

114TH CONGRESS  
2D SESSION

# **H. R. 3700**

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## **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 requirement.

**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 condominiums.

**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 authorities 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; and20                  “(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

“(ii) WITHHOLDING OF ASSISTANCE AMOUNTS DURING CORRECTION.—The public housing agency may withhold assistance amounts under this subsection with respect to a dwelling unit for which a notice pursuant to clause (i)(II), of failure to comply with housing quality standards under subparagraph (B) as determined pursuant to an inspection conducted under subparagraph (D) or (F), has been provided. If the unit is brought into compliance with such housing quality standards during the periods referred to in clause (i)(III), the public housing agency shall resume 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-  
2 minate the tenancy by notifying the owner.

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

15 “(vii) RELOCATION.—

16 “(I) LEASE OF NEW UNIT.—The  
17 agency shall provide the family resid-  
18 ing in such a dwelling unit a period of  
19 90 days or such longer period as the  
20 public housing agency determines is  
21 reasonably necessary to lease a new  
22 unit, beginning upon termination of  
23 the contract, to lease a new residence  
24 with tenant-based rental assistance  
25 under 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.

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—

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.

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)).

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 HARSHSHIP 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

The Secretary shall, by regulation, provide hardship exemptions to the requirements of this subparagraph and subparagraph (C) for impacted families who demonstrate an inability to pay calculated rents because of financial hardship. Such regulations shall include a requirement to notify tenants regarding any changes to the determination of adjusted income pursuant to such subparagraphs based on the determination of the family's claim of financial hardship exemptions required by the preceding sentence. Such regulations shall be promulgated in consultation with tenant organizations, industry participants, and the Secretary of Health and Human Services, with an adequate comment period provided for interested parties.

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—

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.

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;

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—

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:

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                             “(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           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           tant-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           quested, up to the reasonable rent periodi-  
3           cally during the term of the contract, and  
4           shall require such an adjustment, if re-  
5           quested, 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

(C) by striking the fifth and sixth sentences and inserting the following: "A public housing agency may establish and utilize procedures for owner-maintained site-based waiting lists, under which applicants may apply at, or otherwise designate to the public housing agency, the project or projects in which they seek to reside, except that all eligible applicants on the waiting list of an agency for assistance under this subsection shall be permitted to place their names on such separate list, subject to policies and procedures established by the Secretary. All such procedures shall comply with title VI of the Civil Rights Act of 1964, the Fair Housing 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-

7                             “(O) SPECIAL PURPOSE VOUCHERS.—A  
8                             public housing agency that administers vouch-  
9                             ers authorized under subsection (o)(19) or (x)  
10                            of this section may provide such assistance in  
11                            accordance with the limitations and require-  
12                            ments of this paragraph, without additional re-  
13                            quirements for approval by the Secretary.”.

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

## 18 SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.

19 (a) IN GENERAL.—Paragraph (1) of section 8(c) of  
20 the United States Housing Act of 1937 (42 U.S.C.  
21 1437f(c)(1)) is amended—

22 (1) by inserting “(A)” after the paragraph des-  
23 ignation;

24 (2) by striking the fourth, seventh, eighth, and  
25 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     ties 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:

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-

1           ents of assistance under section 8 (42 U.S.C.  
2           1437f) to provide advice and comment to the  
3           agency or other administering entity on issues  
4           related to public housing and section 8. Such  
5           advisory board shall meet not less than quar-  
6           terly.

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

12           “(I) the Housing Authority of the  
13           county of Los Angeles, California; or  
14           “(ii) any of the States of Alaska,  
15           Iowa, and Mississippi.”.

## 16           **TITLE II—RURAL HOUSING**

### 17           **SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING 18           LOAN APPROVAL.**

19           Subsection (h) of section 502 of the Housing Act of  
20           1949 (42 U.S.C. 1472(h)) is amended by adding at the  
21           end the following new paragraph:

22           “(18) DELEGATION OF APPROVAL.—The Sec-  
23           retary may delegate, in part or in full, the Sec-  
24           retary’s authority to approve and execute binding  
25           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-

1 graph, the Secretary shall issue regulations to imple-  
2 ment this paragraph, which shall include any stand-  
3 ards, training requirements, and remedies and pen-  
4 alties that the Secretary considers appropriate.

5 “(3) TRANSFER FEES.—Notwithstanding any  
6 other law, regulation, or guideline of the Secretary,  
7 including chapter 1.8.8 of the Condominium Project  
8 Approval and Processing Guide of the FHA and sec-  
9 tion 203.41 of the Secretary’s regulations (24 CFR  
10 203.41), existing standards of the Federal Housing  
11 Finance Agency relating to encumbrances under pri-  
12 vate transfer fee covenants shall apply to the insur-  
13 ance of mortgages by the Secretary under this sec-  
14 tion to the same extent and in the same manner that  
15 such standards apply to the purchasing, investing in,  
16 and otherwise dealing in mortgages by the Federal  
17 National Mortgage Association and the Federal  
18 Home Loan Mortgage Corporation. If the provisions  
19 of part 1228 of the Director of the Federal Housing  
20 Finance Agency’s regulations (12 CFR part 1228)  
21 are amended or otherwise changed after the date of  
22 the enactment of this paragraph, the Secretary of  
23 Housing and Urban Development shall adopt any  
24 such amendments or changes for purposes of this  
25 paragraph, unless the Secretary causes to be pub-

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

5 “(4) OWNER-OCCUPANCY REQUIREMENT.—

6 “(A) ESTABLISHMENT OF PERCENTAGE  
7 REQUIREMENT.—Not later than the expiration  
8 of the 90-day period beginning on the date of  
9 the enactment of this paragraph, the Secretary  
10 shall, by rule, notice, or mortgagee letter, issue  
11 guidance regarding the percentage of units that  
12 must be occupied by the owners as a principal  
13 residence or a secondary residence (as such  
14 terms are defined by the Secretary), or must  
15 have been sold to owners who intend to meet  
16 such occupancy requirements, including jus-  
17 tifications for the percentage requirements, in  
18 order for a condominium project to be accept-  
19 able to the Secretary for insurance under this  
20 section of a mortgage within such condominium  
21 property.

22 “(B) FAILURE TO ACT.—If the Secretary  
23 fails to issue the guidance required under sub-  
24 paragraph (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:

“See. 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:

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;

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

7           “(3) incorporate interoperable standards developed and maintained by Federal entities with au-  
8           thority over contracting and financial assistance;

10          “(4) be consistent with and implement applica-  
11          ble accounting principles;

12          “(5) be implemented in a manner that is cost-  
13          effective and improves program efficiency and effec-  
14          tiveness; and

15          “(6) be capable of being continually upgraded  
16          as necessary.

17          “(c) RULES OF CONSTRUCTION.—Nothing in this  
18          section requires a change to existing data exchange stand-  
19          ards for Federal reporting found to be effective and effi-  
20          cient.”.

21          (b) APPLICABILITY.—

22           (1) IN GENERAL.—Not later than 2 years after  
23           the date of the enactment of this Act, the Secretary  
24           of Housing and Urban Development shall issue a

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

3 (2) REQUIREMENTS.—The rule shall—

4 (A) identify federally required data ex-  
5 changes;

6 (B) include specification and timing of ex-  
7 changes to be standardized;

8 (C) address the factors used in deter-  
9 mining whether and when to standardize data  
10 exchanges;

11 (D) specify State implementation options;  
12 and

13 (E) describe future milestones.

## 14 **TITLE VI—REPORTS**

### 15 **SEC. 601. REPORT ON INTERAGENCY FAMILY ECONOMIC** 16 **EMPOWERMENT STRATEGIES.**

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

20 (1) any interagency strategies of such Depart-  
21 ments that are designed to improve family economic  
22 empowerment by linking housing assistance with es-  
23 sential supportive services, such as employment  
24 counseling and training, financial education and  
25 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.

1                   “(C) DEFINITION.—In this paragraph, the  
2                   term ‘alternative grantee’ means a public hous-  
3                   ing agency (as defined in section 3(b) of the  
4                   United States Housing Act of 1937 (42 U.S.C.  
5                   1437a(b))), a unified funding agency (as de-  
6                   fined in section 401 of the McKinney-Vento  
7                   Homeless Assistance Act (42 U.S.C. 11360)), a  
8                   State, a unit of general local government, or an  
9                   instrumentality of State or local government.

10                  “(4) REALLOCATIONS.—If a State or metropoli-  
11                  tan statistical area declines an allocation under  
12                  paragraph (1)(A), or the Secretary determines, in  
13                  accordance with criteria specified in regulation, that  
14                  a State or metropolitan statistical area that is eligi-  
15                  ble for an allocation under paragraph (1)(A) is un-  
16                  able to properly administer such allocation, the Sec-  
17                  retary shall reallocate any funds reserved for such  
18                  State or metropolitan statistical area as follows:

19                  “(A) For funds reserved for a State—

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

23                   “(ii) if there is no eligible metropoli-  
24                  tan statistical areas within a State, to met-  
25                  opolitan 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  
2D SESSION

**H. R. 3700**

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**AN ACT**

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