

114TH CONGRESS
2D SESSION

S. 3083

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

IN THE SENATE OF THE UNITED STATES

JUNE 22, 2016

Mr. MENENDEZ (for himself, Mr. SCOTT, Mr. COONS, and Mr. BLUNT) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

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,*

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

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Housing Opportunity Through Modernization Act of
6 2016”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 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
 20 as provided in clause (ii) or (iii) of this
 21 subparagraph.

22 “(ii) CORRECTION OF NON-LIFE-
 23 THREATENING CONDITIONS.—In the case
 24 of any dwelling unit that is determined,
 25 pursuant to an inspection under clause (i),

1 not to meet the housing quality standards
2 under subparagraph (B), assistance pay-
3 ments may be made for the unit notwith-
4 standing subparagraph (C) if failure to
5 meet such standards is a result only of
6 non-life-threatening conditions, as such
7 conditions are established by the Secretary.
8 A public housing agency making assistance
9 payments pursuant to this clause for a
10 dwelling unit shall, 30 days after the be-
11 ginning of the period for which such pay-
12 ments are made, withhold any assistance
13 payments for the unit if any deficiency re-
14 sulting in noncompliance with the housing
15 quality standards has not been corrected
16 by such time. The public housing agency
17 shall recommence assistance payments
18 when such deficiency has been corrected,
19 and may use any payments withheld to
20 make assistance payments relating to the
21 period during which payments were with-
22 held.

23 “(iii) USE OF ALTERNATIVE INSPEC-
24 TION METHOD FOR INTERIM PERIOD.—In
25 the case of any property that within the

1 previous 24 months has met the require-
 2 ments of an inspection that qualifies as an
 3 alternative inspection method pursuant to
 4 subparagraph (E), a public housing agency
 5 may authorize occupancy before the inspec-
 6 tion under clause (i) has been completed,
 7 and may make assistance payments retro-
 8 active to the beginning of the lease term
 9 after the unit has been determined pursu-
 10 ant to an inspection under clause (i) to
 11 meet the housing quality standards under
 12 subparagraph (B). This clause may not be
 13 construed to exempt any dwelling unit
 14 from compliance with the requirements of
 15 subparagraph (D).”;

16 (2) by redesignating subparagraph (G) as sub-
 17 paragraph (H); and

18 (3) by inserting after subparagraph (F) the fol-
 19 lowing new subparagraph:

20 “(G) ENFORCEMENT OF HOUSING QUALITY
 21 STANDARDS.—

22 “(i) DETERMINATION OF NONCOMPLI-
 23 ANCE.—A dwelling unit that is covered by
 24 a housing assistance payments contract
 25 under this subsection shall be considered,

1 for purposes of subparagraphs (D) and
2 (F), to be in noncompliance with the hous-
3 ing quality standards under subparagraph
4 (B) if—

5 “(I) the public housing agency or
6 an inspector authorized by the State
7 or unit of local government deter-
8 mines upon inspection of the unit that
9 the unit fails to comply with such
10 standards;

11 “(II) the agency or inspector no-
12 tifies the owner of the unit in writing
13 of such failure to comply; and

14 “(III) the failure to comply is not
15 corrected—

16 “(aa) in the case of any
17 such failure that is a result of
18 life-threatening conditions, within
19 24 hours after such notice has
20 been provided; and

21 “(bb) in the case of any
22 such failure that is a result of
23 non-life-threatening conditions,
24 within 30 days after such notice
25 has been provided or such other

1 reasonable longer period as the
2 public housing agency may estab-
3 lish.

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

23 “(iii) ABATEMENT OF ASSISTANCE
24 AMOUNTS.—The public housing agency
25 shall abate all of the assistance amounts

1 under this subsection with respect to a
 2 dwelling unit that is determined, pursuant
 3 to clause (i) of this subparagraph, to be in
 4 noncompliance with housing quality stand-
 5 ards under subparagraph (B). Upon com-
 6 pletion of repairs by the public housing
 7 agency or the owner sufficient so that the
 8 dwelling unit complies with such housing
 9 quality standards, the agency shall recom-
 10 mence payments under the housing assist-
 11 ance payments contract to the owner of the
 12 dwelling unit.

13 “(iv) NOTIFICATION.—If a public
 14 housing agency providing assistance under
 15 this subsection abates rental assistance
 16 payments pursuant to clause (iii) with re-
 17 spect to a dwelling unit, the agency shall,
 18 upon commencement of such abatement—

19 “(I) notify the tenant and the
 20 owner of the dwelling unit that—

21 “(aa) such abatement has
 22 commenced; and

23 “(bb) if the dwelling unit is
 24 not brought into compliance with
 25 housing quality standards within

60 days after the effective date of the determination of noncompliance under clause (i) or such reasonable longer period as the agency may establish, the tenant will have to move; and

“(II) issue the tenant the necessary forms to allow the tenant to move to another dwelling unit and transfer the rental assistance to that unit.

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

“(vi) TERMINATION OF LEASE OR ASSISTANCE PAYMENTS CONTRACT.—If assistance amounts under this section for a dwelling unit are abated pursuant to clause (iii) and the owner does not correct the noncompliance within 60 days after the ef-

1 fective date of the determination of non-
2 compliance under clause (i), or such other
3 reasonable longer period as the public
4 housing agency may establish, the agency
5 shall terminate the housing assistance pay-
6 ments contract for the dwelling unit.

7 “(vii) RELOCATION.—

8 “(I) LEASE OF NEW UNIT.—The
9 agency shall provide the family resid-
10 ing in such a dwelling unit a period of
11 90 days or such longer period as the
12 public housing agency determines is
13 reasonably necessary to lease a new
14 unit, beginning upon termination of
15 the contract, to lease a new residence
16 with tenant-based rental assistance
17 under this section.

18 “(II) AVAILABILITY OF PUBLIC
19 HOUSING UNITS.—If the family is un-
20 able to lease such a new residence
21 during such period, the public housing
22 agency shall, at the option of the fam-
23 ily, provide such family a preference
24 for occupancy in a dwelling unit of
25 public housing that is owned or oper-

1 ated by the agency that first becomes
2 available for occupancy after the expi-
3 ration of such period.

4 “(III) ASSISTANCE IN FINDING
5 UNIT.—The public housing agency
6 may provide assistance to the family
7 in finding a new residence, including
8 use of up to 2 months of any assist-
9 ance amounts withheld or abated pur-
10 suant to clause (ii) or (iii), respec-
11 tively, for costs directly associated
12 with relocation of the family to a new
13 residence, which shall include security
14 deposits as necessary and may include
15 reimbursements for reasonable moving
16 expenses incurred by the household,
17 as established by the Secretary. The
18 agency may require that a family re-
19 ceiving assistance for a security de-
20 posit shall remit, to the extent of such
21 assistance, the amount of any security
22 deposit refunds made by the owner of
23 the dwelling unit for which the lease
24 was terminated.

1 “(viii) TENANT-CAUSED DAMAGES.—

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

17 “(ix) APPLICABILITY.—This subpara-
 18 graph shall apply to any dwelling unit for
 19 which a housing assistance payments con-
 20 tract is entered into or renewed after the
 21 date of the effectiveness of the regulations
 22 implementing this subparagraph.”.

23 (b) EFFECTIVE DATE.—The Secretary of Housing
 24 and Urban Development shall issue notice or regulations

1 to implement subsection (a) of this section and such sub-
 2 section shall take effect upon such issuance.

3 **SEC. 102. INCOME REVIEWS.**

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

7 (1) in subsection (a)—

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

11 (B) by adding at the end the following new
 12 paragraphs:

13 “(6) REVIEWS OF FAMILY INCOME.—

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

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

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

23 “(iii) upon the request of the family,
 24 at any time the income or deductions
 25 (under subsection (b)(5)) of the family

1 change by an amount that is estimated to
2 result in a decrease of 10 percent (or such
3 lower amount as the Secretary may, by no-
4 tice, establish, or permit the public housing
5 agency or owner to establish) or more in
6 annual adjusted income; and

7 “(iv) at any time the income or deduc-
8 tions (under subsection (b)(5)) of the fam-
9 ily change by an amount that is estimated
10 to result in an increase of 10 percent or
11 more in annual adjusted income, or such
12 other amount as the Secretary may by no-
13 tice establish, except that any increase in
14 the earned income of a family shall not be
15 considered for purposes of this clause (ex-
16 cept that earned income may be considered
17 if the increase corresponds to previous de-
18 creases under clause (iii)), except that a
19 public housing agency or owner may elect
20 not to conduct such review in the last 3
21 months of a certification period.

22 “(B) FRAUD AND ABUSE.—Reviews of
23 family income for purposes of this section shall
24 be subject to the provisions of section 904 of

1 the Stewart B. McKinney Homeless Assistance
2 Amendments Act of 1988 (42 U.S.C. 3544).

3 “(7) CALCULATION OF INCOME.—

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

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

22 “(C) OTHER INCOME.—In determining the
23 income for any family based on the prior year’s
24 income, with respect to prior year calculations
25 of income not subject to subparagraph (B), a

1 public housing agency or owner may make other
2 adjustments as it considers appropriate to re-
3 flect current income.

4 “(D) SAFE HARBOR.—A public housing
5 agency or owner may, to the extent such infor-
6 mation is available to the public housing agency
7 or owner, determine the family’s income prior
8 to the application of any deductions based on
9 timely income determinations made for pur-
10 poses of other means-tested Federal public as-
11 sistance programs (including the program for
12 block grants to States for temporary assistance
13 for needy families under part A of title IV of
14 the Social Security Act (42 U.S.C. 601 et seq.),
15 a program for Medicaid assistance under a
16 State plan approved under title XIX of the So-
17 cial Security Act (42 U.S.C. 1396 et seq.), and
18 the supplemental nutrition assistance program
19 (as such term is defined in section 3 of the
20 Food and Nutrition Act of 2008 (7 U.S.C.
21 2012))). The Secretary shall, in consultation
22 with other appropriate Federal agencies, de-
23 velop electronic procedures to enable public
24 housing agencies and owners to have access to
25 such benefit determinations made by other

means-tested Federal programs that the Secretary determines to have comparable reliability. Exchanges of such information shall be subject to the same limitations and tenant protections provided under section 904 of the Stewart B. McKinney Homeless Assistance Act Amendments of 1988 (42 U.S.C. 3544) with respect to information obtained under the requirements of section 303(i) of the Social Security Act (42 U.S.C. 503(i)).

“(E) ELECTRONIC INCOME VERIFICATION.—The Secretary shall develop a mechanism for disclosing information to a public housing agency for the purpose of verifying the employment and income of individuals and families in accordance with section 453(j)(7)(E) of the Social Security Act (42 U.S.C. 653(j)(7)(E)), and shall ensure public housing agencies have access to information contained in the ‘Do Not Pay’ system established by section 5 of the Improper Payments Elimination and Recovery Improvement Act of 2012 (Public Law 112–248; 126 Stat. 2392).

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

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

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

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

8 (b) CERTIFICATION REGARDING HARDSHIP EXCEP-
 9 TION TO MINIMUM MONTHLY RENT.—Not later than 6
 10 months after the date of enactment of this Act, the Sec-
 11 retary of Housing and Urban Development shall submit
 12 to Congress a certification that the hardship and tenant
 13 protection provisions of section 3(a)(3)(B)(i) of the United
 14 States Housing Act of 1937 (42 U.S.C.
 15 1437a(a)(3)(B)(i)) are being enforced at such time and
 16 that the Secretary will continue to provide due consider-
 17 ation to the hardship circumstances of persons assisted
 18 under relevant programs of this Act.

19 (c) INCOME; ADJUSTED INCOME.—Section 3(b) of
 20 the United States Housing Act of 1937 (42 U.S.C.
 21 1437a(b)) is amended by striking paragraphs (4) and (5)
 22 and inserting the following:

23 “(4) INCOME.—The term ‘income’ means, with
 24 respect to a family, income received from all sources
 25 by each member of the household who is 18 years

1 of age or older or is the head of household or spouse
2 of the head of the household, plus unearned income
3 by or on behalf of each dependent who is less than
4 18 years of age, as determined in accordance with
5 criteria prescribed by the Secretary, in consultation
6 with the Secretary of Agriculture, subject to the fol-
7 lowing requirements:

8 “(A) INCLUDED AMOUNTS.—Such term in-
9 cludes recurring gifts and receipts, actual in-
10 come from assets, and profit or loss from a
11 business.

12 “(B) EXCLUDED AMOUNTS.—Such term
13 does not include—

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

21 “(ii) any amounts that would be eligi-
22 ble for exclusion under section 1613(a)(7)
23 of the Social Security Act (42 U.S.C.
24 1382b(a)(7));

1 “(iii) deferred disability benefits from
 2 the Department of Veterans Affairs that
 3 are received in a lump sum amount or in
 4 prospective monthly amounts;

5 “(iv) any expenses related to aid and
 6 attendance under section 1521 of title 38,
 7 United States Code, to veterans who are in
 8 need of regular aid and attendance; and

9 “(v) exclusions from income as estab-
 10 lished by the Secretary by regulation or
 11 notice, or any amount required by Federal
 12 law to be excluded from consideration as
 13 income.

14 “(C) EARNED INCOME OF STUDENTS.—
 15 Such term does not include—

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

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

24 “(I) for the cost of tuition or
 25 books; or

1 “(II) in such amounts as the Sec-
2 retary may allow, for the cost of room
3 and board.

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

11 “(E) RECORDKEEPING.—The Secretary
12 may not require a public housing agency or
13 owner to maintain records of any amounts ex-
14 cluded from income pursuant to this paragraph.

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

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

24 “(B) MINORS, STUDENTS, AND PERSONS
25 WITH DISABILITIES.—\$480 for each member of

1 the family residing in the household (other than
2 the head of the household or his or her spouse)
3 who is less than 18 years of age or is attending
4 school or vocational training on a full-time
5 basis, or who is 18 years of age or older and
6 is a person with disabilities.

7 “(C) CHILD CARE.—Any reasonable child
8 care expenses necessary to enable a member of
9 the family to be employed or to further his or
10 her education.

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

14 “(i) in the case of any elderly or dis-
15 abled family, any unreimbursed health and
16 medical care expenses; and

17 “(ii) any unreimbursed reasonable at-
18 tendant care and auxiliary apparatus ex-
19 penses for each handicapped member of
20 the family, if determined necessary by the
21 public housing agency or owner to enable
22 any member of such family to be employed.

23 The Secretary shall, by regulation, provide
24 hardship exemptions to the requirements of this
25 subparagraph and subparagraph (C) for im-

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

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

20 The Secretary shall annually calculate the amounts
 21 of the deductions under subparagraphs (A) and (B),
 22 as such amounts may have been previously cal-
 23 culated, by applying an inflationary factor as the
 24 Secretary shall, by regulation, establish, except that
 25 the actual deduction determined for each year shall

1 be established by rounding such amount to the next
2 lowest multiple of \$25.”.

3 (d) HOUSING CHOICE VOUCHER PROGRAM.—Section
4 8(o) of the United States Housing Act of 1937 (42 U.S.C.
5 1437f(o)) is amended—

6 (1) in paragraph (1)(D), by inserting before the
7 period at the end the following: “, except that a pub-
8 lic housing agency may establish a payment stand-
9 ard of not more than 120 percent of the fair market
10 rent where necessary as a reasonable accommodation
11 for a person with a disability, without approval of
12 the Secretary. A public housing agency may use a
13 payment standard that is greater than 120 percent
14 of the fair market rent as a reasonable accommoda-
15 tion for a person with a disability, but only with the
16 approval of the Secretary. In connection with the use
17 of any increased payment standard established or
18 approved pursuant to either of the preceding 2 sen-
19 tences as a reasonable accommodation for a person
20 with a disability, the Secretary may not establish ad-
21 ditional requirements regarding the amount of ad-
22 justed income paid by such person for rent”; and

23 (2) in paragraph (5)—

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

1 (B) in subparagraph (A)—

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

5 (ii) by striking “and shall be con-
6 ducted” and all that follows through the
7 end of the subparagraph and inserting a
8 period; and

9 (C) in subparagraph (B), by striking the
10 second sentence.

11 (e) ENHANCED VOUCHER PROGRAM.—Section
12 8(t)(1)(D) of the United States Housing Act of 1937 (42
13 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”
14 each place such term appears and inserting “annual ad-
15 justed income”.

16 (f) PROJECT-BASED HOUSING.—Section 8(c)(3) of
17 the United States Housing Act of 1937 (42 U.S.C.
18 1437f(c)(3)) is amended by striking the last sentence.

19 (g) IMPACT ON PUBLIC HOUSING REVENUES.—

20 (1) ADJUSTMENTS TO OPERATING FORMULA.—

21 If the Secretary of Housing and Urban Development
22 determines that the application of subsections (a)
23 through (e) of this section results in a material and
24 disproportionate reduction in the rental income of
25 certain public housing agencies during the first year

1 in which such subsections are implemented, the Sec-
2 retary may make appropriate adjustments in the for-
3 mula income for such year of those agencies experi-
4 encing such a reduction.

5 (2) HUD REPORTS ON REVENUE AND COST IM-
6 PACT.—In each of the first 2 years after the first
7 year in which subsections (a) through (e) are imple-
8 mented, the Secretary of Housing and Urban Devel-
9 opment shall submit a report to Congress identifying
10 and calculating the impact of changes made by such
11 subsections and section 104 of this Act on the reve-
12 nues and costs of operating public housing units, the
13 voucher program for rental assistance under section
14 8 of the United States Housing Act of 1937 (42
15 U.S.C. 1437f), and the program under such section
16 8 for project-based rental assistance. If such report
17 identifies a material reduction in the net income of
18 public housing agencies nationwide or a material in-
19 crease in the costs of funding the voucher program
20 or the project-based assistance program, the Sec-
21 retary shall include in such report recommendations
22 for legislative changes to reduce or eliminate such a
23 reduction.

24 (h) EFFECTIVE DATE.—The Secretary of Housing
25 and Urban Development shall issue notice or regulations

1 to implement this section and this section shall take effect
2 after such issuance, except that this section may only take
3 effect upon the commencement of a calendar year.

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

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

19 (2) REPORT.—The Secretary shall submit to
20 the Congress a report setting forth the results of the
21 study conducted pursuant to paragraph (1) not later
22 than 1 year after the date of enactment of this Act.

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

1 **SEC. 103. LIMITATION ON PUBLIC HOUSING TENANCY FOR**
 2 **OVER-INCOME FAMILIES.**

3 Section 16(a) of the United States Housing Act of
 4 1937 (42 U.S.C. 1437n(a)) is amended by adding at the
 5 end the following:

6 “(5) LIMITATIONS ON TENANCY FOR OVER-IN-
 7 COME FAMILIES.—

8 “(A) LIMITATIONS.—Except as provided in
 9 subparagraph (D), in the case of any family re-
 10 siding in a dwelling unit of public housing
 11 whose income for the most recent 2 consecutive
 12 years, as determined pursuant to income re-
 13 views conducted pursuant to section 3(a)(6),
 14 has exceeded the applicable income limitation
 15 under subparagraph (C), the public housing
 16 agency shall—

17 “(i) notwithstanding any other provi-
 18 sion of this Act, charge such family as
 19 monthly rent for the unit occupied by such
 20 family an amount equal to the greater of—

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

25 “(II) the amount of the monthly
 26 subsidy provided under this Act for

1 the dwelling unit, which shall include
2 any amounts from the Operating
3 Fund and Capital Fund under section
4 9 used for the unit, as determined by
5 the agency in accordance with regula-
6 tions that the Secretary shall issue to
7 carry out this subclause; or

8 “(ii) terminate the tenancy of such
9 family in public housing not later than 6
10 months after the income determination de-
11 scribed in subparagraph (A).

12 “(B) NOTICE.—In the case of any family
13 residing in a dwelling unit of public housing
14 whose income for a year has exceeded the appli-
15 cable income limitation under subparagraph
16 (C), upon the conclusion of such year the public
17 housing agency shall provide written notice to
18 such family of the requirements under subpara-
19 graph (A).

20 “(C) INCOME LIMITATION.—The income
21 limitation under this subparagraph shall be 120
22 percent of the median income for the area, as
23 determined by the Secretary with adjustments
24 for smaller and larger families, except that the
25 Secretary may establish income limitations

1 higher or lower than 120 percent of such me-
 2 dian income on the basis of the Secretary's
 3 findings that such variations are necessary be-
 4 cause of prevailing levels of construction costs,
 5 or unusually high or low family incomes, va-
 6 cancy rates, or rental costs.

7 “(D) EXCEPTION.—Subparagraph (A)
 8 shall not apply to a family occupying a dwelling
 9 unit in public housing pursuant to section
 10 3(a)(5).

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

14 “(i) submit a report annually, in a
 15 format required by the Secretary, that
 16 specifies—

17 “(I) the number of families resid-
 18 ing, as of the end of the year for
 19 which the report is submitted, in pub-
 20 lic housing administered by the agen-
 21 cy who had incomes exceeding the ap-
 22 plicable income limitation under sub-
 23 paragraph (C); and

24 “(II) the number of families, as
 25 of the end of such year, on the wait-

1 ing lists for admission to public hous-
 2 ing projects of the agency; and
 3 “(ii) make the information reported
 4 pursuant to clause (i) publicly available.”.

5 **SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE**
 6 **BASED ON ASSETS.**

7 Section 16 of the United States Housing Act of 1937
 8 (42 U.S.C. 1437n) is amended by inserting after sub-
 9 section (d) the following:

10 “(e) **ELIGIBILITY FOR ASSISTANCE BASED ON AS-**
 11 **SETS.—**

12 “(1) **LIMITATION ON ASSETS.—**Subject to para-
 13 graph (3) and notwithstanding any other provision
 14 of this Act, a dwelling unit assisted under this Act
 15 may not be rented and assistance under this Act
 16 may not be provided, either initially or at each recer-
 17 tification of family income, to any family—

18 “(A) whose net family assets exceed
 19 \$100,000, as such amount is adjusted annually
 20 by applying an inflationary factor as the Sec-
 21 retary considers appropriate; or

22 “(B) who has a present ownership interest
 23 in, a legal right to reside in, and the effective
 24 legal authority to sell, real property that is suit-
 25 able for occupancy by the family as a residence,

except that the prohibition under this subparagraph shall not apply to—

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

“(ii) any person who is a victim of domestic violence; or

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

“(2) NET FAMILY ASSETS.—

“(A) IN GENERAL.—For purposes of this subsection, the term ‘net family assets’ means, for all members of the household, the net cash value of all assets after deducting reasonable costs that would be incurred in disposing of real property, savings, stocks, bonds, and other forms of capital investment. Such term does not include interests in Indian trust land, equity in property for which the family is receiving assistance under subsection (y) or (o)(12) of section 8, equity accounts in homeownership programs of the Department of Housing and Urban Development, or Family Self Sufficiency accounts.

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

1 “(i) the value of personal property, ex-
 2 cept for items of personal property of sig-
 3 nificant value, as the Secretary may estab-
 4 lish or the public housing agency may de-
 5 termine;

6 “(ii) the value of any retirement ac-
 7 count;

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

11 “(iv) any amounts recovered in any
 12 civil action or settlement based on a claim
 13 of malpractice, negligence, or other breach
 14 of duty owed to a member of the family
 15 and arising out of law, that resulted in a
 16 member of the family being disabled;

17 “(v) the value of any Coverdell edu-
 18 cation savings account under section 530
 19 of the Internal Revenue Code of 1986 or
 20 any qualified tuition program under sec-
 21 tion 529 of such Code; and

22 “(vi) such other exclusions as the Sec-
 23 retary may establish.

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

not revocable by, or under the control of, any member of the family or household, the value of the trust fund shall not be considered an asset of a family if the fund continues to be held in trust. Any income distributed from the trust fund shall be considered income for purposes of section 3(b) and any calculations of annual family income, except in the case of medical expenses for a minor.

“(3) SELF-CERTIFICATION.—

“(A) NET FAMILY ASSETS.—A public housing agency or owner may determine the net assets of a family, for purposes of this section, based on a certification by the family that the net assets of such family do not exceed \$50,000, as such amount is adjusted annually by applying an inflationary factor as the Secretary considers appropriate.

“(B) NO CURRENT REAL PROPERTY OWNERSHIP.—A public housing agency or owner may determine compliance with paragraph (1)(B) based on a certification by the family that such family does not have any current ownership interest in any real property at the

1 time the agency or owner reviews the family's
2 income.

3 “(C) STANDARDIZED FORMS.—The Sec-
4 retary may develop standardized forms for the
5 certifications referred to in subparagraphs (A)
6 and (B).

7 “(4) COMPLIANCE FOR PUBLIC HOUSING
8 DWELLING UNITS.—When recertifying family income
9 with respect to families residing in public housing
10 dwelling units, a public housing agency may, in the
11 discretion of the agency and only pursuant to a pol-
12 icy that is set forth in the public housing agency
13 plan under section 5A for the agency, choose not to
14 enforce the limitation under paragraph (1).

15 “(5) ENFORCEMENT.—When recertifying the
16 income of a family residing in a dwelling unit as-
17 sisted under this Act, a public housing agency or
18 owner may choose not to enforce the limitation
19 under paragraph (1) or may establish exceptions to
20 such limitation based on eligibility criteria, but only
21 pursuant to a policy that is set forth in the public
22 housing agency plan under section 5A for the agency
23 or under a policy adopted by the owner. Eligibility
24 criteria for establishing exceptions may provide for
25 separate treatment based on family type and may be

1 based on different factors, such as age, disability, in-
2 come, the ability of the family to find suitable alter-
3 native housing, and whether supportive services are
4 being provided.

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

12 “(7) VERIFYING INCOME.—

13 “(A) Beginning in fiscal year 2018, the
14 Secretary shall require public housing agencies
15 to require each applicant for, or recipient of,
16 benefits under this Act to provide authorization
17 by the applicant or recipient (or by any other
18 person whose income or resources are material
19 to the determination of the eligibility of the ap-
20 plicant or recipient for such benefits) for the
21 public housing agency to obtain (subject to the
22 cost reimbursement requirements of section
23 1115(a) of the Right to Financial Privacy Act
24 (12 U.S.C. 3415(a))) from any financial insti-
25 tution (within the meaning of section 1101(1)

1 such Act (12 U.S.C. 3401(1)) any financial
2 record (within the meaning of section 1101(2)
3 of such Act (12 U.S.C. 3401(2)) held by the in-
4 stitution with respect to the applicant or recipi-
5 ent (or any such other person) whenever the
6 public housing agency determines the record is
7 needed in connection with a determination with
8 respect to such eligibility or the amount of such
9 benefits.

10 “(B) Notwithstanding section 1104(a)(1)
11 of the Right to Financial Privacy Act (12
12 U.S.C. 3404(a)(1)), an authorization provided
13 by an applicant or recipient (or any other per-
14 son whose income or resources are material to
15 the determination of the eligibility of the appli-
16 cant or recipient) pursuant to subparagraph (A)
17 of this paragraph shall remain effective until
18 the earliest of—

19 “(i) the rendering of a final adverse
20 decision on the applicant’s application for
21 eligibility for benefits under this Act;

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

24 “(iii) the express revocation by the ap-
25 plicant or recipient (or such other person

1 referred to in subparagraph (A)) of the au-
2 thorization, in a written notification to the
3 Secretary.

4 “(C)(i) An authorization obtained by the
5 public housing agency pursuant to this para-
6 graph shall be considered to meet the require-
7 ments of the Right to Financial Privacy Act for
8 purposes of section 1103(a) of such Act (12
9 U.S.C. 3403(a)), and need not be furnished to
10 the financial institution, notwithstanding sec-
11 tion 1104(a) of such Act (12 U.S.C. 3404(a)).

12 “(ii) The certification requirements of sec-
13 tion 1103(b) of the Right to Financial Privacy
14 Act (12 U.S.C. 3403(b)) shall not apply to re-
15 quests by the public housing agency pursuant
16 to an authorization provided under this clause.

17 “(iii) A request by the public housing
18 agency pursuant to an authorization provided
19 under this clause is deemed to meet the require-
20 ments of section 1104(a)(3) of the Right to Fi-
21 nancial Privacy Act and the flush language of
22 section 1102 of such Act (12 U.S.C. 3404(a)(3)
23 and 3402).

24 “(iv) The public housing agency shall in-
25 form any person who provides authorization

pursuant to this paragraph of the duration and scope of the authorization.

“(D) If an applicant for, or recipient of, benefits under this Act (or any such other person referred to in subparagraph (A)) refuses to provide, or revokes, any authorization made by the applicant or recipient for the public housing agency to obtain from any financial institution any financial record, the public housing agency may, on that basis, determine that the applicant or recipient is ineligible for benefits under this title.”.

SEC. 105. UNITS OWNED BY PUBLIC HOUSING AGENCIES.

Section 8(o)(11) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(11)) is amended—

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

“(11) LEASING OF UNITS OWNED BY PHA.—

“(A) INSPECTIONS AND RENT DETERMINATIONS.—If”; and

(2) by adding at the end the following:

“(B) UNITS OWNED BY PHA.—For purposes of this subsection, the term ‘owned by a public housing agency’ means, with respect to a dwelling unit, that the dwelling unit is in a

1 project that is owned by such agency, by an en-
 2 tity wholly controlled by such agency, or by a
 3 limited liability company or limited partnership
 4 in which such agency (or an entity wholly con-
 5 trolled by such agency) holds a controlling in-
 6 terest in the managing member or general part-
 7 ner. A dwelling unit shall not be deemed to be
 8 owned by a public housing agency for purposes
 9 of this subsection because the agency holds a
 10 fee interest as ground lessor in the property on
 11 which the unit is situated, holds a security in-
 12 terest under a mortgage or deed of trust on the
 13 unit, or holds a non-controlling interest in an
 14 entity which owns the unit or in the managing
 15 member or general partner of an entity which
 16 owns the unit.”.

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

18 (a) IN GENERAL.—Section 8(o)(13) of the United
 19 States Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) is
 20 amended—

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

23 (2) by striking subparagraph (B) and inserting
 24 the following:

25 “(B) PERCENTAGE LIMITATION.—

1 “(i) IN GENERAL.—Subject to clause
2 (ii), a public housing agency may use for
3 project-based assistance under this para-
4 graph not more than 20 percent of the au-
5 thorized units for the agency.

6 “(ii) EXCEPTION.—A public housing
7 agency may use up to an additional 10
8 percent of the authorized units for the
9 agency for project-based assistance under
10 this paragraph, to provide units that house
11 individuals and families that meet the defi-
12 nition of homeless under section 103 of the
13 McKinney-Vento Homeless Assistance Act
14 (42 U.S.C. 11302), that house families
15 with veterans, that provide supportive
16 housing to persons with disabilities or el-
17 derly persons, or that are located in areas
18 where vouchers under this subsection are
19 difficult to use, as specified in subpara-
20 graph (D)(ii)(II). Any units of project-
21 based assistance that are attached to units
22 previously subject to federally required
23 rent restrictions or receiving another type
24 of long-term housing subsidy provided by
25 the Secretary shall not count toward the

percentage limitation under clause (i). The Secretary may, by regulation, establish additional categories for the exception under this clause.”;

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

“(D) INCOME-MIXING REQUIREMENT.—

“(i) IN GENERAL.—Except as provided in clause (ii), not more than the greater of 25 dwelling units or 25 percent of the dwelling units in any project may be assisted under a housing assistance payment contract for project-based assistance pursuant to this paragraph. For purposes of this subparagraph, the term ‘project’ means a single building, multiple contiguous buildings, or multiple buildings on contiguous parcels of land.

“(ii) EXCEPTIONS.—

“(I) CERTAIN FAMILIES.—The limitation under clause (i) shall not apply to dwelling units assisted under a contract that are exclusively made available to elderly families or to households eligible for supportive serv-

1 ices that are made available to the as-
2 sisted residents of the project, accord-
3 ing to standards for such services the
4 Secretary may establish.

5 “(II) CERTAIN AREAS.—With re-
6 spect to areas in which tenant-based
7 vouchers for assistance under this
8 subsection are difficult to use, as de-
9 termined by the Secretary, and with
10 respect to census tracts with a poverty
11 rate of 20 percent or less, clause (i)
12 shall be applied by substituting ‘40
13 percent’ for ‘25 percent’, and the Sec-
14 retary may, by regulation, establish
15 additional conditions.

16 “(III) CERTAIN CONTRACTS.—
17 The limitation under clause (i) shall
18 not apply with respect to contracts or
19 renewal of contracts under which a
20 greater percentage of the dwelling
21 units in a project were assisted under
22 a housing assistance payment contract
23 for project-based assistance pursuant
24 to this paragraph on the date of en-

actment of the Housing Opportunity
Through Modernization Act of 2016.

“(IV) CERTAIN PROPERTIES.—

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

“(iii) ADDITIONAL MONITORING AND

OVERSIGHT REQUIREMENTS.—The Sec-
retary may establish additional require-
ments for monitoring and oversight of
projects in which more than 40 percent of
the dwelling units are assisted under a
housing assistance payment contract for
project-based assistance pursuant to this
paragraph.”;

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

“(F) CONTRACT TERM.—

1 “(i) TERM.—A housing assistance
2 payment contract pursuant to this para-
3 graph between a public housing agency
4 and the owner of a project may have a
5 term of up to 20 years, subject to—

6 “(I) the availability of sufficient
7 appropriated funds for the purpose of
8 renewing expiring contracts for assist-
9 ance payments, as provided in appro-
10 priation Acts and in the agency’s an-
11 nual contributions contract with the
12 Secretary, provided that in the event
13 of insufficient appropriated funds,
14 payments due under contracts under
15 this paragraph shall take priority if
16 other cost-saving measures that do
17 not require the termination of an ex-
18 isting contract are available to the
19 agency; and

20 “(II) compliance with the inspec-
21 tion requirements under paragraph
22 (8), except that the agency shall not
23 be required to make biennial inspec-
24 tions of each assisted unit in the de-
25 velopment.

1 “(ii) ADDITION OF ELIGIBLE UNITS.—
2 Subject to the limitations of subparagraphs
3 (B) and (D), the agency and the owner
4 may add eligible units within the same
5 project to a housing assistance payments
6 contract at any time during the term
7 thereof without being subject to any addi-
8 tional competitive selection procedures.

9 “(iii) HOUSING UNDER CONSTRU-
10 TION OR RECENTLY CONSTRUCTED.—An
11 agency may enter into a housing assistance
12 payments contract with an owner for any
13 unit that does not qualify as existing hous-
14 ing and is under construction or recently
15 has been constructed whether or not the
16 agency has executed an agreement to enter
17 into a contract with the owner, provided
18 that the owner demonstrates compliance
19 with applicable requirements prior to exe-
20 cution of the housing assistance payments
21 contract. This clause shall not subject a
22 housing assistance payments contract for
23 existing housing under this paragraph to
24 such requirements or otherwise limit the

1 extent to which a unit may be assisted as
 2 existing housing.

3 “(iv) ADDITIONAL CONDITIONS.—The
 4 contract may specify additional conditions,
 5 including with respect to continuation, ter-
 6 mination, or expiration, and shall specify
 7 that upon termination or expiration of the
 8 contract without extension, each assisted
 9 family may elect to use its assistance
 10 under this subsection to remain in the
 11 same project if its unit complies with the
 12 inspection requirements under paragraph
 13 (8), the rent for the unit is reasonable as
 14 required by paragraph (10)(A), and the
 15 family pays its required share of the rent
 16 and the amount, if any, by which the unit
 17 rent (including the amount allowed for ten-
 18 ant-based utilities) exceeds the applicable
 19 payment standard.”;

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

22 (6) by striking subparagraph (I) and inserting
 23 the following:

24 “(I) RENT ADJUSTMENTS.—A housing as-
 25 sistance payments contract pursuant to this

1 paragraph entered into after the date of enact-
2 ment of the Housing Opportunity Through
3 Modernization Act of 2016 shall provide for an-
4 nual rent adjustments upon the request of the
5 owner, except that—

6 “(i) by agreement of the parties, a
7 contract may allow a public housing agency
8 to adjust the rent for covered units using
9 an operating cost adjustment factor estab-
10 lished by the Secretary pursuant to section
11 524(c) of the Multifamily Assisted Housing
12 Reform and Affordability Act of 1997 (42
13 U.S.C. 1437f note) (which shall not result
14 in a negative adjustment), in which case
15 the contract may require an additional ad-
16 justment, if requested, up to the reason-
17 able rent periodically during the term of
18 the contract, and shall require such an ad-
19 justment, if requested, upon extension pur-
20 suant to subparagraph (G);

21 “(ii) the adjusted rent shall not ex-
22 ceed the maximum rent permitted under
23 subparagraph (H);

24 “(iii) the contract may provide that
25 the maximum rent permitted for a dwelling

1 unit shall not be less than the initial rent
 2 for the dwelling unit under the initial
 3 housing assistance payments contract cov-
 4 ering the units; and

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

7 (7) in subparagraph (J)—

8 (A) in the first sentence—

9 (i) by striking “shall” and inserting
 10 “may”; and

11 (ii) by inserting before the period the
 12 following: “or may permit owners to select
 13 applicants from site-based waiting lists as
 14 specified in this subparagraph”;

15 (B) by striking the third sentence and in-
 16 serting the following: “The agency or owner
 17 may establish preferences or criteria for selec-
 18 tion for a unit assisted under this paragraph
 19 that are consistent with the public housing
 20 agency plan for the agency approved under sec-
 21 tion 5A and that give preference to families
 22 who qualify for voluntary services, including
 23 disability-specific services, offered in conjunc-
 24 tion with assisted units.”; and

1 (C) by striking the fifth and sixth sen-
2 tences and inserting the following: “A public
3 housing agency may establish and utilize proce-
4 dures for owner-maintained site-based waiting
5 lists, under which applicants may apply at, or
6 otherwise designate to the public housing agen-
7 cy, the project or projects in which they seek to
8 reside, except that all eligible applicants on the
9 waiting list of an agency for assistance under
10 this subsection shall be permitted to place their
11 names on such separate list, subject to policies
12 and procedures established by the Secretary. All
13 such procedures shall comply with title VI of
14 the Civil Rights Act of 1964 (42 U.S.C. 2000d
15 et seq.), the Fair Housing Act (42 U.S.C. 3601
16 et seq.), section 504 of the Rehabilitation Act
17 of 1973 (29 U.S.C. 794), and other applicable
18 civil rights laws. The owner or manager of a
19 project assisted under this paragraph shall not
20 admit any family to a dwelling unit assisted
21 under a contract pursuant to this paragraph
22 other than a family referred by the public hous-
23 ing agency from its waiting list, or a family on
24 a site-based waiting list that complies with the
25 requirements of this subparagraph. A public

1 housing agency shall disclose to each applicant
 2 all other options in the selection of a project in
 3 which to reside that are provided by the public
 4 housing agency and are available to the appli-
 5 cant.”;

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

10 (9) by adding at the end the following:

11 “(N) STRUCTURE OWNED BY AGENCY.—A
 12 public housing agency engaged in an initiative
 13 to improve, develop, or replace a public housing
 14 property or site may attach assistance to an ex-
 15 isting, newly constructed, or rehabilitated struc-
 16 ture in which the agency has an ownership in-
 17 terest or which the agency has control of with-
 18 out following a competitive process, provided
 19 that the agency has notified the public of its in-
 20 tent through its public housing agency plan and
 21 subject to the limitations and requirements of
 22 this paragraph.

23 “(O) SPECIAL PURPOSE VOUCHERS.—A
 24 public housing agency that administers vouch-
 25 ers authorized under subsection (o)(19) or (x)

1 of this section may provide such assistance in
 2 accordance with the limitations and require-
 3 ments of this paragraph, without additional re-
 4 quirements for approval by the Secretary.”.

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. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

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

13 (1) by inserting “(A)” after “(1)”;

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

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

17 “(B) Fair market rentals for an area shall be pub-
 18 lished not less than annually by the Secretary on the
 19 website of the Department of Housing and Urban Devel-
 20 opment and in any other manner specified by the Sec-
 21 retary. Notice that such fair market rentals are being pub-
 22 lished shall be published in the Federal Register, and such
 23 fair market rentals shall become effective no earlier than
 24 30 days after the date of such publication. The Secretary
 25 shall establish a procedure for public housing agencies and

1 other interested parties to comment on such fair market
2 rentals and to request, within a time specified by the Sec-
3 retary, reevaluation of the fair market rentals in a juris-
4 diction before such rentals become effective. The Secretary
5 shall cause to be published for comment in the Federal
6 Register notices of proposed material changes in the meth-
7 odology for estimating fair market rentals and notices
8 specifying the final decisions regarding such proposed sub-
9 stantial methodological changes and responses to public
10 comments.”.

11 (b) PAYMENT STANDARD.—Section 8(o)(1)(B) of the
12 United States Housing Act of 1937 (42 U.S.C.
13 1437f(o)(1)(B)) is amended by inserting before the period
14 at the end the following: “, except that no public housing
15 agency shall be required as a result of a reduction in the
16 fair market rental to reduce the payment standard applied
17 to a family continuing to reside in a unit for which the
18 family was receiving assistance under this section at the
19 time the fair market rental was reduced. The Secretary
20 shall allow public housing agencies to request exception
21 payment standards within fair market rental areas subject
22 to criteria and procedures established by the Secretary”.

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

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

2 Section 8(o) of the United States Housing Act of
3 1937 (42 U.S.C. 1437f(o)) is amended by adding at the
4 end the following:

5 “(20) COLLECTION OF UTILITY DATA.—

6 “(A) PUBLICATION.—The Secretary shall,
7 to the extent that data can be collected cost ef-
8 fectively, regularly publish such data regarding
9 utility consumption and costs in local areas as
10 the Secretary determines will be useful for the
11 establishment of allowances for tenant-paid util-
12 ities for families assisted under this subsection.

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

15 “(i) avoids unnecessary administrative
16 burdens for public housing agencies and
17 owners; and

18 “(ii) protects families in various unit
19 sizes and building types, and using various
20 utilities, from high rent and utility cost
21 burdens relative to income.”.

22 **SEC. 109. PUBLIC HOUSING CAPITAL AND OPERATING**
23 **FUNDS.**

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

1 (1) in subsection (j), by adding at the end the
2 following:

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

7 (2) by adding at the end the following:

8 “(n) ESTABLISHMENT OF REPLACEMENT RE-
9 SERVES.—

10 “(1) IN GENERAL.—Public housing agencies
11 shall be permitted to establish a replacement reserve
12 to fund any of the capital activities listed in sub-
13 section (d)(1).

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

19 “(A) At the discretion of the Secretary,
20 public housing agencies may transfer and hold
21 in a replacement reserve funds originating from
22 additional sources.

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

1 “(C) At any time, a public housing agency
2 may not hold in a replacement reserve more
3 than the amount the public housing authority
4 has determined necessary to satisfy the antici-
5 pated capital needs of properties in its portfolio
6 assisted under this section, as outlined in its
7 Capital Fund 5-Year Action Plan, or a com-
8 parable plan, as determined by the Secretary.

9 “(D) The Secretary may establish, by reg-
10 ulation, a maximum replacement reserve level
11 or levels that are below amounts determined
12 under subparagraph (C), which may be based
13 upon the size of the portfolio assisted under
14 this section or other factors.

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

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

24 “(5) MANAGEMENT AND REPORT.—The Sec-
25 retary shall establish appropriate accounting and re-

1 porting requirements to ensure that public housing
 2 agencies are spending funds on eligible projects and
 3 that funds in the replacement reserve are connected
 4 to capital needs.”.

5 (b) FLEXIBILITY OF OPERATING FUND AMOUNTS.—

6 Section 9(g)(1) of the United States Housing Act of 1937
 7 (42 U.S.C. 1437g(g)(1)) is amended—

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

10 “(1) FLEXIBILITY IN USE OF FUNDS.—

11 “(A) FLEXIBILITY FOR CAPITAL FUND
 12 AMOUNTS.—Of”; and

13 (2) by adding at the end the following:

14 “(B) FLEXIBILITY FOR OPERATING FUND
 15 AMOUNTS.—Of any amounts appropriated for
 16 fiscal year 2016 or any fiscal year thereafter
 17 that are allocated for fiscal year 2016 or any
 18 fiscal year thereafter from the Operating Fund
 19 for any public housing agency, the agency may
 20 use not more than 20 percent for activities that
 21 are eligible under subsection (d) for assistance
 22 with amounts from the Capital Fund, but only
 23 if the public housing plan under section 5A for
 24 the agency provides for such use.”.

1 **SEC. 110. FAMILY UNIFICATION PROGRAM FOR CHILDREN**

2 **AGING OUT OF FOSTER CARE.**

3 Section 8(x) of the United States Housing Act of
4 1937 (42 U.S.C. 1437f(x)) is amended—

5 (1) in paragraph (2)(B)—

6 (A) by striking “18 months” and inserting
7 “36 months”;

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

10 (C) by inserting after “have left foster
11 care” the following: “, or will leave foster care
12 within 90 days, in accordance with a transition
13 plan described in section 475(5)(H) of the So-
14 cial Security Act (42 U.S.C. 675(5)(H)), and is
15 homeless or is at risk of becoming homeless”;

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

18 (3) by inserting after paragraph (3) the fol-
19 lowing:

20 “(4) COORDINATION BETWEEN PUBLIC HOUS-
21 ING AGENCIES AND PUBLIC CHILD WELFARE AGEN-
22 CIES.—The Secretary shall, not later than 180 days
23 after the date of enactment of the Housing Oppor-
24 tunity Through Modernization Act of 2016 and after
25 consultation with other appropriate Federal agen-
26 cies, issue guidance to improve coordination between

1 public housing agencies and public child welfare
2 agencies in carrying out the program under this sub-
3 section, which shall provide guidance on—

4 “(A) identifying eligible recipients for as-
5 sistance under this subsection;

6 “(B) coordinating with other local youth
7 and family providers in the community and par-
8 ticipating in the Continuum of Care program
9 established under subtitle C of title IV of the
10 McKinney-Vento Homeless Assistance Act (42
11 U.S.C. 11381 et seq.);

12 “(C) implementing housing strategies to
13 assist eligible families and youth;

14 “(D) aligning system goals to improve out-
15 comes for families and youth and reducing
16 lapses in housing for families and youth; and

17 “(E) identifying resources that are avail-
18 able to eligible families and youth to provide
19 supportive services available through parts B
20 and E of title IV of the Social Security Act (42
21 U.S.C. 621 et seq. and 670 et seq.) or that the
22 head of household of a family or youth may be
23 entitled to receive under section 477 of the So-
24 cial Security Act (42 U.S.C. 677).”.

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

2 Section 9 of the United States Housing Act of 1937
3 (42 U.S.C. 1437g), as amended by this Act, is amended
4 by adding at the end the following:

5 “(o) PUBLIC HOUSING HEATING GUIDELINES.—The
6 Secretary shall publish model guidelines for minimum
7 heating requirements for public housing dwelling units op-
8 erated by public housing agencies receiving assistance
9 under this section.”.

10 **SEC. 112. USE OF VOUCHERS FOR MANUFACTURED HOUS-**
11 **ING.**

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

15 (1) in subparagraph (A), by striking the period
16 at the end of the first sentence and all that follows
17 through “of” in the second sentence and inserting
18 “and rents”; and

19 (2) in subparagraph (B)—

20 (A) in clause (i), by striking “the rent”
21 and all that follows and inserting the following:
22 “rent shall mean the sum of the monthly pay-
23 ments made by a family assisted under this
24 paragraph to amortize the cost of purchasing
25 the manufactured home, including any required
26 insurance and property taxes, the monthly

1 amount allowed for tenant-paid utilities, and
2 the monthly rent charged for the real property
3 on which the manufactured home is located, in-
4 cluding monthly management and maintenance
5 charges.”;

6 (B) by striking clause (ii);

7 (C) by redesignating clause (iii) as clause
8 (ii); and

9 (D) in clause (ii), as so redesignated, by
10 inserting after the period at the end the fol-
11 lowing: “If the amount of the monthly assist-
12 ance payment for a family exceeds the monthly
13 rent charged for the real property on which the
14 manufactured home is located, including month-
15 ly management and maintenance charges, a
16 public housing agency may pay the remainder
17 to the family, lender or utility company, or may
18 choose to make a single payment to the family
19 for the entire monthly assistance amount.”.

20 (b) EFFECTIVE DATE.—The Secretary of Housing
21 and Urban Development shall issue notice to implement
22 the amendments made by subsection (a) and such amend-
23 ments shall take effect upon such issuance.

1 **SEC. 113. PREFERENCE FOR UNITED STATES CITIZENS OR**
 2 **NATIONALS.**

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

10 **SEC. 114. EXCEPTION TO PUBLIC HOUSING AGENCY RESI-**
 11 **DENT BOARD MEMBER REQUIREMENT.**

12 Section 2(b) of the United States Housing Act of
 13 1937 (42 U.S.C. 1437(b)) is amended—

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

16 (2) by redesignating paragraph (3) as para-
 17 graph (4); and

18 (3) by inserting after paragraph (2) the fol-
 19 lowing new:

20 “(3) EXCEPTION FOR CERTAIN JURISDIC-
 21 TIONS.—

22 “(A) EXCEPTION.—A covered agency (as
 23 such term is defined in subparagraph (C)) shall
 24 not be required to include on the board of direc-
 25 tors or a similar governing board of such agen-
 26 cy a member described in paragraph (1).

“(B) ADVISORY BOARD REQUIREMENT.—

Each covered agency that administers Federal housing assistance under section 8 that chooses not to include a member described in paragraph (1) on the board of directors or a similar governing board of the agency shall establish an advisory board of not less than 6 residents of public housing or recipients of assistance under section 8 to provide advice and comment to the agency or other administering entity on issues related to public housing and assistance provided under section 8. Such advisory board shall meet not less than quarterly.

“(C) COVERED AGENCY OR ENTITY.—For

purposes of this paragraph, the term ‘covered agency’ means a public housing agency or such other entity that administers Federal housing assistance for—

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

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

1 **TITLE II—RURAL HOUSING**

2 **SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING**

3 **LOAN APPROVAL.**

4 Section 502(h) of the Housing Act of 1949 (42
5 U.S.C. 1472(h)) is amended by adding at the end the fol-
6 lowing:

7 “(18) DELEGATION OF APPROVAL.—The Sec-
8 retary may delegate, in part or in full, the Sec-
9 retary’s authority to approve and execute binding
10 Rural Housing Service loan guarantees pursuant to
11 this subsection to certain preferred lenders, in ac-
12 cordance with standards established by the Sec-
13 retary.”.

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

15 Section 502 of the Housing Act of 1949 (42 U.S.C.
16 1472) is amended by adding at the end the following:

17 “(i) GUARANTEED UNDERWRITING USER FEE.—

18 “(1) AUTHORITY; MAXIMUM AMOUNT.—The
19 Secretary may assess and collect a fee for a lender
20 to access the automated underwriting systems of the
21 Department in connection with such lender’s partici-
22 pation in the single family loan program under this
23 section and only in an amount necessary to cover the
24 costs of information technology enhancements, im-
25 provements, maintenance, and development for auto-

1 mated underwriting systems used in connection with
 2 the single family loan program under this section,
 3 except that such fee shall not exceed \$50 per loan.

4 “(2) CREDITING; AVAILABILITY.—Any amounts
 5 collected from such fees shall be credited to the
 6 Rural Development Expense Account as offsetting
 7 collections and shall remain available until expended,
 8 in the amounts provided in appropriation Acts, sole-
 9 ly for expenses described in paragraph (1).”.

10 **TITLE III—FHA MORTGAGE IN-** 11 **SURANCE FOR CONDOMIN-** 12 **IUMS**

13 **SEC. 301. MODIFICATION OF FHA REQUIREMENTS FOR** 14 **MORTGAGE INSURANCE FOR CONDOMIN-** 15 **IUMS.**

16 Section 203 of the National Housing Act (12 U.S.C.
 17 1709) is amended by adding at the end the following:

18 “(y) REQUIREMENTS FOR MORTGAGES FOR CON-
 19 DOMINIUMS.—

20 “(1) PROJECT RECERTIFICATION REQUIRE-
 21 MENTS.—Notwithstanding any other law, regulation,
 22 or guideline of the Secretary, including chapter 2.4
 23 of the Condominium Project Approval and Proc-
 24 essing Guide of the Federal Housing Administration,
 25 the Secretary shall streamline the project certifi-

1 cation requirements that are applicable to the insur-
2 ance under this section for mortgages for condo-
3 minium projects so that recertifications are substan-
4 tially less burdensome than certifications. The Sec-
5 retary shall consider lengthening the time between
6 certifications for approved properties, and allowing
7 updating of information rather than resubmission.

8 “(2) COMMERCIAL SPACE REQUIREMENTS.—
9 Notwithstanding any other law, regulation, or guide-
10 line of the Secretary, including chapter 2.1.3 of the
11 Condominium Project Approval and Processing
12 Guide of the Federal Housing Administration, in
13 providing for exceptions to the requirement for the
14 insurance of a mortgage on a condominium property
15 under this section regarding the percentage of the
16 floor space of a condominium property that may be
17 used for nonresidential or commercial purposes, the
18 Secretary shall provide that—

19 “(A) any request for such an exception and
20 the determination of the disposition of such re-
21 quest may be made, at the option of the re-
22 quester, under the direct endorsement lender
23 review and approval process or under the HUD
24 review and approval process through the appli-
25 cable field office of the Department; and

1 “(B) in determining whether to allow such
2 an exception for a condominium property, fac-
3 tors relating to the economy for the locality in
4 which such project is located or specific to
5 project, including the total number of family
6 units in the project, shall be considered.

7 Not later than 90 days after the date of enactment
8 of this paragraph, the Secretary shall issue regula-
9 tions to implement this paragraph, which shall in-
10 clude any standards, training requirements, and
11 remedies and penalties that the Secretary considers
12 appropriate.

13 “(3) TRANSFER FEES.—Notwithstanding any
14 other law, regulation, or guideline of the Secretary,
15 including chapter 1.8.8 of the Condominium Project
16 Approval and Processing Guide of the Federal Hous-
17 ing Administration and section 203.41 title 24, Code
18 of Federal Regulations, existing standards of the
19 Federal Housing Finance Agency relating to encum-
20 brances under private transfer fee covenants shall
21 apply to the insurance of mortgages by the Secretary
22 under this section to the same extent and in the
23 same manner that such standards apply to the pur-
24 chasing, investing in, and otherwise dealing in mort-
25 gages by the Federal National Mortgage Association

1 and the Federal Home Loan Mortgage Corporation.
2 If the provisions of part 1228 of title 12, Code of
3 Federal Regulations, are amended or otherwise
4 changed after the date of enactment of this para-
5 graph, the Secretary shall adopt any such amend-
6 ments or changes for purposes of this paragraph,
7 unless the Secretary causes to be published in the
8 Federal Register a notice explaining why the Sec-
9 retary will disregard such amendments or changes
10 within 90 days after the effective date of such
11 amendments or changes.

12 “(4) OWNER-OCCUPANCY REQUIREMENT.—

13 “(A) ESTABLISHMENT OF PERCENTAGE
14 REQUIREMENT.—Not later than 90 days after
15 the date of enactment of this paragraph, the
16 Secretary shall, by rule, notice, or mortgagee
17 letter, issue guidance regarding the percentage
18 of units that must be occupied by the owners as
19 a principal residence or a secondary residence
20 (as such terms are defined by the Secretary), or
21 must have been sold to owners who intend to
22 meet such occupancy requirements, including
23 justifications for the percentage requirements,
24 in order for a condominium project to be ac-
25 ceptable to the Secretary for insurance under

1 this section of a mortgage within such condo-
2 minium property.

3 “(B) FAILURE TO ACT.—If the Secretary
4 fails to issue the guidance required under sub-
5 paragraph (A) before the expiration of the 90-
6 day period specified in such subparagraph, the
7 following provisions shall apply:

8 “(i) 35-PERCENT REQUIREMENT.—In
9 order for a condominium project to be ac-
10 ceptable to the Secretary for insurance
11 under this section, at least 35 percent of
12 all family units (including units not cov-
13 ered by mortgages insured by the Federal
14 Housing Administration) must be occupied
15 by the owners as a principal residence or
16 a secondary residence (as such terms are
17 defined by the Secretary), or must have
18 been sold to owners who intend to meet
19 such occupancy requirement.

20 “(ii) OTHER CONSIDERATIONS.—The
21 Secretary may increase the percentage ap-
22 plicable pursuant to clause (i) to a condo-
23 minium project on a project-by-project or
24 regional basis, and in determining such
25 percentage for a project shall consider fac-

1 tors relating to the economy for the local-
 2 ity in which such project is located or spe-
 3 cific to project, including the total number
 4 of family units in the project.”.

5 **TITLE IV—HOUSING REFORMS**
 6 **FOR THE HOMELESS AND FOR**
 7 **VETERANS**

8 **SEC. 401. DEFINITION OF GEOGRAPHIC AREA FOR CON-**
 9 **TINUUM OF CARE PROGRAM.**

10 (a) DEFINITION.—Subtitle C of title IV of the
 11 McKinney-Vento Homeless Assistance Act (42 U.S.C.
 12 11360 et seq.) is amended—

13 (1) by redesignating sections 432 and 433 (42
 14 U.S.C. 11387 and 11388) as sections 433 and 434,
 15 respectively; and

16 (2) by inserting after section 431 (42 U.S.C.
 17 11386e) the following:

18 **“SEC. 432. GEOGRAPHIC AREAS.**

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

22 “(b) ISSUANCE OF NOTICE.—Not later than 90 days
 23 after the date of enactment of the Housing Opportunity
 24 Through Modernization Act of 2016, the Secretary shall

1 issue a notice setting forth the definition required by sub-
 2 section (a).”.

3 (b) CLERICAL AMENDMENT.—The table of contents
 4 in section 101(b) of the McKinney-Vento Homeless Assist-
 5 ance Act (42 U.S.C. 11301 note) is amended by striking
 6 the items relating to sections 432 and 433 and inserting
 7 the following:

“Sec. 432. Geographic areas.

“Sec. 433. Regulations.

“Sec. 434. Reports to Congress.”.

8 **SEC. 402. INCLUSION OF PUBLIC HOUSING AGENCIES AND**
 9 **LOCAL REDEVELOPMENT AUTHORITIES IN**
 10 **EMERGENCY SOLUTIONS GRANTS.**

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

13 (1) in the subsection heading, by inserting “,
 14 PUBLIC HOUSING AGENCIES, AND LOCAL REDEVEL-
 15 OPMENT AUTHORITIES” after “ORGANIZATIONS”;
 16 and

17 (2) in the first sentence, by inserting before the
 18 period at the end the following: “, to public housing
 19 agencies (as defined under section 3(b)(6) of the
 20 United States Housing Act of 1937 (42 U.S.C.
 21 1437a(b)(6))), or to local redevelopment authorities
 22 (as defined under State law)”.

1 **SEC. 403. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN**
2 **THE DEPARTMENT OF HOUSING AND URBAN**
3 **DEVELOPMENT.**

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

8 “(h) SPECIAL ASSISTANT FOR VETERANS AF-
9 FAIRS.—

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

13 “(2) APPOINTMENT.—The Special Assistant for
14 Veterans Affairs shall be appointed based solely on
15 merit and shall be covered under the provisions of
16 title 5, United States Code, governing appointments
17 in the competitive service.

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

20 “(A) ensuring veterans have fair access to
21 housing and homeless assistance under each
22 program of the Department providing either
23 such assistance;

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

1 “(C) serving as a liaison for the Depart-
2 ment with the Department of Veterans Affairs,
3 including establishing and maintaining relation-
4 ships with the Secretary of Veterans Affairs;

5 “(D) serving as a liaison for the Depart-
6 ment, and establishing and maintaining rela-
7 tionships with the United States Interagency
8 Council on Homelessness and officials of State,
9 local, regional, and nongovernmental organiza-
10 tions concerned with veterans;

11 “(E) providing information and advice re-
12 garding—

13 “(i) sponsoring housing projects for
14 veterans assisted under programs adminis-
15 tered by the Department; or

16 “(ii) assisting veterans in obtaining
17 housing or homeless assistance under pro-
18 grams administered by the Department;

19 “(F) coordinating with the Secretary of
20 Housing and Urban Development and the Sec-
21 retary of Veterans Affairs in carrying out sec-
22 tion 404 of the Housing Opportunity Through
23 Modernization Act of 2016;

24 “(G) collaborating with the Department of
25 Veterans Affairs on making joint recommenda-

tions to Congress, the Secretary, and the Secretary of Veterans Affairs on how to better coordinate and improve services to veterans under both Department and Department of Veteran Affairs veterans housing programs, including ways to improve the Independent Living Program of the Department of Veteran Affairs; and

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

(b) TRANSFER OF POSITION IN OFFICE OF DEPUTY ASSISTANT SECRETARY FOR SPECIAL NEEDS.—On the date that the initial Special Assistant for Veterans Affairs is appointed pursuant to section 4(h)(2) of the Department of Housing and Urban Development Act, as added by subsection (a) of this section, the position of Special Assistant for Veterans Programs in the Office of the Deputy Assistant Secretary for Special Needs of the Department of Housing and Urban Development shall be terminated.

SEC. 404. ANNUAL SUPPLEMENTAL REPORT ON VETERANS HOMELESSNESS.

(a) IN GENERAL.—The Secretary of Housing and Urban Development and the Secretary of Veterans Af-

1 fairs, in coordination with the United States Interagency
2 Council on Homelessness, shall submit annually to the
3 Committees of the Congress specified in subsection (b),
4 together with the annual reports required by such Secre-
5 taries under section 203(c)(1) of the McKinney-Vento
6 Homeless Assistance Act (42 U.S.C. 11313(c)(1)), a sup-
7 plemental report that includes the following information
8 with respect to the preceding year:

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

16 (2) Information regarding the activities of the
17 Department of Housing and Urban Development re-
18 lating to veterans during such preceding year, as fol-
19 lows:

20 (A) The number of veterans provided as-
21 sistance under the housing choice voucher pro-
22 gram for Veterans Affairs supported housing
23 under section 8(o)(19) of the United States
24 Housing Act of 1937 (42 U.S.C. 1437f(o)(19)),
25 the socioeconomic characteristics of such home-

1 less veterans, and the number, types, and loca-
2 tions of entities contracted under such section
3 to administer the vouchers.

4 (B) A summary description of the special
5 considerations made for veterans under public
6 housing agency plans submitted pursuant to
7 section 5A of the United States Housing Act of
8 1937 (42 U.S.C. 1437c-1) and under com-
9 prehensive housing affordability strategies sub-
10 mitted pursuant to section 105 of the Cranston-
11 Gonzalez National Affordable Housing Act (42
12 U.S.C. 12705).

13 (C) A description of the activities of the
14 Special Assistant for Veterans Affairs of the
15 Department of Housing and Urban Develop-
16 ment.

17 (D) A description of the efforts of the De-
18 partment of Housing and Urban Development
19 and the other members of the United States
20 Interagency Council on Homelessness to coordi-
21 nate the delivery of housing and services to vet-
22 erans.

23 (E) The cost to the Department of Hous-
24 ing and Urban Development of administering
25 the programs and activities relating to veterans.

1 (F) Any other information that the Sec-
2 retary of Housing and Urban Development and
3 the Secretary of Veterans Affairs consider rel-
4 evant in assessing the programs and activities
5 of the Department of Housing and Urban De-
6 velopment relating to veterans.

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

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

11 (2) The Committee on Veterans' Affairs of the
12 Senate.

13 (3) The Committee on Appropriations of the
14 Senate.

15 (4) The Committee on Financial Services of the
16 House of Representatives.

17 (5) The Committee on Veterans' Affairs of the
18 House of Representatives.

19 (6) The Committee on Appropriations of the
20 House of Representatives.

21 **SEC. 405. REOPENING OF PUBLIC COMMENT PERIOD FOR**
22 **CONTINUUM OF CARE PROGRAM REGULA-**
23 **TIONS.**

24 Not later than 30 days after the date of enactment
25 of this Act, the Secretary of Housing and Urban Develop-

1 ment shall re-open the period for public comment regard-
 2 ing the Secretary’s interim rule entitled “Homeless Emer-
 3 gency Assistance and Rapid Transition to Housing: Con-
 4 tinuum of Care Program” (77 Fed. Reg. 45422; July 31,
 5 2012). Upon re-opening, such comment period shall re-
 6 main open for a period of not less than 60 days.

7 **TITLE V—MISCELLANEOUS**

8 **SEC. 501. INCLUSION OF DISASTER HOUSING ASSISTANCE** 9 **PROGRAM IN CERTAIN FRAUD AND ABUSE** 10 **PREVENTION MEASURES.**

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

18 **SEC. 502. ENERGY EFFICIENCY REQUIREMENTS UNDER** 19 **SELF-HELP HOMEOWNERSHIP OPPORTUNITY** 20 **PROGRAM.**

21 Section 11 of the Housing Opportunity Program Ex-
 22 tension Act of 1996 (42 U.S.C. 12805 note) is amended
 23 by inserting after subsection (f) the following:

24 “(g) **ENERGY EFFICIENCY REQUIREMENTS.**—The
 25 Secretary may not require any dwelling developed using

1 amounts from a grant made under this section to meet
 2 any energy efficiency standards other than the standards
 3 applicable at such time pursuant to section 109 of the
 4 Cranston-Gonzalez National Affordable Housing Act (42
 5 U.S.C. 12709) to housing specified in subsection (a) of
 6 such section.”.

7 **SEC. 503. DATA EXCHANGE STANDARDIZATION FOR IM-**
 8 **PROVED INTEROPERABILITY.**

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

12 **“SEC. 37. DATA EXCHANGE STANDARDS FOR IMPROVED**
 13 **INTEROPERABILITY.**

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

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

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

1 “(b) REQUIREMENTS.—The data exchange standards
2 required by subsection (a) shall, to the maximum extent
3 practicable—

4 “(1) incorporate a widely accepted, nonpropri-
5 etary, searchable, computer-readable format, such as
6 the eXtensible Markup Language;

7 “(2) contain interoperable standards developed
8 and maintained by intergovernmental partnerships,
9 such as the National Information Exchange Model;

10 “(3) incorporate interoperable standards devel-
11 oped and maintained by Federal entities with au-
12 thority over contracting and financial assistance;

13 “(4) be consistent with and implement applica-
14 ble accounting principles;

15 “(5) be implemented in a manner that is cost-
16 effective and improves program efficiency and effec-
17 tiveness; and

18 “(6) be capable of being continually upgraded
19 as necessary.

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

24 (b) APPLICABILITY.—

1 (1) IN GENERAL.—Not later than 2 years after
 2 the date of enactment of this Act, the Secretary of
 3 Housing and Urban Development shall issue a pro-
 4 posed rule to carry out the amendments made by
 5 subsection (a).

6 (2) REQUIREMENTS.—The rule described in
 7 paragraph (1) shall—

8 (A) identify federally required data ex-
 9 changes;

10 (B) include specification and timing of ex-
 11 changes to be standardized;

12 (C) address the factors used in deter-
 13 mining whether and when to standardize data
 14 exchanges;

15 (D) specify State implementation options;
 16 and

17 (E) describe future milestones.

18 **TITLE VI—REPORTS**

19 **SEC. 601. REPORT ON INTERAGENCY FAMILY ECONOMIC** 20 **EMPOWERMENT STRATEGIES.**

21 The Secretary of Housing and Urban Development,
 22 in consultation with the Secretary of Labor, shall submit
 23 to Congress an annual report that describes—

24 (1) any interagency strategies of such Depart-
 25 ments that are designed to improve family economic

1 empowerment by linking housing assistance with es-
 2 sential supportive services, such as employment
 3 counseling and training, financial education and
 4 growth, childcare, transportation, meals, youth rec-
 5 reational activities, and other supportive services;
 6 and

7 (2) any actions taken in the preceding year to
 8 carry out such strategies and the extent of progress
 9 achieved by such actions.

10 **TITLE VII—HOUSING OPPORTU-** 11 **NITIES FOR PERSONS WITH** 12 **AIDS**

13 **SEC. 701. FORMULA AND TERMS FOR ALLOCATIONS TO** 14 **PREVENT HOMELESSNESS FOR INDIVIDUALS** 15 **LIVING WITH HIV OR AIDS.**

16 (a) IN GENERAL.—Section 854(c) of the AIDS Hous-
 17 ing Opportunity Act (42 U.S.C. 12903(c)) is amended
 18 by—

19 (1) redesignating paragraph (3) as paragraph
 20 (5); and

21 (2) striking paragraphs (1) and (2) and insert-
 22 ing the following:

23 “(1) ALLOCATION OF RESOURCES.—

24 “(A) ALLOCATION FORMULA.—The Sec-
 25 retary shall allocate 90 percent of the amount

1 approved in appropriations Acts under section
2 863 among States and metropolitan statistical
3 areas as follows:

4 “(i) 75 percent of such amounts
5 among—

6 “(I) cities that are the most pop-
7 ular unit of general local government
8 in a metropolitan statistical area with
9 a population greater than 500,000, as
10 determined on the basis of the most
11 recent census, and with more than
12 2,000 individuals living with HIV or
13 AIDS, using the data specified in sub-
14 paragraph (B); and

15 “(II) States with more than
16 2,000 individuals living with HIV or
17 AIDS outside of metropolitan statis-
18 tical areas.

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

23 “(B) SOURCE OF DATA.—For purposes of
24 allocating amounts under this paragraph for
25 any fiscal year, the number of individuals living

1 with HIV or AIDS shall be the number of such
 2 individuals as confirmed by the Director of the
 3 Centers for Disease Control and Prevention, as
 4 of December 31 of the most recent calendar
 5 year for which such data is available.

6 “(C) ALLOCATION METHOD.—For pur-
 7 poses of allocating amounts under subpara-
 8 graph (A)(ii), the Secretary shall develop a
 9 method that accounts for—

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

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

23 “(2) MAINTAINING GRANTS.—

24 “(A) CONTINUED ELIGIBILITY OF FISCAL
 25 YEAR 2016 GRANTEES.—A grantee that received

1 an allocation in fiscal year 2016 shall continue
2 to be eligible for allocations under paragraph
3 (1) in subsequent fiscal years, subject to—

4 “(i) the amounts available from ap-
5 propriations Acts under section 863;

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

10 “(iii) the requirements of subpara-
11 graph (C).

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

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

23 “(D) ADJUSTMENT TO GRANTS.—For each
24 of fiscal years 2017, 2018, 2019, 2020, and
25 2021, the Secretary shall ensure that a grantee

1 that received an allocation in the prior fiscal
2 year does not receive an allocation that is 5 per-
3 cent less than or 10 percent greater than the
4 amount allocated to such grantee in the pre-
5 ceding fiscal year.

6 “(3) ALTERNATIVE GRANTEES.—

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

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

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

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

1 “(B) RENEWAL.—An agreement approved
2 pursuant to subparagraph (A) may be renewed
3 by the parties with the approval of the Sec-
4 retary.

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

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

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

1 “(i) to eligible metropolitan statistical
 2 areas within the State on a pro rata basis;
 3 or

4 “(ii) if there is no eligible metropoli-
 5 tan statistical areas within a State, to met-
 6 ropolitan cities and urban counties within
 7 the State that are eligible for grant under
 8 section 106 of the Housing and Commu-
 9 nity Development Act of 1974 (42 U.S.C.
 10 5306), on a pro rata basis.

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

14 “(C) If the Secretary is unable to make a
 15 reallocation under subparagraph (A) or (B), the
 16 Secretary shall make such funds available on a
 17 pro rata basis under the formula in paragraph
 18 (1)(A).”.

19 (b) AMENDMENT TO DEFINITIONS.—Section 853 of
 20 the AIDS Housing Opportunity Act (42 U.S.C. 12902)
 21 is amended—

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

24 (2) by adding at the end the following:

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

3 “(16) The term ‘individuals living with HIV or
4 AIDS’ means, with respect to the counting of cases
5 in a geographic area during a period of time, the
6 sum of—

7 “(A) the number of living non-AIDS cases
8 of HIV in the area; and

9 “(B) the number of living cases of AIDS
10 in the area.”.

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