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COMPARISON OF MAJOR PROVISIONS OF BIPARTISAN HOUSE SECTION 8 VOUCHER REFORM ACT WITH CURRENT LAW

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Policy	Current Law (Citations are to the U.S. Housing Act of 1937 and Title 24 of the Code of Federal Regulations)	Section 8 Voucher Reform Act of 2007 **(SEVRA, H.R. 1851)** (Citations are to the bill as approved by the House of Representatives on July 12 and House Report 110-216)
Basic Housing Voucher Program Characteristics		
Targeting	75 percent of families that enter the program each year must have incomes at or below 30 percent of the area median income level (about $16,000 for a family of three nationally, but with significant local variation). The remaining 25 percent of families may have incomes up to 80 percent of area median income. (Sections 8(o)(4) and 16(b).) (A similar provision requires that 40 percent of households entering public housing and project-based Section 8 have incomes below 30 percent of area median.)	Similar to current law, except that the 75 percent voucher targeting requirement (and the 40 percent requirement in public housing and project-based Section 8) would apply to the *higher of* 30 percent of area median income or the federal poverty line, adjusted by family size. The poverty line for a family of three in the contiguous 48 states and the District of Columbia is $17,170. (Section 5, amending section 16 of the Act.)

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Subsidy levels and rent burdens	Agencies must set a "payment standard" for each unit size that is within 10 percent of the HUD-determined Fair Market Rent (FMR). The payment standard operates as the maximum subsidy for a unit, subject to "rent reasonableness" requirements described below. HUD may approve lower or higher payment standards, but in recent years has granted few if any increase requests other than for individuals with disabilities. (Section 8(o)(1).) Payment standards may vary by neighborhood. The subsidy payment may not exceed the payment standard or the unit's rent and utility costs, whichever is lower. The amount of the subsidy is equal to the difference between the maximum subsidy and a family's required contribution. If a family rents a unit with a rent higher than the local payment standard, it must pay the rent above the payment standard itself (in addition to 30 percent of adjusted income). New participants and families moving to new units are not allowed to pay more than 40 percent of adjusted income, but there is no limit on rent burdens after initial occupancy. (Sections 3(a)(1) and (3); 8(o)(3).) HUD is supposed to "monitor" rent burdens and determine if "a significant percentage" of families pay more than 30 percent of income for rent. (Regulations provide that it would be "significant" if 40 percent of more of participating families' rent burden exceeded 30 percent of income. See 24 C.F.R. § 982.503(g)(2).) In such a case, HUD may but is not required to direct a PHA to increase its payment standard. (Section 8(o)(1)(E).) It appears that HUD has never analyzed rent burdens or exercised its authority under this provision.	The 90 – 110 percent of FMR discretionary range for area payment standards remains unchanged, but PHAs could increase the payment standard to 120% of FMR without having to seek HUD approval as a reasonable accommodation for persons with disabilities. (Section 12(c), amending §8(o)(1(D).) HUD must report annually to Congress and provide data to public housing agencies on the percentage of families in the voucher program paying more than 30 percent or more than 40 percent of income for rent and the relationship between geographic concentration of voucher holders and agency payment standards. PHAs must make these data public, including as part of the PHA plan. If the percentage of the assisted families paying more than 30 or 40 percent of income for rent and utility costs at a particular PHA exceeds the national average, the PHA must adjust its payment standard to eliminate excessive rent burdens within a reasonable time or explain its reasons for not doing so. HUD may not deny a PHA request to increase an area payment standard up to 120% of FMR to remedy rent burdens in excess of the national average or undue concentration of voucher holders in lower rent, higher poverty areas. (Section 12(a) and (b), amending §8(o)(1)(E) and §5A(d)(4)[the PHA plan section].) For proposed changes in rent policy that also would affect tenants in the public housing and project-based Section 8 programs, see Rent Policy section below.
Determination of "rent reasonableness"	Agencies must determine whether rent is "reasonable" in comparison to units that are of comparable quality, size, type and age. (Section 8(o)(10)(A); §982.507.)	No change from current law.

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Fair Market Rents	HUD is required to establish Fair Market Rents (FMRs) for units of various sizes that are suitable for occupancy by low-income households in each "market area," but the statute does not define what market areas are or what criteria should be used to define them. (Section 8(c)(1).) With some exceptions, HUD sets separate FMRs for each metropolitan area (as defined by the Office of Management and Budget) and rural county. (24 C.F.R. § 888.113.) The metropolitan areas that HUD uses are often very large, covering multiple counties and having populations as high as several million people.	HUD would be directed to set separate FMRs at a minimum for each city with more than 40,000 rental units and for each "urban county" as defined under the Community Development Block Grant program (generally those with more than 200,000 people). HUD would continue to have discretion in defining FMR areas beyond these minimum requirements, but would be required to do so in a manner that results in FMRs that are adequate to rent housing in as wide a range of communities as possible, including low-poverty areas. In addition, PHAs would be able to request separate FMRs for communities or groups of communities that have at least 20,000 rental units and meet several other criteria. To protect current voucher holders from declines in subsidies when FMRs drop, PHAs would be permitted to continue to use payment standards based on the pre-reduction FMRs for as long as a family remains in the same unit. (Section 13, amending §8(c)(1).)
Portability	Families with a voucher now have the right to move to any community where an agency administers a voucher program. An agency may require new participants that at the time they applied for a voucher lived outside the area served by the agency to live within the jurisdiction for one year. (Section 8(r).) The "receiving" agency may "absorb" the family into its own voucher program, thereby allowing the original agency to reissue a voucher to another family on its waiting list, or may bill the initial agency for the subsidy cost. (§982.355.) The fixed funding system adopted in the 2005 and 2006 appropriations acts made it difficult for agencies to meet additional costs due to portability. The 2007 appropriations bill includes up to $100 million for portability-related cost adjustments, but HUD has decided to give no effect to this provision. See PIH 2007-14, p. 7 (June 18, 2007).	Families' portability rights would not be changed. Agencies' administrative burdens would be reduced considerably by a policy change that would require agencies to "absorb" vouchers of families moving into the community. Agencies that incur additional subsidy costs due to portability would receive additional funds, both in the initial year and on renewal. After a voucher is absorbed, the initial agency would be able to reissue the voucher to a family on its waiting list. (Section 6(a) and (b). See also Report at pp. 34-35, which discusses the timing and funding of the portability policy change.)

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Inspections	Agencies must determine whether a unit selected by a family complies with the voucher program's housing quality standards (HQS) before beginning assistance payments. Units must be reinspected each year as well as at any time there is a complaint about the unit. If a PHA determines on re-inspection that a unit fails to meet HQS, HUD rules require: (1) life-threatening conditions to be fixed within 24 hours; (2) a minimum cure period of 30 days for other defects, which PHAs may extend the cure period without limit; (3) PHAs must abate (i.e., suspend) the subsidy payments in the month following the expiration of the PHA-allowed cure period; and (4) termination of the housing assistance (HAP) contract with the owner after allowing the family a reasonable time to relocate with voucher assistance. (Section 8(o)(8); 24 C.F.R. §982.404(a); Housing Choice Voucher Program Guidebook 10-27.)	Federal housing quality standards (HQS) would continue to apply. *Initial inspection.* The bill alters the requirements regarding initial inspections in two ways: a. Units must be inspected prior to payment, but at PHA discretion initial subsidy payments may be made to owners when a unit does not pass the initial inspection, so long as the failure resulted from "non-life threatening conditions." Defects would have to be corrected within 30 days of initial occupancy in order for the owner to receive continuous payments. b. A PHA may allow a family to occupy a unit in advance of inspection if in the previous 12 months the property has been determined to meet housing quality and safety standards under a federal housing program inspection standard. For such properties, subsidy payment may be retroactive to the beginning of the lease term after the unit passes inspection under the voucher program HQS. An owner could request the inspection to expedite payment; the usual 15-day time limit would apply. (See Report at p. 32.) *Ongoing inspections.* Inspections would be required at least every two years, and may be made on a property basis rather than for the particular unit occupied by a voucher holder. The ongoing inspection requirement may be met by a satisfactory inspection of the property under the rules of another federal housing assistance program or under a non-federal program with standards that equal or exceed the protections of the voucher program HQS. Owners would have the same time periods to cure defects as under current regulations, but the standards of 24 hours to fix life-threatening conditions and 30 days (or longer period if approved by the PHA) for other defects would be incorporated in the statute. If defects are not fixed within the allotted time, PHAs are to withhold subsidy payments for up

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		to 60 days, and may use the withheld subsidies to make repairs, directly or through contractors. Tenants are protected from eviction while subsidy payments are withheld, and may terminate the lease in order to move. If repairs are not made and the PHA terminates the contract, the PHA must give the family at least an additional 90 days to find a new unit to lease with voucher assistance, extended if necessary (or the PHA may give the family preference for the next available public housing unit). A PHA must provide a family displaced without fault after a unit fails inspection "reasonable assistance" in finding a new residence, including use of two months of subsidy payments for relocation costs. (Section 2, substantially revising §8(o)(8).)
Administering agencies	HUD contracts with about 2,400 state and local agencies to administer the voucher program. HUD may contract with non-profit entities in limited cases.	No change from current law.
Performance standards	Currently there is no statutory requirement to assess agency performance in administering the voucher program. HUD initiated the Section 8 Management Assessment Program (SEMAP) by rulemaking in 1998. Under SEMAP, agencies are evaluated based on their compliance with statutory and regulatory requirements, not on HUD's changing policy goals. By regulation an agency has substantial time to correct inadequate performance before HUD may take away its funding. (24 C.F.R. Part 985.)	Adds a new statutory requirement for HUD to establish standards and procedures for assessing PHA performance in administering the voucher and section 8 homeownership programs. Performance would be measured periodically (not necessarily annually, as is currently the case) in specified areas that closely match the current SEMAP categories, without the regulatory detail. (HUD would be required to issue new regulations.) The only area currently assessed under SEMAP that is omitted from the required standards is selection of families from the waiting list in accordance with an agency's written criteria (though HUD could add this if it wants under its residual authority to add other areas for performance measurement). The new requirement to assess effectiveness in carrying out policies to achieve deconcentration of poverty strengthens the standard in the current regulation, which is only a bonus factor. Also new is a requirement to assess the reasonableness of rent burdens, linked to the

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		new statutory requirements outlined above. The provision is silent concerning the consequences of different levels of performance. (Section 10, inserting new §8(o)(21).)
Voucher Funding		
Agency funding levels	In 2005 and 2006, agencies' renewal funding was based on the number of authorized vouchers in use in May – July 2004 and their cost, adjusted by HUD's formula annual adjustment factors and for tenant protection vouchers. (A similar policy applied in 2004 based on mid-2003 data.) In each year Congress did not provide sufficient funding for the new formula, resulting in pro rata cuts of 4 percent and 5.4 percent, respectively. In 2003 and earlier years, agencies received sufficient funding to support the actual cost of authorized vouchers in use. For 2007, Congress changed the renewal funding policy in a manner similar to what SEVRA would require. Agencies' renewal funding is based on the cost of their vouchers in use in 2006, adjusted by inflation and for recently-issued tenant protection vouchers and for vouchers reserved for project-based commitments. In late June, HUD notified PHAs that they will receive a 5 percent boost on top of the cost of renewing vouchers in use in 2006 adjusted as specified in the prior sentence. Congress retained the prohibition, in effect since 2003, on agencies using more than their authorized number of vouchers.	Each agency's share of annual appropriations would be based on its actual leasing and costs in the last completed calendar year, adjusted by HUD's formula annual adjustment factors and for recently-issued tenant protection or incremental vouchers. Adjustments also would be required for vouchers left unused due to project-based commitments and for the full-year cost of vouchers ported in the prior calendar year, and HUD would have discretion to make other adjustments, including for natural disasters. Renewal funding would not be provided: (a) for vouchers funded by non-section 8 funds, unless a PHA used the non-Section 8 funds to maintain vouchers in use in a year when renewal funding is reduced by proration; or (b) in 2009, for vouchers funded out of agency reserve funds above 103% of the authorized level. If Congress provides insufficient funding, each agency's share would be pro-rated, except for the renewal costs of enhanced vouchers under section 8(t), which must be funded in full. HUD is directed to set aside excess funds not needed to fund the formula, as well as unspent prior year funds that are recaptured, to reimburse increased costs related to portability and "family self-sufficiency activities." Any remaining funds not needed for these two purposes are to be allocated to agencies that performed best in using renewal funds to serve eligible families. Such reallocated funds can be used to serve additional families, regardless of a PHA's number of authorized vouchers, except that in 2009 an agency may not use such funds to support more than 103 percent of its

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		authorized vouchers. (Section 6, inserting revised §8(dd(2).)
Reserve funds	Prior to 2002, PHAs were permitted to retain two months of reserves, and HUD would replenish reserves used for permissible purposes. In 2002, Congress reduced the maximum reserve level to one month, and recaptured the additional funds. The 2003 and 2004 appropriations acts provided a central fund to HUD to permit agencies to increase use of authorized vouchers. No such funds have been provided since 2004. The 2005 appropriations act required HUD to reduce program reserves from one month to one week. In January 2006, HUD announced that it was rescinding all remaining reserve funds accumulated from 2004 and earlier voucher funding, but would allow agencies to retain unused 2005 funds in an "undesignated fund balance account," subsequently renamed a "net cumulative HAP equity account." (PIH 2006-03, Jan. 11, 2006; PIH 2007-14, June 18, 2007.) Agencies may use these carry-over funds to support additional authorized vouchers. It is not clear if or when HUD will sweep funds from these balance accounts or reduce new allocations based on remaining fund balances. HUD officials have testified they have no intent to recapture reserve funds *in 2007*.	HUD is directed to recapture all unused funds above 5 percent of annual renewal funding at the end of each calendar year. (See above for how these funds are to be reallocated.) In the first year after enactment, however, PHAs may retain carryover funds equal to 12.5% (one and ½ months) of their renewal funding allocation. (Section 6, inserting revised §8(dd(4).) Permitted levels of reserve funds may be used for all authorized purposes, and HUD may not recapture them. Every agency may, in the last quarter of the calendar year, draw up to an additional two percent of renewal funding as an advance on the subsequent year's renewal funding. (Agencies with reserve funds could draw only the difference between their reserve funds and the 2 percent maximum advance and must first use their reserves.) Such funds may be used to meet the costs above the annual funding level incurred for any reason, including temporary overleasing. This policy innovation is a cost-free way of providing contingency funding to agencies, to enable them to aim to use all of their funds and all of their authorized vouchers without fear of overshooting the goal. The advance policy requires no added budget authority so long as Congress continues the recent practice of including an advance appropriation (about $4.2 billion each year since 2002) within each year's housing voucher appropriation. (Section 6, inserting revised §8(dd)(3).)
Authorization of renewal funding	Funding to renew previously awarded vouchers is permanently authorized, subject to appropriation. (Section 8(dd).)	Renewal funding "as may be necessary" is authorized for five years, through 2012. (Section 6, inserting revised §8(dd(1)(A).)
New vouchers	Authorization for new incremental vouchers expired after 2003. (Section 558 of the Quality Housing and Work Responsibility Act of 1998.)	Funding is authorized for 20,000 new incremental vouchers in each of the 5 years 2008 – 2012, for a total of 100,000 new

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	Current law provides a formula to distribute funds appropriated for new vouchers not restricted to a particular purpose. (Section 213(d) of the Housing and Community Development Act of 1974, 42 U.S.C. §1439.) Various sections of the USHA authorize the issuance of new "tenant protection" vouchers to replace other federal housing assistance. Beginning in 2006, HUD has restricted issuance of new tenant protection vouchers to occupied units. See, e.g., PIH 2007-10, April 30, 2007; PIH 2007-14, June 18, 2007, p. 6.	vouchers. (Section 14.) Includes authorization for all types of new "tenant protection" vouchers, as well as vouchers necessary to comply with a consent decree or court order and to protect victims of domestic violence, and directs HUD to provide replacement vouchers for all lost units, without limitation to whether the units were occupied at the date demolition, disposition or conversion is approved. ((Section 6, inserting revised §8(dd)(1)(B).)
Administrative fees	Under Section 8(q), agencies earn ongoing administrative fees based on the number of units leased. Since 2004, appropriations acts have overridden the existing fee framework, and have based each agency's share of total administrative fee funding on the amount the agency earned for units leased in 2003, with adjustments for subsequent awards of new vouchers, but without any adjustment for increased labor, insurance or other costs. In some years funding has been insufficient to meet this revised formula, resulting in a proration of administrative fee funds.	Bill updates Section 8(q), retaining the statutory policy under which fees are based on units leased. Adds new requirement to include in the calculation of fees an amount "for the cost of issuing voucher[s] to new participants." HUD is required to update the fee rate annually based on changes in wage data or other objective measure of the cost of program administration, using PHAs' 2003 rates, updated for inflation, as the basis of current fees. (Section 7, amending §8(q).).
Protections for Tenants and Owners		
Enhanced vouchers for families losing other assistance	Tenants in privately-owned buildings who face steep rent increases due to the end of federal subsidies now have a right to remain in their homes with "enhanced" vouchers to meet the increased rent costs. (Section 8(t).) An "overhoused" family (e.g., a parent whose grown children have moved out) receives a voucher subsidy based on the PHA's usual occupancy standards for the family's size and composition, rather than the number of bedrooms in the unit, and may be required to move out of the building, if necessary, to a unit of appropriate size to receive voucher assistance.	A family eligible for enhanced voucher assistance may elect to remain in the same project even if the family size is smaller or larger than the PHA would normally permit to reside in the unit, except that a family may be required to move to a unit of appropriate size if available in the project. (Section 15, amending §8(t)(1)(B).) Proposed funding policy changes would require the full cost of renewing enhanced vouchers to be met even if renewal funding appropriated is insufficient to meet need as determined by the revised formula (Section 6, adding new § 8(dd)(2)(E)(i).

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Discrimination	Agencies are required to comply with all civil rights and fair housing laws, and to affirmatively further fair housing in carrying out the agency plan, which covers public housing and the tenant-based voucher program. (Section 5A(d)(15).) People with disabilities entitled to adjustment or waiver of some program rules as a "reasonable accommodation." For example, a PHA may pay a higher subsidy for a unit with special features needed by a person with a disability.	No change from current law.
Public accountability and required participation by residents in policy-setting	Agencies are required to have 5-year and annual plans setting forth their goals and major policy decisions. Resident advisory boards must be consulted in preparation of these plans, and the agency must hold a public hearing each year to receive comments on its draft annual plan. Most agencies are required to have a voucher program participant or resident of public housing on their board of directors. (Sections 2(b); 5A.)	No change from current law, except that PHAs must include in their annual plans the HUD-provided data on rent burdens and concentration of voucher holders, and their response. (See Subsidy standards and rent burdens, above.)
Timely payments	Agencies are required to make timely payments to owners, and may have to pay a late fine if payments are overdue. (Section 8(o)(10)(D).)	No change from current law. Timeliness of actions related to landlord participation is a required component of performance assessment. (See section on Performance standards, above.)
Screening and due process	Prospective landlords are responsible for deciding whether a family will be suitable as a tenant. Before issuing a voucher to an applicant at the top of the waiting list, however, PHAs are required to screen for limited types of criminal offenses, and may deny assistance for limited additional reasons. (Section 8(o)(6)(B); 24 C.F.R. §§ 982.201(f); 982.552-.553.) The statute is silent concerning notice and hearing rights of voucher applicants denied admission to the program based on such screening. It also does not address the due process rights of program participants if an agency decides to terminate voucher assistance. Under HUD regulations, applicants denied	If a PHA elects to screen applicants for suitability as tenants, the screening must be "limited to criteria that are directly related to an applicant's ability to fulfill the obligations of an assisted lease, and shall consider mitigating circumstances related to such applicant." (This would likely mean, for example, that an applicant with a history of nonpayment of credit card bills, but good rent payment history, could not be denied a voucher on the basis of credit history.) Basic due process requirements similar to current regulations would be included in the statute: notice of the basis of a decision to deny or terminate assistance and an opportunity for an informal hearing at which the hearing officer

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	assistance and participants subject to termination of voucher assistance have rights to notice and informal review or hearing by the agency, but HUD's rules allow but generally do not require consideration of mitigating circumstances. (24 C.F.R. §§ 982.552-.555.)	would have to consider evidence of mitigating circumstances. (Section 14, amending sec. 8(o)(6)(B).)
Self-Sufficiency		
Family Self-Sufficiency Program	Every agency is permitted to operate a Family Self-Sufficiency (FSS) program, which provides case management support and the opportunity to accumulate savings. Some agencies are required to enroll a specified number of families in FSS, based on special awards of voucher funds prior to 1998. Depending on the level of appropriations and HUD selection criteria, agencies may receive additional funding from HUD for the cost of FSS coordinators. (Section 23; 24 C.F.R. Part 984.) Prior to funding policy changes in 2005, HUD provided additional funding to cover the costs of the savings accounts. Enrollment in FSS has declined in recent years, possibly due to the renewal funding policies in 2004-2006.	The bill makes no change in FSS program requirements or policies, but does include two policy changes that will encourage PHAs to initiate and expand FSS programs. a. The proposed funding policy would provide additional funds to agencies related to costs of FSS savings accounts. b. Fees for FSS coordinators would be distributed by formula rather than through a competition in which HUD can change the criteria annually, as has occurred in recent years. A portion of the fees may be allocated as an incentive for high performance. (Section 7(a), amending §8(q) of the Act, and §7(b) of the bill, amending §23(h)(1) of the Act, 42 U.S.C. §1437u (the FSS section). In addition, the bill requires a formal evaluation of FSS using random assignment, authorizes $10 million for the evaluation, and requires HUD to submit to Congress an interim evaluation within 4 years and a final evaluation within 8 years. (Section 7(b), inserting new §23(h)(1)(G).) FSS escrowed savings are exempt from the new asset test. (Section 4(a), inserting new section 16(e)(2).)
Time Limits	Time limits are not permitted for rental assistance, unless an agency is in the Moving to Work Demonstration and HUD has approved this policy change. Homeownership assistance for families that are not elderly or disabled is	No change from current law. House rejected amendment to impose 7-year time limit by a vote of 151 -267.

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	limited to 10 – 15 years, depending on the term of the mortgage. (§982.634, implementing section 8(y)(4)(A).)	
Work requirements	Families that voluntarily enter into FSS contracts are required to work in order to receive their savings. PHAs are permitted to terminate voucher assistance of families that fail to comply with their contracts under FSS or the Welfare-to-Work voucher program. Otherwise, work requirements are not permitted, unless an agency is in the Moving to Work Demonstration and HUD has approved this policy change.	No change from current law. House rejected amendment to impose 20-hour work requirements after 7 years by a vote of 197-222.
Special Uses of Vouchers		
Project-based vouchers	An agency may project-base up to 20 percent of its budget authority. (HUD's regulations allow agencies to exceed this level if annual funding is reduced after the commitment of project-based vouchers.) The initial contract term may be up to 10 years, and PHAs may agree in the final year to extend the term for up to five years at expiration subject to certain conditions. Unlimited five-year extensions are permitted. Project-basing permitted only in areas consistent with the goals of deconcentrating poverty and expanding housing and economic opportunity. No more than 25 percent of units in a building may receive project-based voucher assistance, with exceptions for units housing the elderly, persons with disabilities, or families receiving supportive services. Families have a right to relocate with the next available voucher after one year. Certain special subsidy and rent rules apply, enabling higher subsidies if reasonable and restricting tenants' contribution to 30 percent of income. By regulation, HUD restricted rents in LIHTC units to the LIHTC maximum, even if below the usual voucher payment standard, and requires PHAs to decrease rent if the FMR declines by 5% or more. (On May 1, 2007, HUD published notice in the Federal Register of a proposed	Amends section 8(o)(13) substantially, to facilitate the use of project-based vouchers (PBVs) by PHAs: a. An agency may project-base up to *25* percent of its budget authority, plus an additional 5 percent for units housing individuals and families meeting the McKinney homelessness definition. b. The initial contract term may be up to *15* years (matching the LIHTC compliance period), and PHAs and owners may agree at any time, including in the initial contract, to extend the term for up to 15 years at each expiration subject to certain conditions. c. The greater of *25 percent* of the units in a *project* (rather than building) *or 25 units* may receive project-based voucher assistance. A new exception is added for tight market areas, where 50% of units may have PBVs. Current exceptions to these limitations for projects that serve the elderly, persons with disabilities, or families receiving supportive services continue. d. PHAs may set reasonable rents up to 110 percent of the HUD Fair Market Rent in units with Low Income Housing Tax Credits, even if this rent level exceeds the maximum rent under the LIHTC program, and may allow PHAs to agree in advance not to reduce the rent below

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	rule that would rescind the regulatory rent cap on LIHTC units.) (Section 8(o)(13) and final rules at 24 C.F.R. Part 983, issued October 2005.)	the initial rent during the term of the contract. e. Permits PBVs to be used in cooperatives and in elevator buildings. f. Streamlines subsidy layering and environmental reviews. g. Permits owner-managed site-based waiting lists, subject to PHA oversight and responsibility, and protects tenants displaced by rehabilitation. h. Requires administrative fees for project-based units to be determined in the same manner as for other vouchers. (Section 11 of the bill, amending §8(o)(13).)
Downpayment assistance	Agencies may use funds to assist a participating family to meet downpayment costs. Maximum amount of downpayment assistance is equal to one year of the amount of voucher subsidy for which a family would have been eligible. (On average, the maximum would not exceed about $7,000 in 2007, and would be less for families with higher than average incomes.) (Section 8(y)(7); §982.643.) Option is not effective until approved in advance in an appropriations act, which has never occurred.	Removes requirement for advance approval in an appropriations act, enabling HUD to make the option immediately effective. Other restrictions of current law would apply, but the amount of the maximum payment would be changed to $10,000 (an increase in most cases), rather than being based on the amount of voucher subsidy for which a family would have been eligible over a one-year period. (Section 8(a), amending §8(y)(7).)
Mobile Homes	Subsidy payments are permitted only to meet the costs of renting the land on which a mobile/manufactured home owned by a family is located. No subsidy is permitted for utility costs, property taxes or the costs of the loan or insurance on the mobile home. Section 8(o)(12). HUD generally limits the payment standards for space rentals to 40 percent of the 2-bedroom fair market rent. 24 C.F.R. § 888.113(g).	SEVRA restores the use of vouchers to assist families buying mobile homes but renting the land on which they sit. The maximum subsidy would be the same as for regular rental or homeownership payments, and may cover payments and insurance on the mobile home, property taxes, ground rent, and tenant-paid utility costs. Similar to the voucher homeownership program, PHAs may choose to pay the subsidy amount attributable to costs other than the ground rent directly to the family. (Section 8(b), amending §8(o)(12).)
Vouchers for Persons with Disabilities and Family Unification Vouchers	From 1997 – 2002, Congress and HUD funded about 57,000 additional vouchers for non-elderly persons with disabilities, largely as a means to offset the reduction in housing opportunities created by permitting other federally-assisted housing to be "designated"	HUD is required to issue guidance to ensure that, "to the maximum extent practicable," vouchers provided for non-elderly disabled families from 1997 -2002 continue to be made available upon turnover to non-elderly persons with disabilities. (Section 6(c) of the bill. This

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	for the elderly. In recent years, Congress has included language in appropriations acts requiring such vouchers to continue to be made available upon turnover to persons with disabilities, "to the extent practicable." In 2006 and 2007, the appropriations acts include a similar requirement for vouchers awarded under the Family Unification Program (FUP). From 1994 – 2001, HUD awarded about 34,000 FUP vouchers.	is a non-codified provision.) No provision is included regarding vouchers originally issued under the family unification program.
Eligibility (Identification, Income and Asset Limits, all programs)		
Income Eligibility for Applicants and Participants	Income limits apply only at initial eligibility. (See Sections 3(a)(1) and 8(o)(4).) Generally, a family is eligible to begin to receive public housing or any type of section 8 assistance only if it is "low income," that is, if its income does not exceed 80 percent of the HUD-adjusted area median income for its family size. (Exceptions apply for families receiving vouchers due to the end of federal mortgage assistance for certain types of properties [see 24 C.F.R. § 982.201(b)(v)], for public housing operated by "small" agencies without income-eligible applicants, and for police officers.) By regulation, HUD permits but does not require PHAs to evict over-income families from public housing unless they are participating in the Family Self-Sufficiency program or receiving the earned income disallowance. (24 C.F.R. § 960.261.) In most geographic areas, families no longer qualify for section 8 assistance -- because 30 percent of their income exceeds the subsidy level – at an income level well below the eligibility ceiling of 80 percent of area median.	For all programs, limits initial *and continuing* eligibility to "low income" families (those with income at or below 80 percent of the HUD-adjusted area median income level). The bill exempts two groups of families from this limitation: (a) those receiving vouchers due to the end of federal assistance for privately-owned units, and (b) those residing in project-based section 8 units at the date of enactment with incomes up to 95 percent of AMI, if this higher income eligibility level applied at the date of enactment. The bill allows PHAs and owners not to enforce the income limitations on recertification in public housing and project-based Section 8, or to delay eviction or termination of voucher assistance for six months. (Section 4(b).)
Asset Limits	There are no asset limits for public housing or the Section 8 programs. Income from assets is included in determining rent obligations. (See Rent section below.)	Makes applicants and current tenants or participants ineligible for public housing or the Section 8 programs if they have more than $100,000 in net assets (adjusted annually for inflation) or have "a present ownership interest" in a suitable home in which they have

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		a legal right to reside, unless the home is assisted under the USHA, or the family includes a person who is a victim of domestic violence or is making a good faith effort to sell the home. Excluded from assets are interests in Indian trust land, equity accounts in HUD homeownership or FSS programs, certain inaccessible trust funds, retirement accounts, settlements or awards due to actions that resulted in the serious disability of a household member, tax-protected education savings accounts, and personal property not of significant value. Allows PHAs not to enforce the asset limitations on recertification in public housing, and allows PHAs and owners to delay evictions of tenants or termination of voucher holders with assets above the limit for six months. (Section 4(a), inserting new section 16(e) of the Act.)
Citizenship, Identification, and SSN requirements	(A) Household members seeking or receiving assistance under any Section 8 program or public housing (as well as many other HUD programs) must be citizens or meet a limited list of categories of eligible immigration status ("Section 214 status"). A PHA or owner is permitted, but not required, to seek verification of citizenship; a signed declaration is sufficient evidence of citizenship under HUD rules. Elderly noncitizens (age 62 or over) also are permitted to self-certify that they meet one of the eligible categories of immigration status. All other noncitizens must verify eligible status through the Immigration and Naturalization Service. If any member of a household does not provide required proof of citizenship/eligible immigration status, assistance is provided only for the eligible members of a "mixed" household, based on their pro rata share of the total number of persons in the household. 42 U.S.C. § 1436a, 24 C.F.R. §§ 5.500 - .528. (HUD has proposed requiring all persons claiming citizenship to prove proof of this. 72 Fed. Reg. 33844, June 19, 2007.)	Requirements for receipt of housing voucher assistance (but not other programs) would be changed. Every adult member of a household, including those not receiving assistance due to pro-ration, would be required to provide: (1) a Social Security card and federal or state government-issued photo ID, *or* (2) a passport (including a foreign passport), *or* (3) a photo ID issued by the Immigration Service, *or* (4) other "REAL ID" (i.e., a driver's license or identification card issued by a State in compliance with the "REAL ID" requirements of 49 U.S.C. § 30301) in order for the household to receive housing voucher assistance. Persons without a Social Security card would have to provide one of the other enumerated types of identification. No exemption for the elderly (or others) is permitted. If any adult household member did not provide one of these required forms of verification of identity, assistance could not be provided for the household. This provision likely would require the termination of voucher assistance for many current "mixed households," including citizens and legal residents, and could result in termination of assistance for other citizens or legal residents

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	(B) In addition, household members age 6 or over must provide their Social Security number (SSN), *or* certify that they have not been assigned a SSN. Those who have been assigned a SSN must provide either a copy of the card or other proof of the SSN. 42 U.S.C. § 3543(a); 24 C.F.R. §§ 5.216 - .218. (HUD has proposed requiring all persons to provide an SSN as a condition of receiving assistance, with prorated assistance to be provided if all household members do not comply. 72 Fed. Reg. 33844, June 19, 2007.)	who are not able to provide the required forms of identification. (Section 21.)
Rent Policies (all programs)		
Programs Covered	With limited exceptions, common rules apply to public housing, vouchers, and project-based Section 8.	Changes apply to project-based Section 8 as well as public housing and vouchers. HUD must report to Congress in 2008 and 2009 on the impact of SEVRA changes on the revenues and costs of operating public housing, and if there is a reduction in income for particular agencies that is not *de minimus* make appropriate adjustments in their formula income under the operating subsidy rule. (Section 3(f).)
Affordability	For rent and reasonable utility costs, families generally pay the higher of 30 percent of adjusted income or 10 percent of gross income, plus (for voucher holders) the amount by which rent and utility costs exceed the local payment standard. Agencies may establish a minimum rent up to $50, subject to federally established hardship exceptions. (Section 3(a))	Similar to current law affordability standard (and minimum rent requirements) with two exceptions: (1) required interim adjustments for changes in income during year are limited (see Recertification of Income below); and (2) PHAs may establish alternative rent structures for vouchers and public housing, using rent ceilings, income tiers, or a lower percentage of earned income, but the amount paid by any family may not exceed the rent contribution determined under the regular rules. Elderly and disabled families are not eligible for alternative rents. (Section 3(a), amending section 3(a) of the U.S. Housing Act.)

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Elderly and disabled families (defined in Housing Act as a household whose head, spouse or sole member is 62 or over or a person with disabilities)	Standard per household deduction: $400. Eligible for some special income adjustments for unreimbursed medical expenses and reasonable expenses for attendant care and auxiliary aids necessary for a handicapped person (or family member) to be employed, to the extent those expenses exceed 3 percent of income. (Section 3(b)(5)(A))	Increases standard deduction for elderly and disabled households to $725, with adjustments for inflation in future years. Narrows medical/attendant care/auxiliary aid individualized deduction to expenses exceeding 10 percent of income. (Section 3(b).)
Recertification of income	Verification of income and amount of family contribution for rent and utilities required annually. (Sections 3(a)(1) and 8(c)(3) and (o)(5).) Interim recertifications for income declines required at tenant's request. Interim recertifications for increases at discretion of agency.	Recertification of income required at least every three years for families on "fixed" incomes (at least 90 percent of income from Social Security, SSI or similar source), and annually for other families. Interim recertifications at tenant's request for any income decrease exceeding $1,500 on an annual basis (and for smaller decreases if the PHA or owner chooses to establish a threshold below $1,500) and required for an annual increase exceeding $1,500, except that no interim rent increases based on earnings are permitted unless the family has received an interim reduction during the year. A PHA or owner may choose not to do an interim recertification if the change in income occurs in the last 3 months of a certification period. (Section 3(a)(1)(B), inserting new paragraph (6) on Reviews of Family Income in §3 of the Act.)
Use of prior-year income	Regulations state that income is based on 12-month period following certification. A shorter period may be used, but rents are then subject to recertification at the end of that period. (24 CFR 5.609) HUD has proposed revising this rule to require use of income received in the 12 months prior to admission or recertification, unless more current information documents a change in annual income. 72 Fed. Reg. 33844, June 19, 2007.	Agencies and owners must use earned income from the prior year for purposes of setting rents, and may also use unearned income from prior year. (Section 3(a)(1)(B), inserting new §3(a)(7) of the Act.)

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Work-related deductions	For voucher tenants with disabilities and all public housing residents who were recently unemployed or on welfare, the full amount of an earnings increase in the first year after the increase occurs and half of that amount in the second year is disregarded. (Section 3(d).) Reasonable child care expenses needed for employment or education are deducted. (Section 3(b)(5)(A).)	10 percent of the first $10,000 in earnings of all employed individuals is deducted from income. (Section 3(a)(1)(B), inserting new paragraph (7) in §3(a) of the Act.) No separate deduction for child care expenses. (Section 3(b)(2) strikes §3(b)(5) of the Act defining "adjusted income," and substitutes a new definition that does not include a deduction for child care expenses.)
Dependent standard deduction	$480 deducted from total income for each dependent in a household. No provision to adjust deductions for inflation. (Section 3(b)(5)(A).)	Increases dependent deduction to $500, with inflation adjustments in future years. (Section 3(b)(2), inserting new §3(b)(5)(B) of the Act.)
Verification of income	Regulations require agencies to obtain third-party verification of income and deductions or document why it is not available. (24 CFR 982.516 for voucher program.) HUD has proposed regulations requiring verification through computer-based "upfront income verification" techniques. This would reduce the need for families, agencies or owners to obtain third-party verification from employers and other sources. (72 Fed. Reg. 33844, June 19, 2007.) No special provision regarding reliance on determinations of income by other programs.	Allows agencies to rely on determinations of income conducted for other federal means-tested public assistance programs, including TANF, Medicaid, and Food Stamps. (Section 3(a)(1)(B), inserting new §3(a)(7)(E)of the Act.) Records of excluded income not required. (Section 3(b)(1), inserting new §3(a)(4)(D)of the Act.)
Income from assets	Regulations require agencies to impute (i.e., deem) income from assets exceeding $5,000 using current interest rates, and count the higher of imputed income or actual income from the asset when determining the family's rent. (24 CFR 5.609.)	Actual income from assets is counted when determining rents, but imputed income is not. (Section 3(b)(1), inserting new §3(a)(4)(A) and (B) of the Act.)
Moving to Work Demonstration/Housing Innovation Program		
Legal Authority	Demonstration program authorized by Section 204, Title V of the Omnibus Consolidated Rescissions and Appropriations Act of 1996, (Public Law 104-134, April 26, 1996).	Program would be renamed the Housing Innovation Program (HIP) and authorized for 10 years as a component of the U.S. Housing Act, Section 36. (Proposed new section 36 is section 16(a) of the bill. Other citations in this column are to the subsection of proposed section 36.)

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Purposes	To design and test various approaches to reduce costs, promote work and increase housing choices.	Adds design and evaluation of approaches concerning preservation and development of affordable housing, including public housing, prevention of homelessness, and testing of alternative rent policies that save administrative costs while protecting families from increased rent burdens. (§36(a).)
Number of participating agencies	HUD may select up to 30 agencies to participate. (Sec. 204(b).) Currently there are 25 agencies, as some agencies have left the demonstration. HUD now believes it is without legal authority to select additional agencies to participate.	Up to 60 agencies at one time, including agencies transferred from the MTW demonstration, plus up to 20 additional agencies in a development-focused component of the program (nicknamed "HIP-lite"). (§36(b)(1).)
Term of participation and transfer of demonstration agencies to new program	No term limitation in the statute. HUD generally entered into contracts for 5 or 7 years, subject to extension typically for shorter periods. Section 320 of the 2006 appropriation act required 3-year extensions for MTW agreements expiring during fiscal year 2006, subject to certain conditions. HUD is now considering 10-year extensions for all current agencies.	The program is authorized for 10 years from the date of enactment. (§36(b)(2).) There are no criteria specified for continuing participation in the program. All agencies participating in the demonstration and not in default of their MTW agreements are eligible for HIP and shall be transferred into the new program if the Secretary determines the agencies are meeting the goals and objectives of their particular moving to work plan. (§36(c).) Generally transferred agencies have 2 years to comply with new HIP requirements that vary from the agencies' pre-enactment policies.
Selection criteria for new agencies	HUD must consider each agency's potential to carry out its proposal and its past performance in operating its public housing program. (§204(d).) HUD has selected disproportionately large agencies to participate: the less than 1% of agencies currently in the demonstration administer more than 10 percent of all vouchers and public housing units.	Selection is to occur within 18 months of enactment. Agencies are eligible to submit a proposal unless they are "troubled" under HUD's assessment systems for the public housing or voucher programs or fail to provide adequate prior notice and opportunities for public and resident comments. HUD shall select a diverse mix of agencies, with priority for two types of strategies: (a) those designed to develop additional affordable housing or preserve existing public housing; and (b) those designed to increase employment and earnings without significant rent burdens, which may be linked to strategies to expand housing choices, use of the FSS program or other management

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		improvements and efficiencies. In addition, HUD is to prefer applicants based on the demonstrated need for the flexibility accorded by the program to achieve an agency's proposed goals and objectives; the commitment of local funding and extent of resident and community support; and past success in similar activities. HUD may set additional selection criteria through a consultation process with stakeholders and the evaluating entity. (§36(d).)
Use of funds	Agencies may combine public housing (operating and capital funds) and voucher funds (housing assistance funding and administrative fees). (§204(b).) (Most but not all current agencies use this "fungibility" authority.) Funding shall not be diminished due to participation in the demonstration. (§204(f).)	May combine public housing and voucher funding like under the demonstration, except that new agencies are eligible to blend public housing and voucher program funds only if in the prior year they used at least 95% of their newly allocated funding or 95% of their authorized vouchers. Funding shall not be diminished due to participation in the program. Types of flexibility in the uses of funds are specified. (§36(e)(1), (5).)
Number of families served	Agencies that combine funds must assist "substantially the same total number of . . . families as [otherwise] would have been served;" and agencies must maintain a comparable mix of families by size. (§204(c)(3)(B) – (E).)	All agencies must assist "not less than substantially the same number of eligible low-income families" as in the base year prior to participation in the program (adjusted for new awards of vouchers and any change in funding proration), and must maintain a comparable mix of families by size (subject to waiver for up to 3 years based on modernization or redevelopment activities). (§36(e)(2).)
Targeting	Not fewer than 75 percent of assisted families must have incomes at or below 50 percent of area median income. (§204(c)(3)(A).)	Regular requirements of the U.S. Housing Act apply (i.e., 75% of new voucher holders and 40% of new public housing resident each year must have incomes at or below 30 percent of area median income). (§36(e)(3)(A).) MTW agencies that use different targeting rules on the date of enactment have 2 years to comply with current law. (§36(c)(2).)
Rent rules	Rent policy must be "reasonable" and designed to encourage employment and self-sufficiency. (§204(b).) About half of current agencies have significantly altered the applicable rent rules.	Agencies in the regular HIP program may make material changes in rent policies only if the policies are subject to evaluation and include hardship and transition provisions. Prior to

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		adoption, agencies must conduct an impact analysis of the proposed policy changes on current tenants and on families on the waiting list, which must be made publicly available at least 60 days in advance of a public meeting. An agency must reassess the impact of rent policy changes every 2 years and include data in the annual report on hardship requests and adverse impacts. (§§36(e)(4) and (g)(2)(F).) Agencies in HIP-lite may not vary the rent rules of the U.S. Housing Act. (§36(h)(1)(A).)
Work requirements and time limits	Agencies may impose "terms and conditions" on receipt of housing assistance "to facilitate the transition to work," subject to approval by HUD. (§204(b).) According to a CBPP survey, 5 agencies currently impose work requirements on some residents and 6 impose time limits of some type.	Permitted for agencies in the regular HIP program subject to the same types of procedural requirements that apply to rent policy changes. Changes must be incorporated in an addendum to the public housing lease and, for voucher holders, in a participation agreement. Residents retain lease, grievance and other notice and hearing rights under the USHA, and may bring a civil action to enforce agency commitments in the lease addendum or participation agreement. (§36(e)(4).) Agencies in HIP-lite may not impose work requirements or time limits. (§36(h)(1)(A).)
Application of other U.S. Housing Act requirements	All public housing and voucher units in the demo must meet HUD-established quality standards (unclear if may differ from regularly applicable standards). HUD may waive any provision of the U.S. Housing Act except §12 (which at the time contained provisions relating only to payment of prevailing (Davis-Bacon) wages in developing public housing or buildings with 9 or more section 8-assisted units) and §18 (concerning demolition and sale of public housing). (§204(c)(3)(C) and (e).)	Public housing and voucher program quality standards continue to apply. In addition to the continuing obligations under prevailing wage and demolition/ disposition statutes, and targeting as described above, all agencies must comply with portability requirements of the voucher program, no more than half of an agency's voucher funding may be project-based, and families in project-based voucher units largely retain mobility rights. With minor modification, agencies must comply with current requirements on "designation" of public housing for elderly or people with disabilities. Agencies must comply with all civil rights requirements and affirmatively further fair housing. In addition, HIP-lite agencies must comply with one-for-one replacement requirements if they demolish or dispose of public housing. For HIP-lite agencies, vouchers project-based to replace public housing are disregarded in determining the

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		share of an agency's voucher funding that may be project-based. Agencies may implement any policies and activities contained in an approved annual plan that are not inconsistent with the provisions of the U.S. Housing Act specifically retained and any other requirements of section 36; no HUD waivers are required. (§§36(d)(3), (e)(3) and (8)(B)(5), (h)(4).)
Resident and community input	Public hearing and consideration of comments from "current and prospective residents" prerequisite to submission of initial application. (§204(c)(2) and (3).) HUD has required public notice and comment on subsequent proposed annual plans, but has waived other requirements concerning the resident advisory board and the PHA plan process.	In order to be eligible to submit an application, agencies must provide advance notice of their proposed HIP initiatives and hold at least 2 public meetings. Selection preference is given to applications supported by residents and community leaders and members. Agencies are required to comply with statutory requirements for tenant representation on governing boards and for resident advisory boards. Agencies must make proposed changes in rent or continued occupancy policies (see above) as well as proposed annual plans publicly available and open for comment at a public meeting, and must hold at least one meeting with the resident advisory board, which must include representatives of voucher recipients, on the proposed annual plan. Very large agencies (more than 15,000 combined units) must hold additional meetings. Annual plans submitted to HUD must include responses to public and resident comments. Agencies in HIP-lite must comply with additional procedural requirements as part of any demolition or disposition of public housing, and must make available to residents of housing funded under the Act at least 25 percent of the unskilled jobs in demolition and construction-related activities and 30 percent of total hours worked. $10 million per year for 5 years is authorized to provide capacity-building and technical assistance to promote participation by residents and other low-income families in the annual plan process. (§§36(d)(1)(C), (D) and (E)(ii); (e)(3)(B) and (D); (e)(4) and (7); (h)(4) and (5); and (j).)

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HUD review of agency performance	Not required. Unclear whether HUD ever reviewed compliance. HUD Inspector General has issued a series of reports concerning HUD's lack of oversight of MTW. See CBPP paper at http://www.cbpp.org/7-13-06hous.htm.	Agencies must submit an annual report and financial documents to HUD. HUD may disapprove an annual plan if available information shows an agency is not in compliance with HIP requirements, but it is not clear if there are any consequences of disapproval of the annual plan other than the lack of approval of new proposed initiatives. If HUD does not approve or disapprove a submitted plan within 45 days it is deemed approved. (§36(e)(8), (g).)
Evaluation	Detailed evaluation required of up to 15 agencies to identify "replicable program models promoting the purpose of the demonstration." A real evaluation was never possible because of HUD's failure to collect relevant data and non-comparable nature of the policies adopted by participating agencies. Report to Congress required 6 months after end of third year. (The 2004 report by the Urban Institute was submitted to comply (belatedly) with this requirement.) (Sec. 204(b), (g).)	A "rigorous" evaluation is a purpose of the program. Performance of all agencies, including those transferring from the demonstration, must be evaluated. The Secretary may require agencies to submit information for the evaluation as part of the annual report, and agencies must comply with their obligations under the national evaluation, including submitting baseline information. The Secretary may contract out for the evaluation with a qualified independent entity, and the Secretary or evaluating entity must establish performance measures, which may include increasing and preserving housing opportunities, increasing employment and earnings without significant rent burdens, leveraging other funding and reducing administrative costs, and others to be established. HUD must submit 3 reports to Congress -- within 3, 5 and 10 years of enactment -- on the success of agencies in achieving the purposes of the program, program models to be replicated and recommended legislative changes. $15 million is authorized for the required evaluations. In addition, within 4 years of enactment GAO must report to Congress on the extent to which agencies participating in HIP are meeting the specified purposes of the program. (§36(a)(3), (e)(8)(B)(v)(III), (f), (g)(5), (k); Section 16(b) of the bill.)