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APPENDIX

COMPARISON OF POLICIES UNDER CURRENT LAW, ADMINISTRATION'S PROPOSED STATE AND LOCAL HOUSING FLEXIBILITY ACT, AND BIPARTISAN HOUSE SECTION 8 VOUCHER REFORM ACT

Contents

Policy	Current Law (Citations are to the U.S. Housing Act of 1937 and Title 24 of the Code of Federal Regulations)	State and Local Housing Flexibility Act (SLHFA) (Citations are to sections of S. 771 and H.R. 1999, which are identical)	Section 8 Voucher Reform Act of 2006 (SEVRA, H.R. 5443) (Citations are to the bill as approved by the House Financial Services Committee, June 14, 2006.)
Basic Housing Voucher Program Characteristics			
Targeting	75 percent of families that enter the program each year must have incomes at or below 30 percent of the area median income level (about $18,000 per year nationally, but with significant local variation). The remaining 25 percent of families may have incomes up to 80 percent of area median income. (Sections 8(o)(4) and 16(b).)	No vouchers would be reserved for the lowest income families. 90 percent of families that enter the program each year would be required to have incomes below 60 percent of area median income (about $30,000 per year nationally). The remaining 10 percent of vouchers could go to families with incomes up to 80 percent of area median income. (Section 107(c).)	Similar to current law, except that the 75 percent targeting requirement would apply to the *higher of* 30 percent of area median income or the federal poverty line, adjusted by family size. (The federal poverty line for a family of 4 is $20,000.) Change would predominantly impact rural areas. (Section 5.)
Subsidy levels	Agencies must set a "payment standard" for each unit size that is within 10 percent of the HUD-determined Fair Market Rent. HUD may approve lower or higher payment standards, but must consider families' rent burdens. Payment standards may vary by neighborhood. The subsidy payment may not exceed the payment standard or the unit's rent and utility costs, whichever is lower. The amount of the subsidy is equal to the difference between the maximum subsidy and a family's required contribution. (Section 8(o)(1).) If a family rents a unit with a rent higher than the local payment standard, it must pay the rent above the payment standard itself (in addition 30 percent of adjusted income). But new participants and families moving to new units are not allowed to pay more than 40 percent of adjusted income. (Sections 3(a)(1) and (3); 8(o)(3).)	Agencies could set the maximum subsidy for units at any level that is "reasonable and appropriate" for the market area, without any federal standards and without regard to tenant rent burdens. This lack of standards means that agencies could provide shallow subsidies and shift rent burdens substantially to tenants. Choice of neighborhoods could be severely curtailed and the lowest income families and individuals could be unable to use vouchers at all if they cannot afford their share of the rent. (Section 109(f).) For other proposed changes in rent policy that also would affect tenants in the public housing and project-based Section 8 programs, see Rent Policy section below.	No change from current law on payment standards or initial rent burden. For proposed changes in rent policy that also would affect tenants in the public housing and project-based Section 8 programs, see Rent Policy section below.

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Portability	Families with a voucher now have the right to move to any community where an agency administers a voucher program. An agency may require new participants that at the time they applied for a voucher lived outside the area served by the agency to live within the jurisdiction for one year. (Section 8(r).) The "receiving" agency may "absorb" the family into its own voucher program, thereby allowing the original agency to reissue a voucher to another family on its waiting list, or may bill the initial agency for the subsidy cost. (§982.355.) The fixed funding system adopted beginning in the 2005 appropriations act makes it less likely that agencies will absorb families moving in and poses financial difficulties for initial agencies to meet the additional cost if families move to more expensive areas.	The right to move with voucher assistance would be eviscerated. Families would be able to move to other jurisdictions in the state or "region" with voucher assistance only if both of the agencies involved agreed. The definition of a "region" would be up to the agencies, and would not necessarily coincide with a metropolitan area. (Proposed regions that cross state lines would have to be submitted to HUD for review.) It is not clear what happens if different sets of agencies within a metropolitan area define regions in overlapping or contradictory ways. No interstate moves would be allowed except within agency-defined regions. No additional funding would be available to meet any increased costs of the moves that are permitted. It is not clear what would happen to families currently under a portability arrangement. (Section 113.)	No change from current law portability rights. Proposed funding policy changes would provide additional funds to agencies that incur additional subsidy costs due to portability.
Uses of funds	Agencies must use funding designated for housing assistance payments ("HAP") only for rent and utility costs or homeownership assistance. Vouchers designated by Congress for certain populations, such as people with disabilities, must continue to serve the designated populations. Administrative fees since 2003 are restricted to use in support of the voucher program. Agencies may use administrative reserves to supplement subsidy funding.	Agencies could use funds for self-sufficiency activities, as well as for rental and homeownership assistance. Vouchers funded to serve special populations, such as people with disabilities who have lost housing due to restriction of public or assisted housing to elderly applicants only or families unable to unite with children in foster care due to lack of adequate housing, could be used for any applicants. It is not clear whether an agency would be able to commingle HAP and administrative funds. (Sections 108, 110.)	No change from current law.

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	Voucher Renewal Funding		
Agency funding levels	Beginning in 2005, agencies' renewal funding has been based on the number of authorized vouchers in use in May – July 2004 and their cost, adjusted by HUD's formula annual adjustment factors and for tenant protection vouchers. HUD has proposed to use essentially the same policy in 2007, but has proposed to lift the requirement that funds be used only for the authorized number of vouchers. This formula has never been fully funded. In 2006, agency funding due under the formula has been subject to a pro rata cut of 5.4 percent. In 2003 and earlier years, agencies received sufficient funding to support the actual cost of authorized vouchers in use.	At least until 2008, each agency would receive funding "proportionate" to its 2005 funding for subsidy payments and administrative costs adjusted only for inflation. Agencies' actual funding in 2006 and 2007 could increase or decrease, depending on appropriations. Within two years of enactment, a new funding formula for subsidy payments and for administrative fees that could reallocate funding among agencies would be established by negotiated rulemaking. (Sections 110, 117, and 118.)	Each agency's share of annual appropriations would be based on its actual leasing and costs in the last completed calendar year (HUD may adjust the baseline data every two years), adjusted by HUD's formula annual adjustment factors and for tenant protection vouchers. Adjustments also would be required for vouchers left unused due to project-based commitments, and HUD would have discretion to make other adjustments. If Congress provides insufficient funding, each agency's share would be pro-rated, except for the renewal costs of enhanced vouchers under section 8(t) which must be funded in full. HUD is directed to set aside excess funds not needed to fund the formula, as well as unspent prior year funds that are recaptured, to reimburse increased costs related to portability and "family self-sufficiency activities." Any remaining funds not needed for these two purposes are to be allocated to agencies that in the preceding year used 99 percent or more of their renewal funding but did not lease all of their authorized vouchers. Such reallocated funds can be used only to support additional authorized vouchers. (Section 7, inserting revised §8(dd).

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Reserve funds	The 2005 appropriations act required HUD to reduce program reserves from one month to one week by 9/30/05. The 2003 and 2004 appropriations acts provided a central fund to HUD to permit agencies to increase use of authorized vouchers. No such funds have been provided since 2004. In January 2006, HUD announced that it was rescinding all remaining reserve funds accumulated from 2004 and earlier voucher funding, but would allow agencies to retain unused 2005 funds in an "undesignated fund balance account." (PIH 2006-03, Jan. 11, 2006.) Agencies may use these carry-over funds to support additional authorized vouchers in 2006. It is not clear if or when HUD will sweep funds from these balance accounts.	No authorization for agencies to retain any reserve funds or for HUD to have a central fund.	HUD is directed to recapture all unused funds at the end of each calendar year. (See above for how these funds are to be reallocated.) In the first year after enactment, however, PHAs could retain carryover funds equal to 1/12 of their renewal funding allocation (Fossella amendment). Every agency may, in the last quarter of the calendar year, draw up to an additional two percent of renewal funding as an advance on the subsequent year's renewal funding. Such funds may be used to meet the costs above the annual funding level incurred for any reason, including temporary overleasing. This policy innovation is a cost-free way of providing contingency funding to agencies, to enable them to aim to use all of their funds and all of their authorized vouchers without fear of overshooting the goal. The advance policy requires no added budget authority so long as Congress continues the recent practice of including an advance appropriation ($4.2 billion each year since 2002, before across-the board reductions) within each year's housing voucher appropriation.
Authorization of renewal funding	Funding to renew previously awarded vouchers is permanently authorized, subject to appropriation. (Section 8(dd).)	Renewal funding "as may be necessary" is authorized for five years, through 2011. (Section 119.)	Renewal funding "as may be necessary" is authorized for five years, through 2011.

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New vouchers	Authorization for new incremental vouchers expired after 2003. (Section 558 of the Quality Housing and Work Responsibility Act of 1998.) Current law provides a formula to distribute funds appropriated for new vouchers not restricted to a particular purpose. (Section 213(d) of the Housing and Community Development Act of 1974, 42 U.S.C. §1439.) Various sections of the USHA authorize the issuance of new "tenant protection" vouchers to replace other federal housing assistance.	Except for new one-year enhanced vouchers, there is no authorization to appropriate funding for additional vouchers. The statutory "fair share" formula for allocating additional funding for new vouchers is repealed. (Sections 110(b), 115, 120(n).)	No authorization for new incremental vouchers. Includes authorization for all the types of new "tenant protection" vouchers funded in recent years in appropriations acts, as well as vouchers necessary to comply with a consent decree or court order and to protect victims of domestic violence.
Protections for Tenants and Owners			
Enhanced vouchers for families losing other assistance	Tenants in privately-owned buildings who face steep rent increases due to the end of federal subsidies now have a right to remain in their homes with "enhanced" vouchers to meet the increased rent costs. (Section 8(t).)	The bill would limit this protection from displacement to one year. Then families would receive regular "flexible vouchers," under the rent rules and subsidy limits that apply to other families. (Section 115.)	No change from current law. Proposed funding policy changes would require full cost of renewing enhanced vouchers to be met even if renewal funding appropriated is insufficient to meet need as determined by the revised formula (Section 7, adding new § 8(dd)(2)(D)(i).
Discrimination	Agencies are required to comply with all civil rights and fair housing laws, and to affirmatively further fair housing in carrying out the agency plan, which covers public housing and the tenant-based voucher program. (Section 5A(d)(15).) People with disabilities entitled to adjustment or waiver of some program rules as a "reasonable accommodation." For example, a PHA may pay a higher subsidy for a unit with special features needed by a person with a disability.	The bill specifically permits agencies to prefer applicants with certain types of disabilities over others for any type of flexible voucher assistance. Authority to use such a discriminatory preference is not linked to the provision of a particular type of services. The bill also appears to allow agencies to deny or reduce assistance to people with disabilities and families with children based on these demographic characteristics, implicitly repealing the specific protections accorded these groups	No change from current law.

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		under the Fair Housing Act and other laws. By removing any reference to tenant-based vouchers in the public housing agency plan, the bill would make the plan "certification" of compliance with civil rights and fair housing laws apply only to public housing. (Sections 107(e)(1)(C) and (2); 120(d).)	
Public accountability and required participation by residents in policy-setting	Agencies are required to have 5-year and annual plans setting forth their goals and major policy decisions. Resident advisory boards must be consulted in preparation of these plans, and the agency must hold a public hearing each year to receive comments on its draft annual plan. Most agencies are required to have a voucher program participant or resident of public housing on their board of directors. (Sections 2(b); 5A.)	Federal law would no longer require agencies to consult with residents, other stakeholders or the public in exercising their expanded flexibility to set key policies. The bill (section 120(a)) eliminates the requirement to have a person served by the agency on the agency governing body and allows an agency to prohibit a recipient of voucher assistance from serving on the board. No voucher policy issue would be part of the public housing agency plan process (see section 120(d)).	No change from current law.
Timely payments	Agencies are required to make timely payments to owners, and may have to pay a late fine if payments are overdue. (Section 8(o)(10)(D).)	No obligation to make timely payments to owners.	No change from current law.
Self-Sufficiency			
Family Self-Sufficiency Program	Every agency is permitted to operate a Family Self-Sufficiency (FSS) program, which provides case management support and the opportunity to accumulate savings. Some agencies are required to enroll a specified number of families in FSS, based on special awards of voucher funds prior to 1998. Depending on the level of appropriations and HUD selection criteria,	Bill would eliminate the obligation of some agencies to operate a Family Self-Sufficiency Program. It also appears that agencies would be free to terminate the contracts of families currently enrolled in the FSS program. Agencies would have to choose between spending scarce funds on staffing and savings incentives for FSS or other similar initiative and providing more	No change in FSS program requirements or policies. Proposed funding policy would provide additional funds to agencies related to costs of FSS savings accounts. FSS escrowed savings are exempt from new asset test. (Section 4(a), inserting new section 16(e)(2).

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	agencies may receive additional funding from HUD for the cost of FSS case managers. (Section 23; Part 984.) Prior to funding policy changes in 2005, HUD provided additional funding to cover the costs of the savings accounts. Enrollment in FSS has declined in recent years, possibly due to fixed funding policies. For 2007, HUD proposes to adjust formula renewal funding for the costs of FSS saving accounts.	adequate subsidies to additional families. (Sections 114 and 120(k).)	
Time limits	Time limits are not permitted for rental assistance. Homeownership assistance for families that are not elderly or disabled is limited to 10 – 15 years, depending on the term of the mortgage. (§982.634, implementing section 8(y)(4)(A).)	Agencies could impose time limits of not less than five years beginning January 1, 2008 on all families that are not elderly or disabled. (Section 107(d).) No time limit is required for homeownership assistance.	No change from current law, except for proposed expansion of the Moving to Work program to include 15 additional agencies. See below.
Work requirements	Families that voluntarily enter into FSS contracts are required to work in order to receive their savings. PHAs are permitted to terminate voucher assistance of families that fail to comply with their contracts under FSS or the Welfare-to-Work voucher program.	All families could be required to work, comply with a self-sufficiency contract, or meet other agency-imposed conditions in order to receive assistance. (Section 107(b), (c)(2), (g)(4).)	No change from current law, except for proposed expansion of the Moving to Work program to include 15 additional agencies. See below.
Administration			
Administering agencies	HUD contracts with 2,428 state and local agencies to administer the voucher program. HUD may contract with non-profit entities in limited cases.	Administration of the housing voucher program by approximately 2,400 primarily local agencies would continue initially. (See "Performance" below.) Agencies designated as "troubled" under the voucher or public housing assessment systems would not be permitted to	No change from current law.

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		implement the changes in targeting, rent or inspection requirements made by the bill without specific permission of the Secretary. (Section 106(d).)	
Inspections	Agencies must determine whether a unit selected by a family complies with federal Housing Quality Standards before beginning assistance payments. Units must be reinspected each year. (Section 8(o)(8).)	HUD would continue to set Housing Quality Standards. Agencies could delay initial inspection until 60 days after initial subsidy payment. Reinspection required every four years. (Section 112.)	Federal Housing Quality standards would continue to apply. Units must be inspected prior to *occupancy* (rather than prior to payment), except that occupancy may occur up to two weeks prior to inspection if there was a satisfactory inspection of the unit within the prior 12 months for a previous voucher tenant or under the rules of another housing assistance program. Would allow initial subsidy payments to owners when a unit does not pass the initial inspection, so long as the failure resulted from "non-life threatening conditions." Defects would have to be corrected within 30 days of initial occupancy in order for the owner to receive continuous payments. Inspections for each unit would be required every two years, and a PHA would have to inspect half of its units each year. (Section 2 as amended.)
Recertification of income	Verification of income and amount of family contribution for rent and utilities required annually. (Section 3(a)(1).)	Recertification of income required at least every two years, except every three years for elderly and disabled families. (Section 107(f).)	Recertification of income required at least every three years for families on "fixed" incomes (at least 90 percent of income from Social Security, SSI or similar source) and annually for all other families. (Section 3(a).) See Rent section below.

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Determination of "rent reasonableness"	Agencies must determine whether rent is "reasonable" in comparison to units that are of comparable quality, size, type and age at initial occupancy and if increase requested. (Section 8(o)(10)(A); §982.507.)	Agencies would be required to determine *annually* whether unit rents are reasonable compared with "modest" unassisted private units in the local market. (Section 109(e).) It appears that the proposal would allow PHAs to determine what "modest" housing is and restrict families' choice of units.	No change from current law.
Performance	Currently there is no statutory requirement to assess agency performance in administering the voucher program, but HUD initiated the Section 8 Management Assessment Program (SEMAP) by rulemaking in 1998. Under SEMAP, agencies are evaluated based on their compliance with statutory and regulatory requirements, not on HUD's changing policy goals. By regulation an agency has substantial time to correct inadequate performance before HUD may take away its funding. (24 C.F.R. Part 985.)	HUD would have complete discretion to develop performance standards after a bill is enacted. (Title III of the bill indicates such performance standards could include reducing average subsidy costs and increasing homeownership opportunities, regardless of local priorities.) If HUD determines that an agency has failed to meet its performance standards, HUD may take away the agency's funding and give it to another entity, including a for-profit company. (Sections 104(a) and 106.)	Adds a new statutory requirement for HUD to establish standards and procedures for assessing PHA performance in administering the voucher and section 8 homeownership programs. (Section 9 of the bill, inserting new §8(o)(21).) Would require performance to be measured periodically (not necessarily annually, as is currently the case) in four specified areas: housing quality, fund utilization, financial condition of the agency, and timeliness and accuracy of reporting to the Secretary. HUD could also specify other appropriate areas for performance measurement. The provision is silent concerning the consequences of different levels of performance.
Administrative Fees	Under Section 8(q), agencies earn ongoing administrative fees based on the number of units leased. Since 2004, appropriations acts have overridden the existing fee framework, and have based each agency share of total	Would base each agency's share of administrative fees on the amount the agency received in 2005 (which in turn was based primarily on the units leased in 2003). Within two years of enactment, HUD would issue a	Bill would not change Section 8(q). By making statutory changes in the method of distributing voucher renewal funding (see above), but not in the bases for determining administrative fees, the bill

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	administrative fee funding on the amount the agency earned for units leased in 2003, with adjustments for subsequent awards of new vouchers, but without any adjustment for increased labor, insurance or other costs. In some years funding has been insufficient to meet this revised formula, resulting in a proration of administrative fee funds.	new regulation based on a negotiated rulemaking to determine allocation of administrative fees.	appears to intend to revert to the statutory policy under which fees are based on units leased. This would be consistent with the proposed change in the funding policy discussed below.
Other Voucher Provisions			
Project-based vouchers	An agency may project-base up to 20 percent of its budget authority. (HUD's regulations allow agencies to exceed this level if annual funding is reduced after the commitment of project-based vouchers.) The initial contract term may be up to 10 years, and PHAs may agree in the final year to extend the term for up to five years at expiration subject to certain conditions. Unlimited five-year extensions are permitted. Project-basing permitted only in areas consistent with the goals of deconcentrating poverty and expanding housing and economic opportunity. No more than 25 percent of units in a building may receive project-based voucher assistance, with certain exceptions. Families have a right to relocate with the next available voucher after one year. Certain special subsidy and rent rules apply, enabling higher subsidies if reasonable and restricting tenants' contribution to 30 percent of income. (Section 8(o)(13) and final rules at 24 C.F.R. Part 983, issued October 2005.)	No more than 20 percent of funds could be used for project-based assistance. Initial contract term up to 10 years with no advance agreement to extend. No limitation on types of communities where project-basing permitted. Same provisions on mixed-income housing as current law. Similar right to relocate with voucher assistance after one year, but only if no additional cost to the agency and within service area. No special subsidy or rent rules. No waiting list restrictions. (Section 108(b).)	Amends section 8(o)(13)(H) and (I) to permit PHAs to set reasonable rents up to 110 percent of the HUD Fair Market Rent in units with Low Income Housing Tax Credits, even if this rent level exceeds the maximum rent under the LIHTC program, and to allow PHAs to agree in advance not to reduce the rent below the initial rent during the term of the contract. These amendments would override two provisions of HUD's final rule, 24 C.F.R. §§ 983.301(a)(3) and 983.304(c)(2). (Section 9 of the bill [Velazquez amendment].)

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Downpayment assistance	Agencies may use funds to assist a participating family to meet downpayment costs. Maximum amount of downpayment assistance is equal to one year of the amount of voucher subsidy for which a family would have been eligible. (On average, the maximum would not exceed about $7,000 in 2007, and would be less for families with higher than average incomes.) (Section 8(y)(7); §982.643.) Option is not effective until approved in advance in an appropriations act, which has never occurred.	Agencies may use funds to assist a first-time homebuyer to meet downpayment costs. Eligible families must have received voucher assistance for at least 12 months. Maximum amount of downpayment assistance is $10,000. (Section 108(c)(4).)	Removes requirement for advance approval in appropriations act, enabling HUD to make the option immediately effective. Other restrictions of current law would apply, but the amount of the maximum payment would be changed to $10,000 (an increase in most cases), rather than being based on the amount of voucher subsidy for which a family would have been eligible over a one-year period. (Section 8.)
"Conversion" of public housing units	A number of current policies allow agencies to move families out of public housing that is taken out of service, temporarily or permanently, if the families receive "comparable" housing. Housing is considered "comparable" only if families' required rent contribution is substantially unchanged (in addition to other requirements). (Sections 18, 22 and 33.) In addition, section 33 requires agencies to convert "distressed" public housing to voucher assistance if the cost of vouchers will be less than the cost of repairing and maintaining the public housing. The mandatory and voluntary conversion sections (22 and 33) became effective in March 2006, when HUD issued the appendix for comparing the costs of public housing and voucher assistance.	Agencies could relocate families with vouchers even if they would pay more for rent, subject to possible temporary protection from the Uniform Relocation act. (Section 120(i)(demolition and disposition of public housing under section 18 of the U.S. Housing Act); (l)(HOPE VI),) Agencies could "convert" public housing to flexible voucher assistance if the reduced subsidies permitted by the new law would be less expensive than continuing to operate (and possibly rehabilitate) the public housing units. If agencies shift to shallower voucher subsidies, as they may choose to do to maintain services in the face of shrinking budgets, they may be required to convert "distressed" public housing to flexible voucher assistance. (Section 120(j)(voluntary conversion of public housing under USHA section 22), and (m)(mandatory conversion of public housing under USHA section 33).	No change from current law.

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Existing homeownership and project-based agreements	Continue under current law.	Families receiving homeownership assistance on the date of enactment would continue to receive subsidy payments based on current law. Similarly, owners with project-based voucher contracts would continue to receive subsidy payments consistent with their contracts. (Section 103(c) and (d).)	Continue under current law.
Mobile Homes	Subsidy payments are permitted only to meet the costs of renting the land on which a mobile/manufactured home owned by a family is located. No subsidy is permitted for utility costs, property taxes or the costs of the loan or insurance on the mobile home. Section 8(o)(12). HUD generally limits the payment standards for space rentals to 40 percent of the 2-bedroom fair market rent. 24 C.F.R. § 888.113(g).	No provision.	Establishes a national pilot program for 100 vouchers for five years beginning with fiscal year 2007, to determine whether restructured rent calculations for manufactured housing assistance will increase the affordability of such housing. Under the pilot, the ordinary voucher payment standards would apply, and all of a family's housing costs – including the costs related to purchasing the mobile home, property taxes and utilities – would be considered. (Sanders amendment.)
Income and Asset Limits (all programs)			
Income Eligibility for Applicants and Participants	Income limits apply only at initial eligibility. (See Sections 3(a)(1) and 8(o)(4).) Generally, a family is ineligible to begin to receive public housing or any type of section 8 assistance unless it is "low income,:" that is, if its income exceeds 80 percent of the HUD-adjusted area median income for its family size. (Exceptions apply for families receiving vouchers due to the end of federal mortgage assistance for certain types of properties [see 24 C.F.R. §	For the housing voucher program only, would limit initial *and continuing* eligibility to "low income" families (those with income at or below 80 percent of the HUD-adjusted area median income level). The bill is silent with regard to the eligibility of families receiving vouchers due to the end of federal mortgage assistance for their units. (Section 107.)	For all programs, limits initial *and continuing* eligibility to "low income" families (those with income at or below 80 percent of the HUD-adjusted area median income level). The bill is silent with regard to the eligibility of families receiving vouchers due to the end of federal mortgage assistance for their units. (Section 4(b), added by a Miller amendment.)

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	982.201(b)(v)], for public housing operated by "small" agencies without income-eligible applicants, and for police officers.) By regulation, HUD permits but does not require PHAs to evict over income families from public housing unless they are participating in the Family Self-Sufficiency program or receiving the earned income disallowance. (24 C.F.R. § 960.261.) In most geographic areas, families no longer qualify for section 8 assistance -- because 30 percent of their income exceeds the subsidy level – at an income level well below the eligibility ceiling of 80 percent of area median.		
Asset Limits	There are no asset limits for public housing or the Section 8 programs. Income from assets is included in determining rent obligations. (See Rent section below.)	Would direct the Secretary to establish an asset limit by regulation for the voucher program and make applicants ineligible for voucher assistance if they "own a significant interest in any real property." (Section 107)	Makes applicants and current tenants or participants ineligible for public housing or the Section 8 programs if they have more than $100,000 in assets (adjusted annually for inflation) or have "a present ownership interest" in a suitable home in which they have a legal right to reside. The only exclusions from assets are interests in Indian trust land, equity accounts in HUD homeownership or FSS programs, certain inaccessible trust funds, and personal property not of significant value. (Section 4(a), inserting new section 16(e) of the Act.)

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Rent Policies (all programs)			
Programs Covered	With limited exceptions, common rules apply to public housing, vouchers, and project-based Section 8.	Changes apply only to public housing and vouchers. Project-based Section 8 remains under current law.	Changes apply to project-based Section 8 as well as public housing and vouchers.
Affordability	For rent and reasonable utility costs, families generally may not be required to pay more than 30 percent of adjusted income or 10 percent of gross income, whichever is higher. Agencies may establish a minimum rent up to $50, subject to federally established hardship exceptions. (Section 3(a))	Agencies could set rental payments without regard to income. No deductions for expenses such as high medical costs would be required. Agencies could establish minimum rents or "flat" rents of any amount. No exceptions would be required for loss of employment or other good reason for hardship. Income such as food stamps or earned income tax credits now required to be excluded by other federal laws could be counted. (Sections 103(8) ("gross income)"; 109(a) – (d).)	Like current law except for limitations on interim adjustments for changes in income during year (see Recertification of Income below). For rent and reasonable utility costs, families generally may not be required to pay more than 30 percent of adjusted income or 10 percent of gross income, whichever is higher. Minimum rent provision unchanged. (Section 3(a)(1).)
Elderly and disabled families (defined in Housing Act as a household whose head, spouse or sole member is 62 or over or a person with disabilities)	Standard per household deduction: $400. Eligible for some special income adjustments for unreimbursed medical expenses and reasonable expenses for attendant care and auxiliary aids necessary for a handicapped person (or family member) to be employed, to the extent those expenses exceed 3 percent of income. (Section 3(b)(5)(A))	Rent and other policy changes would not apply to existing elderly and disabled tenants until January 1, 2009. Beginning on that date, agencies are required only to adopt a policy "to ensure that the needs" of elderly and disabled families are met. It would be up to agencies to determine the "needs" of the elderly and people with disabilities, with no federal standards or review and no required community input. Elderly and disabled tenants newly entering the program could be affected by policy changes before 2009. (Section 105.)	Increases standard deduction for elderly and disabled households to $750, with adjustments for inflation in future years. Narrows medical/attendant care/auxiliary aid individualized deduction to expenses exceeding 10 percent of income. (Section 3(b)(1)(B).)

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Recertification of income	Verification of income and amount of family contribution for rent and utilities required annually. (Sections 3(a)(1) and 8(o)(5).) Interim recertifications for income declines required at tenant's request. Interim recertifications for increases at discretion of agency.	Recertification of income required at least every two years, except every three years for elderly and disabled families. (Section 107(f).)	Recertification of income required at least every three years for families on "fixed" incomes (at least 90 percent of income from Social Security, SSI or similar source), and annually for other families. Interim recertifications at tenant's request for any income decrease exceeding $1,500 and required for any increase exceeding $1,500, except that no interim rent increases based on earnings are permitted unless the family has received an interim reduction during the year. (Section 3(a)(1)(B), inserting new paragraph (6) on Reviews of Family Income.)
Work-related deductions	For voucher tenants with disabilities and all public housing residents who were recently unemployed or on welfare, the full amount of an earnings increase in the first year after the increase occurs and half of that amount in the second year is deducted. (Section 3(d).) Reasonable child care expenses needed for employment or education are deducted. (Section 3(b)(5)(A).)	No income deductions required.	10 percent of earnings of all employed individuals deducted from income. (Section 3(a)(1)(B), inserting new paragraph (7)(B) in §3(a) of the Act.) No separate deduction for child care expenses. (Section 3(b)(2) strikes §3(b)(5) of the Act defining "adjusted income," and substitutes a new definition that does not include a deduction for child care expenses.)
Dependent standard deduction	$480 deducted from total income for each dependent in a households. No provision to adjust deductions for inflation. (Section 3(b)(5)(A).)	No income deductions required.	Increases dependent deduction to $500, with inflation adjustments in future years. (Section 3(b)(2), inserting new §3(b)(5)(B) of the Act.)

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Use of prior-year income	Regulations state that income is based on 12-month period following certification. A shorter period may be used, but rents are then subject to recertification at the end of that period. (24 CFR 5.609)	No requirement regarding period used to determine income.	Agencies and owners must use earned income from the prior year for purposes of setting rents, and may also use unearned income from prior year. (Section 3(a)(1)(B), inserting new §3(a)(7) of the Act.)
Verification of income	Regulations require agencies to obtain third-party verification of income and deductions or document why it is not available. (24 CFR 982.516 for voucher program.) No special provision regarding reliance on determinations of income by other programs.	No verification requirement.	Allows agencies to rely on determinations of income conducted for other federal means-tested public assistance programs, including TANF, Medicaid, and Food Stamps. (Section 3(a)(1)(B), inserting new §3(a)(7)(E)of the Act.) Records of excluded income not required. (Section 3(b)(1), inserting new §3(a)(4)(D)of the Act.)
Income from assets	Regulations require agencies to impute income from assets exceeding $5,000 using current interest rates, and count the higher of imputed income or actual income from the asset when determining the family's rent. (24 CFR 5.609.)	No requirement regarding inclusion of assets in income.	Actual income from assets is counted when determining rents, but imputed income is not. (Section 3(b)(1), inserting new §3(a)(4)(A) and (B) of the Act.)
Moving to Work Program			
Legal Authority	Demonstration program authorized by the Balanced Budget Downpayment Act II, Section 206 (March 20, 1996)	Program would be authorized as a permanent component of the U.S. Housing Act, Section 36. (The proposed MTW program is Title III of the bill. Other citations in this column are to the subsection of proposed section 36, which is in section 302 of the bills.)	Program would be authorized as a permanent component of the U.S. Housing Act, Section 36. (Proposed new section 36 is section 5(a) of the bill. Other citations in this column are to the subsection of proposed section 36.)

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Purposes	To design and test various approaches to reduce costs, promote work and increase housing choices.	No explicit evaluation-related purpose. Broadens purposes to include reduction of administrative burdens on public chousing agencies and "to allow Federal Resources to be more effectively utilized at the local level." (sec. 36(a).)	Identical to SLHFA.
Number of participating agencies	HUD may select up to 30 agencies to participate. (Sec. 206(b).) Currently there are 24 agencies, as some agencies have left the demonstration. Appears HUD may now believe it is without legal authority to select additional agencies to participate.	No limitation.	40 agencies at one time, including agencies in the MTW demonstration. (§36(c)(3).)
Selection criteria	HUD must consider each agency's potential to carry out its proposal and its past performance in operating its public housing program. (§206(d).)	Agency may be a "high performer" under public housing and voucher assessments, manage at least 500 units of public housing, administer 500 vouchers, *or* meet criteria established by HUD, including demonstrated management success (undefined), compliance with program rules, commitment of non-federal resources, and local government's demonstrated willingness to remove regulatory barriers to affordable housing. (sec. 36(c).)	Similar to SLHFA, but more restrictive. To qualify, an agency must be a high performer, and must be large (meets threshold of managing 500 public housing units or administering 500 vouchers). (sec. 36(d).) Among qualifying agencies, HUD must select among applicant agencies based on the same criteria enumerated in SLHFA and others HUD may set. (sec. 36(c)(2).)
Term of participation and shift of demonstration agencies to new program	No term limitation in the statute. HUD generally entered into contracts for 5 or 7 years, subject to extension.	No term limitation in statute. Appears an agency may continue in the program so long as consults with community, meets broad requirements concerning targeting, rent and housing quality, and submits information required by the Secretary. (sec. 36(d).) Compliance with other performance standards appears to be irrelevant to continued participation.	3-year limitation on participation subject to extension unless agency fails to comply with performance standards. All agencies participating in the demonstration are eligible for new MTW program and must be selected unless the agency has failed to comply with new performance standards or, prior to Jan. 1, 2008, with existing public housing and

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		Agencies participating in the demonstration are all eligible for new MTW program, regardless of performance, but if contract expires in 2005 or 2006 may continue in demonstration for 3 years.	voucher assessment systems. (§36(c)(4) and (5), (h)(2)(A).) Agencies in demonstration must shift to regular program when contract expires (no extensions permitted under demonstration after enactment of bill). (Section 5(b) of bill.)
Flexibility permitted and exceptions	Agencies may combine public housing (operating and capital funds) and voucher funds (housing assistance funding and administrative fees). (§206(b).) Funding shall not be diminished due to participation in the demonstration. (§206(f).) HUD may waive any provision of the U.S. Housing Act except §12 (which at the time contained provisions relating only to payment of prevailing (Davis-Bacon) wages in developing public housing or buildings with 9 or more section 8-assisted units) and §18 (concerning demolition and sale of public housing). (§206(e).) Agencies may impose "terms and conditions" on receipt of housing assistance "to facilitate the transition to work," subject to approval by HUD. (§206(b).)	May combine public housing and vouchers just as under the demonstration. May use funds for services "to facilitate the transition to work." (§36(b)(2).) Funding shall not be diminished due to participation in the program. (sec. 36(f).) HUD may waive any provision of the U.S. Housing Act except §18 (concerning demolition and sale of public housing). (§36(b)(3)(A) and (e).) HUD may provide "streamlined procedures including procurement procedures." (§36(b)(3)(B).) Bill silent on agencies' ability to impose work requirements and time limits, but from testimony clear that HUD believes its nearly unlimited waiver authority allows it to approve such policies.	May combine public housing and voucher funding just as under the demonstration. May use funds for services "to facilitate the transition to work." (§36(b)(2)(A).) Funding shall not be diminished due to participation in the program. (sec. 36(g).) Same as SLHFA (i.e., Davis-Bacon wage requirements may be waived). (§36(b)(3)(A) and (f).) Same as SLHFA. (§36(b)(3)(B).) Same as SLHFA.
Targeting	Not fewer than 75 percent of assisted families must have incomes at or below 50 percent of area median income. (§206(c)(3)(A).)	Not fewer than 90 percent of assisted families must have incomes at or below 60 percent of area median income. (§36(d)(2).)	Same as SLHFA.

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Other limitations on participating agencies	Rent policy must be "reasonable" and designed to encourage employment and self-sufficiency; all public housing and voucher units in the demo must meet HUD-established quality standards (unclear if may differ from regularly applicable standards); agencies that combine funds must assist "substantially the same total number of . . . families as [otherwise] would have been served;" and agencies must maintain a comparable mix of families by size. (§206(c)(3)(B) – (E).)	Rent policy must be "reasonable" and designed to encourage employment and self-sufficiency and all public housing and voucher units must meet HUD-established quality standards (unclear if may differ from regularly applicable standards). (§36(d)(3) and (4)). No obligations regarding number of families assisted or mix of families by size.	Rent policy must be "reasonable" and designed to encourage employment and self-sufficiency and all public housing and voucher units must meet HUD-established quality standards (unclear if may differ from regularly applicable standards). (§36(e)(4) and (5)). Like current demonstration and unlike SLHFA, agencies that combine funds must assist "substantially the same total number of . . . families as [otherwise] would have been served." (§36(b)(2)(B).) Like SLHFA, no obligation to assist the same mix of families by size as prior to the program.
Resident and community input	Public hearing and consideration of comments from "current and prospective residents" prerequisite to submission of plan. (§206(c)(2) and (3).)	No requirement to consult with public, interested groups or residents before submitting application. Must consult as a condition of continued participation. (§36(d)(1).)	Same as SLHFA. (sec. 36(e)(1).)
Performance standards	None.	HUD must issue performance standards through regular rulemaking process within 24 months of enactment. New standards apply only to agencies participating in new program and *not* those that remain in the demonstration. (§36(h)(1).) HUD has discretion to set standards, which may include moving families to "self-sufficiency," reducing per-family costs, expanding housing choices, improving management, increasing homeownership, and any other HUD-set goals. (§36(h)(2).)	HUD must issue performance standards through regular rulemaking process within 24 months of enactment. (§36(h)(3)(A) and (B).) New standards apply to agencies in demonstration *as well as* to those participating in new program. (§36(h)(2).) Enumerated list of performance standards same as SLHFA, except that HUD may establish a baseline performance level against which agencies may be rated. (§36(h)(3)(C).)

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Evaluation	Detailed evaluation required of up to 15 agencies to identify "replicable program models promoting the purpose of the demonstration." (Sec. 206(b).)	None.	Performance of all agencies, including those remaining in the demonstration, must be evaluated. (§36(h)(1).)
Reporting and recordkeeping	As prescribed by the Secretary. Minimum is one report from each agency for the duration of the demonstration and record-keeping necessary to determine use of funds under the agreement. (Sec. 206(g).) Report to Congress required 6 months after end of third year. (The 2004 report by the Urban Institute was submitted to comply (belatedly) with this requirement.)	As prescribed by the Secretary. Minimum is one report from each agency for the duration of the *program* (which is unlimited) and record-keeping necessary to determine use of funds under the agreement. (§36(i)(1) and (2).)	Each agency in the new program and in the demonstration must report annually to HUD, and HUD must report annually to Congress evaluating the programs of all participating agencies. (§36(i)(5).) GAO must submit a report on agencies in existing demonstration and in new program within 12 months of enactment. (Section 5(c) of bill.) (Compliance with this requirement would appear to be possible only for agencies in the current demonstration.)