

114TH CONGRESS
2D SESSION

H. R. 5401

To amend the Fair Housing Act, to prohibit discrimination based on use of section 8 vouchers, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 7, 2016

Ms. VELÁZQUEZ introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committees on Ways and Means and the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend the Fair Housing Act, to prohibit discrimination based on use of section 8 vouchers, 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 “Landlord Account-
5 ability Act of 2016”.

6 **SEC. 2. CONGRESSIONAL FINDINGS.**

7 The Congress finds that—

8 (1) the United States is in the midst of a hous-
9 ing crisis, as the homeownership rate has declined to

1 63.5 percent, a 30-year low, while rental demand
2 has increased and pushed vacancy rates down to 7
3 percent;

4 (2) the current average rental asking price is
5 \$870, up 23 percent since the end of the recession
6 6 years ago;

7 (3) families and individuals that pay more than
8 30 percent of their income for housing are consid-
9 ered cost-burdened and have difficulty affording
10 other necessities like food, clothing, transportation,
11 and medical care;

12 (4) over half of all renters, approximately 20.8
13 million households, are cost-burdened;

14 (5) over 80 percent of low-income households,
15 those with incomes of under \$15,000 per year, are
16 severely cost-burdened;

17 (6) the current rental environment makes rental
18 assistance under the Section 8 Housing Choice
19 Voucher Program of the Department of Housing
20 and Urban Development vital to finding affordable
21 housing for many families;

22 (7) the Section 8 program helps approximately
23 2.2 million low-income families, the elderly, and the
24 disabled afford respectable housing in the private
25 market;

1 (8) the Section 8 Housing Choice Voucher Pro-
2 gram assists our Nation’s most economically vulner-
3 able families—the average annual gross income of a
4 family assisted under the program is only \$13,568;

5 (9) many of the individuals and families as-
6 sisted by the Section 8 Program would be at risk of
7 homelessness without the program;

8 (10) the Section 8 program caps the rental cost
9 for eligible families and individuals at 30 percent of
10 their incomes, which frees up their limited resources
11 to pay for life’s other necessities;

12 (11) although families and individuals assisted
13 under the program are free to choose any available
14 housing in their community, that has not prevented
15 landlords from discriminating against low-income
16 tenants;

17 (12) as a result, the Section 8 program has
18 only a 60-percent success rate in assisting voucher-
19 holders find affordable housing;

20 (13) given the strong connection between the
21 classes currently protected under the Fair Housing
22 Act, including race, gender, those with disabilities,
23 familial status, and economic status, establishing a
24 ban on income discrimination would further the

1 goals of the Fair Housing Act and better protect
2 these families and individuals;

3 (14) for many years, landlords have relied on
4 the Section 8 housing program to provide affordable
5 housing to tenants in low-income areas, but as more
6 urban areas have undergone rapid revitalization,
7 property values have risen dramatically;

8 (15) as a result of rising property values, there
9 have been serious allegations that landlords are in-
10 tentionally allowing their federally subsidized units
11 to deteriorate in an effort to drive voucher-users out
12 and convert units to higher, market-rate apartments;

13 (16) in addition, landlords are failing to meet
14 the housing quality standards of the Department of
15 Housing and Urban Development and improperly
16 demanding rent in excess of 30 percent of voucher-
17 holders' incomes; and

18 (17) therefore, it is necessary to ban discrimi-
19 nation against source of income, discourage inten-
20 tional acts to disqualify dwelling units from Federal
21 housing programs, and encourage proper mainte-
22 nance of multifamily house in order to revive the
23 Section 8 rental assistance program, affirmatively
24 further fair housing policies, and address our na-
25 tional housing affordability crisis.

1 **SEC. 3. PROHIBITION OF DISCRIMINATION ON ACCOUNT OF**
 2 **USE OF SECTION 8 VOUCHERS.**

3 (a) IN GENERAL.—Section 804 of the Fair Housing
 4 Act (42 U.S.C. 3604) is amended by inserting after para-
 5 graph (f) the following new paragraph:

6 “(g) To discriminate in connection with the
 7 rental of a dwelling because the tenant or prospec-
 8 tive tenant is the holder of a housing voucher.”.

9 (b) DEFINITION.—Section 802 of the Fair Housing
 10 Act (42 U.S.C. 3602) is amended by adding at the end
 11 the following new paragraph:

12 “(p) ‘Holder of a housing voucher’ means a
 13 holder of a voucher for rental assistance under sub-
 14 section (o) or (t) of section 8 of the United States
 15 Housing Act of 1937 (42 U.S.C. 1437f).”.

16 **SEC. 4. PENALTIES FOR INTENTIONAL ACTS TO DIS-**
 17 **QUALIFY DWELLING UNITS FROM ELIGI-**
 18 **BILITY FOR FEDERAL HOUSING PROGRAMS.**

19 (a) VIOLATION.—An owner of a dwelling unit that
 20 is available for rental may not take any action, or fail to
 21 take any action, with the intent to make the dwelling unit
 22 insufficiently decent, safe, sanitary, or inhabitable, or
 23 cause such other physical condition, so that the dwelling
 24 does not qualify for assistance within the jurisdiction of
 25 the Department (as such term is defined in section 102(m))

1 of the Department of Housing and Urban Development
 2 Reform Act of 1989 (42 U.S.C. 3545(m))).

3 (b) CIVIL MONEY PENALTIES.—Any person who is
 4 found by the Secretary of Housing and Urban Develop-
 5 ment, after notice and opportunity for a hearing in accord-
 6 ance with section 554 of title 5, United States Code, to
 7 have violated subsection (a) shall be assessed a civil money
 8 penalty by the Secretary in the amount of \$100,000 for
 9 each such action or failure to act.

10 (c) LIABILITY TO TENANTS.—A tenant who, at the
 11 time of a violation under subsection (a), occupies the
 12 dwelling unit to which the violation relates may bring a
 13 civil action for damages in the following amounts:

14 (1) \$50,000 for each action or failure to act in
 15 violation of subsection (a).

16 (2) Any actual damages and costs to the tenant
 17 resulting from the violation, including any costs of
 18 finding a replacement dwelling unit.

19 **SEC. 5. RESOURCES FOR RECEIVING AND RESOLVING COM-**
 20 **PLAINTS REGARDING MULTIFAMILY HOUS-**
 21 **ING PROJECTS.**

22 (a) INCREASED HUD STAFFING FOR COMPLAINT
 23 CALL STAFFING.—

24 (1) INCREASED STAFFING.—The Secretary
 25 shall, not later than the expiration of the 180-day

1 period beginning on the date of the enactment of
2 this Act, increase the staffing level for the Multi-
3 family Housing Complaint Line established and op-
4 erated by the Multifamily Housing Clearinghouse of
5 the Department so that it is sufficient and appro-
6 priate to handle the volume of calls received without
7 unreasonable waiting periods.

8 (2) AUTHORIZATION OF APPROPRIATIONS.—For
9 carrying out paragraph (1), there are authorized to
10 be appropriated to the Secretary such sums as may
11 be necessary for each fiscal year for carrying out
12 paragraph (1).

13 (b) MULTIFAMILY HOUSING COMPLAINT RESOLU-
14 TION PROGRAM.—

15 (1) IN GENERAL.—The Secretary shall carry
16 out a Multifamily Housing Complaint Resolution
17 Program for receiving complaints about multifamily
18 housing projects from voucher users who reside in
19 such projects and local governmental officials, under
20 which the Secretary shall provide for—

21 (A) gathering of information regarding
22 each such complaint;

23 (B) determining whether there is a likeli-
24 hood that there is any violation of the require-

1 ments under the rental assistance voucher pro-
2 gram relating to such complaint;

3 (C) informing the owner or landlord of the
4 complaint and any violations; and

5 (D) attempting to resolve the complaint
6 and violations, including through mediation.

7 (2) RESOLUTION.—The Secretary may provide
8 for carrying out the activities required under para-
9 graph (1)(D) through regional or field offices of the
10 Department or through such local or private organi-
11 zations or agencies as the Secretary determines have
12 appropriate capabilities and expertise to carry out
13 such activities.

14 (3) FUNDING.—Amounts made available for ad-
15 ministrative fees under section 8(q) of the United
16 States Housing Act of 1937 (42 U.S.C. 1437f(q))
17 shall be available for carrying out the program
18 under this subsection.

19 (4) REGULATIONS.—Not later than the expira-
20 tion of the 12-month period beginning on the date
21 of the enactment of this Act, the Secretary shall
22 issue any regulations necessary to establish the Pro-
23 gram required under this subsection.

1 **SEC. 6. HUD DISCLOSURE OF LANDLORD COMPLAINTS.**

2 (a) PUBLIC DISCLOSURE.—The Secretary shall pub-
3 licly disclose, on a website of the Department and on a
4 timely basis, information regarding each complaint re-
5 ceived under the Program establish pursuant to section
6 5(b), which shall include for each such complaint—

7 (1) the nature of the complaint;

8 (2) the date on which such complaint was sub-
9 mitted to the Department;

10 (3) the disposition, as of the time of such dis-
11 closure, of such complaint; and

12 (4) information identifying the multifamily
13 housing project to which such complaint relates.

14 (b) REPORTS TO CONGRESS.—The Secretary of
15 Housing and Urban Development shall submit a report
16 annually to the Committee on Financial Services of the
17 House of Representatives and the Committee on Banking,
18 Housing, and Urban Affairs of the Senate summarizing
19 the complaints described in subsection (a) that were re-
20 ceived by the Department during the preceding year and
21 describing the disposition to such date of such complaints.

22 **SEC. 7. TAX CREDIT INCENTIVE FOR MAINTENANCE OF**
23 **MULTIFAMILY HOUSING WITH VOUCHER**
24 **USER TENANTS.**

25 (a) IN GENERAL.—Subpart D of part IV of sub-
26 chapter A of chapter 1 of the Internal Revenue Code of

1 1986 is amended by adding at the end the following new
2 section:

3 **“SEC. 45S. LOW-INCOME HOUSING MAINTENANCE CREDIT.**

4 “(a) IN GENERAL.—For purposes of section 38, in
5 the case of an eligible landlord, the low-income housing
6 maintenance credit determined under this section for the
7 taxable year is an amount equal to the amount of the tax-
8 payer’s low-income housing maintenance expenses for such
9 taxable year.

10 “(b) LIMITATIONS.—

11 “(1) PER UNIT LIMITATION.—The credit al-
12 lowed under subsection (a) with respect to any tax-
13 payer for any taxable year shall not exceed the prod-
14 uct of \$2,500 multiplied by the number of low-in-
15 come housing units owned by the taxpayer.

16 “(2) PER BUILDING LIMITATION.—The credit
17 allowed under subsection (a) with respect to any tax-
18 payer for any taxable year shall not exceed the prod-
19 uct of \$100,000 multiplied by the number of eligible
20 low-income housing projects owned by the taxpayer.

21 “(3) PER TAXPAYER LIMITATION.—The credit
22 allowed under subsection (a) with respect to any tax-
23 payer for any taxable year shall not exceed
24 \$500,000.

1 “(c) ELIGIBLE LANDLORD.—For purposes of this
2 section, the term ‘eligible landlord’ means any taxpayer
3 for any taxable year if—

4 “(1) such taxpayer owns one or more eligible
5 low-income housing projects during such taxable
6 year, and

7 “(2) either—

8 “(A) each complaint that is filed, under
9 the program under section 5(b) of the Landlord
10 Accountability Act of 2016, during such taxable
11 year with respect to a dwelling unit in an eligi-
12 ble low-income housing project owned by such
13 taxpayer has been determined by the Secretary
14 of Housing and Urban Development to have
15 been remedied not later than the date which is
16 30 days after the date on which such complaint
17 is so filed, or

18 “(B) no such complaint has been filed with
19 respect to such a dwelling unit in such a hous-
20 ing project owned by such taxpayer during such
21 taxable year.

22 “(d) OTHER DEFINITIONS.—For purposes of this
23 section—

24 “(1) LOW-INCOME HOUSING MAINTENANCE EX-
25 PENSES.—The term ‘low-income housing mainte-

1 nance expenses’ means the aggregate amount paid
2 or incurred by the taxpayer during the taxable year
3 for maintenance or improvement of low-income hous-
4 ing units.

5 “(2) ELIGIBLE LOW-INCOME HOUSING
6 PROJECT.—The term ‘eligible low-income housing
7 project’ means, with respect to a taxable year, a
8 housing project—

9 “(A) that consists of five or more dwelling
10 units at least one of which was occupied during
11 such year by a family who rented the dwelling
12 unit using a voucher for rental assistance under
13 section 8(o) of the United States Housing Act
14 of 1937 (42 U.S.C. 1437f(o)); and

15 “(B) with respect to which the eligible
16 landlord has entered into such binding agree-
17 ments as the Secretary of Housing and Urban
18 Development shall require to ensure that rents
19 for dwelling units in the project do not, at any
20 time after the taxable year in which a low-in-
21 come housing maintenance credit under this
22 section is allowable, exceed the applicable fair
23 market rental under section 8(c) of the United
24 States Housing Act of 1937 (42 U.S.C.

1 1437f(c)) for the market area in which the
2 project is located.

3 “(3) LOW-INCOME HOUSING UNIT.—The term
4 ‘low-income housing unit’ means a dwelling unit
5 within an eligible low-income housing project.

6 “(e) AGGREGATION RULE.—All persons treated as a
7 single employer under subsection (a) or (b) of section 52
8 or subsection (m) or (o) of section 414 shall be treated
9 as one person for purposes of applying this section. The
10 credit determined under subsection (a) (after application
11 of subsection (b)) shall be allocated among such persons
12 in such manner as the Secretary may prescribe.

13 “(f) TERMINATION.—No credit shall be determined
14 under this section with respect to any taxable year begin-
15 ning after December 31, 2026.”.

16 (b) CREDIT TO BE PART OF GENERAL BUSINESS
17 CREDIT.—Section 38(b) of such Code is amended by strik-
18 ing “plus” at the end of paragraph (35), by striking the
19 period at the end of paragraph (36) and inserting “, plus”,
20 and by adding at the end the following new paragraph:

21 “(37) in the case of an eligible landlord (as de-
22 fined in section 45S(c)), the low-income housing
23 maintenance credit determined under section 45S.”.

24 (c) CLERICAL AMENDMENT.—The table of sections
25 for subpart D of part IV of subchapter A of chapter 1

1 of such Code is amended by adding at the end the fol-
 2 lowing new item:

“Sec. 45S. Low-income housing maintenance credit.”.

3 (d) **EFFECTIVE DATE.**—The amendments made by
 4 this section shall apply to taxable years beginning after
 5 December 31, 2016.

6 **SEC. 8. PUBLIC DISPLAY OF TENANT’S RIGHTS AND COM-**
 7 **PLAINT LINE.**

8 (a) **REQUIRED DISPLAY.**—An owner of a multifamily
 9 housing project in which three or more voucher users re-
 10 side shall display, at all times and in clear and conspicuous
 11 location on each floor of such project that contains any
 12 dwelling unit, a written notice that includes—

13 (1) a statement describing the rights under
 14 Federal law afforded to tenants of the project who
 15 are voucher users;

16 (2) the phone number for the Multifamily
 17 Housing Complaint Line established and operated by
 18 the Multifamily Housing Clearinghouse; and

19 (3) the phone number for a regional or local of-
 20 fice of the Department which can provide tenants
 21 additional information regarding State and local re-
 22 sources for tenants.

23 (b) **CIVIL MONEY PENALTY.**—Any person who is
 24 found by the Secretary of Housing and Urban Develop-
 25 ment, after notice and opportunity for a hearing in accord-

1 ance with section 554 of title 5, United States Code, to
2 have failed to make a good faith effort to display notice
3 complying with subsection (a) may be assessed a civil
4 money penalty by the Secretary in the amount of \$500
5 for each day of each such failure, except that the Secretary
6 shall waive such penalty in any case in which an owner
7 cures such violation within the 5-day period beginning
8 upon notice by the Secretary of such violation.

9 (c) MODEL NOTICE.—

10 (1) DEVELOPMENT.—Not later than the expira-
11 tion of the 12-month period beginning on the date
12 of the enactment of this Act, the Secretary shall de-
13 velop and publish in the Federal Register a model
14 notice that fulfills the requirements under subsection
15 (a)(1).

16 (2) AVAILABILITY.—The Secretary shall make
17 copies of the notice developed pursuant to paragraph
18 (1) available, upon request, to owners of multifamily
19 housing projects.

20 (d) APPLICABILITY.—Subsections (a) and (b) shall
21 apply beginning upon the expiration of the 60-day period
22 that begins on the date that the Secretary publishes notice
23 in the Federal Register pursuant to subsection (c)(1).

24 (e) REGULATIONS.—Not later than the expiration of
25 the 180-day period beginning on the date of the enactment

1 of this Act, the Secretary shall issue regulations to carry
2 out this section.

3 **SEC. 9. GRANTS FOR TENANT HARASSMENT PREVENTION**
4 **PROGRAMS.**

5 (a) **AUTHORITY.**—The Secretary may, to the extent
6 amounts are made available for grants under this section,
7 make grants to States, Indian tribes, units of local govern-
8 ment, and nonprofit, nongovernmental affordable housing
9 organizations to develop, expand, or assist tenant harass-
10 ment prevention programs.

11 (b) **TENANT HARASSMENT PREVENTION PRO-**
12 **GRAM.**—For purposes of this section, the term “tenant
13 harassment prevention program” means any program or
14 activities designed to protect, assist, or educate tenants
15 of residential rental dwelling units regarding harassing or
16 illegal behavior by their landlords intended to force the
17 tenant to vacate the dwelling unit or surrender any of
18 their rights as tenants. Such term includes programs and
19 activities providing legal assistance, counseling, education,
20 intervention, complaint processes.

21 (c) **FEDERAL SHARE.**—The amount of a grant under
22 this section for any tenant harassment prevention pro-
23 gram may not exceed 75 percent of the total costs of the
24 program or activities to be carried out, including adminis-
25 trative costs.

1 (d) APPLICATIONS.—The Secretary shall provide for
2 eligible entities specified in subsection (a) to apply for
3 grants under this section, which applications shall describe
4 the tenant harassment prevention program to be assisted
5 with grant amounts, the activities to be carried out under
6 the program, and the projected costs of such activities;

7 (e) SELECTION.—The Secretary shall select appli-
8 cants to receive grants based on criteria that the Secretary
9 shall establish.

10 (f) AUTHORIZATION OF APPROPRIATIONS.—There
11 are authorized to be appropriated \$25,000,000 for each
12 of fiscal years 2017 through 2021 for grants under this
13 section.

14 **SEC. 10. DEFINITIONS.**

15 For purposes of this Act, the following definitions
16 shall apply:

17 (1) MULTIFAMILY HOUSING PROJECT.—The
18 term “multifamily housing project” means a housing
19 project consisting of five or more dwelling units.

20 (2) RENTAL ASSISTANCE VOUCHER .—The term
21 “rental assistance voucher” means a voucher for
22 rental assistance made available under section 8(o)
23 of the United States Housing Act of 1937 (42
24 U.S.C. 1437f(o)).

1 (3) SECRETARY.—The term “Secretary” means
2 the Secretary of Housing and Urban Development.

3 (4) VOUCHER USER.—The term “voucher user”
4 means a family who is renting a dwelling unit using
5 a rental assistance voucher.

6 **SEC. 11. REGULATIONS.**

7 The Secretary may issue any regulations necessary
8 to carry out this Act.

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