115TH CONGRESS
2d Session
HOUSE OF REPRESENTATIVES
REPORT
115–591

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION REAUTHORIZATION ACT OF 2017

MARCH 8, 2018.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

Mr. HENSARLING, from the Committee on Financial Services, submitted the following

R E P O R T

together with

MINORITY VIEWS

[To accompany H.R. 3864]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 3864) to reauthorize the Native American Housing Assistance and Self-Determination Act of 1996, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill as amended do pass.

The amendment is as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Native American Housing Assistance and Self-Determination Reauthorization Act of 2017".

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

Sec. 1. Short title; table of contents.
Sec. 2. References.

TITLE I—BLOCK GRANTS AND GRANT REQUIREMENTS

Sec. 101. Block grants.
Sec. 102. Recommendations regarding exceptions to annual Indian housing plan requirement.
Sec. 103. Environmental review.
Sec. 104. Deadline for action on request for approval regarding exceeding TDC maximum cost for project.

TITLE II—AFFORDABLE HOUSING ACTIVITIES

Sec. 201. National objectives and eligible families.
Sec. 202. Program requirements.
Sec. 203. Homeownership or lease-to-own low-income requirement and income targeting.
Sec. 204. Lease requirements and tenant selection.
Sec. 205. Tribal coordination of agency funding.

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TITLE III—ALLOCATION OF GRANT AMOUNTS

Sec. 301. Authorization of appropriations.
Sec. 302. Effect of undisbursed block grant amounts on annual allocations.

TITLE IV—AUDITS AND REPORTS

Sec. 401. Review and audit by Secretary.
Sec. 402. Reports to Congress.

TITLE V—OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

Sec. 501. HUD–Veterans Affairs supportive housing program for Native American veterans.
Sec. 502. Loan guarantees for Indian housing.

TITLE VI—MISCELLANEOUS

Sec. 601. Lands Title Report Commission.
Sec. 602. Leasehold interest in trust or restricted lands for housing purposes.
Sec. 603. Clerical amendment.

TITLE VII—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

Sec. 701. Demonstration program.
Sec. 702. Clerical amendments.

SEC. 2. REFERENCES.

Except as otherwise expressly provided, wherever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

TITLE I—BLOCK GRANTS AND GRANT REQUIREMENTS

SEC. 101. BLOCK GRANTS.

Section 101 (25 U.S.C. 4111) is amended—

(1) in subsection (c), by adding after the period at the end the following: "The Secretary shall act upon a waiver request submitted under this subsection by a recipient within 60 days after receipt of such request."; and

(2) in subsection (k), by striking "1" and inserting "an".

SEC. 102. RECOMMENDATIONS REGARDING EXCEPTIONS TO ANNUAL INDIAN HOUSING PLAN REQUIREMENT.

Not later than the expiration of the 120-day period beginning on the date of the enactment of this Act and after consultation with Indian tribes, tribally designated housing entities, and other interested parties, the Secretary of Housing and Urban Development shall submit to the Congress recommendations for standards and procedures for waiver of, or alternative requirements (which may include multi-year housing plans) for, the requirement under section 102(a) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4112(a)) for annual submission of one-year housing plans for an Indian tribe. Such recommendations shall include a description of any legislative and regulatory changes necessary to implement such recommendations.

SEC. 103. ENVIRONMENTAL REVIEW.

Section 105 (25 U.S.C. 4115) is amended—

(1) in subsection (d)—

(A) in the matter preceding paragraph (1), by striking "may" and inserting "shall"; and

(B) by adding after and below paragraph (4) the following:

"The Secretary shall act upon a waiver request submitted under this subsection by a recipient within 60 days after receipt of such request."; and

(2) by adding at the end the following new subsection:

"(e) CONSOLIDATION OF ENVIRONMENTAL REVIEW REQUIREMENTS.—If a recipient is using one or more sources of Federal funds in addition to grant amounts under this Act in carrying out a project that qualifies as an affordable housing activity under section 202, such other sources of Federal funds do not exceed 49 percent of the total cost of the project, and the recipient's tribe has assumed all of the responsibilities for environmental review, decisionmaking, and action pursuant to this section, the tribe's compliance with the review requirements under this section and the National Environmental Policy Act of 1969 with regard to such project shall be deemed to fully comply with and discharge any applicable environmental review require-

ments that might apply to Federal agencies with respect to the use of such additional Federal funding sources for that project.".

SEC. 104. DEADLINE FOR ACTION ON REQUEST FOR APPROVAL REGARDING EXCEEDING TDC MAXIMUM COST FOR PROJECT.

(a) APPROVAL.—Section 103 (25 U.S.C. 4113) is amended by adding at the end the following new subsection:

"(f) DEADLINE FOR ACTION ON REQUEST TO EXCEED TDC MAXIMUM.—A request for approval by the Secretary of Housing and Urban Development to exceed by more than 10 percent the total development cost maximum cost for a project shall be approved or denied during the 60-day period that begins on the date that the Secretary receives the request.".

(b) DEFINITION.—Section 4 (25 U.S.C. 4103) is amended—

(1) by redesignating paragraph (22) as paragraph (23); and

(2) by inserting after paragraph (21) the following new paragraph:

"(22) TOTAL DEVELOPMENT COST.—The term 'total development cost' means, with respect to a housing project, the sum of all costs for the project, including all undertakings necessary for administration, planning, site acquisition, demolition, construction or equipment and financing (including payment of carrying charges), and for otherwise carrying out the development of the project, excluding off-site water and sewer. The total development cost amounts shall be based on a moderately designed house and determined by averaging the current construction costs as listed in not less than two nationally recognized residential construction cost indices.".

TITLE II—AFFORDABLE HOUSING ACTIVITIES

SEC. 201. NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.

The second paragraph (6) of section 201(b) (25 U.S.C. 4131(b)(6); relating to exemption) is amended—

(1) by striking "1964 and" and inserting "1964,"; and

(2) by inserting after "1968" the following: ", and section 3 of the Housing and Urban Development Act of 1968".

SEC. 202. PROGRAM REQUIREMENTS.

Section 203(a) (25 U.S.C. 4133(a)) is amended—

(1) in paragraph (1), by striking "paragraph (2)" and inserting "paragraphs (2) and (3)"; and

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

"(3) APPLICATION OF TRIBAL POLICIES.—Paragraph (2) shall not apply if the recipient has a written policy governing rents and homebuyer payments charged for dwelling units and such policy includes a provision governing maximum rents or homebuyer payments.".

SEC. 203. HOMEOWNERSHIP OR LEASE-TO-OWN LOW-INCOME REQUIREMENT AND INCOME TARGETING.

Section 205 (25 U.S.C. 4135) is amended—

(1) in subsection (a)(1)—

(A) in subparagraph (C), by striking "and" at the end; and

(B) by adding at the end the following new subparagraph:

"(E) notwithstanding any other provision of this paragraph, in the case of rental housing that is made available to a current rental family for conversion to a homebuyer or a lease-purchase unit, that the current rental family can purchase through a contract of sale, lease-purchase agreement, or any other sales agreement, is made available for purchase only by the current rental family, if the rental family was a low-income family at the time of their initial occupancy of such unit; and"; and

(2) in subsection (c), by adding after the period at the end the following: "The provisions of such paragraph regarding binding commitments for the remaining useful life of the property shall not apply to improvements of privately owned homes if the cost of such improvements do not exceed 10 percent of the maximum total development cost for such home.".

SEC. 204. LEASE REQUIREMENTS AND TENANT SELECTION.

Section 207 (25 U.S.C. 4137) is amended by adding at the end the following new subsection:

"(c) NOTICE OF TERMINATION.—Notwithstanding any other provision of law, the owner or manager of rental housing that is assisted in part with amounts provided under this Act and in part with one or more other sources of Federal funds shall

only utilize leases that require a notice period for the termination of the lease pursuant to subsection (a)(3).".

SEC. 205. TRIBAL COORDINATION OF AGENCY FUNDING.

(a) IN GENERAL.—Subtitle A of title II (25 U.S.C. 4131 et seq.) is amended by adding at the end the following new section:

"SEC. 211. TRIBAL COORDINATION OF AGENCY FUNDING.

"Notwithstanding any other provision of law, a recipient authorized to receive funding under this Act may, in its discretion, use funding from the Indian Health Service of the Department of Health and Human Services for construction of sanitation facilities for housing construction and renovation projects that are funded in part by funds provided under this Act.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by inserting after the item relating to section 210 the following new item:

"Sec. 211. Tribal coordination of agency funding.".

TITLE III—ALLOCATION OF GRANT AMOUNTS

SEC. 301. AUTHORIZATION OF APPROPRIATIONS.

The first sentence of section 108 (25 U.S.C. 4117) is amended by striking "such sums as may be necessary for each of fiscal years 2009 through 2013" and inserting "$650,000,000 for each of fiscal years 2018 through 2022".

SEC. 302. EFFECT OF UNDISBURSED BLOCK GRANT AMOUNTS ON ANNUAL ALLOCATIONS.

(a) IN GENERAL.—Title III (25 U.S.C. 4151 et seq.) is amended by adding at the end the following new section:

"SEC. 303. EFFECT OF UNDISBURSED GRANT AMOUNTS ON ANNUAL ALLOCATIONS.

"(a) NOTIFICATION OF OBLIGATED, UNDISBURSED GRANT AMOUNTS.—Subject to subsection (d) of this section, if as of January 1, 2018, or any year thereafter a recipient's total amount of undisbursed block grants in the Department's line of credit control system is greater than three times the formula allocation such recipient would otherwise receive under this Act for the fiscal year during which such January 1 occurs, the Secretary shall—

"(1) before January 31 of such year, notify the Indian tribe allocated the grant amounts and any tribally designated housing entity for the tribe of the undisbursed funds; and

"(2) require the recipient for the tribe to, not later than 30 days after the Secretary provides notification pursuant to paragraph (1)—

"(A) notify the Secretary in writing of the reasons why the recipient has not requested the disbursement of such amounts; and

"(B) demonstrate to the satisfaction of the Secretary that the recipient has the capacity to spend Federal funds in an effective manner, which demonstration may include evidence of the timely expenditure of amounts previously distributed under this Act to the recipient.

"(b) ALLOCATION AMOUNT.—Notwithstanding sections 301 and 302, the allocation for such fiscal year for a recipient described in subsection (a) shall be the amount initially calculated according to the formula minus the difference between the recipient's total amount of undisbursed block grants in the Department's line of credit control system on such January 1 and three times the initial formula amount for such fiscal year.

"(c) REALLOCATION.—Notwithstanding any other provision of law, any grant amounts not allocated to a recipient pursuant to subsection (b) shall be allocated under the need component of the formula proportionately amount all other Indian tribes not subject to such an adjustment.

"(d) INAPPLICABILITY.—Subsections (a) and (b) shall not apply to an Indian tribe with respect to any fiscal year for which the amount allocated for the tribe for block grants under this Act is less than $5,000,000.

"(e) EFFECTIVENESS.—This section shall not require the issuance of any regulation to take effect and shall not be construed to confer hearing rights under this or any other section of this Act.".

(b) CLERICAL AMENDMENT.—The table of contents in section 1(b) is amended by inserting after the item relating to section 302 the following new item:

"Sec. 303. Effect of undisbursed grant amounts on annual allocations.".

TITLE IV—AUDITS AND REPORTS

SEC. 401. REVIEW AND AUDIT BY SECRETARY.

Section 405(c) (25 U.S.C. 4165(c)) is amended, by adding at the end the following new paragraph:

"(3) ISSUANCE OF FINAL REPORT.—The Secretary shall issue a final report within 60 days after receiving comments under paragraph (1) from a recipient.".

SEC. 402. REPORTS TO CONGRESS.

Section 407 (25 U.S.C. 4167) is amended—

(1) in subsection (a), by striking "Congress" and inserting "Committee on Financial Services and the Committee on Natural Resources of the House of Representatives, to the Committee on Indian Affairs and the Committee on Banking, Housing, and Urban Affairs of the Senate, and to any subcommittees of such committees having jurisdiction with respect to Native American and Alaska Native affairs,"; and

(2) by adding at the end the following new subsection:

"(c) PUBLIC AVAILABILITY TO RECIPIENTS.—Each report submitted pursuant to subsection (a) shall be made publicly available to recipients.".

TITLE V—OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

SEC. 501. HUD–VETERANS AFFAIRS SUPPORTIVE HOUSING PROGRAM FOR NATIVE AMERICAN VETERANS.

Paragraph (19) of section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(19)) is amended by adding at the end the following new subparagraph:

"(D) NATIVE AMERICAN VETERANS.—

"(i) AUTHORITY.—Of the funds made available for rental assistance under this paragraph for fiscal year 2018 and each fiscal year thereafter, the Secretary shall set aside 5 percent for a supported housing and rental assistance program modeled on the HUD–Veterans Affairs Supportive Housing (HUD–VASH) program, to be administered in conjunction with the Department of Veterans Affairs, for the benefit of homeless Native American veterans and veterans at risk of homelessness.

"(ii) RECIPIENTS.—Such rental assistance shall be made available to recipients eligible to receive block grants under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

"(iii) FUNDING CRITERIA.—Funds shall be awarded based on need, administrative capacity, and any other funding criteria established by the Secretary in a notice published in the Federal Register, after consultation with the Secretary of Veterans Affairs, by a date sufficient to provide for implementation of the program under this subparagraph in accordance with clause (i).

"(iv) PROGRAM REQUIREMENTS.—

"(I) ADMINISTRATION.—Such funds shall be administered by block grant recipients in accordance with program requirements under the Native American Housing Assistance and Self-Determination Act of 1996 in lieu of program requirements under this Act.

"(II) AVAILABLE HOUSING.—Rental assistance made available under this subparagraph may be used for dwelling units owned, operated, or assisted with by a recipient of a block grant under this Act or a tribally designated housing entity.

"(v) WAIVER.—The Secretary may waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this subparagraph, but only upon a finding by the Secretary that such waiver or alternative requirement is necessary to promote administrative efficiency, eliminate delay, consolidate or eliminate duplicative or ineffective requirements or criteria, or otherwise provide for the effective delivery and administration of such supportive housing assistance to Native American veterans.

"(vi) CONSULTATION.—The Secretary and the Secretary of Veterans Affairs shall jointly consult with block grant recipients and any other appropriate tribal organizations to—

"(I) ensure that block grant recipients administering funds made available under the program under this subparagraph are able to effectively coordinate with providers of supportive services provided in connection with such program; and

"(II) ensure the effective delivery of supportive services to Native American veterans that are homeless or at risk of homelessness eligible to receive assistance under this subparagraph.

Consultation pursuant to this clause shall be completed by a date sufficient to provide for implementation of the program under this subparagraph in accordance with clause (i).

"(vii) NOTICE.—The Secretary shall establish the requirements and criteria for the supported housing and rental assistance program under this subparagraph by notice published in the Federal Register, but shall provide Indian tribes and tribally designated housing agencies an opportunity for comment and consultation before publication of a final notice pursuant to this clause.".

SEC. 502. LOAN GUARANTEES FOR INDIAN HOUSING.

Section 184(i)(5) of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z–13a(i)(5)) is amended—

(1) in subparagraph (B), by inserting after the period at the end of the first sentence the following: "There are authorized to be appropriated for such costs $12,200,000 for each of fiscal years 2018 through 2022."; and

(2) in subparagraph (C)—

(A) by striking "2008 through 2012" and inserting "2018 through 2022"; and

(B) by striking "such amount as may be provided in appropriation Acts for" and inserting "$976,000,000 for each".

TITLE VI—MISCELLANEOUS

SEC. 601. LANDS TITLE REPORT COMMISSION.

Section 501 of the American Homeownership and Economic Opportunity Act of 2000 (25 U.S.C. 4043 note) is amended—

(1) in subsection (a), by striking "Subject to sums being provided in advance in appropriations Acts, there" and inserting "There"; and

(2) in subsection (b)(1) by striking "this Act" and inserting "the Native American Housing Assistance and Self-Determination Reauthorization Act of 2017".

SEC. 602. LEASEHOLD INTEREST IN TRUST OR RESTRICTED LANDS FOR HOUSING PURPOSES.

Section 702 (25 U.S.C. 4211) is amended—

(1) in subsection (c)(1), by inserting ", whether enacted before, on, or after the date of the enactment of this section" after "law"; and

(2) by striking "50 years" each place such term appears and inserting "99 years".

SEC. 603. CLERICAL AMENDMENT.

The table of contents in section 1(b) is amended by striking the item relating to section 206 (treatment of funds).

TITLE VII—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

SEC. 701. DEMONSTRATION PROGRAM.

The Act (25 U.S.C. 4101 et seq.) is amended by adding at the end the following new title:

"TITLE IX—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

"SEC. 901. AUTHORITY.

"(a) IN GENERAL.—In addition to any other authority provided in this Act for the construction, development, maintenance, and operation of housing for Indian families, the Secretary shall provide the participating tribes having final plans approved pursuant to section 905 with the authority to exercise the activities provided under this title and such plan for the acquisition and development of housing to meet the needs of tribal members.

"(b) INAPPLICABILITY OF NAHASDA PROVISIONS.—Except as specifically provided otherwise in this title, titles I through IV, VI, and VII shall not apply to a participating tribe's use of funds during any period that the tribe is participating in the demonstration program under this title.

"(c) CONTINUED APPLICABILITY OF CERTAIN NAHASDA PROVISIONS.—The following provisions of titles I through VIII shall apply to the demonstration program under this title and amounts made available under the demonstration program under this title:

"(1) Subsections (d) and (e) of section 101 (relating to tax exemption).

"(2) Section 101(j) (relating to Federal supply sources).

"(3) Section 101(k) (relating to tribal preference in employment and contracting).

"(4) Section 104 (relating to treatment of program income and labor standards).

"(5) Section 105 (relating to environmental review).

"(6) Section 201(b) (relating to eligible families), except as otherwise provided in this title.

"(7) Section 203(g) (relating to a de minimis exemption for procurement of goods and services).

"(8) Section 702 (relating to 99-year leasehold interests in trust or restricted lands for housing purposes).

"SEC. 902. PARTICIPATING TRIBES.

"(a) REQUEST TO PARTICIPATE.—To be eligible to participate in the demonstration program under this title, an Indian tribe shall submit to the Secretary a notice of intention to participate during the 60-day period beginning on the date of the enactment of this title, in such form and such manner as the Secretary shall provide.

"(b) COOPERATIVE AGREEMENT.—Upon approval under section 905 of the final plan of an Indian tribe for participation in the demonstration program under this title, the Secretary shall enter into a cooperative agreement with the participating tribe that provides such tribe with the authority to carry out activities under the demonstration program.

"(c) LIMITATION.—The Secretary may not approve more than 20 Indian tribes for participation in the demonstration program under this title.

"SEC. 903. REQUEST FOR QUOTES AND SELECTION OF INVESTOR PARTNER.

"(a) REQUEST FOR QUOTES.—Not later than the expiration of the 180-day period beginning upon notification to the Secretary by an Indian tribe of intention to participate in the demonstration program under this title, the Indian tribe shall—

"(1) obtain assistance from a qualified entity in assessing the housing needs, including the affordable housing needs, of the tribe; and

"(2) release a request for quotations from entities interested in partnering with the tribe in designing and carrying out housing activities sufficient to meet the tribe's housing needs as identified pursuant to paragraph (1).

"(b) SELECTION OF INVESTOR PARTNER.—

"(1) IN GENERAL.—Except as provided in paragraph (2), not later than the expiration of the 18-month period beginning on the date of the enactment of this title, an Indian tribe requesting to participate in the demonstration program under this title shall—

"(A) select an investor partner from among the entities that have responded to the tribe's request for quotations; and

"(B) together with such investor partner, establish and submit to the Secretary a final plan that meets the requirements under section 904.

"(2) EXCEPTIONS.—The Secretary may extend the period under paragraph (1) for any tribe that—

"(A) has not received any satisfactory quotation in response to its request released pursuant to subsection (a)(2); or

"(B) has any other satisfactory reason, as determined by the Secretary, for failure to select an investor partner.

"SEC. 904. FINAL PLAN.

"A final plan under this section shall—

"(1) be developed by the participating tribe and the investor partner for the tribe selected pursuant to section 903(b)(1)(A);

"(2) identify the qualified entity that assisted the tribe in assessing the housing needs of the tribe;

"(3) set forth a detailed description of such projected housing needs, including affordable housing needs, of the tribe, which shall include—

"(A) a description of such need over the ensuing 24 months and thereafter until the expiration of the ensuing 5-year period or until the affordable housing need is met, whichever occurs sooner; and

"(B) the same information that would be required under section 102 to be included in an Indian housing plan for the tribe, as such requirements may be modified by the Secretary to take consideration of the requirements of the demonstration program under this title;

"(4) provide for specific housing activities sufficient to meet the tribe's housing needs, including affordable housing needs, as identified pursuant to paragraph (3) within the periods referred to such paragraph, which shall include—

"(A) development of affordable housing (as such term is defined in section 4 of this Act (25 U.S.C. 4103));

"(B) development of conventional homes for rental, lease-to-own, or sale, which may be combined with affordable housing developed pursuant to subparagraph (A);

"(C) development of housing infrastructure, including housing infrastructure sufficient to serve affordable housing developed under the plan; and

"(D) investments by the investor partner for the tribe, the participating tribe, members of the participating tribe, and financial institutions and other outside investors necessary to provide financing for the development of housing under the plan and for mortgages for tribal members purchasing such housing;

"(5) provide that the participating tribe will agree to provide long-term leases to tribal members sufficient for lease-to-own arrangements for, and sale of, the housing developed pursuant to paragraph (4);

"(6) provide that the participating tribe—

"(A) will be liable for delinquencies under mortgage agreements for housing developed under the plan that are financed under the plan and entered into by tribal members; and

"(B) shall, upon foreclosure under such mortgages, take possession of such housing and have the responsibility for making such housing available to other tribal members;

"(7) provide for sufficient protections, in the determination of the Secretary, to ensure that the tribe and the Federal Government are not liable for the acts of the investor partner or of any contractors;

"(8) provide that the participating tribe shall have sole final approval of design and location of housing developed under the plan;

"(9) set forth specific deadlines and schedules for activities to be undertaken under the plan and set forth the responsibilities of the participating tribe and the investor partner;

"(10) set forth specific terms and conditions of return on investment by the investor partner and other investors under the plan, and provide that the participating tribe shall pledge grant amounts allocated for the tribe pursuant to title III for such return on investment;

"(11) set forth the terms of a cooperative agreement on the operation and management of the current assistance housing stock and current housing stock for the tribe assisted under the preceding titles of this Act;

"(12) set forth any plans for sale of affordable housing of the participating tribe under section 907 and, if included, plans sufficient to meet the requirements of section 907 regarding meeting future affordable housing needs of the tribe;

"(13) set forth terms for enforcement of the plan, including an agreement regarding jurisdiction of any actions under or to enforce the plan, including a waiver of immunity; and

"(14) include such other information as the participating tribe and investor partner consider appropriate.

"SEC. 905. HUD REVIEW AND APPROVAL OF PLAN.

"(a) IN GENERAL.—Not later than the expiration of the 90-day period beginning upon a submission by an Indian tribe of a final plan under section 904 to the Secretary, the Secretary shall—

"(1) review the plan and the process by which the tribe solicited requests for quotations from investors and selected the investor partner; and

"(2)(A) approve the plan, unless the Secretary determines that—

"(i) the assessment of the tribe's housing needs by the qualified entity, or as set forth in the plan pursuant to section 904(3), is inaccurate or insufficient;

"(ii) the process established by the tribe to solicit requests for quotations and select an investor partner was insufficient or negligent; or

"(iii) the plan is insufficient to meet the housing needs of the tribe, as identified in the plan pursuant to section 904(3);

"(B) approve the plan, on the condition that the participating tribe and the investor make such revisions to the plan as the Secretary may specify as appropriate to meet the needs of the tribe for affordable housing; or

"(C) disapprove the plan, only if the Secretary determines that the plan fails to meet the minimal housing standards and requirements set forth in this Act and the Secretary notifies the tribe of the elements requiring the disapproval.

"(b) ACTION UPON DISAPPROVAL.—

"(1) RE-SUBMISSION OF PLAN.—Subject to paragraph (2), in the case of any disapproval of a final plan of an Indian tribe pursuant to subsection (a)(3), the Secretary shall allow the tribe a period of 180 days from notification to the tribe of such disapproval to re-submit a revised plan for approval.

"(2) LIMITATION.—If the final plan for an Indian tribe is disapproved twice and resubmitted twice pursuant to the authority under paragraph (1) and, upon such second re-submission of the plan the Secretary disapproves the plan, the tribe may not re-submit the plan again and shall be ineligible to participate in the demonstration program under this title.

"(c) TRIBE AUTHORITY OF HOUSING DESIGN AND LOCATION.—The Secretary may not disapprove a final plan under section 904, or condition approval of such a plan, based on the design or location of any housing to be developed or assisted under the plan.

"(d) FAILURE TO NOTIFY.—If the Secretary does not notify a participating tribe submitting a final plan of approval, conditional approval, or disapproval of the plan before the expiration of the period referred to in paragraph (1), the plan shall be considered as approved for all purposes of this title.

"SEC. 906. TREATMENT OF NAHASDA ALLOCATION.

"Amounts otherwise allocated for a participating tribe under title III of this Act (25 U.S.C. 4151 et seq.) shall not be made available to the tribe under titles I through VIII, but shall only be available for the tribe, upon request by the tribe and approval by the Secretary, for the following purposes:

"(1) RETURN ON INVESTMENT.—Such amounts as are pledged by a participating tribe pursuant to section 904(10) for return on the investment made by the investor partner or other investors may be used by the Secretary to ensure such full return on investment.

"(2) ADMINISTRATIVE EXPENSES.—The Secretary may provide to a participating tribe, upon the request of a tribe, not more than 10 percent of any annual allocation made under title III for the tribe during such period for administrative costs of the tribe in completing the processes to carry out sections 903 and 904.

"(3) HOUSING INFRASTRUCTURE COSTS.—A participating tribe may use such amounts for housing infrastructure costs associated with providing affordable housing for the tribe under the final plan.

"(4) MAINTENANCE; TENANT SERVICES.—A participating tribe may use such amounts for maintenance of affordable housing for the tribe and for housing services, housing management services, and crime prevention and safety activities described in paragraphs (3), (4), and (5), respectively, of section 202.

"SEC. 907. RESALE OF AFFORDABLE HOUSING.

"Notwithstanding any other provision of this Act, a participating tribe may, in accordance with the provisions of the final plan of the tribe approved pursuant to section 905, resell any affordable housing developed with assistance made available under this Act for use other than as affordable housing, but only if the tribe provides such assurances as the Secretary determines are appropriate to ensure that—

"(1) the tribe is meeting its need for affordable housing;

"(2) will provide affordable housing in the future sufficient to meet future affordable housing needs; and

"(3) will use any proceeds only to meet such future affordable housing needs or as provided in section 906.

"SEC. 908. REPORTS, AUDITS, AND COMPLIANCE.

"(a) ANNUAL REPORTS BY TRIBE.—Each participating tribe shall submit a report to the Secretary annually regarding the progress of the tribe in complying with, and meeting the deadlines and schedules set forth under the approved final plan for the tribe. Such reports shall contain such information as the Secretary shall require.

"(b) REPORTS TO CONGRESS.—The Secretary shall submit a report to the Congress annually describing the activities and progress of the demonstration program under this title, which shall—

"(1) summarize the information in the reports submitted by participating tribes pursuant to subsection (a);

"(2) identify the number of tribes that have selected an investor partner pursuant to a request for quotations;

"(3) include, for each tribe applying for participating in the demonstration program whose final plan was disapproved under section 905(a)(2)(C), a detailed description and explanation of the reasons for disapproval and all actions taken by the tribe to eliminate the reasons for disapproval, and identify whether the tribe has re-submitted a final plan;

"(4) identify, by participating tribe, any amounts requested and approved for use under section 906; and

"(5) identify any participating tribes that have terminated participation in the demonstration program and the circumstances of such terminations.

"(c) AUDITS.—The Secretary shall provide for audits among participating tribes to ensure that the final plans for such tribes are being implemented and complied with. Such audits shall include on-site visits with participating tribes and requests for documentation appropriate to ensure such compliance.

"SEC. 909. TERMINATION OF TRIBAL PARTICIPATION.

"(a) TERMINATION OF PARTICIPATION.—A participating tribe may terminate participation in the demonstration program under this title at any time, subject to this section.

"(b) EFFECT ON EXISTING OBLIGATIONS.—

"(1) NO AUTOMATIC TERMINATION.—Termination by a participating tribe in the demonstration program under this section shall not terminate any obligations of the tribe under agreements entered into under the demonstration program with the investor partner for the tribe or any other investors or contractors.

"(2) AUTHORITY TO MUTUALLY TERMINATE AGREEMENTS.—Nothing in this title may be construed to prevent a tribe that terminates participation in the demonstration program under this section and any party with which the tribe has entered into an agreement from mutually agreeing to terminate such agreement.

"(c) RECEIPT OF REMAINING GRANT AMOUNTS.—The Secretary shall provide for grants to be made in accordance with, and subject to the requirements of, this Act for any amounts remaining after use pursuant to section 906 from the allocation under title III for a participating tribe that terminates participation in the demonstration program.

"(d) COSTS AND OBLIGATIONS.—The Secretary shall not be liable for any obligations or costs incurred by an Indian tribe during its participation in the demonstration program under this title.

"SEC. 910. FINAL REPORT.

"Not later than the expiration of the 5-year period beginning on the date of the enactment of this title, the Secretary shall submit a final report to the Congress regarding the effectiveness of the demonstration program, which shall include—

"(1) an assessment of the success, under the demonstration program, of participating tribes in meeting their housing needs, including affordable housing needs, on tribal land;

"(2) recommendations for any improvements in the demonstration program; and

"(3) a determination of whether the demonstration should be expanded into a permanent program available for Indian tribes to opt into at any time and, if so, recommendations for such expansion, including any legislative actions necessary to expand the program.

"SEC. 911. DEFINITIONS.

"For purposes of this title, the following definitions shall apply:

"(1) AFFORDABLE HOUSING.—The term 'affordable housing' has the meaning given such term in section 4 (25 U.S.C. 4103).

"(2) HOUSING INFRASTRUCTURE.—The term 'housing infrastructure' means basic facilities, services, systems, and installations necessary or appropriate for the functioning of a housing community, including facilities, services, systems, and installations for water, sewage, power, communications, and transportation.

"(3) LONG-TERM LEASE.—The term 'long-term lease' means an agreement between a participating tribe and a tribal member that authorizes the tribal member to occupy a specific plot of tribal lands for 50 or more years and to request renewal of the agreement at least once.

"(4) PARTICIPATING TRIBES.—The term 'participating tribe' means an Indian tribe for which a final plan under section 904 for participation in the demonstration program under this title has been approved by the Secretary under section 905.

"SEC. 912. NOTICE.

"The Secretary shall establish any requirements and criteria as may be necessary to carry out the demonstration program under this title by notice published in the Federal Register.".

SEC. 702. CLERICAL AMENDMENTS.

The table of contents in section 1(b) is amended by inserting after the item relating to section 705 the following:

"TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

"Sec. 801. Definitions.
"Sec. 802. Block grants for affordable housing activities.
"Sec. 803. Housing plan.
"Sec. 804. Review of plans.
"Sec. 805. Treatment of program income and labor standards.
"Sec. 806. Environmental review.
"Sec. 807. Regulations.
"Sec. 808. Effective date.
"Sec. 809. Affordable housing activities.
"Sec. 810. Eligible affordable housing activities.
"Sec. 811. Program requirements.
"Sec. 812. Types of investments.
"Sec. 813. Low-income requirement and income targeting.
"Sec. 814. Lease requirements and tenant selection.
"Sec. 815. Repayment.
"Sec. 816. Annual allocation.
"Sec. 817. Allocation formula.
"Sec. 818. Remedies for noncompliance.
"Sec. 819. Monitoring of compliance.
"Sec. 820. Performance reports.
"Sec. 821. Review and audit by Secretary.
"Sec. 822. General Accounting Office audits.
"Sec. 823. Reports to Congress.
"Sec. 824. Authorization of appropriations.

"TITLE IX—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

"Sec. 901. Authority.
"Sec. 902. Participating tribes.
"Sec. 903. Request for quotes and selection of investor partner.
"Sec. 904. Final plan.
"Sec. 905. HUD review and approval of plan.
"Sec. 906. Treatment of NAHASDA allocation.
"Sec. 907. Resale of affordable housing.
"Sec. 908. Reports, audits, and compliance.
"Sec. 909. Termination of tribal participation.
"Sec. 910. Final report.
"Sec. 911. Definitions.
"Sec. 912. Notice.".

PURPOSE AND SUMMARY

On September 28, 2017, Representative Steve Pearce introduced H.R. 3864, the "Native American Housing Assistance and Self-Determination Reauthorization Act of 2017". The bill reauthorizes the Native American Housing Assistance Self Determination Act of 1996 (NAHASDA) for five years through 2022 and amends the statute to better address housing needs for Native American tribal governments. H.R. 3864 has three primary objectives: (1) strengthen vital taxpayer protections and tribal accountability by providing the Secretary of Housing and Urban Development (HUD) the authority to recoup unexpended funds; (2) allow for tribes to pursue alternative funding sources by encouraging private investment; and

(3) provide Native American tribal governments with greater efficiencies when deploying NAHASDA funds.

BACKGROUND AND NEED FOR LEGISLATION

A unique relationship exists between the U.S. Government and the governments of Native Americans. Congress, through treaties and statutes, has assumed a trust responsibility for the protection and preservation of Native American tribes and for working with tribes and their members to improve their housing conditions and socioeconomic status so that they are able to take greater responsibility for their own economic condition.

NAHASDA is a federal grant and loan guarantee program that provides affordable housing assistance to Native American tribes. Tribes spend these funds to provide affordable housing assistance for its low-income tribal members living on or near Indian tribal lands or areas. NAHASDA is administered by HUD's Office of Native American Programs (ONAP). Congress first authorized NAHASDA in 1996 to streamline the multiple channels of housing assistance provided to Native Americans by combining several federal housing assistance programs into two: (1) the Indian Housing Block Grant (IHBG) program, which is a formula based grant program; and (2) the Title VI Tribal Housing Activities Loan Guarantee Program, which guarantees private loans to Indian tribes to develop affordable housing. After the passage of its authorization, Congress first funded NAHASDA in 1998 and the annual funding level for NAHASDA is approximately $650 million. NAHASDA's authorization expired September 30, 2013, and it is currently receiving appropriations without authorization.

Prior to NAHASDA, Native American tribes received assistance for affordable housing under various federal programs aimed at providing housing assistance to low-income Native Americans. For example, tribes received housing development and modernization grants, public housing operating subsidies, and Section 8 rental assistance, which were authorized in the 1937 Housing Act. There were no specific provisions in the 1937 Housing Act relating to the unique circumstances of Native Americans living on or near tribal lands, such as the federal government's obligations to Native Americans through treaties and legislation, the relationships between sovereign governments (federal and tribal) with different laws, and the challenges with housing development on trust lands. By combining federal housing assistance, NAHASDA sought to provide Native American tribes greater self-determination and self-governance by allowing them more authority over spending their federal affordable housing funds. With the enactment of NAHASDA, Indian tribes are no longer eligible to receive federal housing assistance under the 1937 Housing Act.

NAHASDA has been amended several times since its enactment. In 2000, Congress added a new title to the law to make Native Hawaiians residing on Hawaiian Home Lands eligible to receive federal assistance. In 2002, Congress reauthorized NAHASDA for five years and added new self-determination measures, expanded eligible activities, and changed the requirements for the use of program income.

In 2008, Congress reauthorized NAHASDA for five years, through October 1, 2013, and incorporated several changes. The

2008 reauthorization modified the Indian Housing Block Grant Program to allow tribes to establish a reserve account of 20 percent of the grants they received for housing activities. Tribes were also given greater discretion over the use of 15 percent or $1 million of their grant, whichever is the lesser amount, for affordable housing activities.

Congress designed NAHASDA to promote development, increase flexibility so that tribes may meet the unique challenges that they face, and provide the self-determination that tribes deserve. The tenets of the tribal self-determination policy, as embodied in NAHASDA, give tribes greater flexibility to determine what types of products and services they offer, how they will deliver programs and projects, and how best to serve tribal members. This approach has worked well to serve the Native American population where geographies, climates, customs, resources, and economic conditions vary widely.

The housing needs of Native Americans living on reservations are extensive. Published by HUD in January 2017, the *Housing Needs of American Indians and Alaska Natives in Tribal Areas* reported the results of a comprehensive, national study of housing needs in Native American communities. The report found that, on average, the physical housing problems for Native American households in tribal areas are more severe than for U.S. household. It documented the immediate needs of new, affordable housing to replace substandard or overcrowded units.

H.R. 3864 does more than reauthorize the program that provides housing for Native Americans across the country. This legislation continues NAHASDA's tradition of transforming housing programs by capturing market efficiencies and the effectiveness of streamlined processes to ultimately achieve prosperity that has been elusive on reservations. This five-year authorization is another Federal subsidy for Native Americans but rather a bridge to assist millions to create better living conditions, improve housing opportunities, and promote prosperity for tribal members.

H.R. 3864 continues to create effective partnerships among the Federal Government, State, tribal, local governments, and private entities that allow the government to accept responsibility to foster the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities. During the markup, the Committee adopted an amendment in the nature of a substitute that removed reauthorization language for HUD's Native Hawaiian program. Given the unique circumstances regarding the Native Hawaiian program, the Committee chose to follow the precedent set during NAHASDA's last reauthorization to consider Native American housing programs separate from Native Hawaiian.

Consistent with the recommendation in HUD's January 2017 report, H.R. 3864 will help tribes enhance their development efforts, and it will better leverage the assistance they receive through the dissemination of successful tribal strategies that meet the urgent housing needs of tribal communities.

HEARINGS

The Committee on Financial Services' Subcommittee on Housing and Insurance held a hearing examining matters relating to H.R. 3864 on July 21, 2017.

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on December 12, 2017, and ordered H.R. 3864 to be reported favorably to the House, as amended, by a recorded vote of 37 yeas to 22 nays (Record vote no. FC–120), a quorum being present. Before the motion to report was offered, the Committee adopted an amendment in the nature of a substitute offered by Mr. Pearce by voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. A motion by Chairman Hensarling to report the bill favorably to the House, as amended, was agreed to by a recorded vote of 37 yeas to 22 nays (Record vote no. FC–120), a quorum being present. An amendment in the nature of a substitute offered by Mr. Pearce was agreed to by voice vote. An amendment to the amendment in the nature of a substitute, as amended by unanimous consent, offered by Ms. Waters was not agreed to by voice vote. An amendment to the amendment in the nature of a substitute offered by Ms. Moore was not agreed to by a recorded vote of 24 yeas to 32 nays (Record vote no. FC–119), a quorum being present.

Record vote no. FC-120

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Hensarling	X			Ms. Maxine Waters (CA)		X	
Mr. McHenry	X			Mrs. Carolyn B. Maloney (NY)		X	
Mr. King	X			Ms. Velázquez		X	
Mr. Royce (CA)	X			Mr. Sherman		X	
Mr. Lucas	X			Mr. Meeks		X	
Mr. Pearce	X			Mr. Capuano		X	
Mr. Posey	X			Mr. Clay			
Mr. Luetkemeyer	X			Mr. Lynch		X	
Mr. Huizenga	X			Mr. David Scott (GA)		X	
Mr. Duffy	X			Mr. Al Green (TX)		X	
Mr. Stivers	X			Mr. Cleaver		X	
Mr. Hultgren	X			Ms. Moore		X	
Mr. Ross	X			Mr. Ellison		X	
Mr. Pittenger	X			Mr. Perlmutter		X	
Mrs. Wagner	X			Mr. Himes		X	
Mr. Barr	X			Mr. Foster		X	
Mr. Rothfus	X			Mr. Kildee		X	
Mr. Messer	X			Mr. Delaney	X		
Mr. Tipton	X			Ms. Sinema	X		
Mr. Williams	X			Mrs. Beatty		X	
Mr. Poliquin	X			Mr. Heck	X		
Mrs. Love	X			Mr. Vargas		X	
Mr. Hill	X			Mr. Gottheimer		X	
Mr. Emmer	X			Mr. Gonzalez (TX)		X	
Mr. Zeldin	X			Mr. Crist		X	
Mr. Trott	X			Mr. Kihuen		X	
Mr. Loudermilk	X						
Mr. Mooney (WV)	X						
Mr. MacArthur	X						
Mr. Davidson	X						
Mr. Budd	X						
Mr. Kustoff (TN)	X						
Ms. Tenney	X						
Mr. Hollingsworth	X						

Record vote no. FC-119

Representative	Yea	Nay	Present	Representative	Yea	Nay	Present
Mr. Hensarling		X		Ms. Maxine Waters (CA)	X		
Mr. McHenry		X		Mrs. Carolyn B. Maloney (NY)	X		
Mr. King		X		Ms. Velázquez			
Mr. Royce (CA)		X		Mr. Sherman	X		
Mr. Lucas		X		Mr. Meeks	X		
Mr. Pearce				Mr. Capuano	X		
Mr. Posey		X		Mr. Clay			
Mr. Luetkemeyer		X		Mr. Lynch	X		
Mr. Huizenga		X		Mr. David Scott (GA)	X		
Mr. Duffy		X		Mr. Al Green (TX)	X		
Mr. Stivers		X		Mr. Cleaver	X		
Mr. Hultgren		X		Ms. Moore	X		
Mr. Ross		X		Mr. Ellison	X		
Mr. Pittenger		X		Mr. Perlmutter	X		
Mrs. Wagner		X		Mr. Himes	X		
Mr. Barr		X		Mr. Foster	X		
Mr. Rothfus		X		Mr. Kildee	X		
Mr. Messer		X		Mr. Delaney	X		
Mr. Tipton				Ms. Sinema	X		
Mr. Williams		X		Mrs. Beatty	X		
Mr. Poliquin		X		Mr. Heck	X		
Mrs. Love		X		Mr. Vargas	X		
Mr. Hill		X		Mr. Gottheimer	X		
Mr. Emmer		X		Mr. Gonzalez (TX)	X		
Mr. Zeldin		X		Mr. Crist	X		
Mr. Trott		X		Mr. Kihuen	X		
Mr. Loudermilk		X					
Mr. Mooney (WV)		X					
Mr. MacArthur		X					
Mr. Davidson		X					
Mr. Budd		X					
Mr. Kustoff (TN)		X					
Ms. Tenney		X					
Mr. Hollingsworth		X					

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the findings and recommendations of the Committee based on oversight activities under clause 2(b)(1) of rule X of the Rules of the House of Representatives, are incorporated in the descriptive portions of this report.

PERFORMANCE GOALS AND OBJECTIVES

With respect to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee advises that the bill contains no measure that authorizes funding, so no statement of general performance goals and objectives for which any measure authorizes funding is required.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATES

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, March 8, 2018.

Hon. JEB HENSARLING, Chairman
Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 3864, the Native American Housing Assistance and Self-Determination Reauthorization Act of 2017.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Elizabeth Cove Delisle.

Sincerely,

KEITH HALL,
Director.

Enclosure.

H.R. 3864—Native American Housing Assistance and Self-Determination Reauthorization Act of 2017

Summary: H.R. 3864 would reauthorize the Native American Housing Block Grant (NAHBG) and loan guarantee programs through fiscal year 2022. In addition, the bill would authorize the Department of Housing and Urban Development (HUD) to make new grants in 2018 under the Tribal HUD–VA Supportive Housing

(Tribal HUD–VASH) program, which is jointly operated by HUD and the Department of Veterans Affairs (VA). CBO estimates that implementing H.R. 3864 would cost about $2.7 billion over the 2018–2022 period, assuming appropriation of the necessary amounts.

Enacting the bill would not affect direct spending or revenues; therefore, pay-as-you-go procedures do not apply.

CBO estimates that enacting H.R. 3864 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

H.R. 3864 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA).

Estimated Cost to the Federal Government: The estimated budgetary effect of H.R. 3864 is shown in the following table. The costs of this legislation fall within budget functions 600 (income security) and 370 (commerce and housing credit).

	By fiscal year, in millions of dollars					
	2018	2019	2020	2021	2022	2018–2022
INCREASES IN SPENDING SUBJECT TO APPROPRIATION						
Native American Housing Block Grants:						
Authorization Level	650	650	650	650	650	3,250
Estimated Outlays	241	462	585	663	715	2,665
Loan Guarantees for Indian Housing:						
Authorization Level	12	12	12	12	12	61
Estimated Outlays	12	12	12	12	12	61
Demonstration Program:						
Estimated Authorization Level	1	1	1	1	1	6
Estimated Outlays	1	1	1	1	1	6
Housing for Native American Veterans:						
Estimated Authorization Level	0	0	0	0	0	0
Estimated Outlays	−2	*	*	1	1	*
Lands Title Report Commission:						
Estimated Authorization Level	1	*	0	0	0	1
Estimated Outlays	1	*	0	0	0	1
Total Changes:						
Estimated Authorization Level	664	664	663	663	663	3,318
Estimated Outlays	253	475	599	677	729	2,732

Components may not sum to totals because of rounding; * = between −$500,000 and $500,000.

Basis of estimate: CBO estimates that implementing H.R. 3864 would cost about $2.7 billion over the next five years, assuming appropriation of the necessary funds. For this estimate, CBO assumes that H.R. 3864 will be enacted near the end of fiscal year 2018 and that appropriated funds will be spent at historical rates for the affected programs.

Native American Housing Block Grants: Section 301 would authorize the appropriation of $650 million annually over the 2018–2022 period for the NAHBG program, which provides funding for tribes to acquire, construct, rehabilitate, or manage affordable housing for Native American families with low incomes. In 2017, the Congress appropriated $654 million for the program. CBO estimates that implementing this section would cost $2.7 billion over the 2018–2022 period.

Loan Guarantees for Indian Housing: Section 502 would authorize the appropriation of a little more than $12 million annually through 2022 to guarantee loans to Native American families and tribes to construct, acquire, or rehabilitate homes located on tribal

land. In 2017, the Congress appropriated $7 million for the program. CBO estimates that implementing this section would cost $61 million over the 2018–2022 period.

Demonstration Program: Section 701 would authorize a demonstration program for tribes to form partnerships with other entities to assess the need for and to develop housing. Tribes could pledge NAHBG funds to provide a return on investment to investors. Using information from HUD about the staff time required to carry out similar programs, CBO estimates that the equivalent of seven employees would be needed each year over the 2018–2022 period to review tribal plans for implementing partnerships, audit compliance with the plans, and report to the Congress on the effectiveness of the demonstration program. Based on average personnel costs of $160,000 per employee and accounting for anticipated inflation, CBO estimates that the personnel costs would be about $6 million over the 2018–2022 period.

Housing for Native American Veterans: The Tribal HUD–VASH program provides rental assistance to Native American veterans who are homeless or at risk of homelessness. Section 501 would require HUD to allocate 5 percent of the funds made available for the HUD–VASH program to the Tribal HUD–VASH program. On an annualized basis, $40 million was appropriated for the HUD–VASH program in 2018; therefore, CBO estimates that HUD would allocate $2 million in 2018 to make new tribal grants. No appropriations are authorized for the underlying HUD–VASH program after 2018, so CBO does not estimate any funding for new grants in those years. Based on information from HUD about the pace of spending in the HUD–VASH and Tribal HUD–VASH programs, CBO estimates that enacting H.R. 3864 would not significantly affect the federal budget.

Lands Title Report Commission: Section 601 would establish a commission to analyze and create a plan to improve the system the Department of the Interior uses for maintaining land ownership records and title documents related to Indian trusts. The commission would consist of 12 members.

Members would serve without pay but would be reimbursed for travel expenses. The bill would authorize the commission to hold hearings, hire staff, and collect information from federal agencies. The commission would submit a final report to the Congress within one year of its initial meeting.

Based on the cost of similar commissions, CBO estimates that implementing section 601 would require about three employees. This estimate reflects the staff time and other resources necessary to convene the commission, support its mission, and prepare the final report. CBO estimates that the total costs would be about $1 million over the 2018–2022 period; that spending would be subject to the availability of appropriated funds.

Pay-As-You-Go considerations: None.

Increase in long-term direct spending and deficits: CBO estimates that enacting H.R. 3864 would not increase net direct spending or on-budget deficits in any of the four consecutive 10-year periods beginning in 2028.

Mandates: H.R. 3864 contains no intergovernmental or private-sector mandates as defined in UMRA. Grants authorized in the bill would benefit tribal governments that participate in housing assist-

ance programs. Any costs those governments bore to comply with grant conditions would be incurred voluntarily.

Estimate prepared by: Federal Costs: Elizabeth Cove Delisle and Jeff LaFave, Mandates: Rachel Austin.

Estimate approved by: H. Samuel Papenfuss, Deputy Assistant Director for Budget Analysis.

FEDERAL MANDATES STATEMENT

This information is provided in accordance with section 423 of the Unfunded Mandates Reform Act of 1995.

The Committee has determined that the bill does not contain Federal mandates on the private sector. The Committee has determined that the bill does not impose a Federal intergovernmental mandate on State, local, or tribal governments.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of the section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

With respect to clause 9 of rule XXI of the Rules of the House of Representatives, the Committee has carefully reviewed the provisions of the bill and states that the provisions of the bill do not contain any congressional earmarks, limited tax benefits, or limited tariff benefits within the meaning of the rule.

DUPLICATION OF FEDERAL PROGRAMS

In compliance with clause 3(c)(5) of rule XIII of the Rules of the House of Representatives, the Committee states that no provision of the bill establishes or reauthorizes: (1) a program of the Federal Government known to be duplicative of another Federal program; (2) a program included in any report from the Government Accountability Office to Congress pursuant to section 21 of Public Law 111–139; or (3) a program related to a program identified in the most recent Catalog of Federal Domestic Assistance, published pursuant to the Federal Program Information Act (Pub. L. No. 95–220, as amended by Pub. L. No. 98–169).

DISCLOSURE OF DIRECTED RULEMAKING

Pursuant to section 3(i) of H. Res. 5, (115th Congress), the following statement is made concerning directed rulemakings: The Committee estimates that the bill requires no directed rulemakings within the meaning of such section.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Section 1. Short title; table of contents

This section cites the short title of H.R. 3864 as the "Native American Housing Assistance and Self-Determination Reauthorization Act of 2017," and includes the bill's table of contents.

Section 2. References

This section clarifies that all amendments contained in this bill refer to the Native American Housing Assistance and Self-Determination Act of 1996, unless otherwise noted.

TITLE I—BLOCK GRANTS AND GRANT REQUIREMENTS

Section 101. Block grants

This section requires the HUD Secretary to act on a Local Cooperation Agreement waiver request within 60 days of its submission by a recipient of funding under the Native American Housing Assistance and Self-Determination Act (NAHASDA).

Section 102. Recommendations regarding exceptions to annual Indian Housing Plan requirement

This section requires the HUD Secretary to study and recommend to Congress standards and procedures to streamline and simplify Indian Housing Plans (IHPs), including recommendations that establish procedures for waiving the IHP or alternative reporting requirements for tribes, such as submitting multi-year IHPs.

Section 103. Environmental review

This section requires the HUD Secretary to consolidate environmental review requirements under a single environmental review when NAHASDA funding is not less than 51 percent of the total federal funding source for the development and the HUD Secretary determines the consolidation is not inconsistent with the goals of the National Environmental Policy Act of 1969; and requires the Secretary to act on environmental review waiver submissions within 60 days of receipt.

Section 104. Deadline for action on request for approval regarding exceeding TDC maximum cost for project

This section establishes a 60-day period in which HUD must act on a recipient's waiver request to exceed the 10 percent maximum of total development cost (TDC); and provides a definition of TDC as it relates to acquiring or rehabilitating affordable housing under NAHASDA.

TITLE II—AFFORDABLE HOUSING ACTIVITIES

Section 201. National objectives and eligible families

This section exempts NAHASDA recipients from section 3 of the Housing and Urban Development Act of 1968.

Section 202. Program requirements

This section removes the requirement that rent charged for a unit equal 30 percent of the tenant's income in instances when the NAHASDA recipient has a written policy governing rents or home-

buyer payments charged for housing units, and such policy does not include a provision governing maximum rents or homebuyer payments.

Section 203. Homeownership or lease-to-own low-income requirement and income targeting

This section clarifies that housing funded by NAHASDA meets the test for "affordable" housing if a family is, at the outset of tenancy, low-income, as defined by the Act, and its income status subsequently changes prior to the family converting its tenancy to homeownership or lease-to-own status; and prohibits a NAHASDA recipient from requiring a binding affordability commitment for any privately owned home that receives property improvements that do not exceed 10 percent of the total development costs for such home.

Section 204. Lease requirements and tenant selection

This section clarifies that the owner or manager of NAHASDA-funded rental housing shall only utilize leases that require a specific notice period prior to the termination of the lease.

Section 205. Tribal coordination of agency funding

This section allows NAHASDA recipients to coordinate funding from the Indian Health Service to construct sanitation facilities for housing construction and renovation projects.

TITLE III—ALLOCATION OF GRANT AMOUNTS

Section 301. Authorization of appropriations

This section authorizes $650 million in appropriations for each of fiscal years 2018–2022 for the NAHASDA program.

Section 302. Effect of undisbursed block grant amounts On annual allocations

This section authorizes the HUD Secretary to recoup unexpended funds that exceed three times a yearly allocation for a NAHASDA recipient, with such identified funds reallocated to other eligible NAHASDA recipients; provides a process by which recipients exceeding the maximum amount of funds have the ability to demonstrate due diligence to the Secretary prior to recoupment; and applies only to those NAHASDA recipients that receive an annual NAHASDA grant of more than $5 million.

TITLE IV—AUDITS AND REPORTS

Section 401. Review and audit by Secretary

This section directs the HUD Secretary to issue a final audit report on a NAHASDA recipient within 60 days after the subject of the audit has had an opportunity to review and comment on the report, as provided by law.

Section 402. Reports to Congress

This section requires the HUD Secretary to provide copies of HUD's statutorily required annual report on progress made in accomplishing the objectives of the Act to the relevant Congressional

Committees of jurisdiction and to make them publicly available to recipients.

TITLE V—OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

Section 501. HUD–Veterans Affairs Supportive Housing Program for Native American veterans

This section authorizes HUD to create a rental assistance program for Native American veterans modeled on the HUD–Veterans Affairs Supportive Housing (HUD–VASH) program; and provides a 5 percent set aside from within the VASH funds for the creation of this program.

Section 502. Loan Guarantees for Indian Housing

This section authorizes $12.2 million in appropriations for each of fiscal years 2018–2022 for the Loan Guarantees for Indian Housing program (also known as the Section 184 program), which will support a loan guarantee authority of $976 million.

TITLE VI—MISCELLANEOUS

Section 601. Lands Title Report Commission

This section amends the American Homeownership and Economic Opportunity Act of 2000 by eliminating the requirement that funds in advance of appropriations be provided before the Indian Lands Title Report Commission may become operational.

Section 602. Leasehold interest in trust or restricted lands for housing purposes

This section allows for 99-year leases on tribal lands and grandfathers current leases into the 99-year requirement.

Section 603. Clerical amendment

This section updates the Table of Contents of the Native American Housing Assistance and Self-Determination Act of 1996.

TITLE VII—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

Section 701. Demonstration program

This section creates a new Title IX within NAHASDA, authorizing a demonstration project on greater tribal self-determination and private investment when meeting housing needs.

- *Sec. 901: Authority.* Authorizes additional authority to tribes that participate in the demonstration project and exempts participating tribes from other unrelated provisions of NAHASDA.
- *Sec. 902: Participating Tribes.* Limits the demonstration project to twenty tribes and sets forth eligibility for the program, including a cooperative agreement between the participating tribe and HUD.
- *Sec. 903: Request for Quotes and Selection of Investor Partners.* Sets forth the process by which the participating tribe must show due diligence in selection of an investor group. Included in these steps is an assessment of the housing needs on participating tribes' land.

• *Sec. 904: Final Plan.* Requires participating tribes to provide HUD with a completed proposal for construction of housing needs on tribal land, known as a "Final Plan," and sets forth what must be included within that plan, as well as the requirements that apply to the investor partnering with the tribe.
• *Sec. 905: HUD Review and Approval of Plan.* Sets forth the review and approval process HUD must follow when communicating with participating tribes and requires HUD to provide detailed information to tribes who have had their Final Plans denied or altered.
• *Sec. 906: Treatment of NAHASDA Allocation.* Prescribes that allocations made to tribes in the demonstration project shall be reserved for use in housing infrastructure, administrative expenses, and equity for private investment.
• *Sec. 907: Resale of Affordable Housing.* Authorizes participating tribes to resell any affordable housing developed under this act, so long as the tribe is meeting its affordable housing needs, and has the ability to meet future affordable housing needs.
• *Sec. 908: Reports, Audits, and Compliance.* Requires tribes and HUD to provide annual reports on the progress of the demonstration project and sets forth requirements for HUD audits of participating tribes.
• *Sec. 909: Termination of Tribal Participation.* Allows tribes to withdraw from the demonstration project at any time so long as they maintain any legal agreements with investors that participated under the demonstration project.
• *Sec. 910: Final Report.* Requires a HUD report, five years after enactment, on whether the demonstration project should be expanded into a permanent program.
• *Sec. 911: Definitions.* Provides for various definitions applicable to NAHASDA and this Act.
• *Sec. 912: Notice.* Requires the HUD Secretary to carry out the demonstration project by notice published in the Federal Register.

Section 702. Clerical amendments

This section contains clarifications to the Table of Contents that includes the new demonstration program outlined in Section 701.

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, and existing law in which no change is proposed is shown in roman):

NATIVE AMERICAN HOUSING ASSISTANCE AND SELF-DETERMINATION ACT OF 1996

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Native American Housing Assistance and Self-Determination Act of 1996".

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

Sec. 1. Short title.

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TITLE II—AFFORDABLE HOUSING ACTIVITIES

Subtitle A—General Block Grant Program

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[Sec. 206. Treatment of funds.]

* * * * * * *

Sec. 211. Tribal coordination of agency funding.

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TITLE III—ALLOCATION OF GRANT AMOUNTS

* * * * * * *

Sec. 303. Effect of undisbursed grant amounts on annual allocations.

* * * * * * *

TITLE VIII—HOUSING ASSISTANCE FOR NATIVE HAWAIIANS

Sec. 801. Definitions.
Sec. 802. Block grants for affordable housing activities.
Sec. 803. Housing plan.
Sec. 804. Review of plans.
Sec. 805. Treatment of program income and labor standards.
Sec. 806. Environmental review.
Sec. 807. Regulations.
Sec. 808. Effective date.
Sec. 809. Affordable housing activities.
Sec. 810. Eligible affordable housing activities.
Sec. 811. Program requirements.
Sec. 812. Types of investments.
Sec. 813. Low-income requirement and income targeting.
Sec. 814. Lease requirements and tenant selection.
Sec. 815. Repayment.
Sec. 816. Annual allocation.
Sec. 817. Allocation formula.
Sec. 818. Remedies for noncompliance.
Sec. 819. Monitoring of compliance.
Sec. 820. Performance reports.
Sec. 821. Review and audit by Secretary.
Sec. 822. General Accounting Office audits.
Sec. 823. Reports to Congress.
Sec. 824. Authorization of appropriations.

TITLE IX—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

Sec. 901. Authority.
Sec. 902. Participating tribes.
Sec. 903. Request for quotes and selection of investor partner.
Sec. 904. Final plan.
Sec. 905. HUD review and approval of plan.
Sec. 906. Treatment of NAHASDA allocation.
Sec. 907. Resale of affordable housing.
Sec. 908. Reports, audits, and compliance.
Sec. 909. Termination of tribal participation.
Sec. 910. Final report.

Sec. 911. Definitions.
Sec. 912. Notice.

* * * * * * *

SEC. 4. DEFINITIONS.

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

(1) ADJUSTED INCOME.—The term "adjusted income" means the annual income that remains after excluding the following amounts:

(A) YOUTHS, STUDENTS, AND PERSONS WITH DISABILITIES.—$480 for each member of the family residing in the household (other than the head of the household or the spouse of the head of the household)—

(i) who is under 18 years of age; or

(ii) who is—

(I) 18 years of age or older; and

(II) a person with disabilities or a full-time student.

(B) ELDERLY AND DISABLED FAMILIES.—$400 for an elderly or disabled family.

(C) MEDICAL AND ATTENDANT EXPENSES.—The amount by which 3 percent of the annual income of the family is exceeded by the aggregate of—

(i) medical expenses, in the case of an elderly or disabled family; and

(ii) reasonable attendant care and auxiliary apparatus expenses for each family member who is a person with disabilities, to the extent necessary to enable any member of the family (including a member who is a person with disabilities) to be employed.

(D) CHILD CARE EXPENSES.—Child care expenses, to the extent necessary to enable another member of the family to be employed or to further his or her education.

(E) EARNED INCOME OF MINORS.—The amount of any earned income of any member of the family who is less than 18 years of age.

(F) TRAVEL EXPENSES.—Excessive travel expenses, not to exceed $25 per family per week, for employment- or education-related travel.

(G) OTHER AMOUNTS.—Such other amounts as may be provided in the Indian housing plan for an Indian tribe.

(2) AFFORDABLE HOUSING.—The term "affordable housing" means housing that complies with the requirements for affordable housing under title II. The term includes permanent housing for homeless persons who are persons with disabilities, transitional housing, and single room occupancy housing.

(3) DRUG-RELATED CRIMINAL ACTIVITY.—The term "drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

(4) ELDERLY FAMILIES AND NEAR-ELDERLY FAMILIES.—The terms "elderly family" and "near-elderly family" mean a family whose head (or his or her spouse), or whose sole member, is an elderly person or a near-elderly person, respectively. Such terms include 2 or more elderly persons or near-elderly persons

living together, and 1 or more such persons living with 1 or more persons determined under the Indian housing plan for the agency to be essential to their care or well-being.

(5) ELDERLY PERSON.—The term "elderly person" means a person who is at least 62 years of age.

(6) FAMILY.—The term "family" includes a family with or without children, an elderly family, a near-elderly family, a disabled family, and a single person.

(7) GRANT BENEFICIARY.—The term "grant beneficiary" means the Indian tribe or tribes on behalf of which a grant is made under this Act to a recipient.

(8) HOUSING RELATED COMMUNITY DEVELOPMENT.—

(A) IN GENERAL.—The term "housing related community development" means any facility, community building, business, activity, or infrastructure that—

(i) is owned by an Indian tribe or a tribally designated housing entity;

(ii) is necessary to the provision of housing in an Indian area; and

(iii)(I) would help an Indian tribe or tribally designated housing entity to reduce the cost of construction of Indian housing;

(II) would make housing more affordable, accessible, or practicable in an Indian area; or

(III) would otherwise advance the purposes of this Act.

(B) EXCLUSION.—The term "housing and community development" does not include any activity conducted by any Indian tribe under the Indian Gaming Regulatory Act (25 U.S.C. 2701 et seq.).

(9) INCOME.—The term "income" means income from all sources of each member of the household, as determined in accordance with criteria prescribed by the Secretary, except that the following amounts may not be considered as income under this paragraph:

(A) Any amounts not actually received by the family.

(B) Any amounts that would be eligible for exclusion under section 1613(a)(7) of the Social Security Act.

(C) Any amounts received by any member of the family as disability compensation under chapter 11 of title 38, United States Code, or dependency and indemnity compensation under chapter 13 of such title.

(10) INDIAN.—The term "Indian" means any person who is a member of an Indian tribe.

(11) INDIAN AREA.—The term "Indian area" means the area within which an Indian tribe or a tribally designated housing entity, as authorized by 1 or more Indian tribes, provides assistance under this Act for affordable housing.

(12) INDIAN HOUSING PLAN.—The term "Indian housing plan" means a plan under section 102.

(13) INDIAN TRIBE.—

(A) IN GENERAL.—The term "Indian tribe" means a tribe that is a federally recognized tribe or a State recognized tribe.

(B) FEDERALLY RECOGNIZED TRIBE.—The term "federally recognized tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450 et seq.).

(C) STATE RECOGNIZED TRIBE.—

(i) IN GENERAL.—The term "State recognized tribe" means any tribe, band, nation, pueblo, village, or community—

(I) that has been recognized as an Indian tribe by any State; and

(II) for which an Indian Housing Authority has, before the effective date under section 705, entered into a contract with the Secretary pursuant to the United States Housing Act of 1937 for housing for Indian families and has received funding pursuant to such contract within the 5-year period ending upon such effective date.

(ii) CONDITIONS.—Notwithstanding clause (i)—

(I) the allocation formula under section 302 shall be determined for a State recognized tribe under tribal membership eligibility criteria in existence on the date of the enactment of this Act; and

(II) nothing in this paragraph shall be construed to confer upon a State recognized tribe any rights, privileges, responsibilities, or obligations otherwise accorded groups recognized as Indian tribes by the United States for other purposes.

(14) LOW-INCOME FAMILY.—The term "low-income family" means a family whose income does not exceed 80 percent of the median income for the area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the findings of the Secretary or the agency that such variations are necessary because of prevailing levels of construction costs or unusually high or low family incomes.

(15) MEDIAN INCOME.—The term "median income" means, with respect to an area that is an Indian area, the greater of—

(A) the median income for the Indian area, which the Secretary shall determine; or

(B) the median income for the United States.

(16) NEAR-ELDERLY PERSON.—The term "near-elderly person" means a person who is at least 55 years of age and less than 62 years of age.

(17) NONPROFIT.—The term "nonprofit" means, with respect to an organization, association, corporation, or other entity,

that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

(18) PERSON WITH DISABILITIES.—The term "person with disabilities" means a person who—

(A) has a disability as defined in section 223 of the Social Security Act;

(B) is determined, pursuant to regulations issued by the Secretary, to have a physical, mental, or emotional impairment which—

(i) is expected to be of long-continued and indefinite duration;

(ii) substantially impedes his or her ability to live independently; and

(iii) is of such a nature that such ability could be improved by more suitable housing conditions; or

(C) has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000.

Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for housing assisted under this Act, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.

(19) RECIPIENT.—The term "recipient" means an Indian tribe or the entity for one or more Indian tribes that is authorized to receive grant amounts under this Act on behalf of the tribe or tribes.

(20) SECRETARY.—Except as otherwise specifically provided in this Act, the term "Secretary" means the Secretary of Housing and Urban Development.

(21) STATE.—The term "State" means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, and any other territory or possession of the United States and Indian tribes.

(22) TOTAL DEVELOPMENT COST.—The term "total development cost" means, with respect to a housing project, the sum of all costs for the project, including all undertakings necessary for administration, planning, site acquisition, demolition, construction or equipment and financing (including payment of carrying charges), and for otherwise carrying out the development of the project, excluding off-site water and sewer. The total development cost amounts shall be based on a moderately designed house and determined by averaging the current construction costs as listed in not less than two nationally recognized residential construction cost indices.

[(22)**]** *(23)* TRIBALLY DESIGNATED HOUSING ENTITY.—The terms "tribally designated housing entity" and "housing entity" have the following meaning:

(A) EXISTING IHA'S.—With respect to any Indian tribe that has not taken action under subparagraph (B), and for which an Indian housing authority—

(i) was established for purposes of the United States Housing Act of 1937 before the date of the enactment of this Act that meets the requirements under the United States Housing Act of 1937,

(ii) is acting upon such date of enactment as the Indian housing authority for the tribe, and

(iii) is not an Indian tribe for purposes of this Act,

the terms mean such Indian housing authority.

(B) OTHER ENTITIES.—With respect to any Indian tribe that, pursuant to this Act, authorizes an entity other than the tribal government to receive grant amounts and provide assistance under this Act for affordable housing for Indians, which entity is established—

(i) by exercise of the power of self-government of one or more Indian tribes independent of State law, or

(ii) by operation of State law providing specifically for housing authorities or housing entities for Indians, including regional housing authorities in the State of Alaska,

the terms mean such entity.

(C) ESTABLISHMENT.—A tribally designated housing entity may be authorized or established by one or more Indian tribes to act on behalf of each such tribe authorizing or establishing the housing entity.

TITLE I—BLOCK GRANTS AND GRANT REQUIREMENTS

SEC. 101. BLOCK GRANTS.

(a) AUTHORITY.—

(1) IN GENERAL.—For each fiscal year, the Secretary shall (to the extent amounts are made available to carry out this Act) make grants under this section on behalf of Indian tribes—

(A) to carry out affordable housing activities under subtitle A of title II; and

(B) to carry out self-determined housing activities for tribal communities programs under subtitle B of that title.

(2) PROVISION OF AMOUNTS.—Under such a grant on behalf of an Indian tribe, the Secretary shall provide the grant amounts for the tribe directly to the recipient for the tribe.

(b) PLAN REQUIREMENT.—

(1) IN GENERAL.—The Secretary may make a grant under this Act on behalf of an Indian tribe for a fiscal year only if—

(A) the Indian tribe has submitted to the Secretary an Indian housing plan for such fiscal year under section 102; and

(B) the plan has been determined under section 103 to comply with the requirements of section 102.

(2) WAIVER.—The Secretary may waive the applicability of the requirements under paragraph (1), in whole or in part, for a period of not more than 90 days, if the Secretary determines

that an Indian tribe has not complied with, or is unable to comply with, those requirements due to exigent circumstances beyond the control of the Indian tribe.

(c) LOCAL COOPERATION AGREEMENT.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for rental or lease-purchase homeownership units that are owned by the recipient for the tribe unless the governing body of the locality within which the property subject to the development activities to be assisted with the grant amounts is or will be situated has entered into an agreement with the recipient for the tribe providing for local cooperation required by the Secretary pursuant to this Act. The Secretary may waive the requirements of this subsection and subsection (d) if the recipient has made a good faith effort to fulfill the requirements of this subsection and subsection (d) and agrees to make payments in lieu of taxes to the appropriate taxing authority in an amount consistent with the requirements of subsection (d)(2) until such time as the matter of making such payments has been resolved in accordance with subsection (d). *The Secretary shall act upon a waiver request submitted under this subsection by a recipient within 60 days after receipt of such request.*

(d) EXEMPTION FROM TAXATION.—Notwithstanding any other provision of this Act, grant amounts provided under this Act on behalf of an Indian tribe may not be used for affordable housing activities under this Act for rental or lease-purchase dwelling units developed under the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) or with amounts provided under this Act that are owned by the recipient for the tribe unless—

(1) such dwelling units (which, in the case of units in a multi-unit project, shall be exclusive of any portions of the project not developed under the United States Housing Act of 1937 or with amounts provided under this Act) are exempt from all real and personal property taxes levied or imposed by any State, tribe, city, county, or other political subdivision; and

(2) the recipient for the tribe makes annual payments of user fees to compensate such governments for the costs of providing governmental services, including police and fire protection, roads, water and sewerage systems, utilities systems and related facilities, or payments in lieu of taxes to such taxing authority, in an amount equal to the greater of $150 per dwelling unit or 10 percent of the difference between the shelter rent and the utility cost, or such lesser amount as—

(A) is prescribed by State, tribal, or local law;

(B) is agreed to by the local governing body in the agreement under subsection (c); or

(C) the recipient and the local governing body agree that such user fees or payments in lieu of taxes shall not be made.

(e) EFFECT OF FAILURE TO EXEMPT FROM TAXATION.—Notwithstanding subsection (d), a grant recipient that does not comply with the requirements under such subsection may receive a block grant under this Act, but only if the tribe, State, city, county, or other political subdivision in which the affordable housing development is located contributes, in the form of cash or tax remission, the

amount by which the taxes paid with respect to the development exceed the amounts prescribed in subsection (d)(2).

(f) AMOUNT.—Except as otherwise provided under this Act, the amount of a grant under this section to a recipient for a fiscal year shall be—

(1) in the case of a recipient whose grant beneficiary is a single Indian tribe, the amount of the allocation under section 301 for the Indian tribe; and

(2) in the case of a recipient whose grant beneficiary is more than 1 Indian tribe, the sum of the amounts of the allocations under section 301 for each such Indian tribe.

(g) USE FOR AFFORDABLE HOUSING ACTIVITIES UNDER PLAN.—Except as provided in subsection (h) of this section and subtitle B of title II, amounts provided under a grant under this section may be used only for affordable housing activities under title II that are consistent with an Indian housing plan approved under section 103.

(h) ADMINISTRATIVE AND PLANNING EXPENSES.—The Secretary shall, by regulation, authorize each recipient to use a percentage of any grant amounts received under this Act for comprehensive housing and community development planning activities and for any reasonable administrative and planning expenses of the recipient relating to carrying out this Act and activities assisted with such amounts, which may include costs for salaries of individuals engaged in administering and managing affordable housing activities assisted with grant amounts provided under this Act and expenses of preparing an Indian housing plan under section 102.

(i) PUBLIC-PRIVATE PARTNERSHIPS.—Each recipient shall make all reasonable efforts, consistent with the purposes of this Act, to maximize participation by the private sector, including nonprofit organizations and for-profit entities, in implementing the approved Indian housing plan.

(j) FEDERAL SUPPLY SOURCES.—For purposes of section 501 of title 40, United States Code, on election by the applicable Indian tribe—

(1) each Indian tribe or tribally designated housing entity shall be considered to be an Executive agency in carrying out any program, service, or other activity under this Act; and

(2) each Indian tribe or tribally designated housing entity and each employee of the Indian tribe or tribally designated housing entity shall have access to sources of supply on the same basis as employees of an Executive agency.

(k) TRIBAL PREFERENCE IN EMPLOYMENT AND CONTRACTING.—Notwithstanding any other provision of law, with respect to any grant (or portion of a grant) made on behalf of an Indian tribe under this Act that is intended to benefit [1] *an* Indian tribe, the tribal employment and contract preference laws (including regulations and tribal ordinances) adopted by the Indian tribe that receives the benefit shall apply with respect to the administration of the grant (or portion of a grant).

* * * * * * *

SEC. 103. REVIEW OF PLANS.

(a) REVIEW AND NOTICE.—

(1) REVIEW.—The Secretary shall conduct a limited review of each Indian housing plan submitted to the Secretary to ensure that the plan complies with the requirements of section 102. The Secretary shall have the discretion to review a plan only to the extent that the Secretary considers review is necessary.

(2) NOTICE.—The Secretary shall notify each Indian tribe for which a plan is submitted and any tribally designated housing entity for the tribe whether the plan complies with such requirements not later than 60 days after receiving the plan. If the Secretary does not notify the Indian tribe, as required under this subsection and subsection (b), the plan shall be considered, for purposes of this Act, to have been determined to comply with the requirements under section 102 and the tribe shall be considered to have been notified of compliance upon the expiration of such 60-day period.

(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under section 102, the Secretary shall specify in the notice under subsection (a) the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 102.

(c) REVIEW.—After submission of the Indian housing plan or any amendment or modification to the plan to the Secretary, to the extent that the Secretary considers such action to be necessary to make determinations under this subsection, the Secretary shall review the plan (including any amendments or modifications thereto) to determine whether the contents of the plan—

(1) set forth the information required by section 102 to be contained in an Indian housing plan;

(2) are consistent with information and data available to the Secretary; and

(3) are not prohibited by or inconsistent with any provision of this Act or other applicable law.

If the Secretary determines that any of the appropriate certifications required under section 102(c)(5) are not included in the plan, the plan shall be deemed to be incomplete.

(d) UPDATES TO PLAN.—After a plan under section 102 has been submitted for an Indian tribe for any tribal program year, the tribe may comply with the provisions of such section for any succeeding tribal program year by submitting only such information regarding such changes as may be necessary to update the plan previously submitted.

(e) SELF-DETERMINED ACTIVITIES PROGRAM.—Notwithstanding any other provision of this section, the Secretary—

(1) shall review the information included in an Indian housing plan pursuant to subsections (b)(4) and (c)(7) only to determine whether the information is included for purposes of compliance with the requirement under section 232(b)(2); and

(2) may not approve or disapprove an Indian housing plan based on the content of the particular benefits, activities, or results included pursuant to subsections (b)(4) and (c)(7).

(f) DEADLINE FOR ACTION ON REQUEST TO EXCEED TDC MAXIMUM.—A request for approval by the Secretary of Housing and Urban Development to exceed by more than 10 percent the total development cost maximum cost for a project shall be approved or de-

nied during the 60-day period that begins on the date that the Secretary receives the request.

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SEC. 105. ENVIRONMENTAL REVIEW.

(a) IN GENERAL.—

(1) RELEASE OF FUNDS.—In order to ensure that the policies of the National Environmental Policy Act of 1969 and other provisions of law that further the purposes of such Act (as specified in regulations issued by the Secretary) are most effectively implemented in connection with the expenditure of grant amounts provided under this Act, and to ensure to the public undiminished protection of the environment, the Secretary, in lieu of the environmental protection procedures otherwise applicable, may by regulation provide for the release of amounts for particular projects to tribes which assume all of the responsibilities for environmental review, decisionmaking, and action pursuant to such Act, and such other provisions of law as the regulations of the Secretary specify, that would apply to the Secretary were the Secretary to undertake such projects as Federal projects.

(2) REGULATIONS.—

(A) IN GENERAL.—The Secretary shall issue regulations to carry out this section only after consultation with the Council on Environmental Quality.

(B) CONTENTS.—The regulations issued under this paragraph shall—

(i) provide for the monitoring of the environmental reviews performed under this section;

(ii) in the discretion of the Secretary, facilitate training for the performance of such reviews; and

(iii) provide for the suspension or termination of the assumption of responsibilities under this section.

(3) EFFECT ON ASSUMED RESPONSIBILITY.—The duty of the Secretary under paragraph (2)(B) shall not be construed to limit or reduce any responsibility assumed by a recipient of grant amounts with respect to any particular release of funds.

(b) PROCEDURE.—The Secretary shall approve the release of funds subject to the procedures authorized by this section only if, not less than 15 days prior to such approval and prior to any commitment of funds to such projects, the tribe has submitted to the Secretary a request for such release accompanied by a certification that meets the requirements of subsection (c). The approval of the Secretary of any such certification shall be deemed to satisfy the responsibilities of the Secretary under the National Environmental Policy Act of 1969 and such other provisions of law as the regulations of the Secretary specify insofar as those responsibilities relate to the releases of funds for projects to be carried out pursuant thereto that are covered by such certification.

(c) CERTIFICATION.—A certification under the procedures authorized by this section shall—

(1) be in a form acceptable to the Secretary;

(2) be executed by the chief executive officer or other officer of the tribe under this Act qualified under regulations of the Secretary;

(3) specify that the tribe has fully carried out its responsibilities as described under subsection (a); and

(4) specify that the certifying officer—

(A) consents to assume the status of a responsible Federal official under the National Environmental Policy Act of 1969 and each provision of law specified in regulations issued by the Secretary insofar as the provisions of such Act or such other provisions of law apply pursuant to subsection (a); and

(B) is authorized and consents on behalf of the tribe and such officer to accept the jurisdiction of the Federal courts for the purpose of enforcement of the responsibilities of the certifying officer as such an official.

(d) ENVIRONMENTAL COMPLIANCE.—The Secretary [may] *shall* waive the requirements under this section if the Secretary determines that a failure on the part of a recipient to comply with provisions of this section—

(1) will not frustrate the goals of the National Environmental Policy Act of 1969 (42 U.S.C. 4331 et seq.) or any other provision of law that furthers the goals of that Act;

(2) does not threaten the health or safety of the community involved by posing an immediate or long-term hazard to residents of that community;

(3) is a result of inadvertent error, including an incorrect or incomplete certification provided under subsection (c)(1); and

(4) may be corrected through the sole action of the recipient.

The Secretary shall act upon a waiver request submitted under this subsection by a recipient within 60 days after receipt of such request.

(e) CONSOLIDATION OF ENVIRONMENTAL REVIEW REQUIREMENTS.—If a recipient is using one or more sources of Federal funds in addition to grant amounts under this Act in carrying out a project that qualifies as an affordable housing activity under section 202, such other sources of Federal funds do not exceed 49 percent of the total cost of the project, and the recipient's tribe has assumed all of the responsibilities for environmental review, decisionmaking, and action pursuant to this section, the tribe's compliance with the review requirements under this section and the National Environmental Policy Act of 1969 with regard to such project shall be deemed to fully comply with and discharge any applicable environmental review requirements that might apply to Federal agencies with respect to the use of such additional Federal funding sources for that project.

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SEC. 108. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated for grants under this title [such sums as may be necessary for each of fiscal years 2009 through 2013] *$650,000,000 for each of fiscal years 2018 through 2022*. This section shall take effect on the date of the enactment of this Act.

TITLE II—AFFORDABLE HOUSING ACTIVITIES

Subtitle A—General Block Grant Program

SEC. 201. NATIONAL OBJECTIVES AND ELIGIBLE FAMILIES.

(a) PRIMARY OBJECTIVE.—The national objectives of this Act are—

(1) to assist and promote affordable housing activities to develop, maintain, and operate affordable housing in safe and healthy environments on Indian reservations and in other Indian areas for occupancy by low-income Indian families;

(2) to ensure better access to private mortgage markets for Indian tribes and their members and to promote self-sufficiency of Indian tribes and their members;

(3) to coordinate activities to provide housing for Indian tribes and their members with Federal, State, and local activities to further economic and community development for Indian tribes and their members;

(4) to plan for and integrate infrastructure resources for Indian tribes with housing development for tribes; and

(5) to promote the development of private capital markets in Indian country and to allow such markets to operate and grow, thereby benefiting Indian communities.

(b) ELIGIBLE FAMILIES.—

(1) IN GENERAL.—Except as provided under paragraphs (2) and (4), and except with respect to loan guarantees under the demonstration program under title VI, assistance under eligible housing activities under this Act shall be limited to low-income Indian families on Indian reservations and other Indian areas.

(2) EXCEPTION TO LOW-INCOME REQUIREMENT.—

(A) EXCEPTION TO REQUIREMENT.—Notwithstanding paragraph (1), a recipient may provide housing or housing assistance through affordable housing activities for which a grant is provided under this Act to any family that is not a low-income family, to the extent that the Secretary approves the activities due to a need for housing for those families that cannot reasonably be met without that assistance.

(B) LIMITS.—The Secretary shall establish limits on the amount of assistance that may be provided under this Act for activities for families who are not low-income families.

(3) ESSENTIAL FAMILIES.—Notwithstanding paragraph (1), a recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act for a family on an Indian reservation or other Indian area if the recipient determines that the presence of the family on the Indian reservation or other Indian area is essential to the well-being of Indian families and the need for housing for the family cannot reasonably be met without such assistance.

(4) LAW ENFORCEMENT OFFICERS.—A recipient may provide housing or housing assistance provided through affordable

housing activities assisted with grant amounts under this Act for a law enforcement officer on an Indian reservation or other Indian area, if—

(A) the officer—

(i) is employed on a full-time basis by the Federal Government or a State, county, or other unit of local government, or lawfully recognized tribal government; and

(ii) in implementing such full-time employment, is sworn to uphold, and make arrests for, violations of Federal, State, county, or tribal law; and

(B) the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime.".

(5) LAW ENFORCEMENT OFFICERS.—Notwithstanding paragraph (1), a recipient may provide housing or housing assistance provided through affordable housing activities assisted with grant amounts under this Act to a law enforcement officer on the reservation or other Indian area, who is employed full-time by a Federal, State, county or tribal government, and in implementing such full-time employment is sworn to uphold, and make arrests for violations of Federal, State, county or tribal law, if the recipient determines that the presence of the law enforcement officer on the Indian reservation or other Indian area may deter crime.

(6) PREFERENCE FOR TRIBAL MEMBERS AND OTHER INDIAN FAMILIES.—The Indian housing plan for an Indian tribe may require preference, for housing or housing assistance provided through affordable housing activities assisted with grant amounts provided under this Act on behalf of such tribe, to be given (to the extent practicable) to Indian families who are members of such tribe, or to other Indian families. In any case in which the applicable Indian housing plan for an Indian tribe provides for preference under this paragraph, the recipient for the tribe shall ensure that housing activities that are assisted with grant amounts under this Act for such tribe are subject to such preference.

(6) EXEMPTION.—Title VI of the Civil Rights Act of [1964 and] *1964,* title VIII of the Civil Rights Act of 1968*, and section 3 of the Housing and Urban Development Act of 1968* shall not apply to actions by federally recognized tribes and the tribally designated housing entities of those tribes under this Act.

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SEC. 203. PROGRAM REQUIREMENTS.

(a) RENTS.—

(1) ESTABLISHMENT.—Subject to [paragraph (2)] *paragraphs (2) and (3)*, each recipient shall develop written policies governing rents and homebuyer payments charged for dwelling units assisted under this Act, including the methods by which such rents and homebuyer payments are determined.

(2) MAXIMUM RENT.—In the case of any low-income family residing in a dwelling unit assisted with grant amounts under this Act, the monthly rent or homebuyer payment (as applica-

ble) for such dwelling unit may not exceed 30 percent of the monthly adjusted income of such family.

(3) APPLICATION OF TRIBAL POLICIES.—Paragraph (2) shall not apply if the recipient has a written policy governing rents and homebuyer payments charged for dwelling units and such policy includes a provision governing maximum rents or homebuyer payments.

(b) MAINTENANCE AND EFFICIENT OPERATION.—Each recipient who owns or operates (or is responsible for funding any entity that owns or operates) housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority pursuant to the United States Housing Act of 1937 shall, using amounts of any grants received under this Act, reserve and use for operating assistance under section 202(1) such amounts as may be necessary to provide for the continued maintenance and efficient operation of such housing. This subsection may not be construed to prevent any recipient (or entity funded by a recipient) from demolishing or disposing of Indian housing referred to in this subsection, pursuant to regulations established by the Secretary.

(c) INSURANCE COVERAGE.—Each recipient shall maintain adequate insurance coverage for housing units that are owned or operated or assisted with grant amounts provided under this Act.

(d) ELIGIBILITY FOR ADMISSION.—Each recipient shall develop written policies governing the eligibility, admission, and occupancy of families for housing assisted with grant amounts provided under this Act.

(e) MANAGEMENT AND MAINTENANCE.—Each recipient shall develop policies governing the management and maintenance of housing assisted with grant amounts under this Act.

(f) USE OF GRANT AMOUNTS OVER EXTENDED PERIODS.—

(1) IN GENERAL.—To the extent that the Indian housing plan for an Indian tribe provides for the use of amounts of a grant under section 101 for a period of more than 1 fiscal year, or for affordable housing activities for which the amounts will be committed for use or expended during a subsequent fiscal year, the Secretary shall not require those amounts to be used or committed for use at any time earlier than otherwise provided for in the Indian housing plan.

(2) CARRYOVER.—Any amount of a grant provided to an Indian tribe under section 101 for a fiscal year that is not used by the Indian tribe during that fiscal year may be used by the Indian tribe during any subsequent fiscal year.

(g) DE MINIMIS EXEMPTION FOR PROCUREMENT OF GOODS AND SERVICES.—Notwithstanding any other provision of law, a recipient shall not be required to act in accordance with any otherwise applicable competitive procurement rule or procedure with respect to the procurement, using a grant provided under this Act, of goods and services the value of which is less than $5,000.

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SEC. 205. LOW-INCOME REQUIREMENT AND INCOME TARGETING.

(a) IN GENERAL.—Housing shall qualify as affordable housing for purposes of this Act only if—

(1) each dwelling unit in the housing—

(A) in the case of rental housing, is made available for occupancy only by a family that is a low-income family at the time of their initial occupancy of such unit;

(B) in the case of a contract to purchase existing housing, is made available for purchase only by a family that is a low-income family at the time of purchase;

(C) in the case of a lease-purchase agreement for existing housing or for housing to be constructed, is made available for lease-purchase only by a family that is a low-income family at the time the agreement is entered into; [and]

(D) in the case of a contract to purchase housing to be constructed, is made available for purchase only by a family that is a low-income family at the time the contract is entered into; and

(E) notwithstanding any other provision of this paragraph, in the case of rental housing that is made available to a current rental family for conversion to a homebuyer or a lease-purchase unit, that the current rental family can purchase through a contract of sale, lease-purchase agreement, or any other sales agreement, is made available for purchase only by the current rental family, if the rental family was a low-income family at the time of their initial occupancy of such unit; and

(2) except for housing assisted under section 202 of the United States Housing Act of 1937 (as in effect before the date of the effectiveness of this Act), each dwelling unit in the housing will remain affordable, according to binding commitments satisfactory to the Secretary, for the remaining useful life of the property (as determined by the Secretary) without regard to the term of the mortgage or to transfer of ownership, or for such other period that the Secretary determines is the longest feasible period of time consistent with sound economics and the purposes of this Act, except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action—

(A) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure; and

(B) is not for the purpose of avoiding low-income affordability restrictions, as determined by the Secretary.

(b) EXCEPTION.—Notwithstanding subsection (a), housing assisted pursuant to section 201(b)(2) shall be considered affordable housing for purposes of this Act.

(c) APPLICABILITY.—The provisions of paragraph (2) of subsection (a) regarding binding commitments for the remaining useful life of property shall not apply to a family or household member who subsequently takes ownership of a homeownership unit. *The provisions of such paragraph regarding binding commitments for the remaining useful life of the property shall not apply to improvements of privately owned homes if the cost of such improvements do not exceed 10 percent of the maximum total development cost for such home.*

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SEC. 207. LEASE REQUIREMENTS AND TENANT SELECTION.

(a) LEASES.—Except to the extent otherwise provided by or inconsistent with tribal law, in renting dwelling units in affordable housing assisted with grant amounts provided under this Act, the owner or manager of the housing shall utilize leases that—

(1) do not contain unreasonable terms and conditions;

(2) require the owner or manager to maintain the housing in compliance with applicable housing codes and quality standards;

(3) require the owner or manager to give adequate written notice of termination of the lease, which shall be the period of time required under State, tribal, or local law;

(4) specify that, with respect to any notice of eviction or termination, notwithstanding any State, tribal, or local law, a resident shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records, or regulations directly related to the eviction or termination;

(5) require that the owner or manager may not terminate the tenancy, during the term of the lease, except for serious or repeated violation of the terms or conditions of the lease, violation of applicable Federal, State, tribal, or local law, or for other good cause; and

(6) provide that the owner or manager may terminate the tenancy of a resident for any activity, engaged in by the resident, any member of the household of the resident, or any guest or other person under the control of the resident, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the owner or manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

(C) is criminal activity (including drug-related criminal activity) on or off the premises.

(b) TENANT AND HOMEBUYER SELECTION.—The owner or manager of affordable rental housing assisted with grant amounts provided under this Act shall adopt and utilize written tenant and homebuyer selection policies and criteria that—

(1) are consistent with the purpose of providing housing for low-income families;

(2) are reasonably related to program eligibility and the ability of the applicant to perform the obligations of the lease; and

(3) provide for—

(A) the selection of tenants and homebuyers from a written waiting list in accordance with the policies and goals set forth in the Indian housing plan for the tribe that is the grant beneficiary of such grant amounts; and

(B) the prompt notification in writing to any rejected applicant of that rejection and the grounds for that rejection.

(c) NOTICE OF TERMINATION.—Notwithstanding any other provision of law, the owner or manager of rental housing that is assisted in part with amounts provided under this Act and in part with one or more other sources of Federal funds shall only utilize leases that

require a notice period for the termination of the lease pursuant to subsection (a)(3).

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SEC. 211. TRIBAL COORDINATION OF AGENCY FUNDING.

Notwithstanding any other provision of law, a recipient authorized to receive funding under this Act may, in its discretion, use funding from the Indian Health Service of the Department of Health and Human Services for construction of sanitation facilities for housing construction and renovation projects that are funded in part by funds provided under this Act.

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TITLE III—ALLOCATION OF GRANT AMOUNTS

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SEC. 303. EFFECT OF UNDISBURSED GRANT AMOUNTS ON ANNUAL ALLOCATIONS.

(a) NOTIFICATION OF OBLIGATED, UNDISBURSED GRANT AMOUNTS.—Subject to subsection (d) of this section, if as of January 1, 2018, or any year thereafter a recipient's total amount of undisbursed block grants in the Department's line of credit control system is greater than three times the formula allocation such recipient would otherwise receive under this Act for the fiscal year during which such January 1 occurs, the Secretary shall—

(1) before January 31 of such year, notify the Indian tribe allocated the grant amounts and any tribally designated housing entity for the tribe of the undisbursed funds; and

(2) require the recipient for the tribe to, not later than 30 days after the Secretary provides notification pursuant to paragraph (1)—

(A) notify the Secretary in writing of the reasons why the recipient has not requested the disbursement of such amounts; and

(B) demonstrate to the satisfaction of the Secretary that the recipient has the capacity to spend Federal funds in an effective manner, which demonstration may include evidence of the timely expenditure of amounts previously distributed under this Act to the recipient.

(b) ALLOCATION AMOUNT.—Notwithstanding sections 301 and 302, the allocation for such fiscal year for a recipient described in subsection (a) shall be the amount initially calculated according to the formula minus the difference between the recipient's total amount of un–dis–bursed block grants in the Department's line of credit control system on such January 1 and three times the initial formula amount for such fiscal year.

(c) REALLOCATION.—Notwithstanding any other provision of law, any grant amounts not allocated to a recipient pursuant to subsection (b) shall be allocated under the need component of the formula proportionately amount all other Indian tribes not subject to such an adjustment.

(d) INAPPLICABILITY.—Subsections (a) and (b) shall not apply to an Indian tribe with respect to any fiscal year for which the amount allocated for the tribe for block grants under this Act is less than $5,000,000.

(e) EFFECTIVENESS.—This section shall not require the issuance of any regulation to take effect and shall not be construed to confer hearing rights under this or any other section of this Act.

TITLE IV—COMPLIANCE, AUDITS, AND REPORTS

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SEC. 405. REVIEW AND AUDIT BY SECRETARY.

(a) REQUIREMENTS UNDER CHAPTER 75 OF TITLE 31, UNITED STATES CODE.—An entity designated by an Indian tribe as a housing entity shall be treated, for purposes of chapter 75 of title 31, United States Code, as a non-Federal entity that is subject to the audit requirements that apply to non-Federal entities under that chapter.

(b) ADDITIONAL REVIEWS AND AUDITS.—

(1) IN GENERAL.—In addition to any audit or review under subsection (a), to the extent the Secretary determines such action to be appropriate, the Secretary may conduct an audit or review of a recipient in order to—

(A) determine whether the recipient—

(i) has carried out—

(I) eligible activities in a timely manner; and

(II) eligible activities and certification in accordance with this Act and other applicable law;

(ii) has a continuing capacity to carry out eligible activities in a timely manner; and

(iii) is in compliance with the Indian housing plan of the recipient; and

(B) verify the accuracy of information contained in any performance report submitted by the recipient under section 404.

(2) ON-SITE VISITS.—To the extent practicable, the reviews and audits conducted under this subsection shall include on-site visits by the appropriate official of the Department of Housing and Urban Development.

(c) REVIEW OF REPORTS.—

(1) IN GENERAL.—The Secretary shall provide each recipient that is the subject of a report made by the Secretary under this section notice that the recipient may review and comment on the report during a period of not less than 30 days after the date on which notice is issued under this paragraph.

(2) PUBLIC AVAILABILITY.—After taking into consideration any comments of the recipient under paragraph (1), the Secretary—

(A) may revise the report; and

(B) not later than 30 days after the date on which those comments are received, shall make the comments and the report (with any revisions made under subparagraph (A)) readily available to the public.

(3) ISSUANCE OF FINAL REPORT.—The Secretary shall issue a final report within 60 days after receiving comments under paragraph (1) from a recipient.

(d) EFFECT OF REVIEWS.—Subject to section 401(a), after reviewing the reports and audits relating to a recipient that are submitted to the Secretary under this section, the Secretary may adjust the amount of a grant made to a recipient under this Act in accordance with the findings of the Secretary with respect to those reports and audits.

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SEC. 407. REPORTS TO CONGRESS.

(a) IN GENERAL.—Not later than 90 days after the conclusion of each fiscal year in which assistance under this Act is made available, the Secretary shall submit to the [Congress] *Committee on Financial Services and the Committee on Natural Resources of the House of Representatives, to the Committee on Indian Affairs and the Committee on Banking, Housing, and Urban Affairs of the Senate, and to any subcommittees of such committees having jurisdiction with respect to Native American and Alaska Native affairs,* a report that contains—

(1) a description of the progress made in accomplishing the objectives of this Act;

(2) a summary of the use of funds available under this Act during the preceding fiscal year; and

(3) a description of the aggregate outstanding loan guarantees under title VI.

(b) RELATED REPORTS.—The Secretary may require recipients of grant amounts under this Act to submit to the Secretary such reports and other information as may be necessary in order for the Secretary to make the report required by subsection (a).

(c) PUBLIC AVAILABILITY TO RECIPIENTS.—Each report submitted pursuant to subsection (a) shall be made publicly available to recipients.

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TITLE VII—OTHER HOUSING ASSISTANCE FOR NATIVE AMERICANS

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SEC. 702. 50-YEAR LEASEHOLD INTEREST IN TRUST OR RESTRICTED LANDS FOR HOUSING PURPOSES.

(a) AUTHORITY TO LEASE.—Notwithstanding any other provision of law, any trust or restricted Indian lands, whether tribally or individually owned, may be leased by the Indian owners, subject to the approval of the affected Indian tribe and the Secretary of the Interior, for housing development and residential purposes.

(b) TERM.—Each lease pursuant to subsection (a) shall be for a term not exceeding [50 years] *99 years*.

(c) RULE OF CONSTRUCTION.—This section may not be construed to repeal, limit, or affect any authority to lease any trust or restricted Indian lands that—

(1) is conferred by or pursuant to any other provision of law, *whether enacted before, on, or after the date of the enactment of this section*; or

(2) provides for leases for any period exceeding [50 years] *99 years*.

(d) SELF-IMPLEMENTATION.—This section is intended to be self-implementing and shall not require the issuance of any rule, regulation, or order to take effect as provided in section 705.

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TITLE IX—DEMONSTRATION PROGRAM FOR ALTERNATIVE PRIVATIZATION AUTHORITY FOR NATIVE AMERICAN HOUSING

SEC. 901. AUTHORITY.

(a) IN GENERAL.—In addition to any other authority provided in this Act for the construction, development, maintenance, and operation of housing for Indian families, the Secretary shall provide the participating tribes having final plans approved pursuant to section 905 with the authority to exercise the activities provided under this title and such plan for the acquisition and development of housing to meet the needs of tribal members.

(b) INAPPLICABILITY OF NAHASDA PROVISIONS.—Except as specifically provided otherwise in this title, titles I through IV, VI, and VII shall not apply to a participating tribe's use of funds during any period that the tribe is participating in the demonstration program under this title.

(c) CONTINUED APPLICABILITY OF CERTAIN NAHASDA PROVISIONS.—The following provisions of titles I through VIII shall apply to the demonstration program under this title and amounts made available under the demonstration program under this title:

(1) Subsections (d) and (e) of section 101 (relating to tax exemption).

(2) Section 101(j) (relating to Federal supply sources).

(3) Section 101(k) (relating to tribal preference in employment and contracting).

(4) Section 104 (relating to treatment of program income and labor standards).

(5) Section 105 (relating to environmental review).

(6) Section 201(b) (relating to eligible families), except as otherwise provided in this title.

(7) Section 203(g) (relating to a de minimis exemption for procurement of goods and services).

(8) Section 702 (relating to 99-year leasehold interests in trust or restricted lands for housing purposes).

SEC. 902. PARTICIPATING TRIBES.

(a) REQUEST TO PARTICIPATE.—To be eligible to participate in the demonstration program under this title, an Indian tribe shall submit to the Secretary a notice of intention to participate during the 60-day period beginning on the date of the enactment of this title, in such form and such manner as the Secretary shall provide.

(b) COOPERATIVE AGREEMENT.—Upon approval under section 905 of the final plan of an Indian tribe for participation in the demonstration program under this title, the Secretary shall enter into a cooperative agreement with the participating tribe that provides such tribe with the authority to carry out activities under the demonstration program.

(c) LIMITATION.—The Secretary may not approve more than 20 Indian tribes for participation in the demonstration program under this title.

SEC. 903. REQUEST FOR QUOTES AND SELECTION OF INVESTOR PARTNER.

(a) REQUEST FOR QUOTES.—Not later than the expiration of the 180-day period beginning upon notification to the Secretary by an Indian tribe of intention to participate in the demonstration program under this title, the Indian tribe shall—

(1) obtain assistance from a qualified entity in assessing the housing needs, including the affordable housing needs, of the tribe; and

(2) release a request for quotations from entities interested in partnering with the tribe in designing and carrying out housing activities sufficient to meet the tribe's housing needs as identified pursuant to paragraph (1).

(b) SELECTION OF INVESTOR PARTNER.—

(1) IN GENERAL.—Except as provided in paragraph (2), not later than the expiration of the 18-month period beginning on the date of the enactment of this title, an Indian tribe requesting to participate in the demonstration program under this title shall—

(A) select an investor partner from among the entities that have responded to the tribe's request for quotations; and

(B) together with such investor partner, establish and submit to the Secretary a final plan that meets the requirements under section 904.

(2) EXCEPTIONS.—The Secretary may extend the period under paragraph (1) for any tribe that—

(A) has not received any satisfactory quotation in response to its request released pursuant to subsection (a)(2); or

(B) has any other satisfactory reason, as determined by the Secretary, for failure to select an investor partner.

SEC. 904. FINAL PLAN.

A final plan under this section shall—

(1) be developed by the participating tribe and the investor partner for the tribe selected pursuant to section 903(b)(1)(A);

(2) identify the qualified entity that assisted the tribe in assessing the housing needs of the tribe;

(3) set forth a detailed description of such projected housing needs, including affordable housing needs, of the tribe, which shall include—

(A) a description of such need over the ensuing 24 months and thereafter until the expiration of the ensuing 5-year period or until the affordable housing need is met, whichever occurs sooner; and

(B) the same information that would be required under section 102 to be included in an Indian housing plan for the tribe, as such requirements may be modified by the Secretary to take consideration of the requirements of the demonstration program under this title;

(4) provide for specific housing activities sufficient to meet the tribe's housing needs, including affordable housing needs, as identified pursuant to paragraph (3) within the periods referred to such paragraph, which shall include—

(A) development of affordable housing (as such term is defined in section 4 of this Act (25 U.S.C. 4103));

(B) development of conventional homes for rental, lease-to-own, or sale, which may be combined with affordable housing developed pursuant to subparagraph (A);

(C) development of housing infrastructure, including housing infrastructure sufficient to serve affordable housing developed under the plan; and

(D) investments by the investor partner for the tribe, the participating tribe, members of the participating tribe, and financial institutions and other outside investors necessary to provide financing for the development of housing under the plan and for mortgages for tribal members purchasing such housing;

(5) provide that the participating tribe will agree to provide long-term leases to tribal members sufficient for lease-to-own arrangements for, and sale of, the housing developed pursuant to paragraph (4);

(6) provide that the participating tribe—

(A) will be liable for delinquencies under mortgage agreements for housing developed under the plan that are financed under the plan and entered into by tribal members; and

(B) shall, upon foreclosure under such mortgages, take possession of such housing and have the responsibility for making such housing available to other tribal members;

(7) provide for sufficient protections, in the determination of the Secretary, to ensure that the tribe and the Federal Government are not liable for the acts of the investor partner or of any contractors;

(8) provide that the participating tribe shall have sole final approval of design and location of housing developed under the plan;

(9) set forth specific deadlines and schedules for activities to be undertaken under the plan and set forth the responsibilities of the participating tribe and the investor partner;

(10) set forth specific terms and conditions of return on investment by the investor partner and other investors under the plan, and provide that the participating tribe shall pledge grant amounts allocated for the tribe pursuant to title III for such return on investment;

(11) set forth the terms of a cooperative agreement on the operation and management of the current assistance housing stock and current housing stock for the tribe assisted under the preceding titles of this Act;

(12) set forth any plans for sale of affordable housing of the participating tribe under section 907 and, if included, plans sufficient to meet the requirements of section 907 regarding meeting future affordable housing needs of the tribe;

(13) set forth terms for enforcement of the plan, including an agreement regarding jurisdiction of any actions under or to enforce the plan, including a waiver of immunity; and

(14) include such other information as the participating tribe and investor partner consider appropriate.

SEC. 905. HUD REVIEW AND APPROVAL OF PLAN.

(a) IN GENERAL.—Not later than the expiration of the 90-day period beginning upon a submission by an Indian tribe of a final plan under section 904 to the Secretary, the Secretary shall—

(1) review the plan and the process by which the tribe solicited requests for quotations from investors and selected the investor partner; and

(2)(A) approve the plan, unless the Secretary determines that—

(i) the assessment of the tribe's housing needs by the qualified entity, or as set forth in the plan pursuant to section 904(3), is inaccurate or insufficient;

(ii) the process established by the tribe to solicit requests for quotations and select an investor partner was insufficient or negligent; or

(iii) the plan is insufficient to meet the housing needs of the tribe, as identified in the plan pursuant to section 904(3);

(B) approve the plan, on the condition that the participating tribe and the investor make such revisions to the plan as the Secretary may specify as appropriate to meet the needs of the tribe for affordable housing; or

(C) disapprove the plan, only if the Secretary determines that the plan fails to meet the minimal housing standards and requirements set forth in this Act and the Secretary notifies the tribe of the elements requiring the disapproval.

(b) ACTION UPON DISAPPROVAL.—

(1) RE-SUBMISSION OF PLAN.—Subject to paragraph (2), in the case of any disapproval of a final plan of an Indian tribe pursuant to subsection (a)(3), the Secretary shall allow the tribe a period of 180 days from notification to the tribe of such disapproval to re-submit a revised plan for approval.

(2) LIMITATION.—If the final plan for an Indian tribe is disapproved twice and resubmitted twice pursuant to the authority under paragraph (1) and, upon such second re-submission of the plan the Secretary disapproves the plan, the tribe may not re-submit the plan again and shall be ineligible to participate in the demonstration program under this title.

(c) TRIBE AUTHORITY OF HOUSING DESIGN AND LOCATION.—The Secretary may not disapprove a final plan under section 904, or condition approval of such a plan, based on the design or location of any housing to be developed or assisted under the plan.

(d) FAILURE TO NOTIFY.—If the Secretary does not notify a participating tribe submitting a final plan of approval, conditional approval, or disapproval of the plan before the expiration of the period

referred to in paragraph (1), the plan shall be considered as approved for all purposes of this title.

SEC. 906. TREATMENT OF NAHASDA ALLOCATION.

Amounts otherwise allocated for a participating tribe under title III of this Act (25 U.S.C. 4151 et seq.) shall not be made available to the tribe under titles I through VIII, but shall only be available for the tribe, upon request by the tribe and approval by the Secretary, for the following purposes:

(1) RETURN ON INVESTMENT.—Such amounts as are pledged by a participating tribe pursuant to section 904(10) for return on the investment made by the investor partner or other investors may be used by the Secretary to ensure such full return on investment.

(2) ADMINISTRATIVE EXPENSES.—The Secretary may provide to a participating tribe, upon the request of a tribe, not more than 10 percent of any annual allocation made under title III for the tribe during such period for administrative costs of the tribe in completing the processes to carry out sections 903 and 904.

(3) HOUSING INFRASTRUCTURE COSTS.—A participating tribe may use such amounts for housing infrastructure costs associated with providing affordable housing for the tribe under the final plan.

(4) MAINTENANCE; TENANT SERVICES.—A participating tribe may use such amounts for maintenance of affordable housing for the tribe and for housing services, housing management services, and crime prevention and safety activities described in paragraphs (3), (4), and (5), respectively, of section 202.

SEC. 907. RESALE OF AFFORDABLE HOUSING.

Notwithstanding any other provision of this Act, a participating tribe may, in accordance with the provisions of the final plan of the tribe approved pursuant to section 905, resell any affordable housing developed with assistance made available under this Act for use other than as affordable housing, but only if the tribe provides such assurances as the Secretary determines are appropriate to ensure that—

(1) the tribe is meeting its need for affordable housing;

(2) will provide affordable housing in the future sufficient to meet future affordable housing needs; and

(3) will use any proceeds only to meet such future affordable housing needs or as provided in section 906.

SEC. 908. REPORTS, AUDITS, AND COMPLIANCE.

(a) ANNUAL REPORTS BY TRIBE.—Each participating tribe shall submit a report to the Secretary annually regarding the progress of the tribe in complying with, and meeting the deadlines and schedules set forth under the approved final plan for the tribe. Such reports shall contain such information as the Secretary shall require.

(b) REPORTS TO CONGRESS.—The Secretary shall submit a report to the Congress annually describing the activities and progress of the demonstration program under this title, which shall—

(1) summarize the information in the reports submitted by participating tribes pursuant to subsection (a);

(2) identify the number of tribes that have selected an investor partner pursuant to a request for quotations;

(3) include, for each tribe applying for participating in the demonstration program whose final plan was disapproved under section 905(a)(2)(C), a detailed description and explanation of the reasons for disapproval and all actions taken by the tribe to eliminate the reasons for disapproval, and identify whether the tribe has re-submitted a final plan;

(4) identify, by participating tribe, any amounts requested and approved for use under section 906; and

(5) identify any participating tribes that have terminated participation in the demonstration program and the circumstances of such terminations.

(c) AUDITS.—The Secretary shall provide for audits among participating tribes to ensure that the final plans for such tribes are being implemented and complied with. Such audits shall include on-site visits with participating tribes and requests for documentation appropriate to ensure such compliance.

SEC. 909. TERMINATION OF TRIBAL PARTICIPATION.

(a) TERMINATION OF PARTICIPATION.—A participating tribe may terminate participation in the demonstration program under this title at any time, subject to this section.

(b) EFFECT ON EXISTING OBLIGATIONS.—

(1) NO AUTOMATIC TERMINATION.—Termination by a participating tribe in the demonstration program under this section shall not terminate any obligations of the tribe under agreements entered into under the demonstration program with the investor partner for the tribe or any other investors or contractors.

(2) AUTHORITY TO MUTUALLY TERMINATE AGREEMENTS.—Nothing in this title may be construed to prevent a tribe that terminates participation in the demonstration program under this section and any party with which the tribe has entered into an agreement from mutually agreeing to terminate such agreement.

(c) RECEIPT OF REMAINING GRANT AMOUNTS.—The Secretary shall provide for grants to be made in accordance with, and subject to the requirements of, this Act for any amounts remaining after use pursuant to section 906 from the allocation under title III for a participating tribe that terminates participation in the demonstration program.

(d) COSTS AND OBLIGATIONS.—The Secretary shall not be liable for any obligations or costs incurred by an Indian tribe during its participation in the demonstration program under this title.

SEC. 910. FINAL REPORT.

Not later than the expiration of the 5-year period beginning on the date of the enactment of this title, the Secretary shall submit a final report to the Congress regarding the effectiveness of the demonstration program, which shall include—

(1) an assessment of the success, under the demonstration program, of participating tribes in meeting their housing needs, including affordable housing needs, on tribal land;

(2) recommendations for any improvements in the demonstration program; and

(3) a determination of whether the demonstration should be expanded into a permanent program available for Indian tribes

to opt into at any time and, if so, recommendations for such expansion, including any legislative actions necessary to expand the program.

SEC. 911. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) AFFORDABLE HOUSING.—The term "affordable housing" has the meaning given such term in section 4 (25 U.S.C. 4103).

(2) HOUSING INFRASTRUCTURE.—The term "housing infrastructure" means basic facilities, services, systems, and installations necessary or appropriate for the functioning of a housing community, including facilities, services, systems, and installations for water, sewage, power, communications, and transportation.

(3) LONG-TERM LEASE.—The term "long-term lease" means an agreement between a participating tribe and a tribal member that authorizes the tribal member to occupy a specific plot of tribal lands for 50 or more years and to request renewal of the agreement at least once.

(4) PARTICIPATING TRIBES.—The term "participating tribe" means an Indian tribe for which a final plan under section 904 for participation in the demonstration program under this title has been approved by the Secretary under section 905.

SEC. 912. NOTICE.

The Secretary shall establish any requirements and criteria as may be necessary to carry out the demonstration program under this title by notice published in the Federal Register.

UNITED STATES HOUSING ACT OF 1937

TITLE I—GENERAL PROGRAM OF ASSISTED HOUSING

* * * * * * *

LOWER INCOME HOUSING ASSISTANCE

SEC. 8. (a) For the purpose of aiding lower-income families in obtaining a decent place to live and of promoting economically mixed housing, assistance payments may be made with respect to existing housing in accordance with the provisions of this section.

(b) OTHER EXISTING HOUSING PROGRAMS.—(1) IN GENERAL.—The Secretary is authorized to enter into annual contributions contracts with public housing agencies pursuant to which such agencies may enter into contracts to make assistance payments to owners of existing dwelling units in accordance with this section. In areas where no public housing agency has been organized or where the Secretary determines that a public housing agency is unable to implement the provisions of this section, the Secretary is authorized to enter into such contracts and to perform the other functions assigned to a public housing agency by this section.

(2) The Secretary is authorized to enter into annual contributions contracts with public housing agencies for the purpose of replacing public housing transferred in accordance with title III of this Act.

Each contract entered into under this subsection shall be for a term of not more than 60 months.

(c)(1)(A) An assistance contract entered into pursuant to this section shall establish the maximum monthly rent (including utilities and all maintenance and management charges) which the owner is entitled to receive for each dwelling unit with respect to which such assistance payments are to be made. The maximum monthly rent shall not exceed by more than 10 per centum the fair market rental established by the Secretary periodically but not less than annually for existing or newly constructed rental dwelling units of various sizes and types in the market area suitable for occupancy by persons assisted under this section, except that the maximum monthly rent may exceed the fair market rental (A) by more than 10 but not more than 20 per centum where the Secretary determines that special circumstances warrant such higher maximum rent or that such higher rent is necessary to the implementation of a housing strategy as defined in section 105 of the Cranston-Gonzalez National Affordable Housing Act, or (B) by such higher amount as may be requested by a tenant and approved by the public housing agency in accordance with paragraph (3)(B). In the case of newly constructed and substantially rehabilitated units, the exception in the preceding sentence shall not apply to more than 20 per centum of the total amount of authority to enter into annual contributions contracts for such units which is allocated to an area and obligated with respect to any fiscal year beginning on or after October 1, 1980. Each fair market rental in effect under this subsection shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so the rentals will be current for the year to which they apply, of rents for existing or newly constructed rental dwelling units, as the case may be, of various sizes and types in the market area suitable for occupancy by persons assisted under this section. Notwithstanding any other provision of this section, after the date of enactment of the Housing and Community Development Act of 1977, the Secretary shall prohibit high-rise elevator projects for families with children unless there is no practical alternative. If units assisted under this section are exempt from local rent control while they are so assisted or otherwise, the maximum monthly rent for such units shall be reasonable in comparison with other units in the market area that are exempt from local rent control.

(B) Fair market rentals for an area shall be published not less than annually by the Secretary on the site of the Department on the World Wide Web and in any other manner specified by the Secretary. Notice that such fair market rentals are being published shall be published in the Federal Register, and such fair market rentals shall become effective no earlier than 30 days after the date of such publication. The Secretary shall establish a procedure for public housing agencies and other interested parties to comment on such fair market rentals and to request, within a time specified by the Secretary, reevaluation of the fair market rentals in a jurisdiction before such rentals become effective. The Secretary shall cause to be published for comment in the Federal Register notices of proposed material changes in the methodology for estimating fair market rentals and notices specifying the final decisions regarding such

proposed substantial methodological changes and responses to public comments.

(2)(A) The assistance contract shall provide for adjustment annually or more frequently in the maximum monthly rents for units covered by the contract to reflect changes in the fair market rentals established in the housing area for similar types and sizes of dwelling units or, if the Secretary determines, on the basis of a reasonable formula. However, where the maximum monthly rent, for a unit in a new construction, substantial rehabilitation, or moderate rehabilitation project, to be adjusted using an annual adjustment factor exceeds the fair market rental for an existing dwelling unit in the market area, the Secretary shall adjust the rent only to the extent that the owner demonstrates that the adjusted rent would not exceed the rent for an unassisted unit of similar quality, type, and age in the same market area, as determined by the Secretary. The immediately foregoing sentence shall be effective only during fiscal year 1995, fiscal year 1996 prior to April 26, 1996, and fiscal years 1997 and 1998, and during fiscal year 1999 and thereafter. Except for assistance under the certificate program, for any unit occupied by the same family at the time of the last annual rental adjustment, where the assistance contract provides for the adjustment of the maximum monthly rent by applying an annual adjustment factor and where the rent for a unit is otherwise eligible for an adjustment based on the full amount of the factor, 0.01 shall be subtracted from the amount of the factor, except that the factor shall not be reduced to less than 1.0. In the case of assistance under the certificate program, 0.01 shall be subtracted from the amount of the annual adjustment factor (except that the factor shall not be reduced to less than 1.0), and the adjusted rent shall not exceed the rent for a comparable unassisted unit of similar quality, type, and age in the market area. The immediately foregoing two sentences shall be effective only during fiscal year 1995, fiscal year 1996 prior to April 26, 1996, and fiscal years 1997 and 1998, and during fiscal year 1999 and thereafter. In establishing annual adjustment factors for units in new construction and substantial rehabilitation projects, the Secretary shall take into account the fact that debt service is a fixed expense. The immediately foregoing sentence shall be effective only during fiscal year 1998.

(B) The contract shall further provide for the Secretary to make additional adjustments in the maximum monthly rent for units under contract to the extent he determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units which have resulted from substantial general increases in real property taxes, utility rates, or similar costs which are not adequately compensated for by the adjustment in the maximum monthly rent authorized by subparagraph (A). The Secretary shall make additional adjustments in the maximum monthly rent for units under contract (subject to the availability of appropriations for contract amendments) to the extent the Secretary determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units that have resulted from the expiration of a real property tax exemption. Where the Secretary determines that a project assisted under this section is located in a community where drug-related criminal activity is generally prevalent and the

project's operating, maintenance, and capital repair expenses have been substantially increased primarily as a result of the prevalence of such drug-related activity, the Secretary may (at the discretion of the Secretary and subject to the availability of appropriations for contract amendments for this purpose), on a project by project basis, provide adjustments to the maximum monthly rents, to a level no greater than 120 percent of the project rents, to cover the costs of maintenance, security, capital repairs, and reserves required for the owner to carry out a strategy acceptable to the Secretary for addressing the problem of drug-related criminal activity. Any rent comparability standard required under this paragraph may be waived by the Secretary to so implement the preceding sentence. The Secretary may (at the discretion of the Secretary and subject to the availability of appropriations for contract amendments), on a project by project basis for projects receiving project-based assistance, provide adjustments to the maximum monthly rents to cover the costs of evaluating and reducing lead-based paint hazards, as defined in section 1004 of the Residential Lead-Based Paint Hazard Reduction Act of 1992.

(C) Adjustments in the maximum rents under subparagraphs (A) and (B) shall not result in material differences between the rents charged for assisted units and unassisted units of similar quality, type, and age in the same market area, as determined by the Secretary. In implementing the limitation established under the preceding sentence, the Secretary shall establish regulations for conducting comparability studies for projects where the Secretary has reason to believe that the application of the formula adjustments under subparagraph (A) would result in such material differences. The Secretary shall conduct such studies upon the request of any owner of any project, or as the Secretary determines to be appropriate by establishing, to the extent practicable, a modified annual adjustment factor for such market area, as the Secretary shall designate, that is geographically smaller than the applicable housing area used for the establishment of the annual adjustment factor under subparagraph (A). The Secretary shall establish such modified annual adjustment factor on the basis of the results of a study conducted by the Secretary of the rents charged, and any change in such rents over the previous year, for assisted units and unassisted units of similar quality, type, and age in the smaller market area. Where the Secretary determines that such modified annual adjustment factor cannot be established or that such factor when applied to a particular project would result in material differences between the rents charged for assisted units and unassisted units of similar quality, type, and age in the same market area, the Secretary may apply an alternative methodology for conducting comparability studies in order to establish rents that are not materially different from rents charged for comparable unassisted units. If the Secretary or appropriate State agency does not complete and submit to the project owner a comparability study not later than 60 days before the anniversary date of the assistance contract under this section, the automatic annual adjustment factor shall be applied. The Secretary may not reduce the contract rents in effect on or after April 15, 1987, for newly constructed, substantially rehabilitated, or moderately rehabilitated projects assisted under this section (including projects assisted under this section as in effect

prior to November 30, 1983), unless the project has been refinanced in a manner that reduces the periodic payments of the owner. Any maximum monthly rent that has been reduced by the Secretary after April 14, 1987, and prior to the enactment of this sentence shall be restored to the maximum monthly rent in effect on April 15, 1987. For any project which has had its maximum monthly rents reduced after April 14, 1987, the Secretary shall make assistance payments (from amounts reserved for the original contract) to the owner of such project in an amount equal to the difference between the maximum monthly rents in effect on April 15, 1987, and the reduced maximum monthly rents, multiplied by the number of months that the reduced maximum monthly rents were in effect.

(3) The amount of the monthly assistance payment with respect to any dwelling unit shall be the difference between the maximum monthly rent which the contract provides that the owner is to receive for the unit and the rent the family is required to pay under section 3(a) of this Act.

(4) The assistance contract shall provide that assistance payments may be made only with respect to a dwelling unit under lease for occupancy by a family determined to be a lower income family at the time it initially occupied such dwelling unit, except that such payments may be made with respect to unoccupied units for a period not exceeding sixty days (A) in the event that a family vacates a dwelling unit before the expiration date of the lease for occupancy or (B) where a good faith effort is being made to fill an unoccupied unit, and, subject to the provisions of the following sentence, such payments may be made, in the case of a newly constructed or substantially rehabilitated project, after such sixty-day period in an amount equal to the debt service attributable to such an unoccupied dwelling unit for a period not to exceed one year, if a good faith effort is being made to fill the unit and the unit provides decent, safe, and sanitary housing. No such payment may be made after such sixty-day period if the Secretary determines that the dwelling unit is in a project which provides the owner with revenues exceeding the costs incurred by such owner with respect to such project.

(5) The Secretary shall take such steps as may be necessary, including the making of contracts for assistance payments in amounts in excess of the amounts required at the time of the initial renting of dwelling units, the reservation of annual contributions authority for the purpose of amending housing assistance contracts, or the allocation of a portion of new authorizations for the purpose of amending housing assistance contracts, to assure that assistance payments are increased on a timely basis to cover increases in maximum monthly rents or decreases in family incomes.

(8)(A) Not less than one year before termination of any contract under which assistance payments are received under this section, other than a contract for tenant-based assistance under this section, an owner shall provide written notice to the Secretary and the tenants involved of the proposed termination. The notice shall also include a statement that, if the Congress makes funds available, the owner and the Secretary may agree to a renewal of the contract, thus avoiding termination, and that in the event of termination the Department of Housing and Urban Development will provide tenant-based rental assistance to all eligible residents, ena-

bling them to choose the place they wish to rent, which is likely to include the dwelling unit in which they currently reside. Any contract covered by this paragraph that is renewed may be renewed for a period of up to 1 year or any number or years, with payments subject to the availability of appropriations for any year.

(B) In the event the owner does not provide the notice required, the owner may not evict the tenants or increase the tenants' rent payment until such time as the owner has provided the notice and 1 year has elapsed. The Secretary may allow the owner to renew the terminating contract for a period of time sufficient to give tenants 1 year of advance notice under such terms and conditions as the Secretary may require.

(C) Any notice under this paragraph shall also comply with any additional requirements established by the Secretary.

(D) For purposes of this paragraph, the term "termination" means the expiration of the assistance contract or an owner's refusal to renew the assistance contract, and such term shall include termination of the contract for business reasons.

(d)(1) Contracts to make assistance payments entered into by a public housing agency with an owner of existing housing units shall provide (with respect to any unit) that—

(A) the selection of tenants shall be the function of the owner, subject to the annual contributions contract between the Secretary and the agency, except that with respect to the certificate and moderate rehabilitation programs only, for the purpose of selecting families to be assisted, the public housing agency may establish local preferences, consistent with the public housing agency plan submitted under section 5A (42 U.S.C. 1437c–1) by the public housing agency;

(B)(i) the lease between the tenant and the owner shall be for at least one year or the term of such contract, whichever is shorter, and shall contain other terms and conditions specified by the Secretary;

(ii) during the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause;

(iii) during the term of the lease, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, or any drug-related criminal activity on or near such premises, engaged in by a tenant of any unit, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy;

(iv) any termination of tenancy shall be preceded by the owner's provision of written notice to the tenant specifying the grounds for such action; and

(v) it shall be cause for termination of the tenancy of a tenant if such tenant—

(I) is fleeing to avoid prosecution, or custody or confinement after conviction, under the laws of the place from which the individual flees, for a crime, or at-

tempt to commit a crime, which is a felony under the laws of the place from which the individual flees, or which, in the case of the State of New Jersey, is a high misdemeanor under the laws of such State; or

(II) is violating a condition of probation or parole imposed under Federal or State law;

(C) maintenance and replacement (including redecoration) shall be in accordance with the standard practice for the building concerned as established by the owner and agreed to by the agency; and

(D) the agency and the owner shall carry out such other appropriate terms and conditions as may be mutually agreed to by them.

(2)(A) Each contract for an existing structure entered into under this section shall be for a term of not less than one month nor more than one hundred and eighty months. The Secretary shall permit public housing agencies to enter into contracts for assistance payments of less than 12 months duration in order to avoid disruption in assistance to eligible families if the annual contributions contract is within 1 year of its expiration date.

(B)(i) In determining the amount of assistance provided under an assistance contract for project-based assistance under this paragraph or a contract for assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of this Act (as such section existed immediately before October 1, 1983), the Secretary may consider and annually adjust, with respect to such project, for the cost of employing or otherwise retaining the services of one or more service coordinators under section 661 of the Housing and Community Development Act of 1992 to coordinate the provision of any services within the project for residents of the project who are elderly or disabled families.

(ii) The budget authority available under section 5(c) for assistance under this section is authorized to be increased by $15,000,000 on or after October 1, 1992, and by $15,000,000 on or after October 1, 1993. Amounts made available under this subparagraph shall be used to provide additional amounts under annual contributions contracts for assistance under this section which shall be made available through assistance contracts only for the purpose of providing service coordinators under clause (i) for projects receiving project-based assistance under this paragraph and to provide additional amounts under contracts for assistance for projects constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of this Act (as such section existed immediately before October 1, 1983) only for such purpose.

(C) An assistance contract for project-based assistance under this paragraph shall provide that the owner shall ensure and maintain compliance with subtitle C of title VI of the Housing and Community Development Act of 1992 and any regulations issued under such subtitle.

(D) An owner of a covered section 8 housing project (as such term is defined in section 659 of the Housing and Community Development Act of 1992) may give preference for occupancy of dwelling units in the project, and reserve units for occupancy,

in accordance with subtitle D of title VI of the Housing and Community Development Act of 1992.

(3) Notwithstanding any other provision of law, with the approval of the Secretary the public housing agency administering a contract under this section with respect to existing housing units may exercise all management and maintenance responsibilities with respect to those units pursuant to a contract between such agency and the owner of such units.

(4) A public housing agency that serves more than one unit of general local government may, at the discretion of the agency, in allocating assistance under this section, give priority to disabled families that are not elderly families.

(5) CALCULATION OF LIMIT.—Any contract entered into under section 514 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 shall be excluded in computing the limit on project-based assistance under this subsection.

(6) TREATMENT OF COMMON AREAS.—The Secretary may not provide any assistance amounts pursuant to an existing contract for project-based assistance under this section for a housing project and may not enter into a new or renewal contract for such assistance for a project unless the owner of the project provides consent, to such local law enforcement agencies as the Secretary determines appropriate, for law enforcement officers of such agencies to enter common areas of the project at any time and without advance notice upon a determination of probable cause by such officers that criminal activity is taking place in such areas.

(e)(1) Nothing in this Act shall be deemed to prohibit an owner from pledging, or offering as security for any loan or obligation, a contract for assistance payments entered into pursuant to this section: *Provided,* That such security is in connection with a project constructed or rehabilitated pursuant to authority granted in this section, and the terms of the financing or any refinancing have been approved by the Secretary.

[(2)**]**

(f) As used in this section—

(1) the term "owner" means any private person or entity, including a cooperative, an agency of the Federal Government, or a public housing agency, having the legal right to lease or sublease dwelling units;

(2) the terms "rent" or "rental" mean, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative;

(3) the term "debt service" means the required payments for principal and interest made with respect to a mortgage secured by housing assisted under this Act;

(4) the term "participating jurisdiction" means a State or unit of general local government designated by the Secretary to be a participating jurisdiction under title II of the Cranston-Gonzalez National Affordable Housing Act;

(5) the term "drug-related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802));

(6) the term "project-based assistance" means rental assistance under subsection (b) that is attached to the structure pursuant to subsection (d)(2) or (o)(13); and

(7) the term "tenant-based assistance" means rental assistance under subsection (o) that is not project-based assistance and that provides for the eligible family to select suitable housing and to move to other suitable housing.

(g) Notwithstanding any other provision of this Act, assistance payments under this section may be provided, in accordance with regulations prescribed by the Secretary, with respect to some or all of the units in any project approved pursuant to section 202 of the Housing Act of 1959.

(h) Sections 5(e) and 6 and any other provisions of this Act which are inconsistent with the provisions of this section shall not apply to contracts for assistance entered into under this section.

(i) The Secretary may not consider the receipt by a public housing agency of assistance under section 811(b)(1) of the Cranston-Gonzalez National Affordable Housing Act, or the amount received, in approving assistance for the agency under this section or determining the amount of such assistance to be provided.

[(j)]

(k) The Secretary shall establish procedures which are appropriate and necessary to assure that income data provided to public housing agencies and owners by families applying for or receiving assistance under this section is complete and accurate. In establishing such procedures, the Secretary shall randomly, regularly, and periodically select a sample of families to authorize the Secretary to obtain information on these families for the purpose of income verification, or to allow those families to provide such information themselves. Such information may include, but is not limited to, data concerning unemployment compensation and Federal income taxation and data relating to benefits made available under the Social Security Act, the Food and Nutrition Act of 2008, or title 38, United States Code. Any such information received pursuant to this subsection shall remain confidential and shall be used only for the purpose of verifying incomes in order to determine eligibility of families for benefits (and the amount of such benefits, if any) under this section.

(o) VOUCHER PROGRAM.—

(1) AUTHORITY.—

(A) IN GENERAL.—The Secretary may provide assistance to public housing agencies for tenant-based assistance using a payment standard established in accordance with subparagraph (B). The payment standard shall be used to determine the monthly assistance that may be paid for any family, as provided in paragraph (2).

(B) ESTABLISHMENT OF PAYMENT STANDARD.—Except as provided under subparagraph (D), the payment standard for each size of dwelling unit in a market area shall not exceed 110 percent of the fair market rental established under subsection (c) for the same size of dwelling unit in the same market area and shall be not less than 90 percent of that fair market rental, except that no public housing agency shall be required as a result of a reduction in the fair market rental to reduce the payment standard ap-

plied to a family continuing to reside in a unit for which the family was receiving assistance under this section at the time the fair market rental was reduced. The Secretary shall allow public housing agencies to request exception payment standards within fair market rental areas subject to criteria and procedures established by the Secretary.

(C) SET-ASIDE.—The Secretary may set aside not more than 5 percent of the budget authority made available for assistance under this subsection as an adjustment pool. The Secretary shall use amounts in the adjustment pool to make adjusted payments to public housing agencies under subparagraph (A), to ensure continued affordability, if the Secretary determines that additional assistance for such purpose is necessary, based on documentation submitted by a public housing agency.

(D) APPROVAL.—The Secretary may require a public housing agency to submit the payment standard of the public housing agency to the Secretary for approval, if the payment standard is less than 90 percent of the fair market rental or exceeds 110 percent of the fair market rental, except that a public housing agency may establish a payment standard of not more than 120 percent of the fair market rent where necessary as a reasonable accommodation for a person with a disability, without approval of the Secretary. A public housing agency may use a payment standard that is greater than 120 percent of the fair market rent as a reasonable accommodation for a person with a disability, but only with the approval of the Secretary. In connection with the use of any increased payment standard established or approved pursuant to either of the preceding two sentences as a reasonable accommodation for a person with a disability, the Secretary may not establish additional requirements regarding the amount of adjusted income paid by such person for rent.

(E) REVIEW.—The Secretary—

(i) shall monitor rent burdens and review any payment standard that results in a significant percentage of the families occupying units of any size paying more than 30 percent of adjusted income for rent; and

(ii) may require a public housing agency to modify the payment standard of the public housing agency based on the results of that review.

(2) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—Subject to the requirement under section 3(a)(3) (relating to minimum rental amount), the monthly assistance payment for a family receiving assistance under this subsection shall be determined as follows:

(A) TENANT-BASED ASSISTANCE; RENT NOT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) does not exceed the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the rent (including the

amount allowed for tenant-paid utilities) exceeds the greatest of the following amounts, rounded to the nearest dollar:

(i) 30 percent of the monthly adjusted income of the family.

(ii) 10 percent of the monthly income of the family.

(iii) If the family is receiving payments for welfare assistance from a public agency and a part of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

(B) TENANT-BASED ASSISTANCE; RENT EXCEEDING PAYMENT STANDARD.—For a family receiving tenant-based assistance, if the rent for the family (including the amount allowed for tenant-paid utilities) exceeds the applicable payment standard established under paragraph (1), the monthly assistance payment for the family shall be equal to the amount by which the applicable payment standard exceeds the greatest of amounts under clauses (i), (ii), and (iii) of subparagraph (A).

(C) FAMILIES RECEIVING PROJECT-BASED ASSISTANCE.—For a family receiving project-based assistance, the rent that the family is required to pay shall be determined in accordance with section 3(a)(1), and the amount of the housing assistance payment shall be determined in accordance with subsection (c)(3) of this section.

(D) UTILITY ALLOWANCE.—

(i) GENERAL.—In determining the monthly assistance payment for a family under subparagraphs (A) and (B), the amount allowed for tenant-paid utilities shall not exceed the appropriate utility allowance for the family unit size as determined by the public housing agency regardless of the size of the dwelling unit leased by the family.

(ii) EXCEPTION FOR FAMILIES IN INCLUDING PERSONS WITH DISABILITIES.—Notwithstanding subparagraph (A), upon request by a family that includes a person with disabilities, the public housing agency shall approve a utility allowance that is higher than the applicable amount on the utility allowance schedule if a higher utility allowance is needed as a reasonable accommodation to make the program accessible to and usable by the family member with a disability.

(3) 40 PERCENT LIMIT.—At the time a family initially receives tenant-based assistance under this section with respect to any dwelling unit, the total amount that a family may be required to pay for rent may not exceed 40 percent of the monthly adjusted income of the family.

(4) ELIGIBLE FAMILIES.—To be eligible to receive assistance under this subsection, a family shall, at the time a family initially receives assistance under this subsection, be a low-income family that is—

(A) a very low-income family;

(B) a family previously assisted under this title;

(C) a low-income family that meets eligibility criteria specified by the public housing agency;

(D) a family that qualifies to receive a voucher in connection with a homeownership program approved under title IV of the Cranston-Gonzalez National Affordable Housing Act; or

(E) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990.

(5) REVIEWS OF FAMILY INCOME.—

(A) IN GENERAL.—Reviews of family incomes for purposes of this section shall be subject to paragraphs (1), (6), and (7) of section 3(a) and to section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.

(B) PROCEDURES.—Each public housing agency administering assistance under this subsection shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving assistance from the agency is complete and accurate.

(6) SELECTION OF FAMILIES AND DISAPPROVAL OF OWNERS.—

(A) PREFERENCES.—

(i) AUTHORITY TO ESTABLISH.—Each public housing agency may establish a system for making tenant-based assistance under this subsection available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics, which may include a preference for families residing in public housing who are victims of a crime of violence (as such term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

(ii) CONTENT.—Each system of preferences established pursuant to this subparagraph shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 5A(f) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

(B) SELECTION OF TENANTS.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit) shall provide that the screening and selection of families for those units shall be the function of the owner. In addition, the public housing agency may elect to screen applicants for the program in accordance with such requirements as the Secretary may establish.

(C) PHA DISAPPROVAL OF OWNERS.—In addition to other grounds authorized by the Secretary, a public housing agency may elect not to enter into a housing assistance payments contract under this subsection with an owner who refuses, or has a history of refusing, to take action to terminate tenancy for activity engaged in by the tenant,

any member of the tenant's household, any guest, or any other person under the control of any member of the household that—

(i) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the public housing agency, owner, or other manager of the housing;

(ii) threatens the health or safety of, or right to peaceful enjoyment of the residences by, persons residing in the immediate vicinity of the premises; or

(iii) is drug-related or violent criminal activity.

(7) LEASES AND TENANCY.—Each housing assistance payment contract entered into by the public housing agency and the owner of a dwelling unit—

(A) shall provide that the lease between the tenant and the owner shall be for a term of not less than 1 year, except that the public housing agency may approve a shorter term for an initial lease between the tenant and the dwelling unit owner if the public housing agency determines that such shorter term would improve housing opportunities for the tenant and if such shorter term is considered to be a prevailing local market practice;

(B) shall provide that the dwelling unit owner shall offer leases to tenants assisted under this subsection that—

(i) are in a standard form used in the locality by the dwelling unit owner; and

(ii) contain terms and conditions that—

(I) are consistent with State and local law; and

(II) apply generally to tenants in the property who are not assisted under this section;

(C) shall provide that during the term of the lease, the owner shall not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause,;

(ii) has provided the tenant a notice to vacate at least 90 days before the effective date of such notice.

(D) shall provide that during the term of the lease, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants, any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises, or any violent or drug-related criminal activity on or near such premises, engaged in by a tenant of any unit, any member of the tenant's household, or any guest or other person under the tenant's control, shall be cause for termination of tenancy;

(E) shall provide that any termination of tenancy under this subsection shall be preceded by the provision of written notice by the owner to the tenant specifying the grounds for that action, and any relief shall be consistent with applicable State and local law; and

(F) may include any addenda required by the Secretary to set forth the provisions of this subsection.

(8) INSPECTION OF UNITS BY PHA'S.—

(A) INITIAL INSPECTION.—

(i) IN GENERAL.—For each dwelling unit for which a housing assistance payment contract is established under this subsection, the public housing agency (or other entity pursuant to paragraph (11)) shall inspect the unit before any assistance payment is made to determine whether the dwelling unit meets the housing quality standards under subparagraph (B), except as provided in clause (ii) or (iii) of this subparagraph.

(ii) CORRECTION OF NON-LIFE-THREATENING CONDITIONS.—In the case of any dwelling unit that is determined, pursuant to an inspection under clause (i), not to meet the housing quality standards under subparagraph (B), assistance payments may be made for the unit notwithstanding subparagraph (C) if failure to meet such standards is a result only of non-life-threatening conditions, as such conditions are established by the Secretary. A public housing agency making assistance payments pursuant to this clause for a dwelling unit shall, 30 days after the beginning of the period for which such payments are made, withhold any assistance payments for the unit if any deficiency resulting in noncompliance with the housing quality standards has not been corrected by such time. The public housing agency shall recommence assistance payments when such deficiency has been corrected, and may use any payments withheld to make assistance payments relating to the period during which payments were withheld.

(iii) USE OF ALTERNATIVE INSPECTION METHOD FOR INTERIM PERIOD.—In the case of any property that within the previous 24 months has met the requirements of an inspection that qualifies as an alternative inspection method pursuant to subparagraph (E), a public housing agency may authorize occupancy before the inspection under clause (i) has been completed, and may make assistance payments retroactive to the beginning of the lease term after the unit has been determined pursuant to an inspection under clause (i) to meet the housing quality standards under subparagraph (B). This clause may not be construed to exempt any dwelling unit from compliance with the requirements of subparagraph (D).

(B) HOUSING QUALITY STANDARDS.—The housing quality standards under this subparagraph are standards for safe and habitable housing established—

(i) by the Secretary for purposes of this subsection; or

(ii) by local housing codes or by codes adopted by public housing agencies that—

(I) meet or exceed housing quality standards, except that the Secretary may waive the requirement under this subclause to significantly increase access to affordable housing and to expand

housing opportunities for families assisted under this subsection, except where such waiver could adversely affect the health or safety of families assisted under this subsection; and

(II) do not severely restrict housing choice

(C) INSPECTION.—The determination required under subparagraph (A) shall be made by the public housing agency (or other entity, as provided in paragraph (11)) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit. Inspections of dwelling units under this subparagraph shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the public housing agency or, in the case of any public housing agency that provides assistance under this subsection on behalf of more than 1250 families, before the expiration of a reasonable period beginning upon such request. The performance of the agency in meeting the 15-day inspection deadline shall be taken into consideration in assessing the performance of the agency.

(D) BIENNIAL INSPECTIONS.—

(i) REQUIREMENT.—Each public housing agency providing assistance under this subsection (or other entity, as provided in paragraph (11)) shall, for each assisted dwelling unit, make inspections not less often than biennially during the term of the housing assistance payments contract for the unit to determine whether the unit is maintained in accordance with the requirements under subparagraph (A).

(ii) USE OF ALTERNATIVE INSPECTION METHOD.—The requirements under clause (i) may be complied with by use of inspections that qualify as an alternative inspection method pursuant to subparagraph (E).

(iii) RECORDS.—The public housing agency (or other entity) shall retain the records of the inspection for a reasonable time, as determined by the Secretary, and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 5(h).

(iv) MIXED-FINANCE PROPERTIES.—The Secretary may adjust the frequency of inspections for mixed-finance properties assisted with vouchers under paragraph (13) to facilitate the use of the alternative inspections in subparagraph (E).

(E) ALTERNATIVE INSPECTION METHOD.—An inspection of a property shall qualify as an alternative inspection method for purposes of this subparagraph if—

(i) the inspection was conducted pursuant to requirements under a Federal, State, or local housing program (including the Home investment partnership program under title II of the Cranston-Gonzalez National Affordable Housing Act and the low-income housing tax credit program under section 42 of the Internal Revenue Code of 1986); and

(ii) pursuant to such inspection, the property was determined to meet the standards or requirements regarding housing quality or safety applicable to properties assisted under such program, and, if a non-Federal standard or requirement was used, the public housing agency has certified to the Secretary that such standard or requirement provides the same (or greater) protection to occupants of dwelling units meeting such standard or requirement as would the housing quality standards under subparagraph (B).

(F) INTERIM INSPECTIONS.—Upon notification to the public housing agency, by a family (on whose behalf tenant-based rental assistance is provided under this subsection) or by a government official, that the dwelling unit for which such assistance is provided does not comply with the housing quality standards under subparagraph (B), the public housing agency shall inspect the dwelling unit—

(i) in the case of any condition that is life-threatening, within 24 hours after the agency's receipt of such notification, unless waived by the Secretary in extraordinary circumstances; and

(ii) in the case of any condition that is not life-threatening, within a reasonable time frame, as determined by the Secretary.

(G) ENFORCEMENT OF HOUSING QUALITY STANDARDS.—

(i) DETERMINATION OF NONCOMPLIANCE.—A dwelling unit that is covered by a housing assistance payments contract under this subsection shall be considered, for purposes of subparagraphs (D) and (F), to be in noncompliance with the housing quality standards under subparagraph (B) if—

(I) the public housing agency or an inspector authorized by the State or unit of local government determines upon inspection of the unit that the unit fails to comply with such standards;

(II) the agency or inspector notifies the owner of the unit in writing of such failure to comply; and

(III) the failure to comply is not corrected—

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

(bb) in the case of any such failure that is a result of non-life-threatening conditions, within 30 days after such notice has been provided or such other reasonable longer period as the public housing agency may establish.

(ii) WITHHOLDING OF ASSISTANCE AMOUNTS DURING CORRECTION.—The public housing agency may withhold assistance amounts under this subsection with respect to a dwelling unit for which a notice pursuant to clause (i)(II), of failure to comply with housing quality standards under subparagraph (B) as determined pursuant to an inspection conducted under subparagraph (D) or (F), has been provided. If the unit is

brought into compliance with such housing quality standards during the periods referred to in clause (i)(III), the public housing agency shall recommence assistance payments and may use any amounts withheld during the correction period to make assistance payments relating to the period during which payments were withheld.

(iii) ABATEMENT OF ASSISTANCE AMOUNTS.—The public housing agency shall abate all of the assistance amounts under this subsection with respect to a dwelling unit that is determined, pursuant to clause (i) of this subparagraph, to be in noncompliance with housing quality standards under subparagraph (B). Upon completion of repairs by the public housing agency or the owner sufficient so that the dwelling unit complies with such housing quality standards, the agency shall recommence payments under the housing assistance payments contract to the owner of the dwelling unit.

(iv) NOTIFICATION.—If a public housing agency providing assistance under this subsection abates rental assistance payments pursuant to clause (iii) with respect to a dwelling unit, the agency shall, upon commencement of such abatement—

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

(aa) such abatement has commenced; and

(bb) if the dwelling unit is not brought into compliance with 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 effective date of the determination of noncompliance under clause (i), or such other reasonable longer period as the public housing agency may establish, the agency shall terminate the housing assistance payments contract for the dwelling unit.

(vii) RELOCATION.—

(I) LEASE OF NEW UNIT.—The agency shall provide the family residing in such a dwelling unit a period of 90 days or such longer period as the public housing agency determines is reasonably necessary to lease a new unit, beginning upon termination of the contract, to lease a new residence with tenant-based rental assistance under this section.

(II) AVAILABILITY OF PUBLIC HOUSING UNITS.—If the family is unable to lease such a new residence during such period, the public housing agency shall, at the option of the family, provide such family a preference for occupancy in a dwelling unit of public housing that is owned or operated by the agency that first becomes available for occupancy after the expiration of such period.

(III) ASSISTANCE IN FINDING UNIT.—The public housing agency may provide assistance to the family in finding a new residence, including use of up to two months of any assistance amounts withheld or abated pursuant to clause (ii) or (iii), respectively, for costs directly associated with relocation of the family to a new residence, which shall include security deposits as necessary and may include reimbursements for reasonable moving expenses incurred by the household, as established by the Secretary. The agency may require that a family receiving assistance for a security deposit shall remit, to the extent of such assistance, the amount of any security deposit refunds made by the owner of the dwelling unit for which the lease was terminated.

(viii) TENANT-CAUSED DAMAGES.—If a public housing agency determines that any damage to a dwelling unit that results in a failure of the dwelling unit to comply with housing quality standards under subparagraph (B), other than any damage resulting from ordinary use, was caused by the tenant, any member of the tenant's household, or any guest or other person under the tenant's control, the agency may waive the applicability of this subparagraph, except that this clause shall not exonerate a tenant from any liability otherwise existing under applicable law for damages to the premises caused by such tenant.

(ix) APPLICABILITY.—This subparagraph shall apply to any dwelling unit for which a housing assistance payments contract is entered into or renewed after the date of the effectiveness of the regulations implementing this subparagraph.

(H) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public

housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this subsection.

(9) VACATED UNITS.—If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payment contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

(10) RENT.—

(A) REASONABLENESS.—The rent for dwelling units for which a housing assistance payment contract is established under this subsection shall be reasonable in comparison with rents charged for comparable dwelling units in the private, unassisted local market.

(B) NEGOTIATIONS.—A public housing agency (or other entity, as provided in paragraph (11)) shall, at the request of a family receiving tenant-based assistance under this subsection, assist that family in negotiating a reasonable rent with a dwelling unit owner. A public housing agency (or such other entity) shall review the rent for a unit under consideration by the family (and all rent increases for units under lease by the family) to determine whether the rent (or rent increase) requested by the owner is reasonable. If a public housing agency (or other such entity) determines that the rent (or rent increase) for a dwelling unit is not reasonable, the public housing agency (or other such entity) shall not make housing assistance payments to the owner under this subsection with respect to that unit.

(C) UNITS EXEMPT FROM LOCAL RENT CONTROL.—If a dwelling unit for which a housing assistance payment contract is established under this subsection is exempt from local rent control provisions during the term of that contract, the rent for that unit shall be reasonable in comparison with other units in the market area that are exempt from local rent control provisions.

(D) TIMELY PAYMENTS.—Each public housing agency shall make timely payment of any amounts due to a dwelling unit owner under this subsection. The housing assistance payment contract between the owner and the public housing agency may provide for penalties for the late payment of amounts due under the contract, which shall be imposed on the public housing agency in accordance with generally accepted practices in the local housing market.

(E) PENALTIES.—Unless otherwise authorized by the Secretary, each public housing agency shall pay any penalties from administrative fees collected by the public housing agency, except that no penalty shall be imposed if the late payment is due to factors that the Secretary determines are beyond the control of the public housing agency.

(F) TAX CREDIT PROJECTS.—In the case of a dwelling unit receiving tax credits pursuant to section 42 of the Internal Revenue Code of 1986 or for which assistance is provided under subtitle A of title II of the Cranston Gonzalez Na-

tional Affordable Housing Act of 1990, for which a housing assistance contract not subject to paragraph (13) of this subsection is established, rent reasonableness shall be determined as otherwise provided by this paragraph, except that—

(i) comparison with rent for units in the private, unassisted local market shall not be required if the rent is equal to or less than the rent for other comparable units receiving such tax credits or assistance in the project that are not occupied by families assisted with tenant-based assistance under this subsection; and

(ii) the rent shall not be considered reasonable for purposes of this paragraph if it exceeds the greater of—

(I) the rents charged for other comparable units receiving such tax credits or assistance in the project that are not occupied by families assisted with tenant-based assistance under this subsection; and

(II) the payment standard established by the public housing agency for a unit of the size involved.

(11) LEASING OF UNITS OWNED BY PHA.—

(A) INSPECTIONS AND RENT DETERMINATIONS.—If an eligible family assisted under this subsection leases a dwelling unit (other than a public housing dwelling unit) that is owned by a public housing agency administering assistance under this subsection, the Secretary shall require the unit of general local government or another entity approved by the Secretary, to make inspections required under paragraph (8) and rent determinations required under paragraph (10). The agency shall be responsible for any expenses of such inspections and determinations.

(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 project that is owned by such agency, by an entity wholly controlled by such agency, or by a limited liability company or limited partnership in which such agency (or an entity wholly controlled by such agency) holds a controlling interest in the managing member or general partner. A dwelling unit shall not be deemed to be owned by a public housing agency for purposes of this subsection because the agency holds a fee interest as ground lessor in the property on which the unit is situated, holds a security interest under a mortgage or deed of trust on the unit, or holds a non-controlling interest in an entity which owns the unit or in the managing member or general partner of an entity which owns the unit.

(12) ASSISTANCE FOR RENTAL OF MANUFACTURED HOUSING.—

(A) IN GENERAL.—A public housing agency may make assistance payments in accordance with this subsection on behalf of a family that utilizes a manufactured home as a principal place of residenceand rents the real property on

which the manufactured home owned by any such family is located.

(B) RENT CALCULATION.—

(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, rent shall mean the sum of the monthly payments made by a family assisted under this paragraph to amortize the cost of purchasing the manufactured home, including any required insurance and property taxes, the monthly amount allowed for tenant-paid utilities, and the monthly rent charged for the real property on which the manufactured home is located, including monthly management and maintenance charges.

(ii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment for a family assisted under this paragraph shall be determined in accordance with paragraph (2). If the amount of the monthly assistance payment for a family exceeds the monthly rent charged for the real property on which the manufactured home is located, including monthly management and maintenance charges, a public housing agency may pay the remainder to the family, lender or utility company, or may choose to make a single payment to the family for the entire monthly assistance amount.

(13) PHA PROJECT-BASED ASSISTANCE.—

(A) IN GENERAL.—A public housing agency may use amounts provided under an annual contributions contract under this subsection to enter into a housing assistance payment contract with respect to an existing, newly constructed, or rehabilitated project, that is attached to the project, subject to the limitations and requirements of this paragraph.

(B) PERCENTAGE LIMITATION.—

(i) IN GENERAL.—Subject to clause (ii), a public housing agency may use for project-based assistance under this paragraph not more than 20 percent of the authorized units for the agency.

(ii) EXCEPTION.—A public housing agency may use up to an additional 10 percent of the authorized units for the agency for project-based assistance under this paragraph, to provide units that house individuals and families that meet the definition of homeless under section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302), that house families with veterans, that provide supportive housing to persons with disabilities or elderly persons, or that are located in areas where vouchers under this subsection are difficult to use, as specified in subparagraph (D)(ii)(II). Any units of project-based assistance that are attached to units previously subject to federally required rent restrictions or receiving another type of long-term housing subsidy provided by the Secretary shall not count toward the percentage limitation under clause (i) of this subparagraph. The Secretary may, by regu-

lation, establish additional categories for the exception under this clause.

(C) CONSISTENCY WITH PHA PLAN AND OTHER GOALS.—A public housing agency may approve a housing assistance payment contract pursuant to this paragraph only if the contract is consistent with—

(i) the public housing agency plan for the agency approved under section 5A; and

(ii) the goal of deconcentrating poverty and expanding housing and economic opportunities.

(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 services that are made available to the assisted residents of the project, according to standards for such services the Secretary may establish.

(II) CERTAIN AREAS.—With respect to areas in which tenant-based vouchers for assistance under this subsection are difficult to use, as determined by the Secretary, and with respect to census tracts with a poverty rate of 20 percent or less, clause (i) shall be applied by substituting "40 percent" for "25 percent", and the Secretary may, by regulation, establish additional conditions.

(III) CERTAIN CONTRACTS.—The limitation under clause (i) shall not apply with respect to contracts or renewal of contracts under which a greater percentage of the dwelling units in a project were assisted under a housing assistance payment contract for project-based assistance pursuant to this paragraph on the date of the enactment of the Housing Opportunity Through Modernization Act of 2016.

(IV) CERTAIN PROPERTIES.—Any units of project-based assistance under this paragraph that are attached to units previously subject to federally required rent restrictions or receiving other project-based assistance provided by the Secretary shall not count toward the percentage limitation imposed by this subparagraph (D).

(iii) ADDITIONAL MONITORING AND OVERSIGHT REQUIREMENTS.—The Secretary may establish additional

requirements 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.

(E) RESIDENT CHOICE REQUIREMENT.—A housing assistance payment contract pursuant to this paragraph shall provide as follows:

(i) MOBILITY.—Each low-income family occupying a dwelling unit assisted under the contract may move from the housing at any time after the family has occupied the dwelling unit for 12 months.

(ii) CONTINUED ASSISTANCE.—Upon such a move, the public housing agency shall provide the low-income family with tenant-based rental assistance under this section or such other tenant-based rental assistance that is subject to comparable income, assistance, rent contribution, affordability, and other requirements, as the Secretary shall provide by regulation. If such rental assistance is not immediately available to fulfill the requirement under the preceding sentence with respect to a low-income family, such requirement may be met by providing the family priority to receive the next voucher or other tenant-based rental assistance amounts that become available under the program used to fulfill such requirement.

(F) CONTRACT TERM.—

(i) TERM.—A housing assistance payment contract pursuant to this paragraph between a public housing agency and the owner of a project may have a term of up to 20 years, subject to—

(I) the availability of sufficient appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriation Acts and in the agency's annual contributions contract with the Secretary, provided that in the event of insufficient appropriated funds, payments due under contracts under this paragraph shall take priority if other cost-saving measures that do not require the termination of an existing contract are available to the agency; and

(II) compliance with the inspection requirements under paragraph (8), except that the agency shall not be required to make biennial inspections of each assisted unit in the development.

(ii) ADDITION OF ELIGIBLE UNITS.—Subject to the limitations of subparagraphs (B) and (D), the agency and the owner may add eligible units within the same project to a housing assistance payments contract at any time during the term thereof without being subject to any additional competitive selection procedures.

(iii) HOUSING UNDER CONSTRUCTION OR RECENTLY CONSTRUCTED.—An agency may enter into a housing assistance payments contract with an owner for any

unit that does not qualify as existing housing and is under construction or recently has been constructed whether or not the agency has executed an agreement to enter into a contract with the owner, provided that the owner demonstrates compliance with applicable requirements prior to execution of the housing assistance payments contract. This clause shall not subject a housing assistance payments contract for existing housing under this paragraph to such requirements or otherwise limit the extent to which a unit may be assisted as existing housing.

(iv) ADDITIONAL CONDITIONS.—The contract may specify additional conditions, including with respect to continuation, termination, or expiration, and shall specify that upon termination or expiration of the contract without extension, each assisted family may elect to use its assistance under this subsection to remain in the same project if its unit complies with the inspection requirements under paragraph (8), the rent for the unit is reasonable as required by paragraph (10)(A), and the family pays its required share of the rent and the amount, if any, by which the unit rent (including the amount allowed for tenant-based utilities) exceeds the applicable payment standard.

(G) EXTENSION OF CONTRACT TERM.—A public housing agency may enter into a contract with the owner of a project assisted under a housing assistance payment contract pursuant to this paragraph to extend the term of the underlying housing assistance payment contract for such period as the agency determines to be appropriate to achieve long-term affordability of the housing or to expand housing opportunities. Such contract may, at the election of the public housing agency and the owner of the project, specify that such contract shall be extended for renewal terms of up to 20 years each, if the agency makes the determination required by this subparagraph and the owner is in compliance with the terms of the contract. Such a contract shall provide that the extension of such term shall be contingent upon the future availability of appropriated funds for the purpose of renewing expiring contracts for assistance payments, as provided in appropriations Acts, and may obligate the owner to have such extensions of the underlying housing assistance payment contract accepted by the owner and the successors in interest of the owner. A public housing agency may agree to enter into such a contract at the time it enters into the initial agreement for a housing assistance payment contract or at any time thereafter that is before the expiration of the housing assistance payment contract.

(H) RENT CALCULATION.—A housing assistance payment contract pursuant to this paragraph shall establish rents for each unit assisted in an amount that does not exceed 110 percent of the applicable fair market rental (or any exception payment standard approved by the Secretary pursuant to paragraph (1)(D)), except that if a contract covers

a dwelling unit that has been allocated low-income housing tax credits pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) and is not located in a qualified census tract (as such term is defined in subsection (d) of such section 42), the rent for such unit may be established at any level that does not exceed the rent charged for comparable units in the building that also receive the low-income housing tax credit but do not have additional rental assistance, except that in the case of a contract unit that has been allocated low-income housing tax credits and for which the rent limitation pursuant to such section 42 is less than the amount that would otherwise be permitted under this subparagraph, the rent for such unit may, in the sole discretion of a public housing agency, be established at the higher section 8 rent, subject only to paragraph (10)(A). The rents established by housing assistance payment contracts pursuant to this paragraph may vary from the payment standards established by the public housing agency pursuant to paragraph (1)(B), but shall be subject to paragraph (10)(A).

(I) RENT ADJUSTMENTS.—A housing assistance payments contract pursuant to this paragraph entered into after the date of the enactment of the Housing Opportunity Through Modernization Act of 2016 shall provide for annual rent adjustments upon the request of the owner, except that—

(i) by agreement of the parties, a contract may allow a public housing agency to adjust the rent for covered units using an operating cost adjustment factor established by the Secretary pursuant to section 524(c) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (which shall not result in a negative adjustment), in which case the contract may require an additional adjustment, if requested, up to the reasonable rent periodically during the term of the contract, and shall require such an adjustment, if requested, upon extension pursuant to subparagraph (G);

(ii) the adjusted rent shall not exceed the maximum rent permitted under subparagraph (H);

(iii) the contract may provide that the maximum rent permitted for a dwelling unit shall not be less than the initial rent for the dwelling unit under the initial housing assistance payments contract covering the units; and

(iv) the provisions of subsection (c)(2)(C) shall not apply.

(J) TENANT SELECTION.—A public housing agency may select families to receive project-based assistance pursuant to this paragraph from its waiting list for assistance under this subsection or may permit owners to select applicants from site-based waiting lists as specified in this subparagraph. Eligibility for such project-based assistance shall be subject to the provisions of section 16(b) that apply to tenant-based assistance. The agency or owner may establish preferences or criteria for selection for a unit assisted

under this paragraph that are consistent with the public housing agency plan for the agency approved under section 5A and that give preference to families who qualify for voluntary services, including disability-specific services, offered in conjunction with assisted units. Any family that rejects an offer of project-based assistance under this paragraph or that is rejected for admission to a project by the owner or manager of a project assisted under this paragraph shall retain its place on the waiting list as if the offer had not been made. A public housing agency may establish and utilize procedures for owner-maintained site-based waiting lists, under which applicants may apply at, or otherwise designate to the public housing agency, the project or projects in which they seek to reside, except that all eligible applicants on the waiting list of an agency for assistance under this subsection shall be permitted to place their names on such separate list, subject to policies and procedures established by the Secretary. All such procedures shall comply with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and other applicable civil rights laws. The owner or manager of a project assisted under this paragraph shall not admit any family to a dwelling unit assisted under a contract pursuant to this paragraph other than a family referred by the public housing agency from its waiting list, or a family on a site-based waiting list that complies with the requirements of this subparagraph. A public housing agency shall disclose to each applicant all other options in the selection of a project in which to reside that are provided by the public housing agency and are available to the applicant.

(K) VACATED UNITS.—Notwithstanding paragraph (9), a housing assistance payment contract pursuant to this paragraph may provide as follows:

(i) PAYMENT FOR VACANT UNITS.—That the public housing agency may, in its discretion, continue to provide assistance under the contract, for a reasonable period not exceeding 60 days, for a dwelling unit that becomes vacant, but only: (I) if the vacancy was not the fault of the owner of the dwelling unit; and (II) the agency and the owner take every reasonable action to minimize the likelihood and extent of any such vacancy. Rental assistance may not be provided for a vacant unit after the expiration of such period.

(ii) REDUCTION OF CONTRACT.—That, if despite reasonable efforts of the agency and the owner to fill a vacant unit, no eligible family has agreed to rent the unit within 120 days after the owner has notified the agency of the vacancy, the agency may reduce its housing assistance payments contract with the owner by the amount equivalent to the remaining months of subsidy attributable to the vacant unit. Amounts deobligated pursuant to such a contract provision shall be available to the agency to provide assistance under this subsection.

Eligible applicants for assistance under this subsection may enforce provisions authorized by this subparagraph.

(L) USE IN COOPERATIVE HOUSING AND ELEVATOR BUILDINGS.—A public housing agency may enter into a housing assistance payments contract under this paragraph with respect to—

(i) dwelling units in cooperative housing; and

(ii) notwithstanding subsection (c), dwelling units in a high-rise elevator project, including such a project that is occupied by families with children, without review and approval of the contract by the Secretary.

(M) REVIEWS.—

(i) SUBSIDY LAYERING.—A subsidy layering review in accordance with section 102(d) of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545(d)) shall not be required for assistance under this paragraph in the case of a housing assistance payments contract for an existing project, or if a subsidy layering review has been conducted by the applicable State or local agency.

(ii) ENVIRONMENTAL REVIEW.—A public housing agency shall not be required to undertake any environmental review before entering into a housing assistance payments contract under this paragraph for an existing project, except to the extent such a review is otherwise required by law or regulation relating to funding other than housing assistance payments.

(N) STRUCTURE OWNED BY AGENCY.—A public housing agency engaged in an initiative to improve, develop, or replace a public housing property or site may attach assistance to an existing, newly constructed, or rehabilitated structure in which the agency has an ownership interest or which the agency has control of without following a competitive process, provided that the agency has notified the public of its intent through its public housing agency plan and subject to the limitations and requirements of this paragraph.

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

(14) INAPPLICABILITY TO TENANT-BASED ASSISTANCE.—Subsection (c) shall not apply to tenant-based assistance under this subsection.

(15) HOMEOWNERSHIP OPTION.—

(A) IN GENERAL.—A public housing agency providing assistance under this subsection may, at the option of the agency, provide assistance for homeownership under subsection (y).

(B) ALTERNATIVE ADMINISTRATION.—A public housing agency may contract with a nonprofit organization to administer a homeownership program under subsection (y).

(16) RENTAL VOUCHERS FOR RELOCATION OF WITNESSES AND VICTIMS OF CRIME.—

(A) WITNESSES.—Of amounts made available for assistance under this subsection in each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement or prosecution agencies.

(B) VICTIMS OF CRIME.—

(i) IN GENERAL.—Of amounts made available for assistance under this section in each fiscal year, the Secretary shall make available such sums as may be necessary for the relocation of families residing in public housing who are victims of a crime of violence (as that term is defined in section 16 of title 18, United States Code) that has been reported to an appropriate law enforcement agency.

(ii) NOTICE.—A public housing agency that receives amounts under this subparagraph shall establish procedures for providing notice of the availability of that assistance to families that may be eligible for that assistance.

(17) DEED RESTRICTIONS.—Assistance under this subsection may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. This paragraph may not be construed to affect the provisions or applicability of the Fair Housing Act.

(18) RENTAL ASSISTANCE FOR ASSISTED LIVING FACILITIES.—

(A) IN GENERAL.—A public housing agency may make assistance payments on behalf of a family that uses an assisted living facility as a principal place of residence and that uses such supportive services made available in the facility as the agency may require. Such payments may be made only for covering costs of rental of the dwelling unit in the assisted living facility and not for covering any portion of the cost of residing in such facility that is attributable to service relating to assisted living.

(B) RENT CALCULATION.—

(i) CHARGES INCLUDED.—For assistance pursuant to this paragraph, the rent of the dwelling unit that is an assisted living facility with respect to which assistance payments are made shall include maintenance and management charges related to the dwelling unit and tenant-paid utilities. Such rent shall not include any charges attributable to services relating to assisted living.

(ii) PAYMENT STANDARD.—In determining the monthly assistance that may be paid under this paragraph on behalf of any family residing in an assisted living facility, the public housing agency shall utilize the payment standard established under paragraph (1), for the market area in which the assisted living facility is located, for the applicable size dwelling unit.

(iii) MONTHLY ASSISTANCE PAYMENT.—The monthly assistance payment for a family assisted under this paragraph shall be determined in accordance with paragraph (2) (using the rent and payment standard for the dwelling unit as determined in accordance with this subsection), except that a family may be required at the time the family initially receives such assistance to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such an amount or percentage that is reasonable given the services and amenities provided and as the Secretary deems appropriate..

(C) DEFINITION.—For the purposes of this paragraph, the term "assisted living facility" has the meaning given that term in section 232(b) of the National Housing Act (12 U.S.C. 1715w(b)), except that such a facility may be contained within a portion of a larger multifamily housing project.

(19) RENTAL VOUCHERS FOR VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.—

(A) SET ASIDE.—Subject to subparagraph (C), the Secretary shall set aside, from amounts made available for rental assistance under this subsection, the amounts specified in subparagraph (B) for use only for providing such assistance through a supported housing program administered in conjunction with the Department of Veterans Affairs. Such program shall provide rental assistance on behalf of homeless veterans who have chronic mental illnesses or chronic substance use disorders, shall require agreement of the veteran to continued treatment for such mental illness or substance use disorder as a condition of receipt of such rental assistance, and shall ensure such treatment and appropriate case management for each veteran receiving such rental assistance.

(B) AMOUNT.—The amount specified in this subparagraph is—

(i) for fiscal year 2007, the amount necessary to provide 500 vouchers for rental assistance under this subsection;

(ii) for fiscal year 2008, the amount necessary to provide 1,000 vouchers for rental assistance under this subsection;

(iii) for fiscal year 2009, the amount necessary to provide 1,500 vouchers for rental assistance under this subsection;

(iv) for fiscal year 2010, the amount necessary to provide 2,000 vouchers for rental assistance under this subsection; and

(v) for fiscal year 2011, the amount necessary to provide 2,500 vouchers for rental assistance under this subsection.

(C) FUNDING THROUGH INCREMENTAL ASSISTANCE.—In any fiscal year, to the extent that this paragraph requires the Secretary to set aside rental assistance amounts for use under this paragraph in an amount that exceeds the

amount set aside in the preceding fiscal year, such requirement shall be effective only to such extent or in such amounts as are or have been provided in appropriation Acts for such fiscal year for incremental rental assistance under this subsection.

(D) NATIVE AMERICAN VETERANS.—

(i) AUTHORITY.—Of the funds made available for rental assistance under this paragraph for fiscal year 2018 and each fiscal year thereafter, the Secretary shall set aside 5 percent for a supported housing and rental assistance program modeled on the HUD–Veterans Affairs Supportive Housing (HUD–VASH) program, to be administered in conjunction with the Department of Veterans Affairs, for the benefit of homeless Native American veterans and veterans at risk of homelessness.

(ii) RECIPIENTS.—Such rental assistance shall be made available to recipients eligible to receive block grants under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.).

(iii) FUNDING CRITERIA.—Funds shall be awarded based on need, administrative capacity, and any other funding criteria established by the Secretary in a notice published in the Federal Register, after consultation with the Secretary of Veterans Affairs, by a date sufficient to provide for implementation of the program under this subparagraph in accordance with clause (i).

(iv) PROGRAM REQUIREMENTS.—

(I) ADMINISTRATION.—Such funds shall be administered by block grant recipients in accordance with program requirements under the Native American Housing Assistance and Self-Determination Act of 1996 in lieu of program requirements under this Act.

(II) AVAILABLE HOUSING.—Rental assistance made available under this subparagraph may be used for dwelling units owned, operated, or assisted with by a recipient of a block grant under this Act or a tribally designated housing entity.

(v) WAIVER.—The Secretary may waive, or specify alternative requirements for any provision of any statute or regulation that the Secretary administers in connection with the use of funds made available under this subparagraph, but only upon a finding by the Secretary that such waiver or alternative requirement is necessary to promote administrative efficiency, eliminate delay, consolidate or eliminate duplicative or ineffective requirements or criteria, or otherwise provide for the effective delivery and administration of such supportive housing assistance to Native American veterans.

(vi) CONSULTATION.—The Secretary and the Secretary of Veterans Affairs shall jointly consult with

block grant recipients and any other appropriate tribal organizations to—

(I) ensure that block grant recipients administering funds made available under the program under this subparagraph are able to effectively coordinate with providers of supportive services provided in connection with such program; and

(II) ensure the effective delivery of supportive services to Native American veterans that are homeless or at risk of homelessness eligible to receive assistance under this subparagraph.

Consultation pursuant to this clause shall be completed by a date sufficient to provide for implementation of the program under this subparagraph in accordance with clause (i).

(vii) NOTICE.—The Secretary shall establish the requirements and criteria for the supported housing and rental assistance program under this subparagraph by notice published in the Federal Register, but shall provide Indian tribes and tribally designated housing agencies an opportunity for comment and consultation before publication of a final notice pursuant to this clause.

(20) COLLECTION OF UTILITY DATA.—

(A) PUBLICATION.—The Secretary shall, to the extent that data can be collected cost effectively, regularly publish such data regarding utility consumption and costs in local areas as the Secretary determines will be useful for the establishment of allowances for tenant-paid utilities for families assisted under this subsection.

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

(i) avoids unnecessary administrative burdens for public housing agencies and owners; and

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

(p) In order to assist elderly families (as defined in section 3(b)(3)) who elect to live in a shared housing arrangement in which they benefit as a result of sharing the facilities of a dwelling with others in a manner that effectively and efficiently meets their housing needs and thereby reduces their costs of housing, the Secretary shall permit assistance provided under the existing housing and moderate rehabilitation programs to be used by such families in such arrangements. In carrying out this subsection, the Secretary shall issue minimum habitability standards for the purpose of assuring decent, safe, and sanitary housing for such families while taking into account the special circumstances of shared housing.

(q) ADMINISTRATIVE FEES.—

(1) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

(A) IN GENERAL.—The Secretary shall establish fees for the costs of administering the tenant-based assistance, certificate, voucher, and moderate rehabilitation programs under this section.

(B) FISCAL YEAR 1999.—

(i) CALCULATION.—For fiscal year 1999, the fee for each month for which a dwelling unit is covered by an assistance contract shall be—

(I) in the case of a public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

(II) in the case of an agency that, on an annual basis, is administering a program for more than 600 dwelling units (aa) for the first 600 units, 7.65 percent of the base amount, and (bb) for any additional dwelling units under the program, 7.0 percent of the base amount.

(ii) BASE AMOUNT.—For purposes of this subparagraph, the base amount shall be the higher of—

(I) the fair market rental established under section 8(c) of this Act (as in effect immediately before the effective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

(II) the amount that is the lesser of (aa) such fair market rental for fiscal year 1994, or (bb) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(C) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for public housing agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

(D) INCREASE.—The Secretary may increase the fee if necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

(E) DECREASE.—The Secretary may decrease the fee for units owned by a public housing agency to reflect reasonable costs of administration.

(2) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(A) the costs of preliminary expenses, in the amount of $500, for a public housing agency, except that such fee shall apply to an agency only in the first year that the agency administers a tenant-based assistance program under this section, and only if, immediately before the ef-

fective date under section 503(a) of the Quality Housing and Work Responsibility Act of 1998, the agency was not administering a tenant-based assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), in connection with its initial increment of assistance received;

(B) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(C) extraordinary costs approved by the Secretary.

(3) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—In each fiscal year, if any public housing agency provides tenant-based assistance under this section on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdiction of such agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

(4) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.

(r) PORTABILITY.—(1) IN GENERAL.—(A) Any family receiving tenant-based assistance under subsection (o) may receive such assistance to rent an eligible dwelling unit if the dwelling unit to which the family moves is within any area in which a program is being administered under this section.

(B)(i) Notwithstanding subparagraph (A) and subject to any exceptions established under clause (ii) of this subparagraph, a public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency.

(ii) The Secretary may establish such exceptions to the authority of public housing agencies established under clause (i).

(2) The public housing agency having authority with respect to the dwelling unit to which a family moves under this subsection shall have the responsibility of carrying out the provisions of this subsection with respect to the family.

(3) In providing assistance under subsection (o) for any fiscal year, the Secretary shall give consideration to any reduction in the number of resident families incurred by a public housing agency in the preceding fiscal year as a result of the provisions of this subsection. The Secretary shall establish procedures for the compensation of public housing agencies that issue vouchers to families that move into or out of the jurisdiction of the public housing agency under portability procedures. The Secretary may reserve amounts available for assistance under subsection (o) to compensate those public housing agencies.

(4) The provisions of this subsection may not be construed to restrict any authority of the Secretary under any other provision of law to provide for the portability of assistance under this section.

(5) LEASE VIOLATIONS.—A family may not receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has moved out of the assisted dwelling unit of the family in violation of a lease, except that a family may receive a voucher from a public housing agency and move to another jurisdiction under the tenant-based assistance program if the family has complied with all other obligations of the section 8 program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, or stalking and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

(s) In selecting families for the provision of assistance under this section (including subsection (o)), a public housing agency may not exclude or penalize a family solely because the family resides in a public housing project.

(t) ENHANCED VOUCHERS.—

(1) IN GENERAL.—Enhanced voucher assistance under this subsection for a family shall be voucher assistance under subsection (o), except that under such enhanced voucher assistance—

(A) subject only to subparagraph (D), the assisted family shall pay as rent no less than the amount the family was paying on the date of the eligibility event for the project in which the family was residing on such date;

(B) the assisted family may elect to remain in the same project in which the family was residing on the date of the eligibility event for the project, and if, during any period the family makes such an election and continues to so reside, the rent for the dwelling unit of the family in such project exceeds the applicable payment standard established pursuant to subsection (o) for the unit, the amount of rental assistance provided on behalf of the family shall be determined using a payment standard that is equal to the rent for the dwelling unit (as such rent may be increased from time-to-time), subject to paragraph (10)(A) of subsection (o) and any other reasonable limit prescribed by the Secretary, except that a limit shall not be considered reasonable for purposes of this subparagraph if it adversely affects such assisted families;

(C) subparagraph (B) of this paragraph shall not apply and the payment standard for the dwelling unit occupied by the family shall be determined in accordance with subsection (o) if—

(i) the assisted family moves, at any time, from such project; or

(ii) the voucher is made available for use by any family other than the original family on behalf of whom the voucher was provided; and

(D) if the annual adjusted income of the assisted family declines to a significant extent, the percentage of annual adjusted income paid by the family for rent shall not exceed the greater of 30 percent or the percentage of annual

adjusted income paid at the time of the eligibility event for the project.

(2) ELIGIBILITY EVENT.—For purposes of this subsection, the term "eligibility event" means, with respect to a multifamily housing project, the prepayment of the mortgage on such housing project, the voluntary termination of the insurance contract for the mortgage for such housing project (including any such mortgage prepayment during fiscal year 1996 or a fiscal year thereafter or any insurance contract voluntary termination during fiscal year 1996 or a fiscal year thereafter), the termination or expiration of the contract for rental assistance under section 8 of the United States Housing Act of 1937 for such housing project (including any such termination or expiration during fiscal years after fiscal year 1994 prior to the effective date of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2001), or the transaction under which the project is preserved as affordable housing, that, under paragraphs (3) and (4) of section 515(c), section 524(d) of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), section 223(f) of the Low-Income Housing Preservation and Resident Homeownership Act of 1990 (12 U.S.C. 4113(f)), or section 201(p) of the Housing and Community Development Amendments of 1978 (12 U.S.C. 1715z–1a(p)), results in tenants in such housing project being eligible for enhanced voucher assistance under this subsection.

(3) TREATMENT OF ENHANCED VOUCHERS PROVIDED UNDER OTHER AUTHORITY.—

(A) IN GENERAL.—Notwithstanding any other provision of law, any enhanced voucher assistance provided under any authority specified in subparagraph (B) shall (regardless of the date that the amounts for providing such assistance were made available) be treated, and subject to the same requirements, as enhanced voucher assistance under this subsection.

(B) IDENTIFICATION OF OTHER AUTHORITY.—The authority specified in this subparagraph is the authority under—

(i) the 10th, 11th, and 12th provisos under the "Preserving Existing Housing Investment" account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997 (Public Law 104–204; 110 Stat. 2884), pursuant to such provisos, the first proviso under the "Housing Certificate Fund" account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1998 (Public Law 105–65; 111 Stat. 1351), or the first proviso under the "Housing Certificate Fund" account in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105–276; 112 Stat. 2469); and

(ii) paragraphs (3) and (4) of section 515(c) of the Multifamily Assisted Housing Reform and Afford-

ability Act of 1997 (42 U.S.C. 1437f note), as in effect before the enactment of this Act.

(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for each of fiscal years 2000, 2001, 2002, 2003, and 2004 such sums as may be necessary for enhanced voucher assistance under this subsection.

(u) In the case of low-income families living in rental projects rehabilitated under section 17 of this Act or section 533 of the Housing Act of 1949 before rehabilitation—

(1) vouchers under this section shall be made for families who are required to move out of their units because of the physical rehabilitation activities or because of overcrowding;

(2) at the discretion of each public housing agency or other agency administering the allocation of assistance or vouchers under this section may be made for families who would have to pay more than 30 percent of their adjusted income for rent after rehabilitation whether they choose to remain in, or to move from, the project; and

(3) the Secretary shall allocate assistance for vouchers under this section to ensure that sufficient resources are available to address the physical or economic displacement, or potential economic displacement, of existing tenants pursuant to paragraphs (1) and (2).

(v) The Secretary may extend expiring contracts entered into under this section for project-based loan management assistance to the extent necessary to prevent displacement of low-income families receiving such assistance as of September 30, 1996.

(x) FAMILY UNIFICATION.—

(1) INCREASE IN BUDGET AUTHORITY.—The budget authority available under section 5(c) for assistance under section 8(b) is authorized to be increased by $100,000,000 on or after October 1, 1992, and by $104,200,000 on or after October 1, 1993.

(2) USE OF FUNDS.—The amounts made available under this subsection shall be used only in connection with tenant-based assistance under section 8 on behalf of (A) any family (i) who is otherwise eligible for such assistance, and (ii) who the public child welfare agency for the jurisdiction has certified is a family for whom the lack of adequate housing is a primary factor in the imminent placement of the family's child or children in out-of-home care or the delayed discharge of a child or children to the family from out-of-home care and (B) for a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years of age and not more than 24 years of age and who have left foster care, or will leave foster care within 90 days, in accordancewith a transition plan described in section 475(5)(H)of the Social Security Act, and is homeless or is at riskof becoming homeless at age 16 or older.

(3) ALLOCATION.—The amounts made available under this subsection shall be allocated by the Secretary through a national competition among applicants based on demonstrated need for assistance under this subsection. To be considered for assistance, an applicant shall submit to the Secretary a written proposal containing a report from the public child welfare agency serving the jurisdiction of the applicant that describes how a lack of adequate housing in the jurisdiction is resulting

in the initial or prolonged separation of children from their families, and how the applicant will coordinate with the public child welfare agency to identify eligible families and provide the families with assistance under this subsection.

(4) COORDINATION BETWEEN PUBLIC HOUSING AGENCIES AND PUBLIC CHILD WELFARE AGENCIES.—The Secretary shall, not later than the expiration of the 180-day period beginning on the date of the enactment of the Housing Opportunity Through Modernization Act of 2016 and after consultation with other appropriate Federal agencies, issue guidance to improve coordination between public housing agencies and public child welfare agencies in carrying out the program under this subsection, which shall provide guidance on—

(A) identifying eligible recipients for assistance under this subsection;

(B) coordinating with other local youth and family providers in the community and participating in the Continuum of Care program established under subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381 et seq.);

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

(D) aligning system goals to improve outcomes for families and youth and reducing lapses in housing for families and youth; and

(E) identifying resources that are available to eligible families and youth to provide supportive services available through parts B and E of title IV of the Social Security Act (42 U.S.C. 621 et seq.; 670 et seq.) or that the head of household of a family or youth may be entitled to receive under section 477 of the Social Security Act (42 U.S.C. 677).

(5) DEFINITIONS.—For purposes of this subsection:

(A) APPLICANT.—The term "applicant" means a public housing agency or any other agency responsible for administering assistance under section 8.

(B) PUBLIC CHILD WELFARE AGENCY.—The term "public child welfare agency" means the public agency responsible under applicable State law for determining that a child is at imminent risk of placement in out-of-home care or that a child in out-of-home care under the supervision of the public agency may be returned to his or her family.

(y) HOMEOWNERSHIP OPTION.—

(1) USE OF ASSISTANCE FOR HOMEOWNERSHIP.—A public housing agency providing tenant-based assistance on behalf of an eligible family under this section may provide assistance for an eligible family that purchases a dwelling unit (including a unit under a lease-purchase agreement) that will be owned by 1 or more members of the family, and will be occupied by the family, if the family—

(A) is a first-time homeowner, or owns or is acquiring shares in a cooperative;

(B) demonstrates that the family has income from employment or other sources (other than public assistance, except that the Secretary may provide for the consider-

ation of public assistance in the case of an elderly family or a disabled family), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

(C) except as provided by the Secretary, demonstrates at the time the family initially receives tenant-based assistance under this subsection that one or more adult members of the family have achieved employment for the period as the Secretary shall require;

(D) participates in a homeownership and housing counseling program provided by the agency; and

(E) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—

(A) MONTHLY EXPENSES NOT EXCEEDING PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, do not exceed the payment standard, the monthly assistance payment shall be the amount by which the homeownership expenses exceed the highest of the following amounts, rounded to the nearest dollar:

(i) 30 percent of the monthly adjusted income of the family.

(ii) 10 percent of the monthly income of the family.

(iii) If the family is receiving payments for welfare assistance from a public agency, and a portion of those payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by that agency to meet the housing costs of the family, the portion of those payments that is so designated.

(B) MONTHLY EXPENSES EXCEED PAYMENT STANDARD.—If the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceed the payment standard, the monthly assistance payment shall be the amount by which the applicable payment standard exceeds the highest of the amounts under clauses (i), (ii), and (iii) of subparagraph (A).

(3) INSPECTIONS AND CONTRACT CONDITIONS.—

(A) IN GENERAL.—Each contract for the purchase of a unit to be assisted under this section shall—

(i) provide for pre-purchase inspection of the unit by an independent professional; and

(ii) require that any cost of necessary repairs be paid by the seller.

(B) ANNUAL INSPECTIONS NOT REQUIRED.—The requirement under subsection (o)(8)(A)(ii) for annual inspections shall not apply to units assisted under this section.

(4) OTHER AUTHORITY OF THE SECRETARY.—The Secretary may—

(A) limit the term of assistance for a family assisted under this subsection; and

(B) modify the requirements of this subsection as the Secretary determines to be necessary to make appropriate adaptations for lease-purchase agreements.

(5) INAPPLICABILITY OF CERTAIN PROVISIONS.—Assistance under this subsection shall not be subject to the requirements of the following provisions:

(A) Subsection (c)(3)(B) of this section.

(B) Subsection (d)(1)(B)(i) of this section.

(C) Any other provisions of this section governing maximum amounts payable to owners and amounts payable by assisted families.

(D) Any other provisions of this section concerning contracts between public housing agencies and owners.

(E) Any other provisions of this Act that are inconsistent with the provisions of this subsection.

(6) REVERSION TO RENTAL STATUS.—

(A) FHA-INSURED MORTGAGES.—If a family receiving assistance under this subsection for occupancy of a dwelling defaults under a mortgage for the dwelling insured by the Secretary under the National Housing Act, the family may not continue to receive rental assistance under this section unless the family (i) transfers to the Secretary marketable title to the dwelling, (ii) moves from the dwelling within the period established or approved by the Secretary, and (iii) agrees that any amounts the family is required to pay to reimburse the escrow account under section 23(d)(3) may be deducted by the public housing agency from the assistance payment otherwise payable on behalf of the family.

(B) OTHER MORTGAGES.—If a family receiving assistance under this subsection defaults under a mortgage not insured under the National Housing Act, the family may not continue to receive rental assistance under this section unless it complies with requirements established by the Secretary.

(C) ALL MORTGAGES.—A family receiving assistance under this subsection that defaults under a mortgage may not receive assistance under this subsection for occupancy of another dwelling owned by one or more members of the family.

(7) DOWNPAYMENT ASSISTANCE.—

(A) AUTHORITY.—A public housing agency may, in lieu of providing monthly assistance payments under this subsection on behalf of a family eligible for such assistance and at the discretion of the public housing agency, provide assistance for the family in the form of a single grant to be used only as a contribution toward the downpayment required in connection with the purchase of a dwelling for fiscal year 2000 and each fiscal year thereafter to the extent provided in advance in appropriations Acts.

(B) AMOUNT.—The amount of a downpayment grant on behalf of an assisted family may not exceed the amount that is equal to the sum of the assistance payments that would be made during the first year of assistance on behalf

of the family, based upon the income of the family at the time the grant is to be made.

(8) DEFINITION OF FIRST-TIME HOMEOWNER.—For purposes of this subsection, the term "first-time homeowner" means—

(A) a family, no member of which has had a present ownership interest in a principal residence during the 3 years preceding the date on which the family initially receives assistance for homeownership under this subsection; and

(B) any other family, as the Secretary may prescribe.

(z) TERMINATION OF SECTION 8 CONTRACTS AND REUSE OF RECAPTURED BUDGET AUTHORITY.—

(1) GENERAL AUTHORITY.—The Secretary may reuse any budget authority, in whole or part, that is recaptured on account of expiration or termination of a housing assistance payments contract only for one or more of the following:

(A) TENANT-BASED ASSISTANCE.—Pursuant to a contract with a public housing agency, to provide tenant-based assistance under this section to families occupying units formerly assisted under the terminated contract.

(B) PROJECT-BASED ASSISTANCE.—Pursuant to a contract with an owner, to attach assistance to one or more structures under this section, for relocation of families occupying units formerly assisted under the terminated contract.

(2) FAMILIES OCCUPYING UNITS FORMERLY ASSISTED UNDER TERMINATED CONTRACT.—Pursuant to paragraph (1), the Secretary shall first make available tenant- or project-based assistance to families occupying units formerly assisted under the terminated contract. The Secretary shall provide project-based assistance in instances only where the use of tenant-based assistance is determined to be infeasible by the Secretary.

(aa) REFINANCING INCENTIVE.—

(1) IN GENERAL.—The Secretary may pay all or a part of the up front costs of refinancing for each project that—

(A) is constructed, substantially rehabilitated, or moderately rehabilitated under this section;

(B) is subject to an assistance contract under this section; and

(C) was subject to a mortgage that has been refinanced under section 223(a)(7) or section 223(f) of the National Housing Act to lower the periodic debt service payments of the owner.

(2) SHARE FROM REDUCED ASSISTANCE PAYMENTS.—The Secretary may pay the up front cost of refinancing only—

(A) to the extent that funds accrue to the Secretary from the reduced assistance payments that results from the refinancing; and

(B) after the application of amounts in accordance with section 1012 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988.

(bb) TRANSFER, REUSE, AND RESCISSION OF BUDGET AUTHORITY.—

(1) TRANSFER OF BUDGET AUTHORITY.—If an assistance contract under this section, other than a contract for tenant-based assistance, is terminated or is not renewed, or if the contract expires, the Secretary shall, in order to provide continued assistance to eligible families, including eligible families receiving the benefit of the project-based assistance at the time of the termination, transfer any budget authority remaining in the contract to another contract. The transfer shall be under such terms as the Secretary may prescribe.

(2) REUSE AND RESCISSION OF CERTAIN RECAPTURED BUDGET AUTHORITY.—Notwithstanding paragraph (1), if a project-based assistance contract for an eligible multifamily housing project subject to actions authorized under title I is terminated or amended as part of restructuring under section 517 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, the Secretary shall recapture the budget authority not required for the terminated or amended contract and use such amounts as are necessary to provide housing assistance for the same number of families covered by such contract for the remaining term of such contract, under a contract providing for project-based or tenant-based assistance. The amount of budget authority saved as a result of the shift to project-based or tenant-based assistance shall be rescinded.

(cc) LAW ENFORCEMENT AND SECURITY PERSONNEL.—

(1) IN GENERAL.—Notwithstanding any other provision of this Act, in the case of assistance attached to a structure, for the purpose of increasing security for the residents of a project, an owner may admit, and assistance under this section may be provided to, police officers and other security personnel who are not otherwise eligible for assistance under the Act.

(2) RENT REQUIREMENTS.—With respect to any assistance provided by an owner under this subsection, the Secretary may—

(A) permit the owner to establish such rent requirements and other terms and conditions of occupancy that the Secretary considers to be appropriate; and

(B) require the owner to submit an application for those rent requirements, which application shall include such information as the Secretary, in the discretion of the Secretary, determines to be necessary.

(3) APPLICABILITY.—This subsection shall apply to fiscal year 1999 and fiscal years thereafter.

(dd) TENANT-BASED CONTRACT RENEWALS.—Subject to amounts provided in appropriation Acts, starting in fiscal year 1999, the Secretary shall renew all expiring tenant-based annual contribution contracts under this section by applying an inflation factor based on local or regional factors to an allocation baseline. The allocation baseline shall be calculated by including, at a minimum, amounts sufficient to ensure continued assistance for the actual number of families assisted as of October 1, 1997, with appropriate upward adjustments for incremental assistance and additional families authorized subsequent to that date.

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HOUSING AND COMMUNITY DEVELOPMENT ACT OF 1992

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TITLE I—HOUSING ASSISTANCE

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Subtitle E—Homeownership Programs

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SEC. 184. LOAN GUARANTEES FOR INDIAN HOUSING.

(a) AUTHORITY.—To provide access to sources of private financing to Indian families, Indian housing authorities, and Indian tribes, who otherwise could not acquire housing financing because of the unique legal status of Indian lands, the Secretary may guarantee not to exceed 100 percent of the unpaid principal and interest due on any loan eligible under subsection (b) made to an Indian family, Indian housing authority, or Indian tribe.

(b) ELIGIBLE LOANS.—Loans guaranteed pursuant to this section shall meet the following requirements:

(1) ELIGIBLE BORROWERS.—The loans shall be made only to borrowers who are Indian families, Indian housing authorities, or Indian tribes.

(2) ELIGIBLE HOUSING.—The loan shall be used to construct, acquire, refinance, or rehabilitate 1- to 4-family dwellings that are standard housing and are located on trust land or land located in an Indian or Alaska Native area.

(3) SECURITY.—The loan may be secured by any collateral authorized under existing Federal law or applicable State or tribal law.

(4) LENDERS.—The loan shall be made only by a lender approved by and meeting qualifications established by the Secretary, except that loans otherwise insured or guaranteed by an agency of the Federal Government or made by an organization of Indians from amounts borrowed from the United States shall not be eligible for guarantee under this section. The following lenders are deemed to be approved under this paragraph:

(A) Any mortgagee approved by the Secretary of Housing and Urban Development for participation in the single family mortgage insurance program under title II of the National Housing Act.

(B) Any lender whose housing loans under chapter 37 of title 38, United States Code are automatically guaranteed pursuant to section 1802(d) of such title.

(C) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949.

(D) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

(5) TERMS.—The loan shall—

(A) be made for a term not exceeding 30 years;

(B) bear interest (exclusive of the guarantee fee under section 404 and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, which may not exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

(C) involve a principal obligation not exceeding—

(i) 97.75 percent of the appraised value of the property as of the date the loan is accepted for guarantee (or 98.75 percent if the value of the property is $50,000 or less); and

(ii) the amount approved by the Secretary under this section; and

(D) involve a payment on account of the property (i) in cash or its equivalent, or (ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

(c) CERTIFICATE OF GUARANTEE.—

(1) APPROVAL PROCESS.—Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination. If the Secretary approves the loan for guarantee, the Secretary shall issue a certificate under this paragraph as evidence of the guarantee.

(2) STANDARD FOR APPROVAL.—The Secretary may approve a loan for guarantee under this section and issue a certificate under this paragraph only if the Secretary determines there is a reasonable prospect of repayment of the loan.

(3) EFFECT.—A certificate of guarantee issued under this paragraph by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under the provisions of this section and the amount of such guarantee. Such evidence shall be incontestable in the hands of the bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for such obligations.

(4) FRAUD AND MISREPRESENTATION.—This subsection may not be construed to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation or to bar the Secretary from establishing by regulations in effect on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

(d) GUARANTEE FEE.—The Secretary shall establish and collect, at the time of issuance of the guarantee, a fee for the guarantee of loans under this section, in an amount not exceeding 3 percent of the principal obligation of the loan. The Secretary may also establish and collect annual premium payments in an amount not exceeding 1 percent of the remaining guaranteed balance (excluding the portion of the remaining balance attributable to the fee collected at the time of issuance of the guarantee). The Secretary shall establish the amount of the fees and premiums by publishing

a notice in the Federal Register. The Secretary shall deposit any fees and premiums collected under this subsection in the Indian Housing Loan Guarantee Fund established under subsection (i).

(e) LIABILITY UNDER GUARANTEE.—The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement.

(f) TRANSFER AND ASSUMPTION.—Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

(g) DISQUALIFICATION OF LENDERS AND CIVIL MONEY PENALTIES.—

(1) IN GENERAL.—If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, to exercise proper credit or underwriting judgment, or has engaged in practices otherwise detrimental to the interest of a borrower or the United States, the Secretary may—

(A) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

(B) bar such lender or holder from acquiring additional loans guaranteed under this section; and

(C) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

(2) CIVIL MONEY PENALTIES FOR INTENTIONAL VIOLATIONS.—If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has intentionally failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, or to exercise proper credit or underwriting judgment, the Secretary may impose a civil money penalty on such lender or holder in the manner and amount provided under section 536 of the National Housing Act with respect to mortgagees and lenders under such Act.

(3) PAYMENT ON LOANS MADE IN GOOD FAITH.—Notwithstanding paragraphs (1) and (2), the Secretary may not refuse to pay pursuant to a valid guarantee on loans of a lender or holder barred under this subsection if the loans were previously made in good faith.

(h) PAYMENT UNDER GUARANTEE.—

(1) LENDER OPTIONS.—

(A) IN GENERAL.—In the event of default by the borrower on a loan guaranteed under this section, the holder of the guarantee certificate shall provide written notice of the default to the Secretary. Upon providing such notice, the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this

section) and may proceed to obtain payment in one of the following manners:

(i) FORECLOSURE.—The holder of the certificate may initiate foreclosure proceedings (after providing written notice of such action to the Secretary) and upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (e)) plus reasonable fees and expenses as approved by the Secretary. The Secretary shall be subrogated to the rights of the holder of the guarantee and the lender holder shall assign the obligation and security to the Secretary.

(ii) NO FORECLOSURE.—Without seeking foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a request to assign the obligation and security interest to the Secretary in return for payment of the claim under the guarantee. The Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Upon assignment, the Secretary shall pay to the holder of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.

(B) REQUIREMENTS.—Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Exhausting all reasonable possibilities of collection by the holder of the guarantee shall include a good faith consideration of loan modification as well as meeting standards for servicing loans in default, as determined by the Secretary. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines appropriate.

(2) LIMITATIONS ON LIQUIDATION.—In the event of a default by the borrower on a loan guaranteed under this section involving a security interest in restricted Indian land, the mortgagee or the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the mortgagee or the Secretary subsequently proceeds to liquidate the account, the mortgagee or the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.

(i) INDIAN HOUSING LOAN GUARANTEE FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States the Indian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

(2) CREDITS.—The Guarantee Fund shall be credited with—

(A) any amounts, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

(B) any amounts appropriated under paragraph (7);

(C) any guarantee fees collected under subsection (d); and

(D) any interest or earnings on amounts invested under paragraph (4).

(3) USE.—Amounts in the Guarantee Fund shall be available, to the extent provided in appropriation Acts, for—

(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loans;

(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

(C) acquiring such security property at foreclosure sales or otherwise;

(D) paying administrative expenses in connection with this section; and

(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

(4) INVESTMENT.—Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required to carry out this section may be invested in obligations of the United States.

(5) LIMITATION ON COMMITMENTS TO GUARANTEE LOANS AND MORTGAGES.—

(A) REQUIREMENT OF APPROPRIATIONS.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year to the extent or in such amounts as are or have been provided in appropriations Acts, without regard to the fiscal year for which such amounts were appropriated.

(B) LIMITATIONS ON COSTS OF GUARANTEES.—The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriation Acts to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loan guarantees for such fiscal year. *There are authorized to be appropriated for such costs $12,200,000 for each of fiscal years 2018 through 2022.* Any amounts appropriated pur-

suant to this subparagraph shall remain available until expended.

(C) LIMITATION ON OUTSTANDING AGGREGATE PRINCIPAL AMOUNT.—Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each of fiscal years [2008 through 2012] *2018 through 2022* with an aggregate outstanding principal amount not exceeding [such amount as may be provided in appropriation Acts for] *$976,000,000 for each* such fiscal year.

(6) LIABILITIES.—All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2)(A) shall be liabilities and obligations of the Guarantee Fund.

(7) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for each of fiscal years 2008 through 2012.

(j) REQUIREMENTS FOR STANDARD HOUSING.—The Secretary shall, by regulation, establish housing safety and quality standards for use under this section. Such standards shall provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section. The standards shall require each dwelling unit in any housing so acquired to—

(1) be decent, safe, sanitary, and modest in size and design;

(2) conform with applicable general construction standards for the region;

(3) contain a heating system that—

(A) has the capacity to maintain a minimum temperature in the dwelling of 65 degrees Fahrenheit during the coldest weather in the area;

(B) is safe to operate and maintain;

(C) delivers a uniform distribution of heat; and

(D) conforms to any applicable tribal heating code or, if there is no applicable tribal code, an appropriate county, State, or National code;

(4) contain a plumbing system that—

(A) uses a properly installed system of piping;

(B) includes a kitchen sink and a partitional bathroom with lavatory, toilet, and bath or shower; and

(C) uses water supply, plumbing, and sewage disposal systems that conform to any applicable tribal code or, if there is no applicable tribal code, the minimum standards established by the applicable county or State;

(5) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any applicable tribal code or, if there is no applicable tribal code, an appropriate county, State, or National code;

(6) be not less than—

(A)(i) 570 square feet in size, if designed for a family of not more than 4 persons;

(ii) 850 square feet in size, if designed for a family of not less than 5 and not more than 7 persons; and

(iii) 1020 square feet in size, if designed for a family of not less than 8 persons, or

(B) the size provided under the applicable locally adopted standards for size of dwelling units;

except that the Secretary, upon the request of a tribe or Indian housing authority, may waive the size requirements under this paragraph; and

(7) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act.

(k) ENVIRONMENTAL REVIEW.—For purposes of environmental, review, decisionmaking, and action under the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) and any other law that furthers the purposes of that Act, a loan guarantee under this section shall—

(1) be treated as a grant under the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4101 et seq.); and

(2) be subject to the regulations promulgated by the Secretary to carry out section 105 of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4115).

(l) DEFINITIONS.—For purposes of this section:

(1) The term "family" means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

(2) The term "Guarantee Fund" means the Indian Housing Loan Guarantee Fund established under subsection (i).

(3) The term "Indian" means person recognized as being Indian or Alaska Native by an Indian tribe, the Federal Government, or any State.

(4) The term "Indian area" means the area within which an Indian housing authority or Indian tribe is authorized to provide housing.

(5) The term "Indian housing authority" means any entity that—

(A) is authorized to engage in or assist in the development or operation of—

(i) low-income housing for Indians; or

(ii) housing subject to the provisions of this section; and

(B) is established—

(i) by exercise of the power of self-government of an Indian tribe independent of State law; or

(ii) by operation of State law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska.

The term includes tribally designated housing entities under the Native American Housing Assistance and Self-Determination Act of 1996.

(6) The term "Secretary" means the Secretary of Housing and Urban Development.

(7) The term "standard housing" means a dwelling unit or housing that complies with the requirements established under subsection (j).

(8) TRIBE; INDIAN TRIBE.—The term "tribe" or "Indian tribe" means any Indian tribe, band, nation, or other organized group or community of Indians, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians pursuant to the Indian Self-Determination and Education Assistance Act of 1975.

(9) The term "trust land" means land title to which is held by the United States for the benefit of an Indian or Indian tribe or title to which is held by an Indian tribe subject to a restriction against alienation imposed by the United States.

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AMERICAN HOMEOWNERSHIP AND ECONOMIC OPPORTUNITY ACT OF 2000

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SEC. 501. LANDS TITLE REPORT COMMISSION.

(a) ESTABLISHMENT.—[Subject to sums being provided in advance in appropriations Acts, there] *There* is established a Commission to be known as the Lands Title Report Commission (hereafter in this section referred to as the "Commission") to facilitate home loan mortgages on Indian trust lands. The Commission will be subject to oversight by the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate.

(b) MEMBERSHIP.—

(1) APPOINTMENT.—The Commission shall be composed of 12 members, appointed not later than 90 days after the date of the enactment of [this Act] *the Native American Housing Assistance and Self-Determination Reauthorization Act of 2017* as follows:

(A) Four members shall be appointed by the President.

(B) Four members shall be appointed by the Chairperson of the Committee on Banking and Financial Services of the House of Representatives.

(C) Four members shall be appointed by the Chairperson of the Committee on Banking, Housing, and Urban Affairs of the Senate.

(2) QUALIFICATIONS.—

(A) MEMBERS OF TRIBES.—At all times, not less than eight of the members of the Commission shall be members of federally recognized Indian tribes.

(B) EXPERIENCE IN LAND TITLE MATTERS.—All members of the Commission shall have experience in and knowledge of land title matters relating to Indian trust lands.

(3) CHAIRPERSON.—The Chairperson of the Commission shall be one of the members of the Commission appointed under paragraph (1)(C), as elected by the members of the Commission.

(4) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(5) TRAVEL EXPENSES.—Members of the Commission shall serve without pay, but each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

(c) INITIAL MEETING.—The Chairperson of the Commission shall call the initial meeting of the Commission. Such meeting shall be held within 30 days after the Chairperson of the Commission determines that sums sufficient for the Commission to carry out its duties under this Act have been appropriated for such purpose.

(d) DUTIES.—The Commission shall analyze the system of the Bureau of Indian Affairs of the Department of the Interior for maintaining land ownership records and title documents and issuing certified title status reports relating to Indian trust lands and, pursuant to such analysis, determine how best to improve or replace the system—

(1) to ensure prompt and accurate responses to requests for title status reports;

(2) to eliminate any backlog of requests for title status reports; and

(3) to ensure that the administration of the system will not in any way impair or restrict the ability of Native Americans to obtain conventional loans for purchase of residences located on Indian trust lands, including any actions necessary to ensure that the system will promptly be able to meet future demands for certified title status reports, taking into account the anticipated complexity and volume of such requests.

(e) REPORT.—Not later than the date of the termination of the Commission under subsection (h), the Commission shall submit a report to the Committee on Banking and Financial Services of the House of Representatives and the Committee on Banking, Housing, and Urban Affairs of the Senate describing the analysis and determinations made pursuant to subsection (d).

(f) POWERS.—

(1) HEARINGS AND SESSIONS.—The Commission may, for the purpose of carrying out this section, hold hearings, sit and act at times and places, take testimony, and receive evidence as the Commission considers appropriate.

(2) STAFF OF FEDERAL AGENCIES.—Upon request of the Commission, the head of any Federal department or agency may detail, on a reimbursable basis, any of the personnel of that department or agency to the Commission to assist it in carrying out its duties under this section.

(3) OBTAINING OFFICIAL DATA.—The Commission may secure directly from any department or agency of the United States information necessary to enable it to carry out this section. Upon request of the Chairperson of the Commission, the head of that department or agency shall furnish that information to the Commission.

(4) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the United States.

(5) ADMINISTRATIVE SUPPORT SERVICES.—Upon the request of the Commission, the Administrator of General Services shall provide to the Commission, on a reimbursable basis, the administrative support services necessary for the Commission to carry out its duties under this section.

(6) STAFF.—The Commission may appoint personnel as it considers appropriate, subject to the provisions of title 5, United States Code, governing appointments in the competitive service, and shall pay such personnel in accordance with the provisions of chapter 51 and subchapter III of chapter 53 of that title relating to classification and General Schedule pay rates.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as may be necessary, and any amounts appropriated pursuant to this subsection shall remain available until expended.

(h) TERMINATION.—The Commission shall terminate 1 year after the date of the initial meeting of the Commission.

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MINORITY VIEWS

Democrats support the reauthorization of the Native American Housing Assistance and Self-Determination Act (NAHASDA), which authorizes critical affordable housing and community development programs for Native American tribes and Native Hawaiians. However, H.R. 3864 arbitrarily excludes reauthorization for the Native Hawaiian housing programs under NAHASDA.

Congress has historically recognized that it has a unique trust responsibility to promote the welfare of Native Hawaiians, whose ancestors were displaced from their homelands by European and American colonialism. Today, Native Hawaiians experience some of the poorest housing conditions in the country, but have limited resources to address issues with substandard housing conditions, as well as housing affordability and availability. The Hawaiian homelands also include very remote rural areas that present challenges for housing development. Other federal housing programs are not necessarily designed in a way that would adequately address the challenges that Native Hawaiians face. In light of this history and the unique housing challenges that Native Hawaiians face, it is critical that we reauthorize the Native Hawaiian housing programs under NAHASDA.

H.R. 3864 would also exempt Native American tribes from current maximum rent requirements for tribes that develop their own policies governing rent levels, without requiring tribes to include hardship policies for tenants who cannot afford higher rent levels. Native Americans experience disproportionately high levels of poverty and should not be burdened with unaffordable rent levels.

For these reasons, we oppose H.R. 3864.

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