELIGIBILITY.—The Secretary shall redetermine
16 the continued eligibility of a grantee that re-
17 ceived an allocation in fiscal year 2016 at least
18 once during the 10-year period following fiscal
19 year 2016.

20 “(D) ADJUSTMENT TO GRANTS.—For each
21 of fiscal years 2017, 2018, 2019, 2020, and
22 2021, the Secretary shall ensure that a grantee
23 that received an allocation in the prior fiscal
24 year does not receive an allocation that is 5 per-
25 cent less than or 10 percent greater than the

1 amount allocated to such grantee in the pre-
2 ceding fiscal year.

3 “(3) ALTERNATIVE GRANTEES.—

4 “(A) REQUIREMENTS.—The Secretary may
5 award funds reserved for a grantee eligible
6 under paragraph (1) to an alternative grantee
7 if—

8 “(I) the grantee submits to the Sec-
9 retary a written agreement between the
10 grantee and the alternative grantee that
11 describes how the alternative grantee will
12 take actions consistent with the applicable
13 comprehensive housing affordability strat-
14 egy approved under section 105 of this
15 Act;

16 “(ii) the Secretary approves the writ-
17 ten agreement described in clause (I) and
18 agrees to award funds to the alternative
19 grantee; and

20 “(iii) the written agreement does not
21 exceed a term of 10 years.

22 “(B) RENEWAL.—An agreement approved
23 pursuant to subparagraph (A) may be renewed
24 by the parties with the approval of the Sec-
25 retary.

“(C) DEFINITION.—In this paragraph, the term ‘alternative grantee’ means a public housing agency (as defined in section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b))), a unified funding agency (as defined in section 401 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11360)), a State, a unit of general local government, or an instrumentality of State or local government.

“(4) REALLOCATIONS.—If a State or metropolitan statistical area declines an allocation under paragraph (1)(A), or the Secretary determines, in accordance with criteria specified in regulation, that a State or metropolitan statistical area that is eligible for an allocation under paragraph (1)(A) is unable to properly administer such allocation, the Secretary shall reallocate any funds reserved for such State or metropolitan statistical area as follows:

“(A) For funds reserved for a State—

“(I) to eligible metropolitan statistical areas within the State on a pro rata basis;
or

“(ii) if there is no eligible metropolitan statistical areas within a State, to metropolitan cities and urban counties within

1 the State that are eligible for grant under
2 section 106 of the Housing and Commu-
3 nity Development Act of 1974 (42 U.S.C.
4 5306), on a pro rata basis.

5 “(B) For funds reserved for a metropolitan
6 statistical area, to the State in which the metro-
7 politan statistical area is located.

8 “(C) If the Secretary is unable to make a
9 reallocation under subparagraph (A) or (B), the
10 Secretary shall make such funds available on a
11 pro rata basis under the formula in paragraph
12 (1)(A).”.

13 (b) AMENDMENT TO DEFINITIONS.—Section 853 of
14 the AIDS Housing Opportunity Act (42 U.S.C. 12902)
15 is amended—

16 (1) in paragraph (1), by inserting “or ‘AIDS’ ”
17 before “means”; and

18 (2) by inserting at the end the following new
19 paragraphs:

20 “(15) The term ‘HIV’ means infection with the
21 human immunodeficiency virus.

22 “(16) The term ‘individuals living with HIV or
23 AIDS’ means, with respect to the counting of cases
24 in a geographic area during a period of time, the
25 sum of—

1 “(A) the number of living non-AIDS cases
 2 of HIV in the area; and
 3 “(B) the number of living cases of AIDS
 4 in the area.”.

Passed the House of Representatives February 2,
 2016.

Attest:

Clerk.

114TH CONGRESS
2^D SESSION

H. R. 3700

AN ACT

To provide housing opportunities in the United States through modernization of various housing programs, and for other purposes.