

114TH CONGRESS
2D SESSION

H. R. 5137

To reform the Moving to Work Program of the Department of Housing
and Urban Development, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 29, 2016

Mr. MCCARTHY (for himself, Mr. VALADAO, Ms. HAHN, Mr. STIVERS, Mr. NEUGEBAUER, Mr. DOLD, Mr. ROYCE, Mr. ROTHFUS, Mr. WESTMORELAND, Mr. PEARCE, Mr. LAMALFA, Mr. FRELINGHUYSEN, Mr. FLEISCHMANN, Mr. KNIGHT, Mr. FITZPATRICK, Mr. MCHENRY, Mr. HUNTER, and Mr. HILL) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To reform the Moving to Work Program of the Department
of Housing and Urban Development, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Moving to Work Re-
5 form and Expansion Act of 2016”.

6 **SEC. 2. REFORM OF MOVING TO WORK PROGRAM.**

7 (a) PROGRAM REFORMS.—Section 204 of the Depart-
8 ments of Veterans Affairs and Housing and Urban Devel-

1 opment, and Independent Agencies Appropriations Act,
2 1996 (42 U.S.C. 1437f note) is amended—

3 (1) in the section heading, by striking “DEM-
4 ONSTRATION” and inserting “PROGRAM”;

5 (2) by striking the section designation and all
6 that follows through the end of subsection (a) and
7 inserting the following:

8 “SEC. 204. (a) PURPOSES.—The purposes of the pro-
9 gram under this section are as follows:

10 “(1) ECONOMIC INDEPENDENCE.—To develop
11 measures to promote economic independence for
12 families with children whose head of household is
13 working, seeking work, or preparing for work, for
14 able-bodied individuals, and for persons with disabil-
15 ities who are able to work on a limited basis, to ob-
16 tain employment and become economically inde-
17 pendent, by participating in job training, educational
18 programs, or other supportive services and programs
19 that assist in meeting such goal.

20 “(2) FLEXIBILITY AND COST-EFFECTIVE-
21 NESS.—To give public housing agencies and the Sec-
22 retary of Housing and Urban Development the flexi-
23 bility to design and implement various approaches
24 for providing and administering housing assistance

1 that reduce cost and achieve greater cost effective-
2 ness in Federal expenditures.

3 “(3) HOUSING CHOICE.—To increase housing
4 choices for low-income families.”;

5 (3) in subsection (b)—

6 (A) by striking “(b) PROGRAM AUTHOR-
7 ITY.—The Secretary” and inserting the fol-
8 lowing:

9 “(b) PROGRAM AUTHORITY.—

10 “(1) IN GENERAL.—The Secretary”;

11 (B) in the first sentence, by striking “con-
12 duct a demonstration program” and all that fol-
13 lows through “Indian housing program and”
14 and inserting “carry out a program under this
15 section under which public housing agencies ad-
16 ministering the public housing program or”;

17 (C) by inserting after the first sentence the
18 following: “There shall be no limitation on the
19 number of public housing agencies that may
20 participate in the program under this section.”;

21 (D) by striking “The Secretary shall” and
22 all that follows through “demonstration.” and
23 inserting the following:

24 “(2) IDENTIFICATION OF REPLICABLE MOD-
25 ELS.—The Secretary shall provide training and tech-

1 nical assistance under the program and conduct de-
2 tailed evaluations of various agencies to identify
3 replicable program models promoting the purposes
4 of the program.”;

5 (E) by striking “Under the demonstration”

6 and inserting the following:

7 “(3) COMBINATION OF ASSISTANCE.—Under
8 the program under this section”; and

9 (F) by striking “operating assistance pro-

10 vided under section 9 of the United States

11 Housing Act of 1937, modernization assistance

12 provided under section 14” and inserting

13 “amounts provided to the agency from the Op-

14 erating Fund under section 9(e) of the United

15 States Housing Act of 1937, amounts provided

16 to the agency from the Capital Fund under sec-

17 tion 9(d)”;

18 (4) in subsection (c)—

19 (A) in the matter preceding paragraph (1),

20 by striking “demonstration” and inserting “pro-

21 gram under this section”;

22 (B) in paragraph (1), by striking “9, and

23 14” and inserting “9(d), and 9(e)”;

24 (C) in paragraph (3)—

- 1 (i) in subparagraph (A), by striking
2 “demonstration”;
- 3 (ii) in subparagraph (B)—
- 4 (I) by striking “self-sufficiency”
5 and inserting “economic independ-
6 ence”; and
- 7 (II) by striking “purpose of this
8 demonstration” and inserting “pur-
9 pose of the program under subsection
10 (a)(1)”;
- 11 (iii) in subparagraph (D), by striking
12 “demonstration” and inserting “program
13 under this section;”;
- 14 (iv) in subparagraph (E), by striking
15 “demonstration program” and inserting
16 “program under this section”;
- 17 (v) by redesignating subparagraphs
18 (A), (B), (C), (D), and (E) as subpara-
19 graphs (B), (C), (D), (G), and (H), respec-
20 tively;
- 21 (vi) by inserting before subparagraph
22 (B) (as so redesignated by clause (v) of
23 this subparagraph) the following new sub-
24 paragraph:

1 “(A) actions to be taken under the pro-
2 posed program to achieve the purposes of the
3 program under paragraphs (1), (2), and (3) of
4 subsection (a);” and

5 (vii) by inserting after subparagraph
6 (D) (as so redesignated by clause (v) of
7 this subparagraph) the following new sub-
8 paragraphs:

9 “(E) hardship exceptions consistent with
10 the purposes under subsection (a) under which
11 tenants may be temporarily exempted from
12 compliance with the program operated by the
13 agency in the event of extenuating cir-
14 cumstances preventing such compliance and a
15 process that provides tenants with recourse to
16 a speedy determination regarding such an ex-
17 ception and makes available the contents and
18 results of such a determination available to the
19 public and the board of directors or other gov-
20 erning body on request of the tenant concerned
21 or the director or other head official of the
22 agency;

23 “(F) providing assisted families and par-
24 ticipants in the program operated by the agency
25 with an informal administrative hearing or

1 grievance process, prior to any eviction or ter-
2 mination of assistance, which process shall
3 make the content and determination of the
4 hearing available to the public and the board of
5 directors or other governing body on request of
6 the tenant concerned or the director or other
7 head official of the agency;” and

8 (D) in paragraph (4), by striking “dem-
9 onstration” and inserting “proposed program”;
10 (5) in subsection (d)—

11 (A) by striking “(d) SELECTION.—In se-
12 lecting among applications, the Secretary shall
13 take into account the” and inserting the fol-
14 lowing:

15 “(d) APPLICATIONS FOR PARTICIPATION.—

16 “(1) SUBMISSION; STANDARDS FOR PARTICIPA-
17 TION.—The Secretary shall provide for public hous-
18 ing agencies to submit applications for participation
19 in the program under this section and shall estab-
20 lish, and make public, standards and requirements
21 for participation that further the purposes of this
22 program set forth in subsection (a), which shall—

23 “(A) provide that all agencies not des-
24 ignated as troubled pursuant to part 902 or
25 subpart B of part 985 of the Secretary’s regu-

1 lations (24 C.F.R. 902, 985) at any time dur-
2 ing the most recent two fiscal years are invited
3 to submit applications for consideration;

4 “(B) provide that participation of an agen-
5 cy, upon approval, shall be for a period not
6 shorter than 10 years;

7 “(C) include a common set of budget
8 metrics for use under the program that allow
9 for comparison of the performance of different
10 agencies under the program;

11 “(D) require that each agency include in
12 its application—

13 “(i) a list of innovative proposals to
14 be carried out under the program that are
15 designed to reduce the cost of, and in-
16 crease the cost-efficiency of, housing pro-
17 vided in connection with the program and
18 metrics to assess the progress of the agen-
19 cy toward such goals; and

20 “(ii) a list of innovative manners in
21 which the agency will use the authorities
22 under the program to assist families, goals
23 regarding such activities to accomplish on
24 an annual basis, and metrics to assess the

1 progress of the agency toward such goals;
2 and

3 “(E) include a plan for using, to the great-
4 est extent feasible, electronic data-matching for
5 income verification services.

6 “(2) DETERMINATION AND NOTIFICATION.—

7 “(A) REVIEW AND DETERMINATION.—

8 Upon receipt of an application for participation
9 in the program under this section, the Secretary
10 shall provide for review such application by a
11 selection panel comprised of Federal officials
12 and employees and established by the Secretary
13 for such purpose. Based on such review, such
14 selection panel shall make a determination of
15 whether to approve such agency for participa-
16 tion in the program under this section, based
17 on the criteria under paragraph (4).

18 “(B) NOTIFICATION.—Upon making a de-
19 termination pursuant to subparagraph (A), the
20 selection panel shall notify the public housing
21 agency, the Secretary, and the governments for
22 any counties and municipalities in which the ju-
23 risdiction of the public housing agency is lo-
24 cated of such determination. In the case of dis-
25 approval of an application, such notice shall in-

1 clude a statement specifying the reasons for
2 such disapproval.

3 “(3) TRANSITION.—

4 “(A) NUMERICAL LIMITATION.—

5 “(i) IN GENERAL.—The Secretary
6 shall review and process such applications
7 as to enable the transition of not less than
8 25 public housing agencies per year to the
9 program under this section (subject to ap-
10 provable applications), until such time as
11 there are not 25 agencies whose applica-
12 tions merit approval.

13 “(ii) RESERVED SPOTS FOR SMALL
14 AND RURAL PHAS.—Of the applications of
15 public housing agencies approved in each
16 year pursuant to clause (i), not less than
17 10 shall be applications of public housing
18 agencies that administer, in the aggregate,
19 fewer than 6,000 vouchers for rental as-
20 sistance under section 8 of the United
21 States Housing Act of 1937 and public
22 housing dwelling units, except that if for
23 any year the Secretary receives fewer than
24 10 applications by public housing agencies
25 described in this clause that merit ap-

1 proval, the requirement under this clause
2 shall apply for such year only to the extent
3 of the number of such approvable applica-
4 tions received.

5 “(iii) TREATMENT OF NEW MTW
6 AGENCIES.—Any agency that is newly
7 transitioned under this subparagraph to
8 participation in the program as in effect
9 pursuant to the amendments made by the
10 Moving to Work Reform and Expansion
11 Act of 2016, shall count toward fulfillment
12 of the numerical limitation in clause (i),
13 notwithstanding the authority under sec-
14 tion 239 of the Transportation, Housing
15 and Urban Development, and Related
16 Agencies Appropriations Act, 2016 (divi-
17 sion L of Public Law 114–113) or any
18 other provision of law other than this sec-
19 tion authorizing participation of new agen-
20 cies.

21 “(B) CONTRACT REVISIONS.—The Sec-
22 retary shall, from time to time and in consulta-
23 tion with public housing agencies, amend con-
24 tracts for participation by agencies in the pro-
25 gram under this section as may be necessary,

1 based on experiences of agencies that have par-
2 ticipated in the program, to correct mistakes
3 and better achieve the goals of this program set
4 forth in subsection (a).

5 “(C) RENEWAL OF CERTIFICATION.—

6 “(i) IN GENERAL.—The Secretary
7 shall provide that upon expiration of a con-
8 tract for participation by a public housing
9 agency in the program under this section,
10 to continue participating in the program
11 the agency shall be required to recertify
12 with the Secretary for such renewed par-
13 ticipation. The standards and requirements
14 applicable to applications for initial partici-
15 pation in the program shall also apply to
16 applications for renewed participation in
17 the program.

18 “(ii) TREATMENT OF NUMERICAL LIM-
19 ITATION.—An agency approved for contin-
20 ued participation in the program pursuant
21 to recertification under this subparagraph
22 shall not count toward fulfillment of the
23 numerical limitation in subparagraph
24 (A)(i).

1 “(4) CRITERIA.—The Secretary shall establish
2 criteria for approval of applications of public housing
3 agencies for participation in the program under this
4 section, which shall provide for approval of applica-
5 tions that are reasonably designed to carry out the
6 purposes of the program under subsection (a). Such
7 criteria shall take into consideration the capacity
8 and”;

9 (B) by striking “each” and inserting
10 “the”;

11 (C) by striking “a program under the dem-
12 onstration” and inserting “the proposed pro-
13 gram in the application”; and

14 (D) by striking “an agency” and inserting
15 “the agency”;

16 (6) in subsection (e)—

17 (A) in paragraph (1), by striking “this
18 demonstration” and inserting “the program
19 under this section”; and

20 (B) in paragraph (2), by striking “dem-
21 onstration” and inserting “program under this
22 section”;

23 (7) in subsection (f), by striking “section 9, or
24 pursuant to section 14 by a public housing agency
25 participating in the demonstration under this part”

1 and inserting “of the United States Housing Act of
2 1937, or provided from the Operating Fund under
3 section 9(e) or from the Capital Fund under section
4 9(d) of such Act, by a public housing agency partici-
5 pating in the program under this section”;

6 (8) in subsection (g)—

7 (A) in paragraph (1), by inserting “, in-
8 cluding performance in achieving each of the
9 purposes of the program specified in subsection
10 (a)”;

11 (B) in paragraph (2)—

12 (i) in the first sentence—

13 (I) by inserting “, and including
14 such content, as shall be” before
15 “specified by the Secretary”; and

16 (II) by inserting “, but not less
17 often than annually” before the period
18 at the end; and

19 (ii) by striking subparagraph (C) and
20 inserting the following:

21 “(C) describe and analyze the effects of
22 the program of the agency and the assisted ac-
23 tivities under such program in addressing and
24 achieving the objectives of the program under
25 this section and each of the purposes specified

1 in subsection (a), including the effects of the
2 program on—

3 “(i) the number of new families the
4 agency has been able to assist from the
5 waiting lists for housing assistance that is
6 administered by the agency, including
7 vouchers for rental assistance under sec-
8 tion 8(o) of the United States Housing Act
9 of 1937 and dwelling units in public hous-
10 ing and in housing assisted with project-
11 based section 8 assistance, as a result of
12 the flexibility of funds and achievement of
13 economic independence;

14 “(ii) the cost and annual change, per
15 family participating in the program, of
16 providing housing assistance referred to in
17 clause (i) that is administered by the agen-
18 cy;

19 “(iii) any cost savings and additional
20 housing resulting from the program; and

21 “(iv) the household incomes, and
22 changes in such incomes, of members of
23 families participating in the program who
24 are not exempt from work requirements;
25 and

1 “(v) such other factors as the Sec-
2 retary considers appropriate.”;

3 (C) by redesignating paragraphs (3) and
4 (4) as paragraphs (5) and (6); and

5 (D) by inserting after paragraph (2) the
6 following new paragraphs:

7 “(3) ANNUAL BUDGET PLAN.—

8 “(A) REQUIREMENT.—Each agency shall
9 submit annually to the Secretary, together with
10 the report under paragraph (2), a budget plan
11 for the program of the agency for the upcoming
12 year and shall make such budget plan publicly
13 available.

14 “(B) FORM AND METRICS.—Each annual
15 budget plan shall be set forth in a standard
16 form, prescribed by the Secretary and shall uti-
17 lize a common budget metric that allows for
18 comparison of the budget plans of all public
19 housing agencies participating in the program.

20 “(C) CONTENT.—Each annual budget plan
21 shall include such content as the Secretary shall
22 specify, which shall include—

23 “(i) a description and explanation of
24 all new rules and policy changes adopted
25 by the agency in accordance with this sec-

1 tion and the program under this section
2 and, with respect to such new rules and
3 policy changes—

4 “(I) a description of the effect
5 such rules and changes will have on
6 the operation of the agency as com-
7 pared to the preceding year and as
8 compared to the operations of the
9 agency other than under the program
10 under this section;

11 “(II) a description of the extent
12 to which such rules and changes
13 helped to achieve the annual goals
14 identified in the public housing agen-
15 cy’s application pursuant to sub-
16 section (d)(1)(E) and, in the case of
17 any such goals not achieved, a de-
18 scription of the extent to which such
19 goals were not achieved and the rea-
20 sons for such failure; and

21 “(III) whether the adoption of
22 such new rules and policy changes re-
23 quired an adjustment in the annual
24 goals identified in the public housing

1 agency's application pursuant to sub-
2 section (d)(1);

3 “(ii) a plan for all capital assets and
4 anticipated construction and rehabilitation
5 activities of the agency in the upcoming
6 year and a description of whether and how
7 such activities are authorized and assisted
8 under the program under this section; and

9 “(iii) assurances satisfactory to the
10 Secretary that such plan will conform with
11 all applicable provisions of the Civil Rights
12 Act of 1964, the Fair Housing Act, the
13 Rehabilitation Act of 1973, and the Ameri-
14 cans with Disabilities Act of 1990.

15 “(4) PUBLIC AND RESIDENT PARTICIPATION.—

16 “(A) NOTIFICATION OF RESIDENTS.—Each
17 agency shall annually hold a meeting to notify
18 all assisted families participating in the pro-
19 gram of the agency of the contents of the report
20 under paragraph (2) for such year and budget
21 plan under paragraph (3) for such year and im-
22 pacts on such assisted families. Any agency
23 that assists in the aggregate, more than 50,000
24 families or assists families in multiple counties
25 shall hold as many meetings as necessary to

1 provide each assisted family a good-faith oppor-
2 tunity to attend such a meeting.

3 “(B) PUBLIC COMMENT.—Each annual re-
4 port under paragraph (2) and annual plan
5 under paragraph (3) shall—

6 “(i) be made available for inspection
7 and public comment 30 days before the
8 meeting required by subparagraph (A) re-
9 garding such plan or report; and

10 “(ii) be approved in a public meeting
11 of the board of directors or other gov-
12 erning body of the agency before submis-
13 sion to the Secretary.

14 “(C) PUBLIC AVAILABILITY.—Each annual
15 report under paragraph (2) and annual plan
16 under paragraph (3) shall, upon submission to
17 the Secretary, be made publicly available and
18 shall include all comments provided pursuant to
19 subparagraph (B).”;

20 (9) in subsection (h)—

21 (A) in paragraph (1), by striking “dem-
22 onstration” and inserting “program under this
23 section”; and

24 (B) by striking paragraph (2) and insert-
25 ing the following:

1 “(2) REVIEW.—The Secretary shall annually
2 review the activities of each public housing agency
3 participating in the program under this section and,
4 based on such review and the information submitted
5 by the agency pursuant to subsection (g), deter-
6 mine—

7 “(A) the impact and effectiveness of the
8 agency’s program and activities in achieving
9 each of the purposes of the program specified
10 in subsection (a), including an assessment of
11 such impact and effectiveness using the com-
12 mon set of budget metrics established pursuant
13 to subsection (d)(1)(D);

14 “(B) the progress of the agency toward
15 meeting the goals identified in the agency’s ap-
16 plication pursuant to subsection (d)(1)(E),
17 using the metrics identified in the agency’s ap-
18 plication pursuant to such subsection; and

19 “(C) the extent of compliance by the agen-
20 cy with the requirements of the program under
21 this section and, in determining such extent of
22 compliance, shall take into consideration the
23 unique characteristics of the agency.

24 “(3) VERIFICATION OF ACCURACY.—In assess-
25 ing information submitted by public housing agen-

1 cies pursuant to subsection (g) and in reviewing
2 such information and making determinations pursu-
3 ant to paragraph (2) of this subsection, the Sec-
4 retary shall carry out control activities and proce-
5 dures designed to verify the accuracy of such infor-
6 mation, which shall include auditing a representative
7 sample of such information using standard statis-
8 tical methods.

9 “(4) CONTINUED PARTICIPATION.—The Sec-
10 retary shall not terminate the participation of any
11 public housing agency in the program under this
12 section unless the Secretary finds that the agency—

13 “(A) is in material default of the condi-
14 tions and obligations under the agreement en-
15 tered into between the agency and the Secretary
16 providing for such participation;

17 “(B) as demonstrated in its reports under
18 subsection (g)(2) and its annual budget plans
19 under subsection (g)(3), has persistently failed
20 to meet the goals identified in its application,
21 and the reasons or circumstances specified in
22 the agency’s reports and plans for such failure
23 are not sufficient to justify the continued fail-
24 ure;

1 “(C) has misused or misappropriated
2 funds;

3 “(D) has failed to make a good faith effort
4 to carry out the purposes of the program speci-
5 fied in subsection (a); or

6 “(E) has failed to cure a material defi-
7 ciency in performance after notice and an op-
8 portunity to correct the deficiency.

9 “(5) CORRECTIVE ACTION PROGRAM.—The Sec-
10 retary shall carry out a program—

11 “(A) to identify agencies participating in
12 the program under this section that are at risk
13 of termination of such participation pursuant to
14 paragraph (6);

15 “(B) to consult with such agencies regard-
16 ing actions that may be taken to avoid such ter-
17 mination;

18 “(C) to establish goals and timelines for
19 such corrective actions; and

20 “(D) to provide appropriate technical as-
21 sistance designed to facilitate such actions and
22 avoid such termination.

23 “(6) TERMINATION OF PARTICIPATION.—Any
24 agency whose participation in the program under
25 this section is terminated shall be subject to the pro-

1 visions of the United States Housing Act of 1937
2 (42 U.S.C. 1437 et seq.) and all other provisions of
3 law applicable to public housing agencies not partici-
4 pating in the program, except that the Secretary
5 shall provide a transition period, that begins upon
6 such termination and is not shorter than 18 months,
7 for such agencies to come into compliance with such
8 laws.

9 “(7) REPORTS TO CONGRESS.—Not later than
10 the expiration of the 5-year period beginning on the
11 date of the enactment of the Moving to Work Re-
12 form and Expansion Act of 2016, and not later than
13 the expiration of each successive 5-year period there-
14 after, the Secretary shall submit a report to the
15 Congress regarding the program under this section
16 and the results of the reviews conducted under para-
17 graph (2), which shall—

18 “(A) evaluate the programs carried out by
19 public housing agencies participating in the pro-
20 gram, including with respect to each of the pur-
21 poses specified in subsection (a); and

22 “(B) include findings and recommenda-
23 tions for appropriate legislative changes to the
24 program.

1 “(8) GAO REVIEWS AND REPORTS.—Not later
2 than September 30, 2023, and not later than the ex-
3 piration of each successive 8-year period thereafter,
4 the Comptroller General of the United States shall—

5 “(A) conduct and complete a review of the
6 program under this section, which shall include
7 examination and analysis of the implementation
8 of the program and identification of any short-
9 comings and any means for improving the pro-
10 gram; and

11 “(B) submit to the Congress a report re-
12 garding the review, which shall set forth a de-
13 tailed description of such implementation, any
14 shortcomings of the program identified, and
15 recommendations for improving the program.”;

16 (10) in subsection (i)—

17 (A) in the matter preceding paragraph (1),
18 by striking “section 14 of the United States
19 Housing Act of 1937 for fiscal years 1996,
20 1997, and 1998” and inserting “the Capital
21 Fund under section 9(d) of the United States
22 Housing Act of 1937 in each fiscal year”; and

23 (B) in paragraph (1)(B), by striking “up
24 to 10”; and

25 (11) by striking subsection (j).

1 (b) TREATMENT OF PARTICIPATING AGENCIES.—

2 (1) CONTINUATION OF PARTICIPATION.—This
3 Act and the amendments made by this Act shall not
4 affect the status of any public housing agency that,
5 as of the date of the enactment of this Act, is par-
6 ticipating in the Moving to Work Program under
7 section 204 of the Departments of Veterans Affairs
8 and Housing and Urban Development, and Inde-
9 pendent Agencies Appropriations Act, 1996, as such
10 a participating agency.

11 (2) ELECTION.—Any public housing agency re-
12 ferred to in paragraph (1) may elect—

13 (A) to continue participation in the Pro-
14 gram under such section 204 under the terms
15 of the agreement entered into between the
16 agency and the Secretary providing for such
17 participation until the date of the expiration of
18 such agreement; or

19 (B) at any time before date of the expira-
20 tion of such agreement, to transition to partici-
21 pation under the program under such section
22 204, as amended by this Act.

23 (3) CONVERSION TO REFORMED PROGRAM.—

24 (A) IN GENERAL.—Except as provided in
25 subparagraph (B) of this paragraph, any public

1 housing agency that elects pursuant to para-
2 graph (2)(A) of this subsection to continue par-
3 ticipation in the Program under such section
4 204 shall, upon the expiration of the agreement
5 referred to in such paragraph, be considered to
6 have been approved for participation in the Pro-
7 gram under such section 204, as amended by
8 this Act, and the Secretary of Housing and
9 Urban Development shall provide for the transi-
10 tion of the agency to participation under the
11 Program under such section as so amended.

12 (B) INAPPLICABILITY.—Subparagraph (A)
13 shall not apply to any public housing agency
14 that is determined by the Secretary to be in
15 material default, upon the expiration of the
16 agreement referred to in paragraph (2)(A), of
17 the conditions and obligations under such
18 agreement.

19 (4) INAPPLICABILITY OF NUMERICAL LIMITA-
20 TION.—Any public housing agency transitioned pur-
21 suant to paragraph (2)(B) or (3)(A) of this sub-
22 section to participation under the Program as
23 amended by this Act shall not count toward fulfill-
24 ment of the numerical limitation under section
25 204(d)(3)(A) of the Departments of Veterans Af-

1 fairs and Housing and Urban Development, and
2 Independent Agencies Appropriations Act, 1996 (as
3 added by the amendment made by section 2(a)(5)(A)
4 of this Act).

○