

**AMENDMENT IN THE NATURE OF A SUBSTITUTE**  
**TO H.R. \_\_\_\_\_**  
**OFFERED BY M. \_\_\_\_\_**

**[Affordable Housing and Self-Sufficiency Improvement Act]**

Strike all after the enacting clause and insert the following:

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

2 (a) SHORT TITLE.—This Act may be cited as the  
3 “Affordable Housing and Self-Sufficiency Improvement  
4 Act of 2012”.

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

Sec. 1. Short title and table of contents.

TITLE I—REFORMS TO HOUSING ASSISTANCE PROGRAMS UNDER  
UNITED STATES HOUSING ACT OF 1937

- Sec. 101. Inspection of dwelling units.
- Sec. 102. Rent reform and income reviews.
- Sec. 103. Eligibility for assistance based on assets.
- Sec. 104. Targeting assistance to low-income working families.
- Sec. 105. Use of voucher funds.
- Sec. 106. PHA project-based assistance.
- Sec. 107. Establishment of fair market rent.
- Sec. 108. Screening of applicants.
- Sec. 109. Utility allowances and data.
- Sec. 110. Flexibility of capital and operating fund amounts.
- Sec. 111. Study regarding occupancy of assisted housing by both elderly persons and persons with disabilities.
- Sec. 112. Study on rental assistance vouchers program.
- Sec. 113. Study of use of income databases to reduce subsidy errors.
- Sec. 114. Study and guidance on legacy vouchers.

TITLE II—RENTAL ASSISTANCE DEMONSTRATION AND  
CONTRACT CONVERSIONS

Sec. 201. Demonstration to expand role of private capital in affordable housing.  
Sec. 202. Rent supplement and rental assistance program contract conversions.

TITLE III—FAMILY SELF-SUFFICIENCY PROGRAM

Sec. 301. Reforms to family self-sufficiency program.  
Sec. 302. Research demonstration to evaluate options for taking economic security initiatives to scale in subsidized housing.

TITLE IV—FLEXIBILITY FOR HIGH-CAPACITY PUBLIC HOUSING AGENCIES

Sec. 401. Flexibility for high-capacity public housing agencies.  
Sec. 402. Treatment of Moving to Work agencies.

TITLE V—ACCESS TO HUD PROGRAMS

Sec. 501. Access to HUD programs for persons with limited English proficiency.

1 **TITLE I—REFORMS TO HOUSING**  
2 **ASSISTANCE PROGRAMS**  
3 **UNDER UNITED STATES**  
4 **HOUSING ACT OF 1937**

5 **SEC. 101. INSPECTION OF DWELLING UNITS.**

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

9 (1) by striking subparagraph (A) and inserting  
10 the following new subparagraph:

11 “(A) INITIAL INSPECTION.—

12 “(i) IN GENERAL.—For each dwelling  
13 unit for which a housing assistance pay-  
14 ment contract is established under this  
15 subsection, the public housing agency (or  
16 other entity pursuant to paragraph (11))  
17 shall inspect the unit before any assistance

1 payment is made to determine whether the  
2 dwelling unit meets the housing quality  
3 standards under subparagraph (B), except  
4 as provided in clause (ii) or (iii) of this  
5 subparagraph.

6 “(ii) CORRECTION OF NON-LIFE  
7 THREATENING CONDITIONS.—In the case  
8 of any dwelling unit that is determined,  
9 pursuant to an inspection under clause (i),  
10 not to meet the housing quality standards  
11 under subparagraph (B), assistance pay-  
12 ments may be made for the unit notwith-  
13 standing subparagraph (C) if failure to  
14 meet such standards is a result only of  
15 non-life threatening conditions, as such  
16 conditions are established by the Secretary.  
17 A public housing agency making assistance  
18 payments pursuant to this clause for a  
19 dwelling unit shall, 30 days after the be-  
20 ginning of the period for which such pay-  
21 ments are made, withhold any assistance  
22 payments for the unit if any deficiency re-  
23 sulting in noncompliance with the housing  
24 quality standards has not been corrected  
25 by such time. The public housing agency

1           shall recommence assistance payments  
2           when such deficiency has been corrected,  
3           and may use any payments withheld to  
4           make assistance payments relating to the  
5           period during which payments were with-  
6           held.

7                   “(iii) USE OF ALTERNATIVE INSPEC-  
8                   TION METHOD FOR INTERIM PERIOD.—In  
9                   the case of any property that within the  
10                  previous 12 months has met the require-  
11                  ments of an inspection that qualifies as an  
12                  alternative inspection method pursuant to  
13                  subparagraph (E), a public housing agency  
14                  may authorize occupancy before the inspec-  
15                  tion under clause (i) has been completed,  
16                  and may make assistance payments retro-  
17                  active to the beginning of the lease term  
18                  after the unit has been determined pursu-  
19                  ant to an inspection under clause (i) to  
20                  meet the housing quality standards under  
21                  subparagraph (B).”;

22                  (2) by redesignating subparagraph (E) as sub-  
23                  paragraph (H); and

24                  (3) by striking subparagraph (D) and inserting  
25                  the following new subparagraphs:

1 “(D) BIENNIAL INSPECTIONS.—

2 “(i) REQUIREMENT.—Each public  
3 housing agency providing assistance under  
4 this subsection (or other entity, as pro-  
5 vided in paragraph (11)) shall, for each as-  
6 sisted dwelling unit, make inspections not  
7 less often than biennially during the term  
8 of the housing assistance payments con-  
9 tract for the unit to determine whether the  
10 unit is maintained in accordance with the  
11 requirements under subparagraph (A).

12 “(ii) USE OF ALTERNATIVE INSPEC-  
13 TION METHOD.—The requirement under  
14 clause (i) may be complied with by use of  
15 inspections that qualify as an alternative  
16 inspection method pursuant to subpara-  
17 graph (E).

18 “(iii) RECORDS.—The agency (or  
19 other entity) shall retain the records of the  
20 inspection for a reasonable time and shall  
21 make the records available upon request to  
22 the Secretary, the Inspector General for  
23 the Department of Housing and Urban  
24 Development, and any auditor conducting  
25 an audit under section 5(h).

1           “(E) ALTERNATIVE INSPECTION METH-  
2           OD.—An inspection of a property shall qualify  
3           as an alternative inspection method for pur-  
4           poses of this subparagraph if—

5                   “(i) the inspection was conducted pur-  
6                   suant to requirements under a Federal,  
7                   State, or local housing assistance program  
8                   (including the HOME investment partner-  
9                   ships program under title II of the Cran-  
10                  ston-Gonzalez National Affordable Housing  
11                  Act (42 U.S.C. 12721 et seq.) and the low-  
12                  income housing tax credit program under  
13                  section 42 of the Internal Revenue Code of  
14                  1986); and

15                   “(ii) pursuant to such inspection, the  
16                   property was determined to meet the  
17                   standards or requirements regarding hous-  
18                   ing quality or safety applicable to units as-  
19                   sisted under such program, and, if a non-  
20                   Federal standard was used, the public  
21                   housing agency has certified to the Sec-  
22                   retary that such standards or requirements  
23                   provide the same protection to occupants  
24                   of dwelling units meeting such standards  
25                   or requirements as, or greater protection

1           than, the housing quality standards under  
2           subparagraph (B).

3           “(F) INTERIM INSPECTIONS.—Upon notifi-  
4           cation to the public housing agency, by a family  
5           on whose behalf tenant-based rental assistance  
6           is provided under this subsection or by a gov-  
7           ernment official, that the dwelling unit for  
8           which such assistance is provided does not com-  
9           ply with the housing quality standards under  
10          subparagraph (B), the agency shall inspect the  
11          dwelling unit—

12                   “(i) in the case of any condition that  
13                   is life-threatening, within 24 hours after  
14                   receipt of such notice; and

15                   “(ii) in the case of any condition that  
16                   is not life-threatening, within 15 days after  
17                   receipt of such notice.

18           “(G) ENFORCEMENT OF HOUSING QUALITY  
19          STANDARDS.—

20                   “(i) DETERMINATION OF NONCOMPLI-  
21                   ANCE.—A dwelling unit that is covered by  
22                   a housing assistance payments contract  
23                   under this subsection shall be considered,  
24                   for purposes of subparagraphs (D) and  
25                   (F), to be in noncompliance with the hous-

1                   ing quality standards under subparagraph  
2                   (B) if—

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

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

12                  “**(III)** the failure to comply is not  
13                  corrected—

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

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



1 public housing agency may estab-  
2 lish.

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

22 “(iii) ABATEMENT OF ASSISTANCE  
23 AMOUNTS.—The public housing agency  
24 shall abate all of the assistance amounts  
25 under this subsection with respect to a

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

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

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

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

22 “(bb) if the dwelling unit is  
23 not brought into compliance with  
24 housing quality standards within  
25 60 days after the effective date of

1 the determination of noncompli-  
2 ance under clause (i) or such rea-  
3 sonable longer period as the  
4 agency may establish, the tenant  
5 will have to move; and

6 “(II) issue the tenant the nec-  
7 essary forms to allow the tenant to  
8 move to another dwelling unit and  
9 transfer the rental assistance to that  
10 unit.

11 “(v) PROTECTION OF TENANTS.—An  
12 owner of a dwelling unit may not terminate  
13 the tenancy of any tenant because of the  
14 withholding or abatement of assistance  
15 pursuant to this subparagraph. During the  
16 period that assistance is abated pursuant  
17 to this subparagraph, the tenant may ter-  
18 minate the tenancy by notifying the owner.

19 “(vi) TERMINATION OF LEASE OR AS-  
20 SISTANCE PAYMENTS CONTRACT.—If as-  
21 sistance amounts under this section for a  
22 dwelling unit are abated pursuant to clause  
23 (iii) and the owner does not correct the  
24 noncompliance within 60 days after the ef-  
25 fective date of the determination of non-

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

6 “(vii) RELOCATION.—

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

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

1 available for occupancy after the expi-  
2 ration of such period.

3 “(III) ASSISTANCE IN FINDING  
4 UNIT.—The public housing agency  
5 may provide assistance to the family  
6 in finding a new residence, including  
7 use of up to two months of any assist-  
8 ance amounts abated pursuant to  
9 clause (iii) for costs directly associ-  
10 ated with relocation of the family to a  
11 new residence, which shall include se-  
12 curity deposits as necessary and may  
13 include reimbursements for reasonable  
14 moving expenses incurred by the  
15 household, as established by the Sec-  
16 retary. The agency may require that a  
17 family receiving assistance for a secu-  
18 rity deposit shall remit, to the extent  
19 of such assistance, the amount of any  
20 security deposit refunds made by the  
21 owner of the dwelling unit for which  
22 the lease was terminated.

23 “(viii) TENANT-CAUSED DAMAGES.—  
24 If a public housing agency determines that  
25 any damage to a dwelling unit that results

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

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

20 (b) EFFECTIVE DATE.—The Secretary of Housing  
21 and Urban Development shall issue notice or regulations  
22 to implement subsection (a) of this section and such sub-  
23 section shall take effect after such issuance.

1 **SEC. 102. RENT REFORM AND INCOME REVIEWS.**

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

5 (1) in subsection (a)—

6 (A) in paragraph (2)(B)(i)—

7 (i) in the matter preceding subclause

8 (I)—

9 (I) by striking “Except as other-  
10 wise provided under this clause, each”  
11 and inserting “Each”; and

12 (II) by inserting after “which  
13 shall” the following: “not be lower  
14 than 80 percent of the applicable fair  
15 market rental established under sec-  
16 tion 8(c) of this Act and which shall”;  
17 and

18 (ii) by striking the undesignated mat-  
19 ter after and below subclause (II) and in-  
20 serting the following:

21 “Public housing agencies shall comply by  
22 September 30, 2013, with the requirement  
23 of this clause, except that if a new flat  
24 rental amount for a dwelling unit will in-  
25 crease the existing rental payment of a  
26 family by more than 35 percent, the new

1 flat rental amount shall be phased in as  
2 necessary to ensure that the family's exist-  
3 ing rental payment does not increase by  
4 more than 35 percent annually. The pre-  
5 ceding sentence shall not be construed to  
6 require establishment of rental amounts  
7 equal to 80 percent of the fair market  
8 rental in years when the fair market rental  
9 decreases from the preceding year.”;

10 (B) in paragraph (3)—

11 (i) in subparagraph (A), in the matter  
12 preceding clause (i), by striking “(which  
13 amount shall include any amount allowed  
14 for utilities) of not more than \$50 per  
15 month” and inserting “, which amount  
16 shall be \$69.45 per month (as such  
17 amount is adjusted by applying an infla-  
18 tionary factor as the Secretary shall, by  
19 regulation or notice, establish) and shall  
20 include any amount allowed for utilities”;  
21 and

22 (ii) by striking subparagraph (B) and  
23 inserting the following new subparagraphs:

24 “(B) EXCEPTION FOR FINANCIAL HARD-  
25 SHIP.—



1           “(i) IN GENERAL.—Notwithstanding  
2           subparagraph (A), the responsible entity  
3           (which shall be a public housing agency or,  
4           in the case of a family described in sub-  
5           paragraph (A)(ii), the Secretary or an enti-  
6           ty determined by the Secretary to be the  
7           responsible entity) shall grant an exemp-  
8           tion from application of the minimum  
9           monthly rental under such subparagraph  
10          to any family unable to pay such amount  
11          because of financial hardship.

12          “(ii) FINANCIAL HARDSHIP.—A finan-  
13          cial hardship exists for purposes of this  
14          subparagraph when, in the reasonable  
15          judgment of the responsible entity, a fam-  
16          ily is unable to pay the minimum rental  
17          amount. A financial hardship shall include  
18          the following situations:

19                 “(I) The family has lost eligi-  
20                 bility for or is awaiting an eligibility  
21                 determination for a Federal, State, or  
22                 local assistance program, including a  
23                 family that includes a member who is  
24                 an alien lawfully admitted for perma-  
25                 nent residence under the Immigration

1 and Nationality Act (8 U.S.C. 1101 et  
2 seq.) who would be entitled to public  
3 benefits but for title IV of the Per-  
4 sonal Responsibility and Work Oppor-  
5 tunity Reconciliation Act of 1996 (8  
6 U.S.C. 1601 et seq.).

7 “(II) The family would be evicted  
8 as a result of the family’s inability to  
9 pay the minimum rent required under  
10 subparagraph (A) of this paragraph.

11 “(III) The income of the family  
12 has decreased because of changed cir-  
13 cumstances, including loss of employ-  
14 ment or a death in the family.

15 “(IV) The receipt of housing as-  
16 sistance is facilitating the family’s  
17 transition from being homeless, as de-  
18 fined in section 103(a) of the McKin-  
19 ney-Vento Homeless Assistance Act  
20 (42 U.S.C. 11302(a)).

21 “(V) Every adult in the family is  
22 an exempt individual based on the ex-  
23 emption criteria specified in section  
24 12(c)(2) of this Act (42 U.S.C.

1 1437j(c)(2)), resulting in the family's  
2 inability to pay the minimum rent.

3 “(VI) Other situations as may be  
4 determined by the responsible entity  
5 or the Secretary.

6 “(iii) PROCEDURES.—

7 “(I) DETERMINATION.—As part  
8 of each income certification in which  
9 the family is determined to be subject  
10 to a minimum rent under this para-  
11 graph, the responsible entity shall—

12 “(aa) determine whether the  
13 family is eligible for an exemp-  
14 tion from the minimum rent due  
15 to a financial hardship; and

16 “(bb) provide written notifi-  
17 cation to the family of the right  
18 to request a financial hardship  
19 exemption under clause (i), the  
20 situations specified in clause (ii)  
21 as examples of the grounds for  
22 an exemption, and the procedures  
23 established for requesting and  
24 evaluating a financial hardship  
25 exemption.

1                   “(II) REQUEST; RECERTIFI-  
2                   CATION.—A family may request a  
3                   hardship exemption at any time. A re-  
4                   sponsible entity may require a family  
5                   to re-certify its qualification for a fi-  
6                   nancial hardship exemption more fre-  
7                   quently than annually.

8                   “(III) WAIVER.—If the respon-  
9                   sible entity determines that a financial  
10                  hardship exists for a family, the re-  
11                  sponsible entity shall waive the min-  
12                  imum rent charge for the family be-  
13                  ginning the first month commencing  
14                  after the family’s request and instead  
15                  charge a rent equal to the highest of  
16                  the amounts determined under sub-  
17                  paragraphs (A), (B), or (C) of sub-  
18                  section (a)(1).

19                  “(IV) NO FINANCIAL HARD-  
20                  SHIP.—If the responsible entity deter-  
21                  mines that no hardship under this  
22                  subparagraph exists for a family the  
23                  minimum rent charge for the family  
24                  shall be reinstated, beginning the first

1 month commencing after the deter-  
2 mination.

3 “(V) NOTIFICATION TO  
4 OWNER.—Public housing agencies  
5 shall notify the owner of a property in  
6 which any unit is occupied by a family  
7 assisted under subsection (o) or (t) of  
8 section 8 and subject to a minimum  
9 rent under this paragraph of the  
10 grounds and procedures for hardship  
11 exemptions, including that a family  
12 determined to be eligible for a hard-  
13 ship exemption shall not be subject to,  
14 or be evicted for failure to pay, a min-  
15 imum rent.

16 “(VI) REPORTING.—The Sec-  
17 retary shall annually collect informa-  
18 tion from responsible entities on the  
19 implementation of this subparagraph,  
20 including—

21 “(aa) the number of families  
22 that are subject to the minimum  
23 rent, the number that are deter-  
24 mined to be eligible for and re-  
25 ceive hardship exemptions, the

1 number that are determined to  
2 be ineligible for hardship exemp-  
3 tions, and the number that seek  
4 administrative review; and

5 “(bb) the number of denials  
6 of eligibility for hardship exemp-  
7 tion upheld and reversed by a  
8 final decision after administrative  
9 review.

10 The Secretary shall annually report  
11 such information to the Committee on  
12 Financial Services of the House of  
13 Representatives and the Committee on  
14 Banking, Housing and Urban Affairs  
15 of the Senate and make such informa-  
16 tion available to the public on the De-  
17 partment’s website.

18 “(C) IMPOSITION OF MINIMUM RENT.—

19 “(i) NOTIFICATION.—Upon deter-  
20 mination pursuant to subparagraph (B)  
21 that a family does not qualify for an ex-  
22 emption under such subparagraph from  
23 from application of the minimum monthly  
24 rental under subparagraph (A), the respon-  
25 sible entity shall provide written notifica-

1                   tion to the family of the reasons for such  
2                   determination.

3                   “(ii) ADMINISTRATIVE REVIEW.—A  
4                   determination that a family does not qual-  
5                   ify for such an exemption and is subject to  
6                   the minimum rent, or a failure to provide  
7                   notification of the exemption grounds and  
8                   procedures, shall be an adverse action for  
9                   which a family may seek administrative re-  
10                  view in accordance with procedures estab-  
11                  lished by the Secretary, which for a re-  
12                  sponsible entity that is a public housing  
13                  agency shall be the procedures under sec-  
14                  tion 6(k). A timely request for administra-  
15                  tive review shall suspend the obligation to  
16                  pay the minimum rent.

17                  “(iii) RENT DURING REVIEW.—During  
18                  the pendency of any such administrative  
19                  review, the responsible entity shall charge  
20                  a rent equal to the highest of the amounts  
21                  determined under subparagraphs (A), (B),  
22                  or (C) of subsection (a)(1).

23                  “(iv) DENIAL.—If the final decision of  
24                  the administrative review affirms the de-  
25                  nial of a request for a hardship exemption,

1 the family shall pay the back rent on rea-  
2 sonable terms and conditions established  
3 by the responsible entity.

4 “(v) FAILURE BY RESPONSIBLE ENTI-  
5 TY.— Failure of a responsible entity to  
6 properly grant an exemption or provide in-  
7 formation on the grounds and procedures  
8 for exemptions shall be a defense in any  
9 court to an eviction action based on non-  
10 payment of the minimum rental amount.

11 “(D) TRANSITION TO HIGHER MINIMUM  
12 RENT.—A responsible entity may not impose or  
13 increase a minimum rent at a time other than  
14 the annual or interim income recertification.

15 “(E) ALTERNATIVE POLICY.—

16 “(i) PHA AUTHORITY.—A public  
17 housing agency may for good cause, includ-  
18 ing the agency’s efforts to support resident  
19 economic self-sufficiency, require the pay-  
20 ment of a minimum rent amount lower  
21 than the amount established by paragraph  
22 (A). The agency shall include any such pol-  
23 icy in its annual plan required by section  
24 5A(b). The Secretary may disapprove such



1 element of the plan if the agency has failed  
2 to state good cause for the policy.

3 “(ii) OWNER AUTHORITY.—An owner  
4 of a property that is assisted under any  
5 other program for rental assistance under  
6 section 8 may for good cause require the  
7 payment of a minimum rent amount lower  
8 than the amount established by paragraph  
9 (A). The Secretary may disapprove such  
10 lower amount if the owner has failed to  
11 state good cause for the request.”; and

12 (C) by adding at the end the following new  
13 paragraphs:

14 “(6) REVIEWS OF FAMILY INCOME.—

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

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

21 “(ii) annually thereafter, except as  
22 provided in subparagraph (B)(i);

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

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

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

22 “(B) FIXED-INCOME FAMILIES.—

23 “(i) SELF CERTIFICATION AND 3-YEAR  
24 REVIEW.—In the case of any family de-  
25 scribed in clause (ii), after the initial re-

1 view of the family's income pursuant to  
2 subparagraph (A)(i), the public housing  
3 agency or owner shall not be required to  
4 conduct a review of the family's income  
5 pursuant to subparagraph (A)(ii) for any  
6 year for which such family certifies, in ac-  
7 cordance with such requirements as the  
8 Secretary shall establish, that the income  
9 of the family meets the requirements of  
10 clause (ii) of this subparagraph and that  
11 the sources of such income have not  
12 changed since the previous year, except  
13 that the public housing agency or owner  
14 shall conduct a review of each such fam-  
15 ily's income not less than once every 3  
16 years.

17 “(ii) ELIGIBLE FAMILIES.—A family  
18 described in this clause is a family who has  
19 an income, as of the most recent review  
20 pursuant to subparagraph (A) or clause (i)  
21 of this subparagraph, of which 90 percent  
22 or more consists of fixed income, as such  
23 term is defined in clause (iii).

1                   “(iii) FIXED INCOME.—For purposes  
2 of this subparagraph, the term ‘fixed in-  
3 come’ includes income from—

4                   “(I) the supplemental security in-  
5 come program under title XVI of the  
6 Social Security Act, including supple-  
7 mentary payments pursuant to an  
8 agreement for Federal administration  
9 under section 1616(a) of the Social  
10 Security Act and payments pursuant  
11 to an agreement entered into under  
12 section 212(b) of Public Law 93–66;

13                   “(II) Social Security payments;

14                   “(III) Federal, State, local and  
15 private pension plans; and

16                   “(IV) other periodic payments re-  
17 ceived from annuities, insurance poli-  
18 cies, retirement funds, disability or  
19 death benefits, and other similar types  
20 of periodic receipts that are of sub-  
21 stantially the same amounts from year  
22 to year.

23                   “(C) IN GENERAL.—Reviews of family in-  
24 come for purposes of this section shall be sub-  
25 ject to the provisions of section 904 of the

1           Stewart B. McKinney Homeless Assistance  
2           Amendments Act of 1988.

3           “(7) CALCULATION OF INCOME.—

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

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

22                   “(C) INFLATIONARY ADJUSTMENT FOR  
23          FIXED INCOME FAMILIES.—

24                           “(i) IN GENERAL.—In any year in  
25                           which a public housing agency or owner

1 does not conduct a review of income for  
2 any family described in clause (ii) of para-  
3 graph (6)(B) pursuant to the authority  
4 under clause (i) of such paragraph to  
5 waive such a review, such family's prior  
6 year's income determination shall, subject  
7 to clauses (ii) and (iii), be adjusted by ap-  
8 plying an inflationary factor as the Sec-  
9 retary shall, by regulation or notice, estab-  
10 lish.

11 “(ii) EXEMPTION FROM ADJUST-  
12 MENT.—A public housing agency or owner  
13 may exempt from an adjustment pursuant  
14 to clause (i) any income source for which  
15 income does not increase from year to  
16 year.

17 “(iii) APPLICABILITY OF INFLA-  
18 TIONARY FACTOR.—The inflationary factor  
19 adjustment referred to in clause (i) shall  
20 not be made with respect to the first year  
21 after the year in which housing is occupied  
22 or housing assistance is initially provided  
23 for a family.

24 “(D) OTHER INCOME.—In determining the  
25 income for any family based on the prior year's

1 income, with respect to prior year calculations  
2 of income not subject to subparagraph (B), a  
3 public housing agency or owner may make other  
4 adjustments as it considers appropriate to re-  
5 flect current income.

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

1           minations made by other means-tested Federal  
2           programs that the Secretary determines to have  
3           comparable reliability. Exchanges of such infor-  
4           mation shall be subject to the same limitations  
5           and tenant protections provided under section  
6           904 of the Stewart B. McKinney Homeless As-  
7           sistance Act Amendments of 1988 (42 U.S.C.  
8           3544) with respect to information obtained  
9           under the requirements of section 303(i) of the  
10          Social Security Act (42 U.S.C. 503(i)).

11                   “(F) PHA AND OWNER COMPLIANCE.—A  
12          public housing agency or owner may not be con-  
13          sidered to fail to comply with this paragraph or  
14          paragraph (6) due solely to any de minimis er-  
15          rors made by the agency or owner in calculating  
16          family incomes.”;

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

18                   (3) by redesignating subsection (f) as sub-  
19          section (d).

20                   (b) CERTIFICATION REGARDING HARDSHIP EXCEP-  
21          TION TO MINIMUM MONTHLY RENT.—Not later than the  
22          expiration of the 6-month period beginning on the date  
23          of the enactment of this Act, the Secretary of Housing  
24          and Urban Development shall submit to the Congress a  
25          certification that the hardship and tenant protection provi-



1 sions in clause (i) of section 3(a)(3)(B) of the United  
2 States Housing Act of 1937 (42 U.S.C.  
3 1437a(a)(3)(B)(i)) are being enforced at such time and  
4 that the Secretary will continue to provide due consider-  
5 ation to the hardship circumstances of persons assisted  
6 under relevant programs of this Act.

7 (c) INCOME.—Section 3(b) of the United States  
8 Housing Act of 1937 (42 U.S.C. 1437a(b)) is amended—

9 (1) by striking paragraph (4) and inserting the  
10 following new paragraph:

11 “(4) INCOME.—The term ‘income’ means, with  
12 respect to a family, income received from all sources  
13 by each member of the household who is 18 years  
14 of age or older or is the head of household or spouse  
15 of the head of the household, plus unearned income  
16 by or on behalf of each dependent who is less than  
17 18 years of age, as determined in accordance with  
18 criteria prescribed by the Secretary, in consultation  
19 with the Secretary of Agriculture, subject to the fol-  
20 lowing requirements:

21 “(A) INCLUDED AMOUNTS.—Such term in-  
22 cludes recurring gifts and receipts, actual in-  
23 come from assets, and profit or loss from a  
24 business.

1           “(B) EXCLUDED AMOUNTS.—Such term  
2 does not include—

3           “(i) any imputed return on assets, ex-  
4 cept to the extent that net family assets  
5 exceed \$50,000;

6           “(ii) any amounts that would be eligi-  
7 ble for exclusion under section 1613(a)(7)  
8 of the Social Security Act (42 U.S.C.  
9 1382b(a)(7));

10           “(iii) deferred disability benefits from  
11 the Department of Veterans Affairs that  
12 are received in a lump sum amount or in  
13 prospective monthly amounts;

14           “(iv) any expenses related to aid and  
15 attendance under section 1521 of title 38,  
16 United States Code, to veterans who are in  
17 need of regular aid and attendance; and

18           “(v) exclusions from income as estab-  
19 lished by the Secretary by regulation or  
20 notice, or any amount required by Federal  
21 law to be excluded from consideration as  
22 income.

23           “(C) EARNED INCOME OF STUDENTS.—  
24 Such term does not include—

1           “(i) earned income, up to an amount  
2           as the Secretary may by regulation estab-  
3           lish, of any dependent earned during any  
4           period that such dependent is attending  
5           school or vocational training on a full-time  
6           basis; or

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

9                   “(I) for the cost of tuition or  
10                  books; or

11                   “(II) in such amounts as the Sec-  
12                  retary may allow, for the cost of room  
13                  and board.

14           “(D) EDUCATIONAL SAVINGS ACCOUNTS.—  
15           Income shall be determined without regard to  
16           any amounts in or from, or any benefits from,  
17           any Coverdell education savings account under  
18           section 530 of the Internal Revenue Code of  
19           1986 or any qualified tuition program under  
20           section 529 of such Code.

21           “(E) RECORDKEEPING.—The Secretary  
22           may not require a public housing agency or  
23           owner to maintain records of any amounts ex-  
24           cluded from income pursuant to this subpara-  
25           graph.”; and

1           (2) by striking paragraph (5) and inserting the  
2 following new paragraph:

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

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

12           “(B) DEPENDENTS.—In the case of any  
13 family, \$525 for each member who—

14           “(i) is less than 18 years of age or at-  
15 tending school or vocational training on a  
16 full-time basis; or

17           “(ii) is a person who is 18 years of  
18 age or older, resides in the household, and  
19 is certified as disabled and unable to work  
20 by the public housing agency of jurisdic-  
21 tion.

22           “(C) CHILD CARE.—The amount, if any,  
23 that exceeds 5 percent of annual family income  
24 that is used to pay for unreimbursed child care  
25 expenses, which shall include child care for pre-

1 school-age children, for before- and after-care  
2 for children in school, and for other child care  
3 necessary to enable a member of the family to  
4 be employed or further his or her education.

5 “(D) HEALTH AND MEDICAL EXPENSES.—

6 The amount, if any, by which 10 percent of an-  
7 nual family income is exceeded by the sum of—

8 “(i) in the case of any elderly or dis-  
9 abled family, any unreimbursed health and  
10 medical care expenses; and

11 “(ii) any unreimbursed reasonable at-  
12 tendant care and auxiliary apparatus ex-  
13 penses for each handicapped member of  
14 the family, if determined necessary by the  
15 public housing agency or owner to enable  
16 any member of such family to be employed.

17 The Secretary may provide hardship exemptions  
18 for impacted families by regulation, if the Sec-  
19 retary determines calculated rents endanger  
20 families unable to pay such amount because of  
21 financial hardship. Such regulations shall be  
22 promulgated in consultation with tenant organi-  
23 zations, industry participants, and the Sec-  
24 retary of Health and Human Services, with an

1           adequate comment period provided for inter-  
2           ested parties.

3           “(E) PERMISSIVE DEDUCTIONS.—Such ad-  
4           ditional deductions as a public housing agency  
5           may, at its discretion, establish, except that the  
6           Secretary shall establish procedures to ensure  
7           that such deductions do not materially increase  
8           Federal expenditures.

9           The Secretary shall annually calculate the amounts  
10          of the deductions under subparagraphs (A) and (B),  
11          as such amounts may have been previously cal-  
12          culated, by applying an inflationary factor as the  
13          Secretary shall, by regulation, establish, except that  
14          the actual deduction determined for each year shall  
15          be established by rounding such amount to the next  
16          lowest multiple of \$25.”.

17          (d) HOUSING CHOICE VOUCHER PROGRAM.—Section  
18          8(o) of the United States Housing Act of 1937 (42 U.S.C.  
19          1437f(o)) is amended—

20                 (1) in subparagraph (D) of paragraph (1), by  
21                 inserting before the period at the end the following:  
22                 ““, except that a public housing agency may estab-  
23                 lish a payment standard of not more than 120 per-  
24                 cent of the fair market rent where necessary as a  
25                 reasonable accommodation for a person with a dis-

1 ability, without approval of the Secretary. A public  
2 housing agency use a payment standard that is  
3 greater than 120 percent of the fair market rent as  
4 a reasonable accommodation for a person with a dis-  
5 ability, but only with the approval of the Secretary.  
6 In connection with the use of any increased payment  
7 standard established or approved pursuant to either  
8 of the preceding two sentences as a reasonable ac-  
9 commodation for a person with a disability, the Sec-  
10 retary may not establish additional requirements re-  
11 garding the amount of adjusted income paid by such  
12 person for rent”; and

13 (2) in paragraph (5)—

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

16 (B) in subparagraph (A)—

17 (i) by striking “the provisions of” and  
18 inserting “paragraphs (6) and (7) of sec-  
19 tion 3(a) and to”; and

20 (ii) by striking “and shall be con-  
21 ducted upon the initial provision of hous-  
22 ing assistance for the family and thereafter  
23 not less than annually”; and

24 (C) in subparagraph (B), by striking the  
25 second sentence.

1 (e) ENHANCED VOUCHER PROGRAM.—Section  
2 8(t)(1)(D) of the United States Housing Act of 1937 (42  
3 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
4 each place such term appears and inserting “annual ad-  
5 justed income”.

6 (f) PROJECT-BASED HOUSING.—Paragraph (3) of  
7 section 8(c) of the United States Housing Act of 1937  
8 (42 U.S.C. 1437f(c)(3)) is amended by striking the last  
9 sentence.

10 (g) IMPACT ON PUBLIC HOUSING REVENUES.—

11 (1) ADJUSTMENTS TO OPERATING FORMULA.—

12 If the Secretary of Housing and Urban Development  
13 determines that the application of subsections (a)  
14 through (e) of this section results in a material and  
15 disproportionate reduction in the rental income of  
16 certain public housing agencies during the first year  
17 in which such subsections are implemented, the Sec-  
18 retary may make appropriate adjustments in the for-  
19 mula income for such year of those agencies experi-  
20 encing such a reduction.

21 (2) HUD REPORTS ON REVENUE AND COST IM-  
22 PACT.—In each of the first two years after the first  
23 year in which subsections (a) through (e) are imple-  
24 mented, the Secretary of Housing and Urban Devel-  
25 opment shall submit a report to Congress identifying



1 and calculating the impact of changes made by such  
2 subsections and section 103 of this Act on the reve-  
3 nues and costs of operating public housing units, the  
4 voucher program for rental assistance under section  
5 8 of the United States Housing Act of 1937, and  
6 the program under such section 8 for project-based  
7 rental assistance. If such report identifies a material  
8 reduction in the net income of public housing agen-  
9 cies nationwide or a material increase in the costs of  
10 funding the voucher program or the project-based  
11 assistance program, the Secretary shall include in  
12 such report recommendations for legislative changes  
13 to reduce or eliminate such a reduction.

14 (h) RENT POLICY DEMONSTRATION.—

15 (1) IN GENERAL.—The Secretary of Housing  
16 and Urban Development may administer a dem-  
17 onstration program, which shall be initiated upon  
18 the commencement of the first calendar year begin-  
19 ning after the date of the enactment of this Act, for  
20 a limited number of families assisted by such agen-  
21 cies under the United States Housing Act of 1937  
22 to determine the effectiveness of different rent poli-  
23 cies, which may include providing income disregards,  
24 family self-sufficiency accounts, and policies under  
25 which families pay amounts different from 30 per-

1 cent of their adjusted income for rent, to encourage  
2 families to obtain employment, increase their in-  
3 comes, and achieve economic self-sufficiency.

4 (2) RENT STRUCTURES.—Such demonstration  
5 shall include activities sufficient to test the effective-  
6 ness of the following rent structures:

7 (A) CEILING RENTS.—Ceiling rents that  
8 are based on the rental value of the unit.

9 (B) INCOME-TIERED RENTS.—Income-  
10 tiered tenant rents under which the amount a  
11 family pays for rent is set and established on  
12 the basis of broad tiers of income, with annual  
13 cost adjustments.

14 (C) EARNED INCOME DISREGARD.—A ten-  
15 ant rent structure under which the amount of  
16 rent a family pays is reduced through a dis-  
17 regard of a portion of the percentage or of the  
18 dollar amount of the family's earned income.

19 (3) PUBLIC HOUSING AGENCIES.—Such dem-  
20 onstration shall include public housing agencies of  
21 various sizes, including small public housing agen-  
22 cies.

23 (i) EFFECTIVE DATE.—The Secretary of Housing  
24 and Urban Development shall issue notice or regulations  
25 to implement this section and this section shall take effect

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

3 **SEC. 103. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS.**

4 Section 16 of the United States Housing Act of 1937  
5 (42 U.S.C. 1437n) is amended by inserting after sub-  
6 section (d) the following new subsection:

7 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-  
8 SETS.—

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

15 “(A) whose net family assets exceed  
16 \$100,000, as such amount is adjusted annually  
17 by applying an inflationary factor as the Sec-  
18 retary considers appropriate; or

19 “(B) who has a present ownership interest  
20 in, a legal right to reside in, and the effective  
21 legal authority to sell, real property that is suit-  
22 able for occupancy by the family as a residence,  
23 except that the prohibition under this subpara-  
24 graph shall not apply to—

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

4                   “(ii) any person that is a victim of do-  
5                   mestic violence; or

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

8                   “(2) NET FAMILY ASSETS.—

9                   “(A) IN GENERAL.—For purposes of this  
10                  subsection, the term ‘net family assets’ means,  
11                  for all members of the household, the net cash  
12                  value of all assets after deducting reasonable  
13                  costs that would be incurred in disposing of real  
14                  property, savings, stocks, bonds, and other  
15                  forms of capital investment. Such term does not  
16                  include interests in Indian trust land, equity in  
17                  property for which the family is receiving assist-  
18                  ance under subsection (y) or (o)(12) of section  
19                  8, equity accounts in homeownership programs  
20                  of the Department of Housing and Urban De-  
21                  velopment, or Family Self Sufficiency accounts.

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

24                  “(i) the value of personal property, ex-  
25                  cept for items of personal property of sig-

1           nificant value, as the Secretary may estab-  
2           lish or the public housing agency may de-  
3           termine;

4           “ (ii) the value of any retirement ac-  
5           count;

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

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

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

20          “ (vi) such other exclusions as the Sec-  
21          retary may establish.

22          “(C) TRUST FUNDS.—In cases in which a  
23          trust fund has been established and the trust is  
24          not revocable by, or under the control of, any  
25          member of the family or household, the value of

1 the trust fund shall not be considered an asset  
2 of a family if the fund continues to be held in  
3 trust. Any income distributed from the trust  
4 fund shall be considered income for purposes of  
5 section 3(b) and any calculations of annual  
6 family income, except in the case of medical ex-  
7 penses for a minor.

8 “(3) SELF-CERTIFICATION.—

9 “(A) NET FAMILY ASSETS.—A public  
10 housing agency or owner may determine the net  
11 assets of a family, for purposes of this section,  
12 based on a certification by the family that the  
13 net assets of such family do not exceed  
14 \$50,000.

15 “(B) NO CURRENT REAL PROPERTY OWN-  
16 ERSHIP.—A public housing agency or owner  
17 may determine compliance with paragraph  
18 (1)(B) based on a certification by the family  
19 that such family does not have any current  
20 ownership interest in any real property at the  
21 time the agency or owner reviews the family’s  
22 income.

23 “(C) STANDARDIZED FORMS.—The Sec-  
24 retary may develop standardized forms for the

1           certifications referred to in subparagraphs (A)  
2           and (B).

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

11           “(5) ENFORCEMENT.—When recertifying the  
12 income of a family residing in a dwelling unit as-  
13 sisted under this Act, a public housing agency or  
14 owner may choose not to enforce the limitation  
15 under paragraph (1) or may establish exceptions to  
16 such limitation based on eligibility criteria, but only  
17 pursuant to a policy that is set forth in the public  
18 housing agency plan under section 5A for the agency  
19 or under a policy adopted by the owner. Eligibility  
20 criteria for establishing exceptions may provide for  
21 separate treatment based on family type and may be  
22 based on different factors, such as age, disability, in-  
23 come, the ability of the family to find suitable alter-  
24 native housing, and whether supportive services are  
25 being provided.

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

8 **SEC. 104. TARGETING ASSISTANCE TO LOW-INCOME WORK-**  
9 **ING FAMILIES.**

10       (a) **VOUCHERS.**—Section 16(b)(1) of the United  
11 States Housing Act of 1937 (42 U.S.C. 1437n(b)(1)) is  
12 amended by striking “families whose incomes” and all that  
13 follows through “low family incomes” and inserting “ex-  
14 tremely low-income families”.

15       (b) **PUBLIC HOUSING.**—Section 16(a)(2)(A) of the  
16 United States Housing Act of 1937 (42 U.S.C.  
17 1437n(a)(2)(A)) is amended by striking “families whose  
18 incomes” and all that follows through “low family in-  
19 comes” and inserting “extremely low-income families”.

20       (c) **PROJECT-BASED SECTION 8 ASSISTANCE.**—Sec-  
21 tion 16(c)(3) of the United States Housing Act of 1937  
22 (42 U.S.C. 1437n(c)(3)) is amended by striking “families  
23 whose incomes” and all that follows through “low family  
24 incomes” and inserting: “extremely low-income families”.



1 (d) DEFINITION.—Section 3(b)(2) of the United  
2 States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is  
3 amended by inserting after the period at the end of the  
4 second sentence the following new sentence: “The term  
5 ‘extremely low-income families’ means very low-income  
6 families whose incomes do not exceed the higher of (A)  
7 the poverty guidelines updated periodically by the Depart-  
8 ment of Health and Human Services under the authority  
9 of section 673(2) of the Omnibus Budget Reconciliation  
10 Act of 1981 (42 U.S.C. 9902(2)) applicable to a family  
11 of the size involved, or (B) 30 percent of the median fam-  
12 ily income for the area, as determined by the Secretary  
13 with adjustments for smaller and larger families, except  
14 that the Secretary may establish income ceilings higher  
15 or lower than 30 percent of the median for the area on  
16 the basis of the Secretary’s findings that such variations  
17 are necessary because of unusually high or low family in-  
18 comes, and except that clause (A) of this sentence shall  
19 not apply in the case of public housing agencies or projects  
20 located in Puerto Rico or any other territory or possession  
21 of the United States.”.

22 (e) EFFECTIVE DATE.—The Secretary of Housing  
23 and Urban Development shall issue a notice to implement  
24 the amendments made by this section and such amend-  
25 ments shall take effect upon such issuance.

1 **SEC. 105. USE OF VOUCHER FUNDS.**

2 Subsection (dd) of section 8 of the United States  
3 Housing Act of 1937 (42 U.S.C. 1437f(dd)) is amended  
4 to read as follows:

5 “(dd) TENANT-BASED CONTRACT RENEWALS.—

6 “(1) IN GENERAL.—Subject to the availability  
7 of amounts provided in appropriation Acts, in fiscal  
8 year 2013 and each fiscal year thereafter, the Sec-  
9 retary shall renew expiring tenant-based annual con-  
10 tribution contracts under subsection (o) in accord-  
11 ance with this subsection, and shall provide tenant  
12 protection vouchers for relocation or replacement  
13 housing as otherwise authorized by law or permitted  
14 by the Secretary by notice or regulation. The Sec-  
15 retary shall notify public housing agencies of their  
16 annual budget in each year by the later of (A) the  
17 expiration of the 60-day beginning upon the date  
18 that funds are first made available, or (B) March 1.

19 “(2) ALLOCATION OF RENEWAL FUNDING.—

20 “(A) IN GENERAL.—The Secretary shall  
21 allocate renewal funding for a year to public  
22 housing agencies based on validated leasing and  
23 cost data from the preceding calendar year, as  
24 adjusted by an inflation factor to be established  
25 by the Secretary by notice in the Federal Reg-  
26 ister, and by making any adjustments necessary

1 to provide for the first-time renewal of vouchers  
2 first used by a public housing agency in the  
3 preceding calendar year, for the additional costs  
4 due to unforeseen circumstances or from the re-  
5 newal of vouchers subject to a billing arrange-  
6 ment under subsection (r) and escrow savings  
7 deposits for families participating in the pro-  
8 gram under section 23, or that were set aside  
9 under a commitment to provide project-based  
10 assistance under subsection (o)(13). If funds  
11 are provided in any year for an adjustment  
12 fund, as authorized by paragraph (5) of this  
13 subsection, to address any of these costs, the  
14 Secretary may instead address such funding  
15 needs through the adjustment fund. To the ex-  
16 tent that amounts made available for a year are  
17 not sufficient to provide each public housing  
18 agency with its full allocation, the Secretary  
19 shall reduce such allocation for each agency on  
20 a pro rata basis, except that renewal funding of  
21 enhanced vouchers under subsection (t) shall  
22 not be subject to such proration.

23 “(B) MOVING TO WORK.—Notwithstanding  
24 subparagraph (A), each public housing agency  
25 participating in any year in the Moving to Work

1 program under section 204 of the Departments  
2 of Veterans Affairs and Housing and Urban  
3 Development, and Independent Agencies Approp-  
4 riations Act, 1996 (42 U.S.C. 1437f note), in-  
5 cluding any agency participating in such dem-  
6 onstration pursuant to authority provided in  
7 any subsequent appropriations Act prior to fis-  
8 cal year 2012, and any agency participating in  
9 such program under section 37 of this Act,  
10 shall be funded pursuant to its agreement  
11 under such program, and shall be subject to  
12 any pro rata adjustment or offset due to insuf-  
13 ficient renewal funding.

14 “(3) LEASING RATE.—For purposes of deter-  
15 mining annual allocations of voucher funding for  
16 agencies, for 2013 and thereafter, the leasing rate  
17 calculated for a public housing agency for the prior  
18 calendar year shall include vouchers that exceed the  
19 agency’s authorized voucher level only if they are  
20 funded through the allocation for the agency for the  
21 prior year, including adjustments for incremental  
22 and new tenant protection and enhanced vouchers.

23 “(4) RESERVES.—For 2013 and each calendar  
24 year thereafter, each public housing agency shall be  
25 allowed to retain as reserves an amount that is not

1 less than 6 percent of the amount allocated to such  
2 agency in such calendar year prior to proration. The  
3 sources of such reserves may include all allocated  
4 amounts from such year plus reserves carried over  
5 from previous years, but shall not include any un-  
6 used amount of the first year of a public housing  
7 agency's allocation for new vouchers. Reserves may  
8 be used for overleasing in any year, but such use is  
9 not eligible for renewal funding in the subsequent  
10 calendar year.

11 “(5) ADJUSTMENT FUND.—With funds made  
12 available for the purpose under this paragraph,  
13 based on need as determined by the Secretary, the  
14 Secretary shall adjust the renewal funding provided  
15 to public housing agencies that demonstrate a need  
16 for additional funding due to a significant increase  
17 in renewal costs resulting from unforeseen cir-  
18 cumstances or from porting or vouchers under sub-  
19 section (r), for vouchers that were not in use during  
20 the 12-month period in order to be available to meet  
21 a commitment pursuant to subsection (o)(13), and  
22 for adjustments for costs associated with HUD-Vet-  
23 erans Affairs Supportive Housing (HUD-VASH)  
24 vouchers under subsection (o)(19).

25 “(6) OFFSET AND USE OF FUNDS.—

1           “(A) IN GENERAL.—For each calendar  
2 year, the Secretary may offset amounts that ex-  
3 ceed the minimum reserve level established pur-  
4 suant to paragraph (4) against amounts allo-  
5 cated to a public housing agency pursuant to  
6 paragraph (2). For funding allocations to Mov-  
7 ing to Work agencies under paragraph (2)(B),  
8 the Secretary shall base the offset amount for  
9 each agency on the percentage offset at public  
10 housing agencies that do not participate in the  
11 Moving to Work program. For purposes of this  
12 subparagraph, the term ‘percentage offset’  
13 means the dollar amount of the offset divided  
14 by renewal funding eligibility. The Secretary  
15 may determine different percentage offsets for  
16 agencies with different size voucher portfolios.

17           “(B) PRIORITY USE OF FUNDS.—The Sec-  
18 retary shall use any amounts offset pursuant to  
19 subparagraph (A) first to avoid or reduce the  
20 proration of renewal funding allocations.

21           “(C) REMAINING FUNDS.—If funds remain  
22 after providing public housing agencies with  
23 100 percent of the allocation due under para-  
24 graph (2), the Secretary may—

1                   “(i) provide additional funds to public  
2                   housing agencies with demonstrated need  
3                   under paragraph (5) if the funds available  
4                   for such adjustments are insufficient; and  
5                   “(ii) use any remaining funds for ten-  
6                   ant protection vouchers for relocation or  
7                   replacement housing if the funds available  
8                   for such vouchers are insufficient.”.

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

10           Paragraph (13) of section 8(o) of the United States  
11   Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) is amend-  
12   ed—

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

15           (2) by striking “structures” each place such  
16   term appears and inserting “projects”;

17           (3) by striking subparagraph (B) and inserting  
18   the following new subparagraph:

19                   “(B) PERCENTAGE LIMITATION.—

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

1           “(ii) EXCEPTION.—A public housing  
2           agency may use up to an additional 5 per-  
3           cent of the authorized units for the agency  
4           for project-based assistance under this  
5           paragraph, to provide units that house in-  
6           dividuals and families that meet the defini-  
7           tion of homeless under section 103 of the  
8           McKinney-Vento Homeless Assistance Act  
9           (42 U.S.C. 11302), that house families  
10          with veterans, that provide supportive  
11          housing to persons with disabilities or el-  
12          derly persons, or that are located in areas  
13          where vouchers under this subsection are  
14          difficult to use, as specified in subpara-  
15          graph (D)(ii)(II). The Secretary may, by  
16          regulation, establish additional categories  
17          for the exception under this clause.”;

18           (4) by striking subparagraph (D) and inserting  
19          the following new subparagraph:

20           “(D) INCOME-MIXING REQUIREMENT.—

21           “(i) IN GENERAL.—Except as pro-  
22          vided in clause (ii), not more than the  
23          greater of 25 dwelling units or 25 percent  
24          of the dwelling units in any project may be  
25          assisted under a housing assistance pay-



1                   ment contract for project-based assistance  
2                   pursuant to this paragraph. For purposes  
3                   of this subparagraph, the term ‘project’  
4                   means a single building, multiple contig-  
5                   uous buildings, or multiple buildings on  
6                   contiguous parcels of land.

7                   “(ii) EXCEPTIONS.—

8                   “(I) CERTAIN HOUSING.—The  
9                   limitation under clause (i) shall not  
10                  apply to dwelling units assisted under  
11                  a contract that are exclusively made  
12                  available to elderly families or to  
13                  households eligible for supportive serv-  
14                  ices that are made available to resi-  
15                  dents of the project, according to  
16                  standards for such services as are es-  
17                  tablished by the Secretary. The Sec-  
18                  retary may establish additional re-  
19                  quirements for monitoring and over-  
20                  sight of projects in which more than  
21                  40 percent of the dwelling units are  
22                  assisted.

23                  “(II) CERTAIN AREAS.—With re-  
24                  spect to areas in which tenant-based  
25                  vouchers for assistance under this

1 subsection are difficult to use, as de-  
2 termined by the Secretary, and with  
3 respect to census tracts with a poverty  
4 rate of 20 percent or less, clause (i)  
5 shall be applied by substituting ‘40  
6 percent’ for ‘25 percent’, and the Sec-  
7 retary may, by regulation, establish  
8 additional conditions.

9 “(III) CERTAIN CONTRACTS.—  
10 The limitation under clause (i) shall  
11 not apply with respect to contracts or  
12 renewal of contracts under which a  
13 greater percentage of the dwelling  
14 units in a project were assisted under  
15 a housing assistance payment contract  
16 for project-based assistance pursuant  
17 to this paragraph on the effective date  
18 of the Affordable Housing and Self-  
19 Sufficiency Improvement Act of  
20 2012.”;

21 (5) by striking subparagraph (F) and inserting  
22 the following new subparagraph:

23 “(F) CONTRACT TERM.—A housing assist-  
24 ance payment contract pursuant to this para-  
25 graph between a public housing agency and the

1 owner of a project may have a term of up to  
2 20 years, subject to—

3 “(i) the availability of sufficient ap-  
4 propriated funds for the purpose of renew-  
5 ing expiring contracts for assistance pay-  
6 ments, as provided in appropriation Acts  
7 and in the agency’s annual contributions  
8 contract with the Secretary, provided that  
9 in the event of insufficient appropriated  
10 funds, payments due under contracts  
11 under this paragraph shall take priority if  
12 other cost-saving measures that do not re-  
13 quire the termination of an existing con-  
14 tract are available to the agency; and

15 “(ii) annual compliance with the in-  
16 spection requirements under paragraph  
17 (8), except that the agency shall not be re-  
18 quired to make annual inspections of each  
19 assisted unit in the development.

20 The contract may specify additional conditions,  
21 including with respect to continuation, termi-  
22 nation, or expiration.”;

23 (6) in subparagraph (G), by striking “15 years”  
24 and inserting “20 years”; and

25 (7) in subparagraph (J)—

1 (A) by striking “shall” in the first sentence  
2 and inserting “may”; and

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

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

6 **SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

7           (a) IN GENERAL.—Paragraph (1) of section 8(c) of  
8 the United States Housing Act of 1937 (42 U.S.C.  
9 1437f(c)(1)) is amended—

10           (1) by inserting “(A)” after the paragraph des-  
11           ignation;

12           (2) by striking the fourth, seventh, eighth, and  
13           ninth sentences; and

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

15           “(B) Fair market rentals for an area shall be pub-  
16           lished not less than annually by the Secretary on the site  
17           of the Department on the World Wide Web and in any  
18           other manner specified by the Secretary. Notice that such  
19           fair market rentals are being published shall be published  
20           in the Federal Register, and such fair market rentals shall  
21           become effective no earlier than 30 days after the date  
22           of such publication. The Secretary shall establish a proce-  
23           dure for public housing agencies and other interested par-  
24           ties to comment on such fair market rentals and to re-  
25           quest, within a time specified by the Secretary, reevalua-

1 tion of the fair market rentals in a jurisdiction before such  
2 rentals become effective. The Secretary shall cause to be  
3 published for comment in the Federal Register notices of  
4 proposed material changes in the methodology for esti-  
5 mating fair market rentals and notices specifying the final  
6 decisions regarding such proposed substantial methodo-  
7 logical changes and responses to public comments.”.

8 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-  
9 tion 8(o)(1) of the United States Housing Act of 1937  
10 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-  
11 fore the period at the end the following: “, except that  
12 no public housing agency shall be required as a result of  
13 a reduction in the fair market rental to reduce the pay-  
14 ment standard applied to a family continuing to reside in  
15 a unit for which the family was receiving assistance under  
16 this section at the time the fair market rental was reduced.  
17 The Secretary shall allow public housing agencies to re-  
18 quest exception payment standards within fair market  
19 rental areas subject to criteria and procedures established  
20 by the Secretary”.

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

1 **SEC. 108. SCREENING OF APPLICANTS.**

2 (a) IN GENERAL.—Subparagraph (B) of section  
3 8(o)(6) of the United States Housing Act of 1937  
4 (1437f(o)(6)(B)) is amended—

5 (1) by striking “(B) SELECTION OF TEN-  
6 ANTS.—Each” and inserting the following:

7 “(B) SELECTION OF TENANTS.—

8 “(i) FUNCTION OF OWNER.—Each”;

9 (2) in the first sentence, by striking “unit)”  
10 and inserting “unit”;

11 (3) by striking “In addition” and inserting the  
12 following:

13 “(ii) SCREENING.—In addition”;

14 (4) by inserting after “establish.” the following:

15 “A public housing agency’s elective screening shall  
16 be limited to criteria that are directly related to an  
17 applicant’s ability to fulfill the obligations of an as-  
18 sisted lease and shall consider mitigating cir-  
19 cumstances presented by such applicant. The re-  
20 quirements of the preceding sentence shall not limit  
21 the ability of a public housing agency to deny assist-  
22 ance based on the criminal background of the appli-  
23 cant or any member of the applicant’s household, or  
24 any other permissible grounds for denial under sub-  
25 title F of title V of the Quality Housing and Work  
26 Responsibility Act of 1998 (42 U.S.C. 13661 et seq.;

1 relating to safety and security in public and assisted  
2 housing), subject to the procedural requirements of  
3 this section. Any applicant or participant determined  
4 to be ineligible for admission or continued participa-  
5 tion to the program shall be notified of the basis for  
6 such determination and provided, within a reason-  
7 able time after the determination, an opportunity for  
8 an informal hearing on such determination at which  
9 mitigating circumstances presented by the applicant,  
10 including remedial conduct subsequent to the con-  
11 duct that is the basis of such determination, shall be  
12 considered.”; and

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

14 “(iii) EXISTING ASSISTED FAMI-  
15 LIES.—Families being provided enhanced  
16 vouchers pursuant to subsection (t), fami-  
17 lies receiving assistance under this Act  
18 that are subsequently provided tenant-  
19 based assistance pursuant to subsection  
20 (dd)(1)(B), and families residing in multi-  
21 family housing subject to a mortgage in-  
22 sured under the National Housing Act that  
23 are provided tenant-based assistance pur-  
24 suant to subsection (dd)(1)(B)(xiv) of this  
25 section shall not be considered new appli-



1                   cants under this paragraph and shall not  
2                   be subject to elective re-screening by a  
3                   public housing agency.”.

4           (b) LEASES AND TENANCY.—Subparagraph (E) of  
5 section 8(o)(7) of the United States Housing Act of 1937  
6 (42 U.S.C. 1437f(o)(7)(E)) is amended by inserting “ter-  
7 mination or” after “any” the last place such term appears.

8           (c) REMOVAL OF SEX OFFENDERS.—Section 578 of  
9 the Quality Housing and Work Responsibility Act of 1998  
10 (42 U.S.C. 13663) is amended by striking subsection (a)  
11 and inserting the following new subsection:

12           “(a) IN GENERAL.—Notwithstanding any other pro-  
13 vision of law, an owner of federally assisted housing—

14                   “(1) shall prohibit admission to such housing  
15                   for any household that includes an individual who is  
16                   subject to a lifetime registration requirement under  
17                   a State sex offender registration program; and

18                   “(2) shall terminate assistance to, and any  
19                   lease or right to occupancy of such housing by, any  
20                   household that includes any individual who is subject  
21                   to a lifetime registration requirement under a State  
22                   sex offender registration program.”.

1 **SEC. 109. UTILITY ALLOWANCES AND DATA.**

2 Section 8(o) of the United States Housing Act of  
3 1937 (42 U.S.C. 1437f(o), as amended by the preceding  
4 provisions of this Act, is further amended—

5 (1) in paragraph (2), by adding at the end the  
6 following new subparagraph:

7 “(D) UTILITY ALLOWANCE.—

8 “(i) IN GENERAL.—In determining  
9 the monthly assistance payment for a fam-  
10 ily under subparagraphs (A) and (B), the  
11 amount allowed for tenant-paid utilities  
12 shall not exceed the appropriate utility al-  
13 lowance for the family unit size as deter-  
14 mined by the public housing agency re-  
15 gardless of the size of the dwelling unit  
16 leased by the family.

17 “(ii) EXCEPTION FOR FAMILIES IN-  
18 CLUDING PERSONS WITH DISABILITIES.—  
19 Notwithstanding subparagraph (A), upon  
20 request by a family that includes a person  
21 with disabilities, the public housing agency  
22 shall approve a utility allowance that is  
23 higher than the applicable amount on the  
24 utility allowance schedule if a higher utility  
25 allowance is needed as a reasonable accom-  
26 modation to make the program accessible

1 to and usable by the family member with  
2 a disability.”; and

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

5 “(22) UTILITY DATA.—

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

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

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

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

22 **SEC. 110. FLEXIBILITY OF CAPITAL AND OPERATING FUND**  
23 **AMOUNTS.**

24 Subsection (g) of section 9 of the United States  
25 Housing Act of 1937 (42 U.S.C. 1437g(g)) is amended—

1 (1) by striking paragraphs (1) and (2) and in-  
2 serting the following new paragraph:

3 “(1) FULL FLEXIBILITY OF CAPITAL AND OP-  
4 ERATING FUND AMOUNTS.—Of any amounts allo-  
5 cated for any fiscal year from the funds under sub-  
6 sections (d) and (e) for any public housing agency  
7 that is not designated pursuant to section 6(j)(2) as  
8 a troubled public housing agency and that, in the de-  
9 termination of the Secretary is operating and main-  
10 taining its public housing in a safe, clean, and  
11 healthy condition, the agency may use any such  
12 amounts for any eligible activities under subsections  
13 (d)(1) and (e)(1), regardless of the fund from which  
14 the amounts were allocated and provided, but only  
15 to the extent provided for such use by the public  
16 housing agency plan under section 5A for the agen-  
17 cy.”; and

18 (2) by redesignating paragraph (3) as para-  
19 graph (2).

20 **SEC. 111. STUDY REGARDING OCCUPANCY OF ASSISTED**  
21 **HOUSING BY BOTH ELDERLY PERSONS AND**  
22 **PERSONS WITH DISABILITIES.**

23 (a) IN GENERAL.—The Secretary of Housing and  
24 Urban Development shall conduct a study on the impact  
25 that providing public and assisted housing projects des-

1 ignated for occupancy both by elderly persons and persons  
2 with disabilities (as such terms are defined under section  
3 3(b) of the United States Housing Act of 1937 (42 U.S.C.  
4 1437a(b))), including specifically persons with disabilities  
5 who are recovering from drug or alcohol abuse, has on  
6 the effectiveness of providing an appropriate living envi-  
7 ronment for such elderly persons.

8 (b) REPORT.—Not later than the expiration of the  
9 12-month period beginning on the date of the enactment  
10 of this Act, the Secretary shall submit to the Congress  
11 a report setting forth the findings and conclusions of the  
12 study conducted pursuant to subsection (a).

13 **SEC. 112. STUDY ON RENTAL ASSISTANCE VOUCHERS PRO-**  
14 **GRAM.**

15 (a) IN GENERAL.—The Comptroller General of the  
16 United States shall conduct a study on vouchers for rental  
17 assistance under section 8(o) of the United States Hous-  
18 ing Act of 1937 (42 U.S.C. 1437f(o)) to examine the dis-  
19 tribution and concentration of such vouchers, the efforts  
20 of voucher administrators to maintain program standards  
21 and compliance, and the efforts of the Secretary to mon-  
22 itor compliance with program standards across areas and  
23 municipalities located within the jurisdiction of a public  
24 housing agency. Such study shall analyze the factors that  
25 contribute to the geographic concentration of voucher use,

1 especially whether such use is disproportionate in commu-  
2 nities that already have high incidences of low-income resi-  
3 dents, the impact of such disproportionality on such com-  
4 munities and such residents, and the impact on issuing  
5 jurisdictions and voucher holders of any such concentra-  
6 tions. Such study shall also review the methods available  
7 to voucher assisted tenants and municipalities within par-  
8 ticipating jurisdictions to provide voucher administrators  
9 with comment on matters pertaining to program compli-  
10 ance and standards enforcement.

11 (b) REPORT.—Not later than the expiration of the  
12 12-month period beginning on the date of the enactment  
13 of this Act, the Comptroller General shall submit to the  
14 Congress a report setting forth the findings and conclu-  
15 sions of the study under this section.

16 **SEC. 113. STUDY OF USE OF INCOME DATABASES TO RE-**  
17 **DUCE SUBSIDY ERRORS.**

18 (a) IN GENERAL.—The Comptroller General of the  
19 United States shall conduct a study to identify databases  
20 regarding incomes of families and individuals that may be  
21 used in connection with the voucher program for rental  
22 assistance under section 8(o) of the United States Hous-  
23 ing Act of 1937 (42 U.S.C. 1437f(o)), the public housing  
24 program under such Act, and project-based rental assist-  
25 ance programs under section 8 of such Act to reduce er-

1 rors in subsidy amounts provided on behalf of recipients  
2 of assistance under such programs and to determine how  
3 best to utilize such databases for such purpose. In con-  
4 ducting such study, the Comptroller General shall analyze  
5 and consider the use of income information maintained in  
6 the National Directory of New Hires database of the De-  
7 partment of Health and Human Services.

8 (b) REPORT.—Not later than the expiration of the  
9 9-month period beginning on the date of the enactment  
10 of this Act, the Comptroller General shall submit to the  
11 Congress a report setting for the results and conclusions  
12 of the study under this section.

13 **SEC. 114. STUDY AND GUIDANCE ON LEGACY VOUCHERS.**

14 (a) STUDY.—Not later than the expiration of the 12-  
15 month period beginning on the date of the enactment of  
16 this Act, the Secretary of Housing and Urban Develop-  
17 ment shall conduct and complete a study regarding the  
18 legacy use of rental assistance vouchers under section 8(o)  
19 of the United States Housing Act of 1937 (42 U.S.C.  
20 1437f(o)) to determine the extent of such use and to iden-  
21 tify and analyze any issues and problems relating to such  
22 use, including issues relating to screening for eligibility for  
23 such assistance of members of households benefitting from  
24 such use.

1           (b) GUIDANCE.—Not later than the expiration of the  
2 12-month period beginning on the date of the enactment  
3 of this Act, the Secretary shall issue guidance regarding  
4 the legacy use of such rental assistance vouchers, which  
5 guidance shall take into consideration the housing needs  
6 of members of households benefitting from such use who  
7 are minors, elderly persons, or persons with disabilities.  
8 The Secretary make the proposed guidance publicly avail-  
9 able and shall provide an opportunity for interested per-  
10 sons to comment on such proposed guidance before  
11 issuance. Such guidance shall not take effect before the  
12 expiration of the 30-day period beginning upon such  
13 issuance.

14           (c) LEGACY USE.—For purposes of this section, the  
15 term “legacy use” means, with respect to a rental assist-  
16 ance voucher described in subsection (a), use of the vouch-  
17 er by any member of the household of the person to whom  
18 the voucher was originally issued for rental of a dwelling  
19 that is not occupied by such issuee as a primary residence,  
20 other than pursuant to issuance of such voucher to such  
21 member by a public housing agency in accordance with  
22 a determination of such member’s eligibility for such as-  
23 sistance and the waiting list for such assistance of such  
24 agency.



1 **TITLE II—RENTAL ASSISTANCE**  
2 **DEMONSTRATION AND CON-**  
3 **TRACT CONVERSIONS**

4 **SEC. 201. DEMONSTRATION TO EXPAND ROLE OF PRIVATE**  
5 **CAPITAL IN AFFORDABLE HOUSING.**

6 (a) PURPOSE AND AUTHORIZATION.—To dem-  
7 onstrate the potential for preserving and improving low-  
8 income housing through conversion of assistance for public  
9 housing and moderate rehabilitation properties to long-  
10 term rental assistance under section 8 of the United  
11 States Housing Act of 1937 (42 U.S.C. 1437 et seq.), (in  
12 this section referred to as the “Act”), the Secretary of  
13 Housing and Urban Development (in this section referred  
14 to as the “Secretary”) may undertake a demonstration of  
15 conversion of assistance under section 9 of the Act or the  
16 moderate rehabilitation program under section 8(e)(2) of  
17 the Act to assistance under a project-based subsidy con-  
18 tract under section 8 of the Act, which shall be eligible  
19 for renewal under section 524 of the Multifamily Assisted  
20 Housing Reform and Affordability of 1997 (42 U.S.C.  
21 1437f note) or under section 8(o)(13) of the Act.

22 (b) SELECTION AND TERMS.—

23 (1) SELECTION.—The Secretary shall select  
24 properties for conversion of assistance and award  
25 funds for assistance, including administrative fees,

1 through a competitive process or such other means  
2 as the Secretary determines to be fair and necessary  
3 to promote the purposes of the demonstration.

4 (2) TERMS.—The demonstration—

5 (A) shall provide for the conversion of as-  
6 sistance for properties with varying characteris-  
7 tics, assisted by public housing agencies of var-  
8 ious sizes in a broad range of locations and  
9 markets;

10 (B) may provide for application of various  
11 policies covering contract rents and terms and  
12 resident choices to move with tenant-based  
13 rental assistance under section 8 of the Act;  
14 and

15 (C) shall, with respect to at least 90 per-  
16 cent of the total number of assisted units in all  
17 properties participating in the demonstration,  
18 test options to provide all assisted residents the  
19 choice, in accordance with policies established  
20 under such options, to move with tenant-based  
21 continuing rental assistance under section 8 of  
22 the Act within a reasonable time.

23 (3) AUTHORITY.—The Secretary may provide  
24 for the conversion of assistance through the con-  
25 tracts and transactional infrastructure of the au-

1       thorized programs administered by the Office of Af-  
2       fordable Housing Preservation of the Department of  
3       Housing and Urban Development.

4           (4) PUBLIC COMMENT.—The Secretary shall  
5       provide an opportunity for public comment on draft  
6       eligibility and selection criteria and procedures that  
7       will apply to the selection of properties that will par-  
8       ticipate in the demonstration, including reasonable  
9       requirements for consultation with the residents of  
10      properties to be proposed for participation in the  
11      demonstration and with the resident advisory boards  
12      of public housing agencies responsible for such prop-  
13      erties.

14          (5) REQUIRED NOTICE.—The demonstration  
15      may proceed after the Secretary publishes notice of  
16      its terms in the Federal Register.

17      (c) REQUIREMENTS FOR PROPERTIES CONVERTING  
18      ASSISTANCE.—

19          (1) PUBLIC HOUSING.—In the case of a prop-  
20      erty with assistance converted under the demonstra-  
21      tion from assistance under section 9 of the Act—

22            (A) the assistance made available under  
23      the demonstration shall not be terminated, in-  
24      cluding in instances of foreclosure or bank-  
25      ruptcy, except for termination and transfer by

1           the Secretary for a material violation or a sub-  
2           stantial default, or due to the unavailability of  
3           funds; and

4                   (B) the Secretary—

5                           (i) shall require ownership or control  
6                           of assisted units by a public or non-profit  
7                           entity, except as determined by the Sec-  
8                           retary to be necessary pursuant to fore-  
9                           closure, bankruptcy, or termination and  
10                          transfer of assistance for material viola-  
11                          tions or substantial default, in which cases  
12                          the priority for ownership or control shall  
13                          be provided to a capable public entity, then  
14                          a capable nonprofit entity, and if such en-  
15                          tities are not available, to a capable other  
16                          entity;

17                           (ii) shall require long-term renewable  
18                           use and affordability restrictions for as-  
19                           sisted units;

20                           (iii) may permit transfer of assistance  
21                           at or after conversion under the dem-  
22                           onstration to replacement units subject to  
23                           the requirements in clauses (i) and (ii);

24                           (iv) shall offer, subject to the require-  
25                           ments in clauses (i) and (ii) and the avail-

1 ability of sufficient amounts, and the  
2 owner shall accept, a renewal of each ex-  
3 piring contract of assistance;

4 (v) shall require that applicants for,  
5 and tenants of, assisted units in such prop-  
6 erties shall maintain the same rights as  
7 those provided under sections 6 and 9 of  
8 the Act; and

9 (vi) may allow ownership to be trans-  
10 ferred to a for-profit entity to facilitate the  
11 use of tax credits only if the public housing  
12 agency preserves its interest in the prop-  
13 erty in a manner approved by the Sec-  
14 retary.

15 (2) TENANT PROTECTIONS.—Notwithstanding  
16 sections 3 and 16 of the Act, the conversion of as-  
17 sistance under the demonstration shall not be the  
18 basis for re-screening or termination of assistance or  
19 eviction of any tenant family in a property partici-  
20 pating in the demonstration, and such a family shall  
21 not be considered a new admission for any purpose,  
22 including compliance with income targeting require-  
23 ments.

24 (3) PARTICIPATION IN TENANT ORGANIZA-  
25 TIONS.—The Secretary shall ensure that assisted

1 residents of all properties with converted assistance  
2 have the right to participate in a legitimate tenant  
3 organization if one is formed or exists that rep-  
4 resents tenants at the property, which shall be rec-  
5 ognized by the owner of the property.

6 (4) REQUIREMENTS.—The Secretary may pro-  
7 vide the requirements for converted assistance under  
8 the demonstration through contracts, use agree-  
9 ments, regulations, or other means.

10 (d) DEMONSTRATION FLEXIBILITY.—

11 (1) AUTHORITY.—The Secretary may waive, or  
12 specify alternative requirements for, but not in a  
13 manner that adversely would affect requirements re-  
14 lated to fair housing, nondiscrimination, labor stand-  
15 ards, and the environment, any provision of section  
16 8(o)(13) of the Act, or any provision that governs  
17 the use of assistance that is converted under the  
18 demonstration or funds made available in any appro-  
19 priation Act under the headings of “Public Housing  
20 Capital Fund”, “Public Housing Operating Fund”,  
21 “Tenant-Based Rental Assistance”, and “Project-  
22 Based Rental Assistance” for properties with assist-  
23 ance converted under the demonstration, upon a  
24 finding by the Secretary that any such waivers or al-  
25 ternative requirements are necessary for the effective

1 conversion of assistance under the demonstration  
2 and not inconsistent with the requirements of this  
3 section, provided that the Secretary shall publish by  
4 notice in the Federal Register any waivers or alter-  
5 native requirements pursuant to this subsection not  
6 later than 10 days before the effective date of such  
7 notice.

8 (2) INAPPLICABILITY OF DEMOLITION AND DIS-  
9 POSITION PROVISIONS.—Section 18 of the Act shall  
10 not apply to a project converting assistance under  
11 the demonstration for all or substantially all of its  
12 units.

13 (e) EVALUATION.—The Secretary shall conduct an  
14 evaluation to assess the impact of the conversion of assist-  
15 ance under the demonstration under this section on the  
16 properties' physical and financial sustainability, includ-  
17 ing—

18 (1) the amount of private funding leveraged;

19 (2) the cost of preserving the properties;

20 (3) the financial and programmatic impact of  
21 providing the choice to move, with continuing rental  
22 assistance, from properties with assistance converted  
23 under the demonstration;

24 (4) the impact of conversion on residents' con-  
25 tinuing receipt of rental assistance;

1           (5) the access of eligible families to diverse  
2 communities of their choice;

3           (6) the amount of low-income housing tax cred-  
4 its under section 42 of the Internal Revenue Code  
5 of 1986 used to finance the demonstration prop-  
6 erties, including a State-by-State report on the  
7 amount of credit authority allocated for purposes of  
8 demonstration projects and the extent to which allo-  
9 cating agencies provide preferences for such pur-  
10 poses. and

11           (7) such other aspects of the demonstration as  
12 the Secretary deems appropriate.

13 The Secretary shall submit a report setting forth the find-  
14 ings of the evaluation to the Committee on Financial Serv-  
15 ices of the House of Representatives and the Committee  
16 on Banking, Housing, and Urban Affairs of the Senate  
17 and shall make such report publicly available. The Sec-  
18 retary shall solicit public comments on the findings of the  
19 evaluation before any reauthorization, extension, or expan-  
20 sion of the demonstration under this section.

21           (f) AUTHORIZATION OF APPROPRIATIONS.—There  
22 are authorized to be appropriated \$30,000,000 for each  
23 of fiscal years 2013, 2014, 2015, 2016, and 2017 to carry  
24 out the demonstration under this section, including for  
25 supplemental costs of the first year of assistance, evalua-



1 tion, technical assistance to public housing agencies and  
2 legitimate tenant organizations, and other appropriate  
3 purposes.

4 **SEC. 202. RENT SUPPLEMENT AND RENTAL ASSISTANCE**  
5 **PROGRAM CONTRACT CONVERSIONS.**

6 (a) RENT SUPPLEMENT AND RENTAL ASSISTANCE  
7 PROGRAM CONTRACT RENEWALS.—At the request of own-  
8 ers of properties assisted under the rent supplement pro-  
9 gram under section 101 of the Housing and Urban Devel-  
10 opment Act of 1965 (12 U.S.C. 1701s) or the rental as-  
11 sistance program under section 236(f)(2) of the National  
12 Housing Act (12 U.S.C. 1715z–1(f)(2) and with the ap-  
13 proval of the Secretary of Housing and Urban Develop-  
14 ment, rent supplement or rental assistance program as-  
15 sistance may be converted to project-based subsidy con-  
16 tracts under section 8 of the United States Housing Act  
17 of 1937 (42 U.S.C. 1437f) under the terms of section 524  
18 of the Multifamily Assisted Housing Reform and Afford-  
19 ability Act of 1997 (42 U.S.C. 1437f note) and such con-  
20 tracts shall be considered renewal contracts. There are au-  
21 thorized to be appropriated \$10,000,000 for each of fiscal  
22 years 2013, 2014, 2015, 2016, and 2017 for the costs as-  
23 sociated with conversions under this subsection, and the  
24 Secretary is further authorized to use recaptured assisted  
25 housing program funds for the costs of such conversions.

1 (b) PROPERTY-BASED PRESERVATION CONTRACTS.—  
2 Owners of properties assisted by the Secretary of Housing  
3 and Urban Development other than under section 9 of the  
4 United States Housing Act of 1937 (42 U.S.C. 1437g),  
5 for which an event after October 1, 2006, causing the ces-  
6 sation of rental assistance has resulted or will result in  
7 eligibility for tenant protection vouchers under section  
8 8(o) of such Act, shall be eligible for, subject to require-  
9 ments established by the Secretary and in lieu of issuance  
10 or continuation of such vouchers, conversion of assistance  
11 available for such vouchers to assistance under section  
12 8(o)(13) of such Act, except that, only with respect to such  
13 conversions, the Secretary may alter or waive the provi-  
14 sions of subparagraphs (B), (C), and (D) of such section  
15 8(o)(13).

16 **TITLE III—FAMILY SELF-**  
17 **SUFFICIENCY PROGRAM**

18 **SEC. 301. REFORMS TO FAMILY SELF-SUFFICIENCY PRO-**  
19 **GRAM.**

20 (a) CONGRESSIONAL FINDINGS.—The Congress finds  
21 that public housing agencies have an important role to  
22 play not only in the provision of shelter, but also in the  
23 larger effort to help families achieve economic independ-  
24 ence and serve the most vulnerable populations.

1 (b) AMENDMENTS TO FAMILY SELF-SUFFICIENCY  
2 PROGRAM.—Section 23 of the United States Housing Act  
3 of 1937 (42 U.S.C. 1437u) is amended—

4 (1) in subsection (a)—

5 (A) by striking “public housing and”; and

6 (B) by striking “the certificate and vouch-  
7 er programs under section 8” and inserting  
8 “sections 8 and 9 of this title”;

9 (2) by striking subsection (b) and inserting the  
10 following new subsection:

11 “(b) REQUIREMENT TO CARRY OUT PROGRAM AND  
12 MINIMUM PROGRAM SIZE.—

13 “(1) REQUIRED PROGRAM.—Subject to para-  
14 graph (2), each housing agency that administers 500  
15 or more units shall carry out a local Family Self-  
16 Sufficiency Program under this section or as other-  
17 wise determined by the Secretary, to the extent re-  
18 quired in paragraph (5) of this subsection.

19 “(2) CONTINUATION OF PRIOR MANDATORY  
20 PROGRAMS.—Each public housing agency that was  
21 required, as of the date of enactment of the Assisted  
22 Housing and Self-Sufficiency Improvement Act of  
23 2012, to administer a mandatory local Family Self-  
24 Sufficiency program, shall be required to operate  
25 such a local program to the extent provided under

1 this section, as in effect immediately before such  
2 date of enactment.

3 “(3) SHARED PROGRAMS.—A public housing  
4 agency required by paragraph (1) or (2) to carry out  
5 a local Self-Sufficiency Program under this section  
6 may comply with such requirement by carrying out  
7 a local program in conjunction or partnership with  
8 another public housing agency or public housing  
9 agencies.

10 “(4) OPTIONAL PROGRAM.—Any public housing  
11 agency not required by paragraph (1) or (2) to carry  
12 out a local Self-Sufficiency Program under this sec-  
13 tion may carry out such a program, at the discretion  
14 of the agency.

15 “(5) SCOPE.—The local Family Self-Sufficiency  
16 program carried out by a public housing agency that  
17 is required under this subsection to carry out such  
18 a program shall be carried out with respect to the  
19 following number of assisted families:

20 “(A) For any fiscal year that the amount  
21 provided to the agency for administrative fees  
22 under subsection (i) is sufficient to provide for  
23 the filling of 1 full-time family self-sufficiency  
24 coordinator position, not less than 25 assisted  
25 families.

1           “(B) For any fiscal year that the amount  
2           provided to the agency for administrative fees  
3           under subsection (i) exceeds the amount speci-  
4           fied in subparagraph (A), in addition to the as-  
5           sisted families required under subsection (a),  
6           not less than 50 additional assisted families for  
7           each additional full-time family self-sufficiency  
8           coordinator position that such additional  
9           amount provides sufficient amounts for filling.

10           “(6) DETERMINATION OF PHA SIZE.—For pur-  
11           poses of this subsection, the number of units admin-  
12           istered by a public housing agency shall be the sum  
13           of—

14           “(A) the number of vouchers for rental  
15           housing assistance under section 8 administered  
16           by the agency; and

17           “(B) the number of public housing dwell-  
18           ing units administered by the agency that are  
19           not specifically designated pursuant to section 7  
20           for occupancy by only elderly families, only dis-  
21           abled families, or elderly and disabled fami-  
22           lies.”;

23           (3) by striking subsections (h) and (i);

1           (4) by redesignating subsections (c), (d), (e),  
2           (f), and (g) as subsections (d), (e), (f), (g), and (h)  
3           respectively;

4           (5) by inserting after subsection (b), as pre-  
5           viously amended, the following:

6           “(c) ELIGIBILITY.—

7           “(1) ELIGIBLE FAMILIES.—A family shall be el-  
8           igible to participate in a local Family Self-Suffi-  
9           ciency program under this section if—

10           “(A) at least 1 adult family member seeks  
11           to become and remain employed in suitable em-  
12           ployment or to increase earnings; and

13           “(B) the family resides in a unit assisted  
14           under section 8 or 9.

15           “(2) ELIGIBLE ENTITIES.—The following enti-  
16           ties shall be eligible to administer a local Family  
17           Self-Sufficiency program under this section:

18           “(A) A public housing agency or entity ad-  
19           ministering housing assistance to an eligible  
20           family under section 8 or 9.

21           “(B) The owner or sponsor of a multi-  
22           family property receiving rental assistance  
23           under section 8, in accordance with the require-  
24           ments under subsection (l).

1           “(C) Any other eligible entity approved to  
2           administer a local Family Self-Sufficiency pro-  
3           gram, as determined by the Secretary.”;

4           (6) in subsection (d), as so redesignated by  
5           paragraph (4) of this subsection—

6           (A) in paragraph (1)—

7                 (i) by striking “public housing agen-  
8                 cy” the first place such term appears and  
9                 inserting “eligible entity”;

10                (ii) in the first sentence, by striking  
11                “the certificate and voucher programs of  
12                the public housing agency under section 8  
13                or residing in public housing administered  
14                by the agency” and inserting “section 8 or  
15                9”; and

16                (iii) by striking the third sentence and  
17                inserting the following: “Housing assist-  
18                ance may not be terminated as a con-  
19                sequence of either successful completion of  
20                the contract of participation or failure to  
21                complete such contract.”;

22           (B) in paragraph (2)—

23                 (i) in the matter preceding subpara-  
24                 graph (A)—

- 1 (I) in the first sentence, by strik-  
2 ing “provide” and inserting “coordi-  
3 nate the provision of”; and
- 4 (II) in the second sentence—
- 5 (aa) by striking “provided  
6 during” and inserting “for”;
- 7 (bb) by striking “section 8  
8 or residing in public housing”  
9 and inserting “section 8 or 9”;  
10 and
- 11 (cc) by inserting “, but is  
12 not limited to” after “may in-  
13 clude”;
- 14 (ii) in subparagraph (D), by inserting  
15 “or attainment of a graduate equivalency  
16 diploma” after “high school”;
- 17 (iii) by striking subparagraph (G);
- 18 (iv) by redesignating subparagraphs  
19 (E), (F), and (J) as subparagraphs (F),  
20 (G), and (K) respectively;
- 21 (v) by inserting after subparagraph  
22 (D) the following new subparagraph:  
23 “(E) education in pursuit of a post-sec-  
24 ondary degree or certification;”;



1 (vi) in subparagraph (H), by inserting  
2 “financial literacy and” after “training  
3 in”;

4 (vii) in subparagraph (I), by striking  
5 “and” at the end; and

6 (viii) by inserting after subparagraph  
7 (I) the following new subparagraph:

8 “(J) homeownership education and assist-  
9 ance; and”;

10 (C) in paragraph (3), in the second sen-  
11 tence—

12 (i) by striking “public housing agen-  
13 cy” and inserting “eligible entity”; and

14 (ii) by striking “of the agency”;

15 (D) by striking paragraph (4) and insert-  
16 ing the following new paragraph:

17 “(4) EMPLOYMENT.—The contract of participa-  
18 tion shall require participants to seek and maintain  
19 suitable employment.”; and

20 (E) by adding at the end the following:

21 “(5) NONPARTICIPATION.—Assistance under  
22 section 8 or 9 for a family that elects not to partici-  
23 pate in a local program shall not be delayed by rea-  
24 son of such election.”;

1 (7) in subsection (e), as so redesignated by  
2 paragraph (4) of this subsection—

3 (A) in paragraph (1), by striking “whose  
4 monthly adjusted income does not exceed 50  
5 percent” and all that follows through the period  
6 at the end of the third sentence, and inserting  
7 “shall be calculated under the rental provisions  
8 of section 3 or section 8(o), as applicable.”;

9 (B) by striking paragraphs (2) and (3) and  
10 inserting the following new paragraph:

11 “(2) ESCROW SAVINGS ACCOUNTS.—

12 “(A) ESTABLISHMENT.—Each eligible en-  
13 tity administering a local Family Self-Suffi-  
14 ciency program under this section shall estab-  
15 lish an interest-bearing escrow account on be-  
16 half of each family participating in the local  
17 program. For each participating family, any in-  
18 crease in the amount of rent paid by the family  
19 in accordance with the provisions of section 3 or  
20 section 8(o), as applicable, that is attributable  
21 to increases in earned income by the partici-  
22 pating family, shall be placed in the escrow ac-  
23 count established by the eligible entity on behalf  
24 of the participating family. The Secretary shall  
25 not escrow any amounts for any family whose

1 adjusted income exceeds 80 percent of the area  
2 median income.

3 “(B) WITHDRAWAL OF AMOUNTS.—

4 “(i) IN GENERAL.—Amounts in the  
5 escrow account for a participating family  
6 may be withdrawn by the participating  
7 family—

8 “(I) after the family—

9 “(aa) ceases to receive in-  
10 come assistance under Federal or  
11 State welfare programs; and

12 “(bb) successfully performs  
13 its obligations under the contract  
14 of participation entered into by  
15 the family under subsection (d),  
16 as determined according to the  
17 specific goals and terms included  
18 in the contract; or

19 “(II) under other circumstances  
20 in which the Secretary determines an  
21 exception for good cause is warranted.

22 “(ii) DURING PARTICIPATION.— An  
23 eligible entity establishing such escrow ac-  
24 counts may make certain amounts in the  
25 accounts available to the participating fam-

1 ilies before full performance of the contract  
2 obligations based on compliance with, and  
3 completion of, specific interim goals in-  
4 cluded in the contract; except that any  
5 such amounts shall be used by the partici-  
6 pating families for purposes consistent  
7 with the contracts of participation, as de-  
8 termined by such eligible entity.

9 “(C) USE OF AMOUNTS.—Amounts in the  
10 escrow account for a family who has success-  
11 fully performed the obligations of the family  
12 under its contract of participation may be used  
13 as follows:

14 “(i) RESIDENTS OF ASSISTED HOUS-  
15 ING.—If the family resides in housing as-  
16 sisted under section 8 or 9, only for the  
17 following activities:

18 “(I) Purchasing a home through  
19 a homeownership program of a public  
20 housing agency.

21 “(II) Paying for formal education  
22 or job training.

23 “(III) Starting or investing in a  
24 small business.

1                   “(IV) Buying or repairing an  
2                   automobile.

3                   “(V) Paying down debt as part of  
4                   a credit repair program.

5                   “(VI) Investing in a retirement  
6                   savings vehicle.

7                   “(VII) Investing in a qualified  
8                   educational savings plan.

9                   “(VIII) Purchasing a computer.

10                  “(IX) For any other uses as the  
11                  Secretary may specify.

12                  “(ii) NOT RESIDENTS OF ASSISTED  
13                  HOUSING.—If the family does not reside  
14                  in housing assisted under section 8 or 9,  
15                  as determined by the family without re-  
16                  striction.

17                  “(iii) RESERVING AMOUNTS.—A fam-  
18                  ily who has successfully performed the obli-  
19                  gations of the family under its contract of  
20                  participation may use a portion of the  
21                  amounts in their escrow account while re-  
22                  siding in housing assisted under section 8  
23                  or 9 in accordance with clause (i) and re-  
24                  serve a portion of such amounts for use in

1           accordance with clause (ii) after leaving  
2           such assisted housing.

3           “(D) FORFEIT OF ESCROW.—Any amount  
4           placed in an escrow account established by an  
5           eligible entity for a participating family as re-  
6           quired under subparagraph (A), that exists  
7           after the end of a contract of participation by  
8           a participant that does not qualify to receive  
9           the escrow, shall be used for the purposes of  
10          this section in accordance with the regulations  
11          promulgated by the Secretary.”;

12          (8) in subsection (f), as so redesignated by  
13          paragraph (4) of this subsection, by striking “, un-  
14          less the income of the family equals or exceeds 80  
15          percent of the median income of the area (as deter-  
16          mined by the Secretary with adjustments for smaller  
17          and larger families)”;

18          (9) in subsection (g), as so redesignated by  
19          paragraph (4) of this subsection—

20                 (A) in paragraph (1)—

21                         (i) by striking “public housing agen-  
22                         cy” and inserting “eligible entity”;

23                         (ii) by striking “the public housing  
24                         agency” and inserting “such eligible enti-  
25                         ty”; and

1 (iii) by striking “subsection (g)” and  
2 inserting “subsection (h)”; and

3 (B) in paragraph (2)—

4 (i) by striking “public housing agen-  
5 cy” and inserting “eligible entity” each  
6 place such term appears; and

7 (ii) in the first sentence—

8 (I) by striking “or the Job Op-  
9 portunities and Basic Skills Training  
10 Program under part F of title IV of  
11 the Social Security Act”;

12 (II) by inserting “primary, sec-  
13 ondary, and post-secondary” after  
14 “public and private”; and

15 (III) by inserting “tenants served  
16 by the program,” after “the unit of  
17 general local government,”;

18 (10) in subsection (h), as so redesignated by  
19 paragraph (4) of this subsection—

20 (A) in paragraph (1)—

21 (i) by striking “public housing agen-  
22 cy” and inserting “eligible entity”;

23 (ii) by striking “to the Secretary, for  
24 approval by the Secretary,”; and

1 (iii) by striking “participating in the”  
2 and inserting “carrying out a local”;

3 (B) in paragraph (2)—

4 (i) by striking “public housing agen-  
5 cy” and inserting “eligible entity”;

6 (ii) by striking “subsection (f)” and  
7 inserting “subsection (g)”;

8 (iii) by striking “residents of the pub-  
9 lic housing” and inserting “the current  
10 and prospective participants of the pro-  
11 gram”; and

12 (iv) by striking “or the Job Opportu-  
13 nities and Basic Skills Training Program  
14 under part F of title IV of the Social Secu-  
15 rity Act”; and

16 (C) in paragraph (3)—

17 (i) in subparagraph (C)—

18 (I) by striking “subsection  
19 (c)(2)” and inserting “subsection  
20 (d)(2)”;

21 (II) by striking “provided to”  
22 and inserting “coordinated on behalf  
23 of participating”; and



1 (III) by striking “the section 8  
2 and public housing programs” and in-  
3 serting “sections 8 and 9”;

4 (ii) in subparagraph (D)—

5 (I) by striking “subsection (d)”  
6 and inserting “subsection (e)”; and

7 (II) by striking “public housing  
8 agency” and inserting “eligible enti-  
9 ty”;

10 (iii) in subparagraph (E), by striking  
11 “deliver” and inserting “coordinate”;

12 (iv) in subparagraph (H), by striking  
13 “the Job Opportunities and Basic Skills  
14 Training Program under part F of title IV  
15 of the Social Security Act and”; and

16 (v) in subparagraph (I), by striking  
17 “public housing or section 8” and inserting  
18 “sections 8 or 9”;

19 (11) by inserting after subsection (h), as so re-  
20 designated by paragraph (4) of this subsection, the  
21 following new subsection:

22 “(i) FAMILY SELF-SUFFICIENCY FEES.—

23 “(1) IN GENERAL.—The Secretary shall estab-  
24 lish a fee to be awarded by formula or as otherwise  
25 determined by the Secretary, for the costs incurred

1 by an eligible entity in administering a local Family  
2 Self-Sufficiency program under this section, which  
3 fee shall be provided to eligible entities to the extent  
4 amounts for such fees are made available in appro-  
5 priation Acts.

6 “(2) ELIGIBILITY FOR FEE.—The fee estab-  
7 lished under paragraph (1) shall provide funding for  
8 family self-sufficiency coordinators as follows:

9 “(A) BASE FEE.—An eligible entity serv-  
10 ing 25 or more participants in the Family Self-  
11 Sufficiency program under this section shall be  
12 eligible to receive a fee equal to the costs, as de-  
13 termined by the Secretary, of one full-time fam-  
14 ily self-sufficiency coordinator position. The  
15 Secretary may, by regulation or notice, deter-  
16 mine the policy concerning the fee for an eligi-  
17 ble entity serving fewer than 25 such partici-  
18 pants, including allowing such entities to com-  
19 bine their programs under this section for pur-  
20 poses of employing a coordinator.

21 “(B) ADDITIONAL FEE.—An eligible entity  
22 that meets performance standards set by the  
23 Secretary shall be eligible to receive an addi-  
24 tional fee sufficient to cover the costs of filling  
25 a second family self-sufficiency coordinator po-

1           sition if such entity has 75 or more partici-  
2           pating families, and an additional coordinator  
3           for each additional 50 participating families, or  
4           such other ratio as may be established by the  
5           Secretary based on the fee allocation evaluation  
6           under subparagraph (G).

7           “(C) PREVIOUSLY FUNDED SELECT FSS  
8           PROGRAMS.—A public housing agency that re-  
9           ceived funding from the Department of Housing  
10          and Urban Development for more than 3 family  
11          self-sufficiency coordinators that was appro-  
12          priated in any of fiscal years 2006 through  
13          2010 shall be eligible for funding for the high-  
14          est number of coordinators funded in a single  
15          fiscal year during that period, provided such  
16          agency meets applicable size and performance  
17          standards set by the Secretary, and subject to  
18          the availability of appropriations for such fees.

19          “(D) INITIAL YEAR.—For the first year in  
20          which an eligible entity implements a Family  
21          Self-Sufficiency program under this section for  
22          its residents, such entity shall be eligible for  
23          funding to cover the costs of up to one family  
24          self-sufficiency coordinator, based on the size

1 specified in its action plan for such program in  
2 accordance with subparagraph (A).

3 “(E) STATE AND REGIONAL AGENCIES.—  
4 For purposes of calculating the family self-suffi-  
5 ciency portion of the administrative fee under  
6 this paragraph, each administratively distinct  
7 part of a State or regional eligible entity may  
8 be treated as a separate agency.

9 “(F) DETERMINATION OF NUMBER OF CO-  
10 ORDINATORS.—In determining whether an eligi-  
11 ble entity meets a specific threshold for funding  
12 pursuant to this paragraph, the Secretary shall  
13 consider the number of participants enrolled by  
14 the eligible entity in its Family Self-Sufficiency  
15 program as well as other criteria determined by  
16 the Secretary.

17 “(G) FEE ALLOCATION EVALUATION.—The  
18 Secretary shall submit to the Congress a report  
19 evaluating the fee allocation under this sub-  
20 section, and make recommendations based on  
21 such evaluation and other related findings to  
22 modify such allocation within 4 years after the  
23 date of enactment of the Assisted Housing and  
24 Self-Sufficiency Improvement Act of 2012, and  
25 not less frequently than every 4 years there-

1 after. The report requirement under this sub-  
2 paragraph shall terminate after the Secretary  
3 has submitted 2 such reports to the Congress.

4 “(3) ALLOCATION.—Funds allocated by the  
5 Secretary under this subsection shall be allocated in  
6 the following order of priority:

7 “(A) FIRST PRIORITY.—If insufficient  
8 funds exist to provide the full cost of all coordi-  
9 nators in the previous fiscal year at each eligi-  
10 ble entity with an existing local Family Self-  
11 Sufficiency program that meets applicable size  
12 and performance standards set by the Secretary  
13 funding under this subparagraph, the Secretary  
14 may prorate such funding for each eligible coor-  
15 dinator, but only if each eligible entity that has  
16 received funding in the prior fiscal year is pro-  
17 vided sufficient funding for at least 1 coordi-  
18 nator as part of any such proration. When de-  
19 termining funding levels, the Secretary shall  
20 take into consideration the impact and efforts  
21 to innovate demonstrated by programs de-  
22 scribed in paragraph (2)(C).

23 “(B) SECOND PRIORITY.—Renewal of the  
24 full cost of all coordinators in the previous year  
25 at each eligible entity with an existing Family

1 Self-Sufficiency program that meets applicable  
2 size and performance standards set by the Sec-  
3 retary.

4 “(C) THIRD PRIORITY.—New or incre-  
5 mental coordinator funding authorized under  
6 this section, up to 3 coordinators per eligible  
7 entity.

8 “(D) FINAL PRIORITY.—Any other new or  
9 incremental coordinator funding authorized  
10 under this section.

11 As the Secretary determines appropriate, consider-  
12 ation may be given to individual program perform-  
13 ance, and the Secretary may supplement or prorate  
14 fees provided under this subsection accordingly.

15 “(4) USE.—Amounts from fees provided under  
16 this subsection to an eligible entity shall be used as  
17 follows:

18 “(A) ELIGIBLE USES.— Such amounts  
19 may be used only to fund costs of personnel  
20 (which may include staff of a public housing  
21 agency or outside contractors) for time associ-  
22 ated with—

23 “(i) developing, monitoring, and exe-  
24 cuting the procedures for the local Family  
25 Self-Sufficiency program of the eligible en-

1                   tity, including providing case management  
2                   or coaching for participating families;

3                   “(ii) building and maintaining part-  
4                   nerships with outside public and private  
5                   organizations to facilitate additional access  
6                   to services for participants in the local pro-  
7                   gram

8                   “(B) LIMIT ON TRAINING.—Not more than  
9                   10 percent of the amounts provided to an eligi-  
10                  ble entity for any fiscal year for fees under this  
11                  subsection may be used for costs of training for  
12                  staff or contractors of a local program.

13                  “(5) RECAPTURE OR OFFSET.—Any fees allo-  
14                  cated under this subsection by the Secretary in a fis-  
15                  cal year that have not been expended by the end of  
16                  the subsequent fiscal year or such other time period  
17                  as determined by the Secretary may be recaptured  
18                  by the Secretary and shall be available for providing  
19                  additional fees pursuant to paragraph (2)(B), or  
20                  may be offset as determined by the Secretary.

21                  “(6) PERFORMANCE REPORTING.—The Sec-  
22                  retary shall require eligible entities to report the  
23                  number of families enrolled and graduated, the num-  
24                  ber of established escrow accounts and positive es-  
25                  crow balances, and any other information that the

1 Secretary may require. Program performance shall  
2 be reviewed periodically as determined by the Sec-  
3 retary.

4 “(7) INCENTIVES FOR INNOVATION AND HIGH  
5 PERFORMANCE.—The Secretary may reserve up to 5  
6 percent of the amounts made available for adminis-  
7 trative fees under this subsection to provide support  
8 to or reward local Family Self-Sufficiency programs  
9 based on the rate of successful completion, increased  
10 earned income, or other factors as may be estab-  
11 lished by the Secretary.”;

12 (12) in subsection (j)—

13 (A) by striking “public housing agency”  
14 and inserting “eligible entity”;

15 (B) by striking “public housing” before  
16 “units”;

17 (C) by striking “in public housing projects  
18 administered by the agency”;

19 (D) by inserting “or coordination” before  
20 “of supportive services”; and

21 (E) by striking the last sentence;

22 (13) in subsection (k), by striking “public hous-  
23 ing agencies” and inserting “eligible entities”;

24 (14) by striking subsections (n) and (o);



1           (15) by redesignating subsections (l) and (m) as  
2           subsections (n) and (o), respectively;

3           (16) by inserting after subsection (k), the fol-  
4           lowing new subsections:

5           “(1) PROGRAMS FOR TENANTS IN PRIVATELY-OWNED  
6           PROPERTIES WITH PROJECT-BASED ASSISTANCE.—

7           “(1) VOLUNTARY AVAILABILITY OF FSS PRO-  
8           GRAM.—The owner of a privately-owned property  
9           may voluntarily make a local Family Self-Sufficiency  
10          program available to the tenants of such property by  
11          entering into a cooperative agreement with a local  
12          public housing agency that administers a Family  
13          Self-Sufficiency program.

14          “(2) COOPERATIVE AGREEMENT.—Any coopera-  
15          tive agreement entered into pursuant to paragraph  
16          (1) shall require the public housing agency to open  
17          its Family Self-Sufficiency program waiting list to  
18          any eligible family residing in the owner’s property  
19          for which project-based assistance is provided under  
20          section 8.

21          “(3) TREATMENT OF FAMILIES ASSISTED  
22          UNDER THIS SUBSECTION.—A public housing agency  
23          that enters into a cooperative agreement pursuant to  
24          paragraph (1) may count any family participating in  
25          its Family Self-Sufficiency program as a result of

1 such agreement as part of the calculation of the ad-  
2 ministrative fee under subsection (i).

3 “(4) ESCROW.—As part of any cooperative  
4 agreement entered into pursuant to paragraph (1),  
5 the owner of the property shall agree to calculate,  
6 track, and upon request of the public housing agen-  
7 cy, make available escrow for participating residents,  
8 in accordance with subsection (e)(2), residing in  
9 units assisted under section 8.

10 “(5) NO EXISTING LOCAL PROGRAM OPTION.—  
11 If there is no existing local Family Self-Sufficiency  
12 program or public housing agency willing and able  
13 to enter into a cooperative agreement with an owner  
14 pursuant to paragraph (1), such owner may admin-  
15 ister a Family Self-Sufficiency program under this  
16 section without being eligible for funding under sub-  
17 section (i). If such owner administers a program  
18 that serves at least 25 participants, that owner shall  
19 be eligible for funding under subsection (i).

20 “(6) EXCEPTION.—This subsection shall not  
21 apply to properties assisted under section 8(o)(13).

22 “(7) SUSPENSION OF ENROLLMENT.—In any  
23 year, the Secretary may suspend the enrollment of  
24 new families in Family Self-Sufficiency programs

1 under this subsection based on a determination that  
2 insufficient funding is available for this purpose.

3 “(m) TECHNICAL ASSISTANCE.—The Secretary shall,  
4 on an ongoing basis, take such actions as may be nec-  
5 essary to strengthen the quality and size of local Family  
6 Self-Sufficiency programs of public housing agencies  
7 through the provision of technical assistance, capacity  
8 building, training, identification and dissemination of ef-  
9 fective or otherwise promising practices, and such other  
10 actions as may be necessary and appropriate.”;

11 (17) in subsection (n), as so redesignated by  
12 paragraph (15) of this subsection—

13 (A) in paragraph (1), by striking “The re-  
14 port shall” and inserting “The contents of the  
15 report shall be determined by the Secretary and  
16 may”;

17 (B) by striking paragraph (2) and insert-  
18 ing the following new paragraph:

19 “(2) HUD ANNUAL REPORTS.—The Secretary  
20 shall submit to the Congress annually a report de-  
21 tailing the performance of the Family Self-Suffi-  
22 ciency Program under this section, which shall in-  
23 clude—

24 “(A) effective and otherwise promising  
25 practices as identified by the Secretary;

1           “(B) any recommendations of the Sec-  
2           retary for improving the effectiveness of the  
3           self-sufficiency program under this section;

4           “(C) identification of any public housing  
5           agencies that have cooperation agreements for  
6           economic self-sufficiency activities in place with  
7           State, local , or other welfare agencies (as de-  
8           scribed in section 12(d)(7) (42 U.S.C.  
9           1437j(d)(7))); and

10           “(D) identification of any agreements be-  
11           tween public housing agencies and private, non-  
12           profit, or public agencies involved in providing  
13           workforce training, educational services, or  
14           other supportive services related to economic se-  
15           curity.”; and

16           (18) by adding at the end the following new  
17           subsection:

18           “(p) AUTHORIZATION OF APPROPRIATIONS.—There  
19           is authorized to be appropriated for carrying out the Fam-  
20           ily Self-Sufficiency program under this section  
21           \$50,000,000 for each of fiscal years 2013, 2014, 2015,  
22           2016, and 2017.”.

23           (c) PUBLIC HOUSING MANAGEMENT ASSESSMENT  
24           SYSTEM.—The Secretary of Housing and Urban Develop-  
25           ment shall, by regulations issued not later than the expira-

1 tion of the 12-month period beginning on the date of the  
2 enactment of this Act, modify the public housing manage-  
3 ment assessment program under section 6(j) of the United  
4 States Housing Act of 1937 (42 U.S.C. 1437d(j)) and the  
5 management assessment program for rental assistance  
6 section 8 of such Act (41 U.S.C. 1437f) to provide incen-  
7 tives for public housing agencies to increase the scope and  
8 size of their local Family Self-Sufficiency programs con-  
9 ducted pursuant to section 23 of such Act (42 U.S.C.  
10 1437u).

11 (d) **EFFECTIVE DATE.**—This section, and any  
12 amendments made by this section, shall take effect on  
13 publication in the Federal Register of a notice by the Sec-  
14 retary of Housing and Urban Development to implement  
15 such amendments.

16 **SEC. 302. RESEARCH DEMONSTRATION TO EVALUATE OP-**  
17 **TIONS FOR TAKING ECONOMIC SECURITY INI-**  
18 **TIATIVES TO SCALE IN SUBSIDIZED HOUSING.**

19 (a) **ESTABLISHMENT AND GOAL.**—The Secretary of  
20 Housing and Urban Development (in this section referred  
21 to as the “Secretary”) shall carry out a demonstration de-  
22 signed to rigorously evaluate options for helping to in-  
23 crease the economic security of families residing in hous-  
24 ing assisted by the Department who are neither elderly  
25 families nor disabled families. The goal of the demonstra-

1 tion shall be to identify one or more methods that are ef-  
2 fective in increasing the economic security of such families  
3 and could be made available for all families in subsidized  
4 housing in a cost-effective manner.

5 (b) SCOPE; TERM.—

6 (1) SCOPE.—Subject to the limitations specified  
7 in subsection (g)(2), the Secretary may, at the sole  
8 discretion of the Secretary, limit the number of pub-  
9 lic housing agencies or families that participate in  
10 the demonstration.

11 (2) TERM.—The demonstration shall terminate  
12 not later than the expiration of the 7-year period be-  
13 ginning on the date that interventions pursuant to  
14 subsection (e) under the demonstration are first ap-  
15 plied to families participating in the demonstration.

16 (c) PERFORMANCE MEASURES.—The demonstration  
17 under this section shall evaluate competing methods of  
18 achieving the goal under subsection (a) according to the  
19 following performance measures:

20 (1) Effectiveness in boosting earnings of par-  
21 ticipating families.

22 (2) Effectiveness in increasing the hours of em-  
23 ployment among participating families.

24 (3) Effectiveness in increasing the assets of  
25 participating families or helping families make stra-

1        tegic asset purchases that may contribute to their  
2        long-term economic security, or both.

3            (4) Effectiveness in reducing reliance on income  
4        supports under the program for temporary assist-  
5        ance for needy families.

6            (5) Effectiveness in preparing families to pur-  
7        chase homes or afford the rents of housing units  
8        that are not subsidized under section 8 or 9 of the  
9        United States Housing Act of 1937.

10           (6) Effectiveness in families achieving exits  
11        from housing assisted by the Department that lead  
12        to housing situations that are both stable and af-  
13        fordable.

14           (7) Effectiveness in reducing per-unit subsidy  
15        costs for participating families that continue to re-  
16        ceive housing assistance under section 8 or 9 of the  
17        United States Housing Act of 1937.

18           (8) Effectiveness in minimizing hardship among  
19        participating families and the children of such fami-  
20        lies.

21           (9) Effectiveness in improving the credit scores  
22        and financial literacy of, and access to affordably  
23        priced financial services for, participating families.

24           (10) Cost-effectiveness in relation to existing  
25        programs and laws and to other options.

1           (11) Ease of implementation and cost of admin-  
2           istration

3           (d) EVALUATION.—For each of the performance  
4 measures specified in subsection (c), the demonstration  
5 under this section shall evaluate impacts and other out-  
6 comes for the entire group of participating families and  
7 for specific subgroups of such families, including the fol-  
8 lowing groups:

9           (1) Families whose heads of household are un-  
10          employed as of the commencement of the demonstra-  
11          tion.

12          (2) Families whose heads of household are em-  
13          ployed as of the commencement of the demonstra-  
14          tion.

15          (3) Families whose participating member or  
16          household resident has a high school diploma as of  
17          the commencement of the demonstration.

18          (4) Families whose participating member or  
19          household resident does not have a high school di-  
20          ploma as of the commencement of the demonstra-  
21          tion.

22          (5) Families residing in markets with high  
23          housing rental costs.

24          (6) Families residing in markets with low hous-  
25          ing rental costs.



1 (e) INTERVENTIONS.—The demonstration under this  
2 section shall analyze and evaluate different clusters of  
3 interventions in a manner that provides results and out-  
4 comes that can be compared across each of the clusters.  
5 Such clusters shall include at least the following:

6 (1) COMPARISON OF DIFFERENT FINANCIAL IN-  
7 CENTIVES FOR INCREASED EARNINGS.—A cluster of  
8 different forms of providing financial incentives for  
9 increased earnings of participating families, which  
10 can be compared against each other and one or more  
11 control groups, including at least the following fi-  
12 nancial incentives:

13 (A) Flat rents.

14 (B) Ceiling rents.

15 (C) Conditional cash transfers that imme-  
16 diately reward families for achieving certain  
17 goals, such as full-time work.

18 (D) Rental assistance asset accounts.

19 (2) WORK REQUIREMENTS.—A cluster of dif-  
20 ferent combinations of work requirements, good  
21 cause exceptions, and child care subsidies for partici-  
22 pating families, which shall be evaluated both with  
23 and without the availability of service coordination  
24 and financial coaching.

1           (3) OTHER.—Such other clusters of interven-  
2           tions as the Secretary determines are appropriate to  
3           be analyzed and evaluated taking into consideration  
4           the goals of the demonstration under this section.

5           (f) PUBLIC INPUT.—

6           (1) IN GENERAL.—The Secretary shall solicit  
7           and consider input from public housing agencies,  
8           tenant representatives, policy experts, and others in  
9           designing the demonstration under this section.

10          (2) EVALUATION.—The Secretary shall design  
11          the standards and procedures for evaluating the  
12          methods of achieving the goals of the demonstration  
13          under this section so that public housing agencies  
14          may propose interventions to be considered for eval-  
15          uation under the demonstration, in addition to the  
16          interventions identified for evaluation by the Sec-  
17          retary.

18          (g) WAIVER AUTHORITY.—

19          (1) IN GENERAL.—Subject to paragraph (2),  
20          the Secretary may waive, or specify alternative re-  
21          quirements for, any provision of any statute or regu-  
22          lation that the Secretary administers to the extent  
23          determined by the Secretary to be necessary to carry  
24          out the demonstration under this section (except for

1 requirements related to fair housing, nondiscrimina-  
2 tion, labor standards, and the environment).

3 (2) LIMITATION.—The number of families re-  
4 quired to pay more in rent, or assume additional re-  
5 sponsibilities, than required under the laws in effect  
6 upon the commencement of the demonstration under  
7 this section shall be limited to the number reason-  
8 ably necessary to conduct an effective, rigorous eval-  
9 uation under the demonstration.

10 (h) REPORTS.—The Secretary shall submit the fol-  
11 lowing reports to the Congress:

12 (1) IMPLEMENTATION.—A report describing the  
13 initial implementation of the demonstration under  
14 this section, which shall be submitted not later than  
15 the expiration of the 3-year period beginning on the  
16 date of the enactment of this Act.

17 (2) INTERIM.—A interim report evaluating the  
18 demonstration under this section, which shall be  
19 submitted not later than the earlier of—

20 (A) the expiration of the 6-year period be-  
21 ginning on the date of the enactment of this  
22 Act; or

23 (B) the expiration of the 4-year period be-  
24 ginning on the date that interventions under  
25 the demonstration are first applied to families.

1           (3) FINAL.—A final report evaluating the dem-  
2           onstration under this section, which shall be sub-  
3           mitted not later the expiration of the 9-year period  
4           beginning on the date that interventions under the  
5           demonstration are first applied to families.

6           (i) AUTHORIZATION OF APPROPRIATIONS.—There is  
7           authorized to be appropriated for conducting evaluations  
8           in connection with the demonstration under this section  
9           \$25,000,000, which amounts shall remain available until  
10          expended.

11       **TITLE       IV—FLEXIBILITY       FOR**  
12       **HIGH-CAPACITY           PUBLIC**  
13       **HOUSING AGENCIES**

14       **SEC. 401. FLEXIBILITY FOR HIGH-CAPACITY PUBLIC HOUS-**  
15       **ING AGENCIES.**

16          Title I of the United States Housing Act of 1937 (42  
17       U.S.C. 1437 et seq.) is amended by adding at the end  
18       the following new section:

19       **“SEC. 37. FLEXIBILITY FOR HIGH-CAPACITY PUBLIC HOUS-**  
20       **ING AGENCIES.**

21          “(a) PURPOSE.—Consistent with section 2(a)(1)(C)  
22       of this title, the purpose of this section is to vest in public  
23       housing agencies that perform well the maximum amount  
24       of responsibility and flexibility in program administration,  
25       with appropriate accountability to public housing resi-

1 dents, localities, and the general public, by establishing a  
2 program under which public housing agencies are given  
3 the flexibility to design and implement, and the Secretary  
4 is given the responsibility to facilitate and evaluate, inno-  
5 vative approaches to providing housing assistance that—

6           “(1) increase housing opportunities for low-,  
7           very low-, and extremely low-income families, includ-  
8           ing preserving, modernizing, rehabilitating, reconfig-  
9           uring, or replacing public housing at risk of physical  
10          deterioration or obsolescence, developing additional  
11          affordable housing, providing supportive housing,  
12          and increasing the number of families receiving ten-  
13          ant-based rental assistance and their housing  
14          choices;

15          “(2) provide financial incentives and other sup-  
16          port mechanisms to families to obtain employment,  
17          increase earned income, and achieve economic self-  
18          sufficiency, while protecting very low- and extremely  
19          low-income families from increased rent burdens;

20          “(3) utilize funds in a more effective or cost-ef-  
21          ficient manner, including achieving energy, adminis-  
22          trative, and other cost savings, or increasing reve-  
23          nues;

24          “(4) leverage other Federal, State, and local  
25          funding sources, including the low-income housing

1 tax credit program and other private resources, to  
2 expand and preserve affordable housing opportuni-  
3 ties, and foster partnerships between public housing  
4 agencies and service providers in fields such as  
5 health care and education to streamline service deliv-  
6 ery, identify potential cost savings across programs,  
7 and improve health and educational opportunities for  
8 low income families;

9 “(5) test alternative rent-setting and continued  
10 occupancy policies to determine whether rent deter-  
11 minations can be simplified, administrative cost sav-  
12 ings can be realized, and effective incentives pro-  
13 vided, while protecting very low- and extremely low-  
14 income families from increased rent burdens, and  
15 conducting a rigorous evaluation to test the effec-  
16 tiveness of such innovative approaches; and

17 “(6) are developed with the support of the local  
18 community and with the substantial participation of  
19 affected residents.

20 “(b) SELECTION PROCESS.—

21 “(1) TIMING AND OPPORTUNITY FOR COM-  
22 MENT.—The Secretary shall, within 9 months after  
23 the date of the enactment of the Affordable Housing  
24 and Self-Sufficiency Improvement Act of 2012,  
25 make a draft notice available for public comment

1 with the proposed selection criteria and preferences  
2 for selection of public housing agencies to participate  
3 in the program under this section. Initial selection of  
4 participating agencies shall be made within 12  
5 months of issuance of the final selection notice.  
6 Prior to any change in selection criteria and pref-  
7 erences in subsequent years, the Secretary shall also  
8 make a draft notice available for public comment.

9 “(2) PROPOSALS; CRITERIA.—Selection of agen-  
10 cies to participate in the program under this section  
11 shall be made by the Secretary pursuant to a com-  
12 petitive process that advances the purposes specified  
13 in subsection (a) and meets the following require-  
14 ments:

15 “(A) HIGH-CAPACITY PUBLIC HOUSING  
16 AGENCIES.—The Secretary shall make selec-  
17 tions based on proposals from high-capacity  
18 public housing agencies, which shall mean any  
19 agency that—

20 “(i) in the calendar year prior to its  
21 application, had a public housing occu-  
22 pancy rate of at least 95 percent and uti-  
23 lized not less than 95 percent of its funds  
24 allocated for assistance under section 8(o)

1 for that calendar year or 95 percent of its  
2 authorized vouchers, and

3 “(ii)(I) that is a high performer under  
4 the public housing assessment system (if  
5 the agency administers public housing) and  
6 the section 8 management assessment pro-  
7 gram (if the agency administers vouchers  
8 under section 8); or

9 “(II) taking into account its relative  
10 score under the public housing assessment  
11 system and the section 8 management as-  
12 sessment program, is an agency with other  
13 characteristics, achievements, capabilities,  
14 or experience identified by the Secretary  
15 based on criteria established through a no-  
16 tice made available for public comment,  
17 that demonstrate the agency has the ca-  
18 pacity to successfully exercise the discre-  
19 tion and undertake the responsibilities  
20 made available by this section.

21 “(B) DIVERSITY OF PHAS.—The process  
22 provides, to the extent possible based on eligible  
23 agencies submitting proposals, for representa-  
24 tion among agencies having various characteris-  
25 tics, including both large and small agencies,



1 agencies serving urban, suburban, and rural  
2 areas, and agencies in various geographical re-  
3 gions, housing markets and labor markets  
4 throughout the United States, and which may  
5 include the selection of agencies that only ad-  
6 minister the voucher program under section  
7 8(o) or the public housing program, and for  
8 representation by consortia or other partner-  
9 ships of any such agencies which are formed for  
10 the purpose of implementing coordinated poli-  
11 cies across jurisdictions and producing adminis-  
12 trative savings which can be redirected to other  
13 eligible purposes under this section. The Sec-  
14 retary shall determine the necessary require-  
15 ments for such consortia or other partnerships.

16 “(C) NOTICE TO RESIDENTS AND COMMU-  
17 NITY.—Any agency submitting a proposal under  
18 this paragraph shall have provided notice to  
19 residents and the local community not later  
20 than 30 days before the first of the two public  
21 meetings required under subparagraph (D).

22 “(D) PUBLIC MEETINGS.—An agency sub-  
23 mitting a proposal shall hold two public meet-  
24 ings to receive comments on the agency’s pro-  
25 posed application, on the implications of

1 changes under the proposal, and the possible  
2 impact on residents. Any written comments  
3 submitted by residents or members of the public  
4 concerning the agency's proposal shall be sub-  
5 mitted as part of the agency's application.

6 “(E) IDENTIFICATION OF OBSTACLES TO  
7 ACHIEVEMENT OF GOALS.—Each proposal shall  
8 identify obstacles in the public housing or  
9 voucher programs, including statutory provi-  
10 sions and existing rules and regulations, that  
11 impede achievement of the goals and objectives  
12 of the proposal and the purposes of the dem-  
13 onstration, a statement of the alternative poli-  
14 cies designed to address such obstacles, and an  
15 explanation of why exemption from such statu-  
16 tory provisions, regulations, or other require-  
17 ments is necessary to achieve such goals and  
18 objectives.

19 “(F) INFORMATION FOR EVALUATION.—  
20 Each proposal shall include baseline informa-  
21 tion, as the Secretary deems necessary in con-  
22 sultation with the Advisory Council for the eval-  
23 uation under subsection (g), on the characteris-  
24 tics, condition, and funding of the housing  
25 units, housing assistance, and other services the

1           agency provides, including a physical needs as-  
2           sessment with respect to the agency's public  
3           housing, if any.

4           “(3) LIMIT ON PARTICIPATION.—Pursuant to  
5           the process described in paragraphs (1) and (2), the  
6           Secretary shall select a number of agencies to par-  
7           ticipate such that the total number of public housing  
8           units and vouchers subject to this section is, upon  
9           such agencies' initial selection, limited to approxi-  
10          mately, but no more than, 500,000 public housing  
11          units and vouchers, with the Secretary selecting as  
12          many agencies at a time as is reasonably possible;  
13          except that if any agency with a total of more than  
14          50,000 public housing units and vouchers is selected,  
15          or any agency participating in the demonstration  
16          under section 204 of Public Law 104–134 enters the  
17          program under this section, then such an agency's  
18          public housing units and vouchers shall not count to-  
19          ward such limitation.

20          “(4) MAINTAINING PARTICIPATION RATE.—If,  
21          after selections for program participation by the Sec-  
22          retary reach the limit on participation under para-  
23          graph (3), the number of public housing units and  
24          vouchers subject to this section falls below the num-  
25          ber selected pursuant to such paragraph—

1           “(A) at any time prior to submission of the  
2           interim report pursuant to subsection  
3           (g)(4)(B)(ii), the Secretary shall promptly so-  
4           licit applications from and select additional pub-  
5           lic housing agencies to participate in the pro-  
6           gram under the terms and conditions for appli-  
7           cation and selection provided in this section so  
8           that the number of public housing units and  
9           vouchers is increased to the number authorized  
10          by paragraph (3); and

11          “(B) at any time after the submission of  
12          such report, the Secretary may select such addi-  
13          tional agencies, giving due consideration to the  
14          potential for such expansion to advance the  
15          purposes set forth in subsection (a).

16          “(c) WAIVERS.—

17          “(1) IN GENERAL.—As part of its application  
18          under subsection (b)(2), an agency shall submit a  
19          proposed annual plan for the agency’s first year of  
20          operations under the program under this section  
21          that meets the requirements of subsection (d)(7)(B)  
22          and that includes a description of the statutory and  
23          regulatory waivers necessary to implement the plan,  
24          consistent with the agency’s proposal under sub-  
25          section (b)(2)(E). Upon selection of the agency for

1 participation, the Secretary shall review and approve  
2 such plan in accordance with subsection (d)(7)(D).  
3 In subsequent years, the agency may obtain addi-  
4 tional waivers through its annual plan in accordance  
5 with subsection (d)(7). Notwithstanding any other  
6 provision of this section, families receiving assistance  
7 under this section shall retain the same rights of ju-  
8 dicial review of agency action as they would other-  
9 wise have had if the agency were not participating  
10 in the program.

11 “(2) CONTRACT AMENDMENT.—After selecting  
12 agencies under subsection (b), the Secretary shall  
13 promptly amend the applicable annual contributions  
14 contract of each such agency to provide that the  
15 agency is participating in the program under this  
16 section and that the agency may request and imple-  
17 ment a waiver of provisions of this Act or regula-  
18 tions promulgated under this Act (except for re-  
19 tained provisions specified in subsection (d)(4)) to  
20 the extent necessary to implement the agency’s an-  
21 nual plan under subsection (d)(7), as determined by  
22 the Secretary, without specifying such waivers in  
23 such contract amendment. An agency may terminate  
24 its participation under this section at any time upon  
25 reasonable notice to the Secretary.

1 “(d) PROGRAM REQUIREMENTS.—

2 “(1) PROGRAM FUNDS.—A participating agency  
3 may combine amounts provided to the agency from  
4 the Operating Fund under section 9(e), amounts  
5 provided to the agency from the Capital Fund under  
6 section 9(d), and amounts provided to the agency for  
7 voucher assistance (including administrative fees)  
8 under section 8(o) and may use such program funds  
9 for any activities that are authorized by section 8(o)  
10 or 9, for other housing for assisted families, or for  
11 any other activities that are not inconsistent with  
12 this section, as determined by the Secretary.

13 “(2) FAMILIES SERVED.—

14 “(A) IN GENERAL.—In carrying out its  
15 program under this section, each participating  
16 agency shall continue to assist the number of  
17 eligible low-income families equal to its assisted  
18 family baseline, except as permitted under sub-  
19 paragraph (B).

20 “(B) PERMITTED REDUCTIONS.—

21 “(i) An agency may, at its option, re-  
22 duce the number of assisted families it  
23 serves by up to 2 percent of its assisted  
24 family baseline, but only if it uses the

1 funds resulting from such reduction for eli-  
2 gible purposes under this section.

3 “(ii) An agency may, with the Sec-  
4 retary’s approval—

5 “(I) reduce the number of as-  
6 sisted families it serves by up to 10  
7 percent of the household equivalent of  
8 its voucher baseline (inclusive of the  
9 reduction under clause (i)), but only if  
10 the agency uses the funds resulting  
11 from such additional reduction for  
12 housing choice and mobility initia-  
13 tives, homelessness initiatives, or sup-  
14 portive services designed to improve  
15 outcomes; and

16 “(II) reduce the number of as-  
17 sisted families it serves by up to 15  
18 percent of the household equivalent of  
19 its voucher baseline (inclusive of the  
20 reductions under clause (i) and sub-  
21 clause (I) of this clause)), but only if  
22 the agency uses the funds resulting  
23 from such additional reduction for  
24 capital activities to serve assisted fam-  
25 ilies.

1                   “(C) APPROVAL OF REDUCTIONS.—The  
2                   Secretary’s level of review and approval of an  
3                   agency’s request to reduce the number of fami-  
4                   lies served below its assisted housing baseline  
5                   shall be commensurate with the level of the re-  
6                   duction proposed and the potential impact on  
7                   assisted families and on the agency’s housing  
8                   stock for assisted families (including tenant-  
9                   based rental assistance). The Secretary shall—

10                   “(i) in the case of reductions under  
11                   subparagraph (B)(ii)(I), approve such re-  
12                   duction in the amount and duration pro-  
13                   posed by the agency, unless they are great-  
14                   er than reasonably necessary to determine  
15                   whether the proposed activity is successful  
16                   and cost effective; and

17                   “(ii) in the case of reductions under  
18                   subparagraph (B)(ii)(II), approve such re-  
19                   duction in the amount and duration pro-  
20                   posed by the agency unless they are great-  
21                   er than reasonably necessary to complete  
22                   the capital activity proposed, provided that  
23                   such reductions shall be proposed and ap-  
24                   proved on a project-by-project basis.



1           In determining the reasonableness of a pro-  
2           posed reduction under subclause (ii), the Sec-  
3           retary shall consider efforts made by the agency  
4           to secure contributions of funding or other re-  
5           sources to supplement the program funds to be  
6           used for the proposed activities and the ability  
7           of an agency to leverage such contributions  
8           through a proposed reduction, or if the agency  
9           did not make such efforts, its reasons for not  
10          doing so.

11           “(D) ALTERNATE MEASURE FOR REDUC-  
12          TIONS.—With respect to permitted reductions  
13          under subparagraph (B)(ii), the Secretary may  
14          use the household equivalent of an agency’s  
15          public housing baseline in place of the house-  
16          hold equivalent of an agency’s voucher baseline  
17          for agencies that have significantly more public  
18          housing units than vouchers.

19           “(E) CONTINUATION OF PERMITTED RE-  
20          DUCTIONS.—At the end of the period approved  
21          by the Secretary for a permitted reduction  
22          under subparagraph (C)(i) for an agency, the  
23          agency shall submit a final report on the im-  
24          pacts of the initiative funded with such reduc-  
25          tion, including the benefits and costs, and other

1 information reasonably required by the Sec-  
2 retary in consultation with the Advisory Council  
3 under subsection (g)(3), which may include a  
4 physical needs assessment and information con-  
5 cerning services provided by the agency. If the  
6 agency wishes to continue such an initiative ac-  
7 companied by a continuation of a permitted re-  
8 duction, then the agency shall complete a public  
9 and resident comment process, which may be  
10 part of the plan process under paragraph (7).  
11 The Secretary may disapprove such continu-  
12 ation if the reported data do not show positive  
13 outcomes or the agency has not demonstrated  
14 the need for the requested reduction to support  
15 the added costs of the interventions, including  
16 evidence that the agency has made reasonable  
17 efforts to obtain other funding for the interven-  
18 tions.

19 “(F) FUNDING ADJUSTMENTS.—To the ex-  
20 tent that a participating agency does not assist  
21 a number of families at least equal to its as-  
22 sisted family baseline in a given year (subject to  
23 any permitted reductions), the Secretary shall  
24 require repayment of funds from non-Federal  
25 sources in an amount equal to the difference

1           between the assistance used for the actual num-  
2           ber of families served and the assistance which  
3           would have been required to achieve such as-  
4           sisted family baseline; except that, for good  
5           cause, the Secretary may permit the agency to  
6           meet such requirement over a period greater  
7           than one year and the Secretary shall not re-  
8           quire any repayment if the agency's inability to  
9           meet its assisted housing baseline is the result  
10          of funding levels below those provided for the  
11          year in which the assisted housing baseline is  
12          established.

13                   “(G) DEFINITIONS.—For purposes of this  
14                   section, with respect to any participating agen-  
15                   cy—

16                           “(i) the term ‘assisted family baseline’  
17                           means the agency's public housing baseline  
18                           plus the agency's voucher baseline;

19                           “(ii) the term ‘public housing baseline’  
20                           means the number of public housing units  
21                           occupied in the calendar year preceding the  
22                           agency's first year operating under this  
23                           section, with appropriate adjustments for  
24                           reductions in units pursuant to section 18  
25                           and for units unavailable for, or becoming

1 available after, modernization or replace-  
2 ment;

3 “(iii) the term ‘voucher baseline’  
4 means the number of vouchers utilized in  
5 the calendar year preceding the agency’s  
6 first year operating under this section,  
7 with appropriate adjustments for voucher  
8 transfers, incremental vouchers awarded,  
9 and other increases or decreases in the  
10 number of vouchers available to the agency  
11 not resulting from funding prorations; and

12 “(iv) the Secretary may use a three-  
13 year average of utilization or occupancy to  
14 account for extenuating circumstances.

15 “(3) ASSISTED FAMILIES.—

16 “(A) DEFINITION.—For purposes of this  
17 section, the term ‘assisted families’ includes any  
18 eligible low-income family that was counted in  
19 determining the agency’s compliance with sub-  
20 sections (a)(2)(A) and (b)(1) of section 16, as  
21 modified under paragraph (4)(A) of this sub-  
22 section, and which—

23 “(i)(I) receives rental assistance from  
24 program funds of the agency, and

1           “(II)(aa) pays no more than that per-  
2           mitted under section 3 or 8(o) for rent (in-  
3           cluding the amount allowed for tenant-paid  
4           utilities);

5           “(bb) pays no more than 28 percent  
6           of gross income (and, for families receiving  
7           tenant-based rental assistance, any amount  
8           in excess of the payment standard subject  
9           to the rules applicable under section 8(o)  
10          for establishing and implementing such  
11          payment standards for agencies that do  
12          not participate in the program under this  
13          section) for rent (including the amount al-  
14          lowed for tenant-paid utilities); or

15          “(cc) is one of a set of families whose  
16          average rent burden (based on the average  
17          of each family’s share of the gross rent  
18          compared to its income) does not exceed  
19          the average rent burden of families as-  
20          sisted by the agency in the calendar year  
21          prior to its participation under this section  
22          or of families assisted by other agencies  
23          that are not participating in the program  
24          under this section in the same metropoli-  
25          tan statistical area or one or more sur-

1 rounding counties closest to the area  
2 served by the agency;

3 “(ii) does not receive rental assistance  
4 but otherwise satisfies the standards of  
5 item (aa), (bb), or (cc) of clause (i)(II) and  
6 occupies a housing unit in a development  
7 with respect to which the agency makes or  
8 has made a significant use of program  
9 funds; or

10 “(iii) receives rental assistance from  
11 the agency that does not satisfy the stand-  
12 ards of item (aa), (bb), or (cc) of clause  
13 (i)(II), but occupies a unit that is included  
14 in the evaluation of enhanced policies  
15 under subsection (d).

16 “(B) HARDSHIP POLICY.—If an agency  
17 implements a rent policy under which compli-  
18 ance with the requirement in paragraph (2) (re-  
19 lating to families served) is determined using  
20 the definition in item (bb) or (cc) of clause  
21 (i)(II) of subparagraph (A) of this paragraph,  
22 the agency shall, as part of its annual plan and  
23 report under subsection (d)(7), adopt and im-  
24 plement a hardship policy.

1           “(4) RETAINED PROVISIONS.—Notwithstanding  
2 any other provision of this section, the Secretary  
3 may not waive, and each agency shall comply with,  
4 the following provisions of this Act:

5           “(A) Subsections (a)(2)(A) and (b)(1) of  
6 section 16 (42 U.S.C. 1437n; relating to tar-  
7 geting for new admissions in the public housing  
8 and voucher programs), based on the require-  
9 ments applicable to the program for which  
10 funds were appropriated. The Secretary may  
11 calculate a blended targeting rate, required for  
12 assistance that combines funds appropriated  
13 under sections 8 and 9, based on the ratio of  
14 units assisted under sections 8 and 9 in an  
15 agency’s baseline.

16           “(B) Section 2(b) (42 U.S.C. 1437(b); re-  
17 lating to tenant representatives on the public  
18 housing agency board of directors).

19           “(C) Section 3(b)(2) (42 U.S.C.  
20 1437a(b)(2); relating to definitions for the  
21 terms ‘low-income families,’ ‘very low-income  
22 families,’ and ‘extremely low-income families’).

23           “(D) Section 5A(e) (42 U.S.C. 1437e–1(e);  
24 relating to the formation of and consultation  
25 with a resident advisory board).

1           “(E) Sections 6(f)(1) and 8(o)(8)(B) (42  
2 U.S.C. 1437d(f)(1), 1437f(o)(8)(B); relating to  
3 compliance of units assisted with housing qual-  
4 ity standards or other codes).

5           “(F) Sections 6(c)(3), 6(c)(4)(i), and  
6 8(o)(6)(B) (42 U.S.C. 1437d(e),  
7 1437f(o)(6)(B); relating to rights of public  
8 housing applicants and procedural rights for  
9 applicants under section 8(o)).

10           “(G) Section 6(k) (42 U.S.C. 1437d(k); re-  
11 lating to grievance procedures for public hous-  
12 ing tenants) and procedural rights for families  
13 assisted under section 8(o)(6)(B).

14           “(H) Section 6(l) (42 U.S.C. 1437d(l); re-  
15 lating to public housing lease requirements), ex-  
16 cept that for units assisted both with program  
17 funds and low-income housing tax credits, the  
18 initial lease term may be less than 12 months  
19 if required to conform lease terms with such tax  
20 credit requirements.

21           “(I) Section 7 (42 U.S.C. 1437e); relating  
22 to designation of housing for elderly and dis-  
23 abled households), except that a participating  
24 agency may make such designations (at initial  
25 designation or upon renewal) for a term of up



1 to 5 years if the agency includes in its annual  
2 plan under subsection (d)(7) an analysis of the  
3 impact of such designations on affected house-  
4 holds and such designation is subject to evalua-  
5 tion. Any participating agency with a des-  
6 ignated housing plan in effect at the time of ap-  
7 proval for participation in the program under  
8 this section may continue to operate under the  
9 terms of such plan for a term of 5 years (with  
10 an option to renew on the same terms for an  
11 additional 5 years) if it includes in its annual  
12 plan an analysis of the impact of such designa-  
13 tions on affected households.

14 “(J) Subparagraphs (C) through (F) of  
15 section 8(o)(7) and section 8(o)(20) (42 U.S.C.  
16 1437f(o); relating to lease requirements and  
17 eviction protections for families assisted with  
18 tenant-based assistance).

19 “(K) Section 8(o)(13)(B) (42 U.S.C.  
20 1437f(o)(13)(B); relating to a percentage limi-  
21 tation on project-based assistance), except that  
22 for purposes of this subparagraph such section  
23 shall be applied by substituting ‘50 percent’ for  
24 ‘20 percent’, and all voucher funding that is

1 used for non-tenant based assistance purposes  
2 shall count towards this calculation.

3 “(L) Section 8(o)(13)(E) (42 U.S.C.  
4 1437f(o)(13)(E); relating to resident choice for  
5 tenants of units with project based vouchers),  
6 except with respect to—

7 “(i) not more than 10 percent of the  
8 vouchers available to the participating  
9 agency upon entering the program under  
10 this section; and

11 “(ii) any project-based voucher pro-  
12 gram that is subject to evaluation.

13 Notwithstanding the exceptions under this sub-  
14 paragraph, an agency may not eliminate resi-  
15 dent choice under section 8(o)(13)(E) for more  
16 than 25 percent of its authorized vouchers.

17 “(M) Section 8(r) (42 U.S.C. 1437f(r); re-  
18 lating to portability of voucher assistance), ex-  
19 cept that a participating agency may receive  
20 funding for portability obligations under section  
21 8(dd) or appropriations bills in the same man-  
22 ner as other public housing agencies.

23 “(N) Sections 8(ee) and 6(u) (42 U.S.C.  
24 1437f(ee), 1437d(n); relating to records, certifi-

1 cation and confidentiality regarding domestic vi-  
2 olence).

3 “(O) Subsections (a) and (b) of section 12  
4 (42 U.S.C. 1437j; relating to payment of pre-  
5 vailing wages).

6 “(P) Section 18 (42 U.S.C. 1437p) relat-  
7 ing to demolition and disposition of public hous-  
8 ing).

9 “(Q) Requirements regarding—

10 “(i) establishment of resident councils  
11 and jurisdiction-wide resident organiza-  
12 tions;

13 “(ii) the minimum amount of public  
14 housing agency support for such councils  
15 and organizations; and

16 “(iii) involvement of such councils and  
17 organizations in public housing agency op-  
18 erations; as authorized under sections  
19 3(c)(2), 6(c)(5)(C), and 9(e) (42 U.S.C.  
20 1437a(c)(2), 1437d(c)(5)(C), 1437g(e))and  
21 implemented by applicable regulations.

22 Families receiving assistance under this section  
23 shall retain the same rights of judicial review of  
24 agency action as they would otherwise have had

1           if the agency were not participating in the pro-  
2           gram.

3           “(5) PROHIBITION AGAINST CHANGES IN PRO-  
4           GRAM FUNDS.—The amount of program funds a  
5           participating agency receives shall not be diminished  
6           or increased solely by its participation in the pro-  
7           gram under this section; except that with respect to  
8           program funds used for purposes of permitted re-  
9           ductions under subsection (d)(2)(B), the Secretary  
10          shall provide annual funding on the same basis as if  
11          such funds had been used for the purposes for which  
12          they were appropriated under sections 8 and 9, as  
13          applicable.

14          “(6) PUBLIC AND RESIDENT PARTICIPATION.—  
15          Each participating agency shall provide opportuni-  
16          ties for resident and public participation in the an-  
17          nual plan under paragraph (7), as follows:

18                 “(A) NOTICE TO RESIDENTS.—

19                         “(i) NOTICE.—Each year, the agency  
20                         shall provide notice to the low-income fam-  
21                         ilies it serves under the programs author-  
22                         ized by this section as to the impact of  
23                         proposed policy changes and program ini-  
24                         tiatives and of the schedule of resident ad-

1           visory board and public meetings for the  
2           annual plan.

3                   “(ii) MEETING.—The agency shall  
4           hold at least one meeting with the resident  
5           advisory board (including representatives  
6           of recipients of assistance under section 8)  
7           to review the annual plan for each year.

8                   “(B) PUBLIC MEETING.—With respect to  
9           each annual plan, the agency shall hold at least  
10          one annual public meeting to obtain comments  
11          on the plan. In the case of any agency that ad-  
12          ministers, in the aggregate, more than 15,000  
13          public housing units and vouchers, or that oper-  
14          ates in more than one county, the agency shall  
15          hold one or more additional meetings, in the  
16          agency’s reasonable discretion, in locations that  
17          promote attendance by residents and other  
18          stakeholders.

19                   “(C) PUBLIC AVAILABILITY.—Before adop-  
20          tion of any annual plan, and not less than 30  
21          days before the public meeting required under  
22          subparagraph (B) with respect to the plan, the  
23          agency shall make the proposed annual plan  
24          available for public inspection and copying, on  
25          request, and for access through the Internet.

1           The annual plan shall be made available for  
2           public inspection not less than 30 days before  
3           approval by the board of directors (or other  
4           similar governing body) of the agency and shall  
5           remain publicly available.

6           “(D) BOARD APPROVAL.—Before submit-  
7           ting an annual plan to the Secretary, the plan,  
8           as applicable, shall be approved in a public  
9           meeting by the board of directors or other gov-  
10          erning body of the agency.

11          “(7) ANNUAL PLAN AND REPORT.—

12          “(A) REQUIREMENT.—For each year that  
13          a participating agency operates under this sec-  
14          tion, the agency shall submit to the Secretary  
15          an annual plan under this paragraph that en-  
16          compasses all requirements under this section,  
17          in lieu of the public housing agency plan re-  
18          quired under section 5A, as well as all other  
19          planning and reporting requirements (except as  
20          required by subsections (d)(2) and (e)).

21          “(B) CONTENTS.—Each annual plan shall  
22          be drafted in a format developed by the Sec-  
23          retary, and shall include the following informa-  
24          tion:

1           “(i) A description of all program ini-  
2           tiatives and generally applicable policy  
3           changes, including references to provisions  
4           of this Act, regulations promulgated under  
5           this Act, or other requirements which the  
6           agency requests the Secretary to waive,  
7           consistent with subsection (c)(1).

8           “(ii) A description and comparison of  
9           changes under the proposed plan of the  
10          agency from the plan for the preceding  
11          year.

12          “(iii) A capital plan and a description  
13          of property redevelopment or portfolio  
14          repositioning strategies and proposed  
15          changes in policies or uses of funds re-  
16          quired to implement such strategies, in-  
17          cluding estimated costs and proposed  
18          sources of funds for such activities.

19          “(iv) Documentation of public and  
20          resident participation sufficient to comply  
21          with the requirements under paragraphs  
22          (4) and (6), including a copy of any rec-  
23          ommendations submitted in writing by the  
24          resident advisory board of the agency and  
25          members of the public, a summary of com-

1                   ments, and a description of the manner in  
2                   which the recommendations were ad-  
3                   dressed.

4                   “(v) Certifications by the agency  
5                   that—

6                                 “(I) the annual plan will be car-  
7                                 ried out in conformity with title VI of  
8                                 the Civil Rights Act of 1964, the Fair  
9                                 Housing Act, section 504 of the Reha-  
10                                bilitation Act of 1973, title II of the  
11                                Americans with Disabilities Act of  
12                                1990, and the rules, standards, and  
13                                policies in the approved plan;

14                               “(II) the agency will affirmatively  
15                                further fair housing;

16                               “(III) the agency has complied  
17                                and will continue to comply with its  
18                                obligations under the program evalua-  
19                                tion; and

20                               “(IV) any other certifications re-  
21                                quired by law, as determined by the  
22                                Secretary.

23                               “(vi) Other such information as the  
24                                Secretary deems necessary for the proper



1 operation, management, and assessment of  
2 the program.

3 “(C) CHANGES.—

4 “(i) PROPOSAL.—If an agency pro-  
5 poses to make any material changes in  
6 policies or initiatives in the agency’s plan  
7 during the year covered by the plan, such  
8 changes shall be re-proposed in the agen-  
9 cy’s annual plan and submitted to the Sec-  
10 retary in writing only after the agency has  
11 consulted with stakeholders in the commu-  
12 nity, the resident advisory board for the  
13 agency established pursuant to section  
14 5A(e) and the public regarding such  
15 changes, conducted a public hearing, con-  
16 sidered comments from the hearing in  
17 drafting the proposed amendment, and ob-  
18 tained an approval from the agency’s gov-  
19 erning authority.

20 “(ii) MATERIAL CHANGE.— For pur-  
21 poses of this paragraph, a material change  
22 is any change in rent or occupancy policies  
23 that affect assisted families, as well as per-  
24 mitted reductions requested pursuant to  
25 subsection (d)(2)(B) and approved pursu-

1 ant to subsection (d)(2)(C). For all other  
2 changes the agency shall consult with the  
3 resident advisory board before such change  
4 is adopted. The Secretary shall respond in  
5 writing to either approve or disapprove the  
6 amendment request.

7 “(D) APPROVAL PROCESS.—

8 “(i) TIMING.—The Secretary shall no-  
9 tify an agency submitting proposed  
10 changes pursuant to subparagraph(C) in  
11 writing if the Secretary objects to any pro-  
12 visions or information therein. When the  
13 agency submits its annual plan 75 days in  
14 advance of the beginning of its fiscal year,  
15 the Secretary shall respond to the agency  
16 within 75 days. If the Secretary does not  
17 respond to the agency within 75 days after  
18 an on-time receipt of the agency’s annual  
19 plan, the agency’s annual plan shall be  
20 considered to be approved and the agency  
21 shall be authorized to implement such  
22 plan. If the Secretary does not receive the  
23 agency’s annual plan 75 days before the  
24 beginning of the agency’s fiscal year, the  
25 agency’s annual plan is not approved until

1 the Secretary responds. The Secretary, di-  
2 rectly or through the public housing agen-  
3 cy, shall make information relating to such  
4 approval or disapproval available to all  
5 members of the Resident Advisory Board  
6 of the public housing agency. Approval  
7 under the third sentence of this clause  
8 shall not preclude judicial review regarding  
9 such compliance pursuant to chapter 7 of  
10 title 5, United States Code, or an action  
11 regarding such compliance under section  
12 1979 of the Revised Statutes of the United  
13 States (42 U.S.C. 1983).

14 “(ii) STANDARDS FOR APPROVAL.—  
15 The Secretary shall approve a plan only  
16 if—

17 “(I) the Secretary reasonably de-  
18 termines, based on information con-  
19 tained in the annual plan, that the  
20 agency is in compliance with the re-  
21 quirements of this section;

22 “(II) the annual plan is con-  
23 sistent with other reliable information  
24 available to the Secretary;

1                   “(III) the annual plan and the  
2                   agency’s activities under the program  
3                   are otherwise in compliance with ap-  
4                   plicable law;

5                   “(IV) with respect only to a waiv-  
6                   er request under subparagraph (B)(i),  
7                   the agency has provided a reasonable  
8                   explanation of how the waiver will ad-  
9                   vance the agency’s program under its  
10                  annual plan consistent with the pur-  
11                  poses under subsection (a); and

12                  “(V) the plan complies with such  
13                  other requirements as the Secretary  
14                  considers appropriate.

15                  “(E) REPORTS.—Each participating agen-  
16                  cy shall submit to the Secretary a report, or se-  
17                  ries of reports, in a format and at a time speci-  
18                  fied by the Secretary, but not less often than  
19                  annually. Each report shall—

20                  “(i) include a description, including a  
21                  consolidated financial report, of the  
22                  sources and uses of the agency’s program  
23                  funds, which shall account separately for  
24                  funds made available under section 8 and  
25                  subsections (d) and (e) of section 9, and

1 shall compare the agency's actions under  
2 the program with its annual plan for the  
3 year;

4 “(ii) provide such data as the Sec-  
5 retary may request to assist the Secretary  
6 in assessing the demonstration;

7 “(iii) include an annual audit that  
8 complies with the requirements of Circular  
9 A-133 of the Office of Management and  
10 Budget, including the OMB Compliance  
11 Supplement;

12 “(iv) describe and analyze the effects  
13 of the program of the agency and the as-  
14 sisted activities under such program in ad-  
15 dressing and achieving the objectives of the  
16 program under this section and each of the  
17 purposes specified in subsection (a), in-  
18 cluding the effects of the program on—

19 “(I) the number of families that  
20 have achieved economic independence  
21 from housing assistance that is ad-  
22 ministered by the agency, including  
23 vouchers for rental assistance under  
24 section 8(o) of the United States  
25 Housing Act of 1937 and dwelling

1 units in public housing and in housing  
2 assisted with project-based section 8  
3 assistance;

4 “(II) the number of new families  
5 the agency has been able to assist  
6 from the waiting lists for housing as-  
7 sistance referred to in clause (i) that  
8 is administered by the agency, as a  
9 result of the flexibility of funds and  
10 achievement of economic independ-  
11 ence;

12 “(III) the cost and annual  
13 change, per family participating in the  
14 program, of providing housing assist-  
15 ance referred to in clause (i) that is  
16 administered by the agency;

17 “(IV) the household incomes, and  
18 changes in such incomes, of families  
19 participating in the program com-  
20 pared to those assisted by the agency  
21 in the calendar year prior to its par-  
22 ticipation; and

23 “(V) such other factors as the  
24 Secretary considers appropriate; and

1                   “(v) include such other information as  
2                   the Secretary deems necessary for the  
3                   proper operation, management, and assess-  
4                   ment of the program.

5                   “(8) PROHIBITED POLICIES.—Notwithstanding  
6                   anything in this section to the contrary, only agen-  
7                   cies admitted pursuant to subsection (e)(1) may im-  
8                   plement the enhanced policies described in such sub-  
9                   section.

10                  “(e) ENHANCED PROGRAM PARTICIPATION.—

11                  “(1) ENHANCED POLICIES.—From among the  
12                  public housing agencies selected pursuant to sub-  
13                  section (b), the Secretary shall select approximately,  
14                  but no more than, 25 agencies as necessary for eval-  
15                  uation purposes (with a consortium, under this sub-  
16                  section considered a single agency), except that  
17                  agencies participating in the demonstration under  
18                  section 204 of Public Law 104-134 that enter the  
19                  program under this section shall not count toward  
20                  such limitation, to develop, propose, and implement  
21                  the following enhanced policies designed to achieve  
22                  one or more of the purposes specified in subsection  
23                  (a):

24                  “(A) SUBSTANTIAL RENT POLICY  
25                  CHANGES.—Rent policies designed to encourage

1 self-sufficiency among assisted families under  
2 which a low-income family would not qualify as  
3 an assisted family pursuant to subsection  
4 (d)(3).

5 “(B) TIME LIMITS.—Policies which impose  
6 time limits on the term of housing assistance  
7 from program funds received by families as-  
8 sisted with program funds.

9 “(C) EMPLOYMENT CONDITIONS.—Policies  
10 that condition the receipt of housing assistance  
11 from program funds by families on the employ-  
12 ment status (including participation in training  
13 or other work readiness activities) of one or  
14 more family members.

15 “(2) REASSESSMENT OF ENHANCED POLI-  
16 CIES.—If, during the evaluation of a policy pursuant  
17 to paragraph (1), the Secretary identifies credible  
18 evidence that a policy adopted by an agency is caus-  
19 ing or has caused material harm to assisted families,  
20 the Secretary shall advise the agency and give the  
21 agency a fair opportunity to contest such evidence.  
22 The Secretary may recommend that the agency mod-  
23 ify or terminate activities shown to have harmful  
24 consequences, and require the agency to reassess  
25 such policy as part of its next annual plan process,



1 which shall address the evidence presented by the  
2 Secretary and the Secretary's recommendations.

3 “(3) CONTINUATION OF ENHANCED POLI-  
4 CIES.—After policies implemented under this sub-  
5 section are evaluated, an agency that wishes to con-  
6 tinue any such policy shall share the evaluation re-  
7 sults and its reasons for proposing to continue the  
8 policy as part of a public and resident comment  
9 process, which may be done as part of the plan pro-  
10 cess under paragraph (7). The Secretary may dis-  
11 approve continuation of such policies if the evalua-  
12 tion does not show benefits such as significant im-  
13 provements in family incomes, other indicia of in-  
14 creased economic security, or other benefits to as-  
15 sisted families or families on the agency's public  
16 housing or voucher waiting lists that outweigh evi-  
17 dence of increased hardships and any increased cost  
18 per household. In making its decision to disapprove,  
19 the Secretary shall consult with the evaluation advi-  
20 sory group.

21 “(f) RECORDKEEPING; ACCESS TO DOCUMENTS.—

22 “(1) RECORDKEEPING.—Each public housing  
23 agency participating in the program under this sec-  
24 tion shall keep such records as the Secretary may  
25 prescribe as reasonably necessary to disclose the

1 amounts and the disposition of amounts under the  
2 program, to ensure compliance with the require-  
3 ments of this section, and to measure performance.

4 “(2) ACCESS TO DOCUMENTS BY SECRETARY.—

5 The Secretary shall have access for the purpose of  
6 audit and examination to any books, documents, pa-  
7 pers, and records that are pertinent to assistance in  
8 connection with, and the requirements of, this sec-  
9 tion.

10 “(3) ACCESS TO DOCUMENTS BY THE COMP-

11 TROLLER GENERAL.—The Comptroller General of  
12 the United States, or any of the duly authorized rep-  
13 resentatives of the Comptroller General, shall have  
14 access for the purpose of audit and examination to  
15 any books, documents, papers, and records that are  
16 pertinent to assistance in connection with, and the  
17 requirements of, this section.

18 “(g) EVALUATION.—

19 “(1) IN GENERAL.—The Secretary shall con-  
20 duct an evaluation of the policies implemented by  
21 agencies participating in the program under this sec-  
22 tion to determine whether and to what extent the  
23 program has achieved each of the purposes specified  
24 in subsection (a) and to identify policy changes or  
25 initiatives that would improve the effectiveness of

1 one or more programs under this Act. In addition to  
2 the overall evaluation, the Secretary shall, with re-  
3 gard to approved uses of funds under subsection  
4 (d)(2)(B)(ii), assess the level of success of each pub-  
5 lic housing agency in achieving its goals and objec-  
6 tives, including costs, outputs, and outcomes, and  
7 compare alternative strategies selected by different  
8 agencies for achieving similar goals. In making such  
9 assessments and comparisons, the Secretary may  
10 rely on data and impact reports submitted by agen-  
11 cies pursuant to the requirement under subsections  
12 (b)(2)(F) and (d)(2)(E) and as part of the annual  
13 plans under subsection (d)(7).

14 “(2) EVALUATION OF ENHANCED POLICIES.—  
15 Each agency selected for participation under sub-  
16 section (e) shall agree that any policy described in  
17 paragraph (e)(1) shall be subject to a detailed eval-  
18 uation of such policy utilizing a rigorous research  
19 methodology which shall include, at least in part,  
20 random assignment to treatment and control groups  
21 in order to compare the impact on assisted families  
22 to similar types of families not subject to such policy  
23 and an examination and comparison of the costs,  
24 outputs, and outcomes of tested strategies at agen-  
25 cies operating in different types of housing and labor

1 markets, and may incorporate, where appropriate  
2 and to the extent funding is available, the following:

3 “(A) A process evaluation that examines  
4 the challenges faced in implementing tested  
5 strategies and how those challenges were over-  
6 come.

7 “(B) A qualitative examination of the im-  
8 pacts of tested strategies on affected families,  
9 including families on agency waiting lists.

10 “(C) An examination of the impact of test-  
11 ed strategies on the housing needs and condi-  
12 tions of the jurisdiction in which the agency  
13 works.

14 The Secretary shall contract out the responsibilities  
15 for the evaluation under this paragraph to an inde-  
16 pendent entity that is qualified to perform such re-  
17 sponsibilities.

18 “(3) ADVISORY COUNCIL.—

19 “(A) PURPOSE.—The Secretary shall es-  
20 tablish an Advisory Council to provide input on  
21 the methodology for conducting the evaluations  
22 required under this section and to advise the  
23 Secretary in interpreting the findings and for-  
24 mulating recommendations to the Congress to  
25 be included in the reports to the Congress. The

1           Advisory Council shall advise the Secretary and  
2           the evaluating entity in the design of the eval-  
3           uation of enhanced policies under paragraph (2)  
4           and in reviewing interim findings to advise the  
5           Secretary with respect to reassessments under  
6           subsection (e)(2), and may advise the Secretary  
7           on the identification of promising program mod-  
8           els to test at other agencies based on the poli-  
9           cies proposed and implemented by public hous-  
10          ing agencies under subsection (d)(2)(B)(ii) and  
11          other matters related to the success of the eval-  
12          uations.

13                 “(B) MEMBERS.—The Advisory Council  
14                 shall include—

15                         “(i) social scientists with experience in  
16                         evaluating relevant types of policies and  
17                         using relevant types of methodologies;

18                         “(ii) representatives of public housing  
19                         agencies, including one or more individuals  
20                         who has directed a public housing agency  
21                         participating in the demonstration under  
22                         section 204;

23                         “(iii) representatives of low-income  
24                         families assisted by agencies participating  
25                         in the program under this section; and

1           “(iv) experts in each of the following  
2           areas: policies related to increasing the  
3           economic self-sufficiency of low income  
4           families; public housing and tenant-based  
5           rental assistance policy issues and funding;  
6           low-income housing redevelopment and fi-  
7           nancing; and public management.

8           The Secretary shall publish in the Federal Reg-  
9           ister notification of intent to establish the Advi-  
10          sory Council and how interested persons may  
11          submit their qualifications. After selection, the  
12          Secretary shall maintain on the Department’s  
13          website a list of the members of the Council.  
14          Members of the Advisory Council shall express  
15          their independent judgment.

16          “(C) REQUIREMENTS.—The Advisory  
17          Council established by this paragraph shall not  
18          be subject to the requirements of the Federal  
19          Advisory Commission Act. Staff support for the  
20          members of the Council shall be provided by the  
21          Secretary. Members are not eligible for com-  
22          pensation. The Secretary may reimburse Coun-  
23          cil members for travel expenses for any in-per-  
24          son meetings out of the funds available to the  
25          Secretary for staff travel. The Secretary is not

1 required to provide public notice of Council  
2 meetings or to permit members of the public to  
3 attend. The Council shall be disbanded upon  
4 submission of the final report required under  
5 paragraph (4)(B)(iii).

6 “(4) REPORTS.—

7 “(A) IN GENERAL.—The Secretary shall  
8 submit three reports to the Congress, as pro-  
9 vided in subparagraph (B), evaluating the poli-  
10 cies under subsections (a) and (e)(1). Each  
11 such report shall include findings and rec-  
12 ommendations for any appropriate legislative  
13 action and shall be made available to the public.

14 “(B) TIMING.—The reports required under  
15 this paragraph shall include—

16 “(i) an initial report, which shall be  
17 submitted before the expiration of the 3-  
18 year period beginning on the date of the  
19 enactment of the Affordable Housing and  
20 Self-Sufficiency Improvement Act of 2012,  
21 to report on progress in establishing the  
22 new program under this section and initi-  
23 ating evaluations under paragraphs (1)  
24 and (2);

1           “(ii) an interim report, which shall be  
2           submitted before the expiration of the 6-  
3           year period beginning on such date, to re-  
4           port on interim results of the evaluation  
5           under paragraph (2) of this subsection, re-  
6           sults of other initiatives by agencies par-  
7           ticipating in the program under this sec-  
8           tion, and the impacts of funding flexibility  
9           on the number of families served and the  
10          achievement of agency goals and program  
11          purposes; and

12          “(iii) a final report, which shall be  
13          submitted before the expiration of the 9-  
14          year period beginning on such date, to pro-  
15          vide final conclusions concerning the im-  
16          pacts of the enhanced policies evaluated  
17          and the flexibilities available through the  
18          program under this section, and rec-  
19          ommendations regarding whether any of  
20          the enhanced or other policies evaluated  
21          should be incorporated in the programs  
22          under this Act and whether the flexibilities  
23          for high performing or other agencies  
24          should be continued, modified, or ex-  
25          panded.



1 “(h) AUTHORIZATION OF APPROPRIATIONS.—

2 “(1) EVALUATIONS.—There is authorized to be  
3 appropriated \$24,000,000 to the Secretary for the  
4 purpose of conducting the evaluations and providing  
5 the staff support for such evaluations and preparing  
6 the reports to the Congress, as required under sub-  
7 section (g), which amounts shall remain available  
8 until expended. The Secretary shall to the extent  
9 possible use funds available for the evaluations to  
10 defray the costs of evaluation for participating agen-  
11 cies, particularly smaller agencies.

12 “(2) PROGRAM SUPPORT.—There is authorized  
13 to be appropriated to the Secretary \$5,000,000 for  
14 each of fiscal years 2013 through 2017 for the pur-  
15 pose of providing program support either by contract  
16 or directly to assist the Department of Housing and  
17 Urban Development in managing the program under  
18 this section and collect and analyze data on program  
19 activities; as well as provide additional resources to  
20 subject agencies the Secretary deems necessary to  
21 successfully conduct the program.

22 “(i) RESIDENT CAPACITY BUILDING.—

23 “(1) AUTHORIZATION OF APPROPRIATIONS.—  
24 There is authorized to be appropriated to the Sec-  
25 retary \$10,000,000 for each of fiscal years 2013

1 through 2017, from which the Secretary may make  
2 obligations to tenant groups, nonprofit organiza-  
3 tions, and public entities for building the capacity of  
4 tenant organizations, for assistance in providing ca-  
5 pacity building to enhance the capabilities of low-in-  
6 come families assisted or eligible for assistance  
7 under the program under this section and under the  
8 program authorized by section 204 of the Depart-  
9 ments of Veterans Affairs and Housing and Urban  
10 Development, and Independent Agencies Appropria-  
11 tions Act, 1996 (42 U.S.C. 1437f note) to partici-  
12 pate in the process for establishment and revision of  
13 annual plans under this section for participating  
14 agencies, including review and comment on impact  
15 analyses and demolition or disposition proposals.

16 “(2) USE OF AVAILABLE FUNDS.—Notwith-  
17 standing any other provision of this section or other  
18 law, in allocating funding appropriated for public  
19 housing operations to an agency participating in the  
20 program under this section that did not in the pre-  
21 vious year provide to a resident council or jurisdic-  
22 tion-wide resident council any portion of the addi-  
23 tional funds provided for tenant participation, the  
24 Secretary shall reduce the funding provided to the  
25 agency by the amount of the tenant participation

1 funding and make such funds available for resident  
2 capacity building under this subsection.

3 “(3) CRITERIA FOR AWARD OF FUNDS.—The  
4 Secretary shall publish the criteria to be used to  
5 award funds on a competitive basis, in an amount  
6 appropriate to the number of households affected by  
7 the program of the participating agency or agencies  
8 that such participating agency assists, to local, re-  
9 gional, State, or national organizations, including  
10 partnerships of multiple organizations, that—

11 “(A)(i) have members who are predomi-  
12 nantly low-income;

13 “(ii) have low-income individuals on their  
14 boards of directors; or

15 “(iii) directly work with or represent low-  
16 income individuals;

17 “(B) have the legal, policy, and develop-  
18 ment expertise to provide such assistance or will  
19 subcontract for such services; or

20 “(C) have a demonstrated capacity to man-  
21 age similar grants or will partner with another  
22 organization with experience under require-  
23 ments specified by the Secretary.

24 “(4) PUBLIC HOUSING AGENCIES.—

1           “(A) INELIGIBILITY; NONLIABILITY.—Pub-  
2           lic housing agencies shall not be eligible to re-  
3           ceive funds under this subsection, and shall not  
4           be liable for the action of any grantee.

5           “(B) COOPERATION WITH GRANTEES.—  
6           Public housing agencies participating in the  
7           program under this section shall cooperate with  
8           grantees receiving technical assistance funds  
9           under this subsection, to assist such grantees to  
10          reach families assisted under the program.”.

11 **SEC. 402. TREATMENT OF MOVING TO WORK AGENCIES.**

12          A public housing agency that as of the date of the  
13          enactment of the Affordable Housing and Self-Sufficiency  
14          Improvement Act of 2012 has an existing agreement with  
15          the Secretary pursuant to the Moving to Work demonstra-  
16          tion under section 204 of the Departments of Veterans  
17          Affairs and Housing and Urban Development, and Inde-  
18          pendent Agencies Appropriations Act, 1996 (42 U.S.C.  
19          1437f note), or was authorized by another provision of law  
20          enacted prior to the enactment of this Act to enter into  
21          an agreement under such section 204, may at any time  
22          and solely at the option of such agency, be admitted to  
23          the program authorized by the amendment made by sub-  
24          section (a) of this section, but only if such agency is not  
25          in default under its agreement with the Secretary. Such

1 an agency shall be subject to the terms and conditions of  
2 this section and admission of any such agency shall not  
3 count toward the limitations on program participation in  
4 subsection (b)(3) and (e)(1) of section 37 of the United  
5 States Housing Act of 1937, as added by the amendment  
6 made by subsection (a) of this section.

7 **TITLE V—ACCESS TO HUD**  
8 **PROGRAMS**

9 **SEC. 501. ACCESS TO HUD PROGRAMS FOR PERSONS WITH**  
10 **LIMITED ENGLISH PROFICIENCY.**

11 (a) HUD RESPONSIBILITIES.—To allow the Depart-  
12 ment of Housing and Urban Development to better serve  
13 persons with limited proficiency in the English language  
14 by providing technical assistance to recipients of Federal  
15 funds, the Secretary of Housing and Urban Development  
16 shall take the following actions:

17 (1) TASK FORCE.—Within 90 days after the en-  
18 actment of this Act, convene a task force comprised  
19 of appropriate industry groups, recipients of funds  
20 from the Department of Housing and Urban Devel-  
21 opment (in this section referred to as the “Depart-  
22 ment”), community-based organizations that serve  
23 individuals with limited English proficiency, civil  
24 rights groups, and stakeholders, which shall periodi-  
25 cally identify a list of vital documents, including De-

1       partment and certain property and other documents,  
2       to be competently translated to improve access to  
3       federally conducted and federally assisted programs  
4       and activities for individuals with limited English  
5       proficiency. Such lists shall identify priorities per-  
6       taining to translation of such vital documents, con-  
7       sistent with the Department's Guidance to Federal  
8       Financial Assistance Recipients Regarding Title VI  
9       Prohibition Against National Origin Discrimination  
10      Affecting Limited English Proficient Persons. The  
11      task force shall meet not less frequently than twice  
12      per year.

13           (2) TRANSLATIONS.—Within 6 months after  
14      identification of documents pursuant to paragraph  
15      (1), produce translations of such documents in lan-  
16      guages identified by the task force, in coordination  
17      with the Department, and make such translations  
18      available as part of the library of forms available on  
19      the website of the Department and as part of the  
20      clearinghouse developed pursuant to paragraph (4).

21           (3) PLAN.—Develop and carry out a plan that  
22      includes providing resources of the Department to  
23      assist recipients of Federal funds to improve access  
24      to programs and activities for individuals with lim-

1       ited English proficiency, which plan shall include the  
2       elements described in paragraph (4).

3               (4) HOUSING INFORMATION RESOURCE CEN-  
4       TER.—Develop and maintain a housing information  
5       resource center to facilitate the provision of lan-  
6       guage services by recipients of funds of the Depart-  
7       ment to individuals with limited English proficiency.  
8       Information provided by such center shall be made  
9       available in printed form and through the Internet.  
10      The resources provided by the center shall include  
11      the following:

12               (A) TRANSLATION OF WRITTEN MATE-  
13      RIALS.—The center may provide, directly or  
14      through contract, translations of vital docu-  
15      ments from competent translation services for  
16      recipients of funds of the Department.

17               (B) INTERPRETATION SERVICES TELE-  
18      PHONE LINE.—

19                   (i) REQUIREMENT.—The center shall  
20      provide a 24-hour interpretation services  
21      telephone line, by which recipients of funds  
22      of the Department and individuals with  
23      limited English proficiency can jointly ac-  
24      cess such line in order to receive interpre-  
25      tation services with respect to housing ac-

1           cess and receipt of assistance under pro-  
2           grams funded by the Department. Such  
3           telephone line shall supplement resources  
4           in the community identified by the plan  
5           pursuant to paragraph (3).

6           (ii) FEE.—The Secretary may estab-  
7           lish and collect a reasonable fee, to the ex-  
8           tent provided in advance in an appropria-  
9           tions Act, to cover the actual cost of the  
10          service provided pursuant to clause (i),  
11          which shall be payable by the recipient of  
12          the Department's funds using the service.  
13          Such fees and other expenses incurred to  
14          provide language services to persons with  
15          limited English proficiency paid by recipi-  
16          ents of the Department's funds shall be  
17          permitted to be payable from funds avail-  
18          able for implementing affirmative mar-  
19          keting strategies and from funds available  
20          for administration of rental assistance, in-  
21          cluding funds under section 9(e) of the  
22          United States Housing Act of 1937 (42  
23          U.S.C. 1437g(e)). Recipients of the De-  
24          partment's funds may not seek reimburse-  
25          ment for such fees and other expenses



1 from families being assisted by or appli-  
2 cants for federal financial assistance from  
3 the Department's funds.

4 (C) DOCUMENT CLEARINGHOUSE.—The  
5 center shall collect and evaluate for accuracy or  
6 develop, and make available, templates and doc-  
7 uments that are necessary for consumers, rel-  
8 evant industry representatives, and other stake-  
9 holders of the Department, to access, make  
10 educated decisions, and communicate effectively  
11 about their housing, including—

12 (i) administrative and property docu-  
13 ments;

14 (ii) legally binding documents;

15 (iii) consumer education and outreach  
16 materials;

17 (iv) documents regarding rights and  
18 responsibilities of any party; and

19 (v) remedies available to consumers.

20 (b) SAVINGS CLAUSE.—Nothing in this section shall  
21 be construed as to limit the meaning or applicability of  
22 title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
23 et seq.), executive orders, or of lawfully promulgated rules,

- 1 regulations, guidance, or orders of general applicability
- 2 issued by the Department to effectuate such title VI.

