

109<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 1999

To better assist low-income families to obtain decent, safe, and affordable housing as a means of increasing their economic and personal well-being through the conversion of the existing section 8 housing choice voucher program into a flexible voucher program, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 2005

Mr. GARY G. MILLER of California (for himself, Mrs. NORTHUP, Mr. RENZI, Mr. WELDON of Florida, Ms. HARRIS, Mr. KING of New York, and Mr. FEENEY) introduced the following bill; which was referred to the Committee on Financial Services

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## A BILL

To better assist low-income families to obtain decent, safe, and affordable housing as a means of increasing their economic and personal well-being through the conversion of the existing section 8 housing choice voucher program into a flexible voucher program, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “State and Local Hous-  
5       ing Flexibility Act of 2005”.

1 **SEC. 2. TABLE OF CONTENTS.**

2 The table of contents for this Act is as follows:

- Sec. 1. Short title.
- Sec. 2. Table of contents.

TITLE I—FLEXIBLE VOUCHER PROGRAM

- Sec. 101. Short title.
- Sec. 102. Findings and purposes.
- Sec. 103. Definitions.
- Sec. 104. Authority of Secretary.
- Sec. 105. Elderly families and disabled families.
- Sec. 106. Performance Standards.
- Sec. 107. Eligible families.
- Sec. 108. Eligible activities.
- Sec. 109. Amount of assistance.
- Sec. 110. Authorization, allocation and distribution of funds.
- Sec. 111. Environmental review.
- Sec. 112. Inspection of units.
- Sec. 113. Ability to transfer tenant-based rental assistance.
- Sec. 114. Self-sufficiency.
- Sec. 115. Termination of rental assistance contracts and related transactions.
- Sec. 116. Failure to perform.
- Sec. 117. Administrative and special administrative fees.
- Sec. 118. Implementation.
- Sec. 119. Authorization of appropriations.
- Sec. 120. Conforming amendments.

TITLE II—PUBLIC HOUSING RENT FLEXIBILITY AND SIMPLIFICATION

- Sec. 201. Short title.
- Sec. 202. Public housing rent flexibility and simplification.

TITLE III—MOVING TO WORK PROGRAM

- Sec. 301. Short title.
- Sec. 302. Moving to work program.

3 **TITLE I—FLEXIBLE VOUCHER**  
 4 **PROGRAM**

5 **SEC. 101. SHORT TITLE.**

6 This title may be cited as the “Flexible Voucher Act  
 7 of 2005”.

8 **SEC. 102. FINDINGS AND PURPOSES.**

9 (a) FINDINGS.—Congress finds that—

1           (1) the section 8 housing choice voucher pro-  
2           gram provides rental and homeownership assistance  
3           to approximately 2,000,000 families;

4           (2) the Secretary administers the housing  
5           choice voucher program through rules and regula-  
6           tions that apply directly to more than 2,400 entities  
7           throughout the United States;

8           (3) such an administrative structure has con-  
9           tributed to the development of statutory and regu-  
10          latory measures that have made the housing choice  
11          voucher program overly prescriptive and difficult for  
12          public housing agencies and the Secretary to admin-  
13          ister;

14          (4) the complexity of the housing choice vouch-  
15          er program, its inability to allow adequate timely ad-  
16          justments to changing local markets, and its multi-  
17          plicity of Federal directives, all have contributed to  
18          fewer families being provided the housing assistance  
19          made available by Congress;

20          (5) many families in need of assistance under  
21          the housing choice voucher program wait several  
22          years to receive assistance under the program;

23          (6) the benefits that assisted households derive  
24          from housing vouchers, including access to safer and  
25          healthier environments and increased economic op-

1 portunity, derive in substantial part from the choices  
2 of housing and location that vouchers offer;

3 (7) the combination of increased administrative  
4 flexibility and procedures to measure and reward  
5 local programs for better performance can substan-  
6 tially increase the benefit of housing vouchers to  
7 low-income households; and

8 (8) local public housing agencies are in the best  
9 position to determine local housing needs and mar-  
10 ket conditions necessary to effectively manage hous-  
11 ing voucher funding.

12 (b) PURPOSES.—The purposes of this title are to—

13 (1) provide housing assistance through a flexi-  
14 ble voucher program;

15 (2) replace the housing choice voucher program  
16 established under section 8 of the United States  
17 Housing Act of 1937 (42 U.S.C. 1437f);

18 (3) provide for the necessary program flexibility  
19 and oversight so that funds are used promptly and  
20 effectively to assist needy families;

21 (4) provide for additional program flexibility to  
22 address local markets and needs;

23 (5) provide for administrative decision making  
24 closer to the communities and families affected, by  
25 local officials who administer the program; and

1           (6) provide incentives for improved self-suffi-  
2           ciency efforts by assisted families.

3 **SEC. 103. DEFINITIONS.**

4           For the purposes of this title, the following defini-  
5           tions shall apply:

6           (1) ADMINISTRATIVE FEE.—The term “admin-  
7           istrative fee” means a fee paid by the Secretary to  
8           a public housing agency for the routine administra-  
9           tion, as determined by the Secretary, of admin-  
10          istering assistance under this title.

11          (2) DISABLED FAMILY.—Except as otherwise  
12          provided in law, the term “disabled family” means  
13          a family whose head, spouse, or sole member is a  
14          person with disabilities, including 2 or more persons  
15          who are persons with disabilities living together.

16          (3) DOWNPAYMENT ASSISTANCE.—The term  
17          “downpayment assistance” means assistance for a  
18          family to be used toward the purchase of a home, in-  
19          cluding reasonable and customary closing costs re-  
20          quired in connection with the purchase of a home.

21          (4) ELDERLY FAMILY.—Except as otherwise  
22          provided, the term “elderly family” means a family  
23          whose head, spouse, or sole member is a person who  
24          is at least 62 years of age, including 2 or more per-  
25          sons who are at least 62 years of age living together.

1           (5) ELIGIBILITY EVENT.—The term “eligibility  
2 event” means, with respect to a housing project—

3           (A) the prepayment of the mortgage on  
4 such housing project;

5           (B) the voluntary termination of the insur-  
6 ance contract for the mortgage for such housing  
7 project;

8           (C) the termination or expiration of the  
9 contract for rental assistance under section 8 of  
10 the United States Housing Act of 1937 (42  
11 U.S.C. 1437f) for such housing project; or

12           (D) the transaction under which the hous-  
13 ing project is preserved as affordable housing,  
14 under paragraphs (3) and (4) of section 515(c)  
15 and section 524(d) of the Multifamily Assisted  
16 Housing Reform and Affordability Act of 1997  
17 (42 U.S.C. 1437f note), section 223(f) of the  
18 Low-Income Housing Preservation and Resi-  
19 dent Homeownership Act of 1990 (12 U.S.C.  
20 4113(f)), or section 201(p) of the Housing and  
21 Community Development Amendments of 1978  
22 (12 U.S.C. 1715z-1a(p)).

23           (6) FAMILY.—The term “family” means a per-  
24 son or group of persons, as determined by the public

1 housing agency, approved to reside in a unit receiv-  
2 ing assistance under this title.

3 (7) FIRST-TIME HOMEBUYER.—The term “first-  
4 time homebuyer” means a family, no member of  
5 which has had an ownership interest in a principal  
6 residence during the 3 years preceding the date on  
7 which the family initially receives tenant-based  
8 homeownership assistance under this title.

9 (8) GROSS INCOME.—The term “gross income”  
10 is the amount of income from all sources for each  
11 family member of a household, without deductions or  
12 exclusions, notwithstanding any other provision of  
13 law.

14 (9) HOUSING PROJECT.—The term “housing  
15 project” means a multifamily housing development  
16 receiving project-based rental assistance under sec-  
17 tion 107(b).

18 (10) MEDIAN INCOME FOR THE AREA.—The  
19 term “median income for the area” means the fam-  
20 ily income at the fiftieth percentile of income for an  
21 area, as determined by the Secretary, with adjust-  
22 ments for smaller and larger families.

23 (11) OWNER.—The term “owner” means any  
24 private person or entity, including a cooperative, an  
25 agency of the Federal Government, or a public hous-

1       ing agency, having the legal right to lease or sub-  
2       lease dwelling units.

3               (12) PERSON WITH DISABILITIES.—The term  
4       “person with disabilities” has the same meaning  
5       given the term in section 3(b) of the United States  
6       Housing Act of 1937 (42 U.S.C. 1437a(3)(b)).

7               (13) PROJECT-BASED RENTAL ASSISTANCE.—  
8       The term “project-based rental assistance” means  
9       housing assistance that a public housing agency may  
10      attach to a specific property under section 107.

11              (14) PUBLIC HOUSING AGENCY.—The term  
12      “public housing agency” or “PHA” means—

13                   (A) any State, county, municipality, or  
14                   other governmental entity or public body (or  
15                   agency or instrumentality thereof) which is au-  
16                   thorized to engage in or assist in the develop-  
17                   ment or operation of low-income housing; or

18                   (B) any other entity designated by the Sec-  
19                   retary to administer assistance under this title  
20                   in jurisdictions where—

21                           (i) no public housing agency has been  
22                           organized; or

23                           (ii) the Secretary determines that a  
24                           public housing agency is not capable of ef-

1                   fectively administering assistance under  
2                   this title.

3                   (15) SECRETARY.—The term “Secretary”  
4                   means the Secretary of Housing and Urban Develop-  
5                   ment.

6                   (16) SPECIAL ADMINISTRATIVE FEE.—The  
7                   term “special administrative fee” means a fee paid  
8                   by the Secretary to a public housing agency for non-  
9                   routine administrative expenses, as determined by  
10                  the Secretary, which may include expenses associ-  
11                  ated with—

12                   (A) tenant-based homeownership assist-  
13                   ance;

14                   (B) family self-sufficiency coordinators;  
15                   and

16                   (C) lead-based paint risk assessments.

17                   (17) TENANT-BASED HOMEOWNERSHIP ASSIST-  
18                   ANCE.—The term “tenant-based homeownership as-  
19                   sistance” means the payments made on a monthly  
20                   basis by public housing agencies under section  
21                   108(c) and are used by families to make mortgage  
22                   payments or meet other monthly homeownership ex-  
23                   penses.

24                   (18) TRANSFER-ELIGIBLE FAMILY.—The term  
25                   “transfer-eligible family” means a family that has

1 received rental assistance under this title for at least  
2 12 months and is in compliance with applicable re-  
3 quirements imposed in accordance with this title and  
4 section 8 of the United States Housing Act of 1937  
5 (42 U.S.C. 1437f).

6 (19) TENANT-BASED RENTAL ASSISTANCE.—

7 The term “tenant-based rental assistance” means  
8 housing assistance that provides for the eligible fam-  
9 ily to select suitable housing within the jurisdiction  
10 of an administering public housing agency.

11 **SEC. 104. AUTHORITY OF SECRETARY.**

12 (a) GRANT AUTHORITY.—The Secretary is author-  
13 ized to make grants to—

14 (1) public housing agencies to provide tenant-  
15 based and project-based rental assistance, and ten-  
16 ant-based homeownership assistance to low income  
17 individuals; and

18 (2) carry out activities related to the assistance  
19 described in paragraph (1) in accordance with this  
20 title.

21 (b) CONTRACT AUTHORITY.—

22 (1) IN GENERAL.—The Secretary is authorized  
23 to enter into contracts with public housing agencies  
24 to administer grants authorized under subsection  
25 (a).

1           (2) PAYMENTS TO OWNERS.—Pursuant to the  
2           contracts entered into under subsection (a), public  
3           housing agencies may enter into contracts to make  
4           assistance payments to owners, and such contracts  
5           shall include any terms and conditions required by  
6           the Secretary.

7           (c) TENANT-BASED ASSISTANCE TO CONTINUE.—  
8           Any family that is receiving tenant-based homeownership  
9           assistance under section 8(y) of the United States Hous-  
10          ing Act of 1937 (42 U.S.C. 1437f(y)) shall continue to  
11          receive such assistance, subject to the terms and condi-  
12          tions of the United States Housing Act of 1937, as that  
13          Act was in effect on the day before the date of enactment  
14          of this Act, from amounts made available for assistance  
15          under this title.

16          (d) HOUSING ASSISTANCE UNDER PROJECT-BASED  
17          VOUCHER PROGRAM TO CONTINUE.—Any units covered  
18          by a housing assistance payments contract on the day be-  
19          fore the date of enactment of this Act under the project-  
20          based voucher program or project-based certificate pro-  
21          gram under section 8 of the United States Housing Act  
22          of 1937 (42 U.S.C. 1437f) shall continue to receive assist-  
23          ance subject to the terms and conditions of that contract,  
24          from amounts made available for assistance under this  
25          title.

1 **SEC. 105. ELDERLY FAMILIES AND DISABLED FAMILIES.**

2 (a) **EXISTING TENANTS.**—Notwithstanding any other  
3 provision of this title, elderly families and disabled fami-  
4 lies, as such terms were defined under section 3(b)(3)(B)  
5 the United States Housing Act of 1937 (42 U.S.C.  
6 1437a(b)(3)(B)) immediately prior to the date of enact-  
7 ment of this title, who were receiving assistance under sec-  
8 tion 8 (o) or (t) of the United States Housing Act of 1937  
9 (42 U.S.C. 1437f(o), (t)) as in effect on the day prior to  
10 the date of enactment of this title, shall be treated in ac-  
11 cordance with the immediately above-referenced sections  
12 until January 1, 2009.

13 (b) **NEW ADMISSIONS.**—Notwithstanding any other  
14 provision of this title, except as provided in subsection (d),  
15 elderly families and disabled families not meeting the re-  
16 quirements of subsection (a), shall also be treated in ac-  
17 cordance with section 8 (o) or (t) of the United States  
18 Housing Act of 1937 (42 U.S.C. 1437f(o), (t)) as in effect  
19 on the day prior to the date of enactment of this title,  
20 until January 1, 2009.

21 (c) **PUBLIC HOUSING AGENCY POLICIES.**—Notwith-  
22 standing any other provision of this title, a public housing  
23 agency receiving a grant under section 104 shall, by Janu-  
24 ary 1, 2009, have implemented a policy to ensure that the  
25 needs of elderly families and disabled families described  
26 under subsections (a) and (b) are addressed by a policy

1 to be determined by the public housing agency as they re-  
2 late to, among other things, eligibility and rent.

3 (d) EARLY IMPLEMENTATION.—A public housing  
4 agency that has implemented the policy described in sub-  
5 section (c) before January 1, 2009, shall administer as-  
6 sistance for elderly families and disabled families first re-  
7 ceiving a grant under section 104 after the effective date  
8 of such policy in accordance with such policy.

9 **SEC. 106. PERFORMANCE STANDARDS.**

10 (a) PERFORMANCE STANDARDS AND EVALUATION.—  
11 The Secretary shall establish performance standards and  
12 a performance assessment system for public housing agen-  
13 cies receiving grants under this title to maximize the bene-  
14 fits of such assistance.

15 (b) GENERAL REPORTS.—In developing a perform-  
16 ance assessment system or in evaluating the performance  
17 of a public housing agency, the Secretary may require the  
18 public housing agency to provide and report information  
19 including—

20 (1) the number of households and persons in  
21 such households receiving assistance under this title,  
22 including—

23 (A) the number of families with children;

24 (B) the number of elderly families;

25 (C) the number of disabled families; and

1 (D) for each family, general demographic  
2 information and income levels;

3 (2) the actual subsidy per family and value of  
4 assistance under this title received per family;

5 (3) administrative costs incurred by a public  
6 housing agency in fulfilling its responsibilities under  
7 this title; and

8 (4) other information as the Secretary may pre-  
9 scribe.

10 (c) PUBLIC HOUSING AGENCY REPORTS.—Not less  
11 frequently than once every 12 months, the Secretary shall  
12 require each public housing agency to provide to the public  
13 on the Internet the reports required under subsection (a)  
14 in a form and manner acceptable to the Secretary.

15 (d) ALTERNATIVE ADMINISTRATION.—

16 (1) TROUBLED PROGRAMS.—A public housing  
17 agency operating a program under section 8 of the  
18 United States Housing Act of 1937 (42 U.S.C.  
19 1437f) that the Secretary has designated as troubled  
20 under a performance evaluation system for the hous-  
21 ing choice voucher program, or a public housing pro-  
22 gram that the Secretary has found to be troubled  
23 under section 6(j) of the United States Housing Act  
24 of 1937 (42 U.S.C. 1436d(j)) for the first full fiscal  
25 year after the date of enactment of this title—

1 (A) shall not implement the provisions of  
2 sections 107, 109, or 112, unless approved by  
3 the Secretary; and

4 (B) may implement the provision of any  
5 section of this title not specifically cited in sub-  
6 paragraph (A).

7 (2) FAILING SCORE.—If any public housing  
8 agency receives a failing score under the perform-  
9 ance evaluation system implemented pursuant to  
10 subsection (a), the Secretary shall determine how to  
11 best administer the grant, which may include—

12 (A) administration of such grant by 1 or  
13 more other public housing agencies or other en-  
14 tities;

15 (B) appointment of a receiver to manage  
16 the grant; or

17 (C) setting a specific deadline for improve-  
18 ment, if the Secretary determines that signifi-  
19 cant improvements can be made expeditiously.

20 (3) APPLICABILITY.—All provisions applicable  
21 to public housing agencies administering funds  
22 under this title shall be applicable to such other pub-  
23 lic housing agencies or other entities as are des-  
24 ignated by the Secretary pursuant to paragraph  
25 (2)(A).

1 **SEC. 107. ELIGIBLE FAMILIES.**

2 (a) INITIAL ELIGIBILITY.—Subject to subsection (c),  
3 to be eligible to receive tenant-based rental or tenant-  
4 based homeownership assistance under this title, a family  
5 shall—

6 (1) not own a significant interest in any real  
7 property;

8 (2) not have assets exceeding an amount estab-  
9 lished by the Secretary; and

10 (3) have a gross income that does not exceed 80  
11 percent of the median income for the area, as deter-  
12 mined by the Secretary in a manner consistent with  
13 income limits established for other Department of  
14 Housing and Urban Development programs, with  
15 adjustments for smaller or larger families and areas  
16 of unusually high or low income.

17 (b) CONTINUED ELIGIBILITY.—Subject to sub-  
18 sections (f) and (g), continued eligibility for housing as-  
19 sistance pursuant to this title shall be determined in ac-  
20 cordance with standards established by the Secretary and  
21 the public housing agency, except that families with in-  
22 comes above 80 percent of area median income shall not  
23 be eligible for continued assistance.

24 (c) OTHER REQUIREMENTS.—

25 (1) 90 PERCENT TEST.—Not fewer than 90  
26 percent of the families selected during any 1-year

1 period for assistance under this title shall have gross  
2 incomes that do not exceed 60 percent of the median  
3 income for the area, as determined by the Secretary,  
4 with adjustments for smaller or larger families and  
5 areas of unusually high or low income.

6 (2) ADDITIONAL REQUIREMENT.—The Sec-  
7 retary or a public housing agency may establish  
8 other eligibility requirements for assistance under  
9 this title.

10 (d) TERM LIMITS.—

11 (1) ASSISTANCE LIMITS.—Subject to paragraph  
12 (2), and beginning on January 1, 2008, a public  
13 housing agency may establish term limits to deter-  
14 mine the maximum amount of time during which a  
15 family may receive assistance under this title.

16 (2) GUIDELINES FOR TERM LIMITS.—Term lim-  
17 its established under paragraph (1)—

18 (A) shall not apply to elderly and disabled  
19 families; and

20 (B) shall set a minimum term limit for  
21 families receiving rental assistance at 5 years.

22 (e) PREFERENCES AND NONDISCRIMINATION.—

23 (1) SYSTEM FOR HOUSING ASSISTANCE.—

24 (A) IN GENERAL.—Each public housing  
25 agency receiving a grant pursuant to this title

1 shall establish a system for making housing as-  
2 sistance pursuant to this title available to eligi-  
3 ble families.

4 (B) REQUIREMENTS OF SYSTEM.—A sys-  
5 tem required under subparagraph (A) may in-  
6 clude preferences for certain eligible populations  
7 identified by the public housing agency.

8 (C) DISABILITY PREFERENCE.—Notwith-  
9 standing any other provisions of law, in pro-  
10 viding assistance under this title a public hous-  
11 ing agency may establish a preference for per-  
12 sons with a specific disability.

13 (2) NONDISCRIMINATION PROVISION.—No per-  
14 son in the United States shall, on the grounds of  
15 race, color, national origin, religion, or sex, be ex-  
16 cluded from participation in, be denied the benefits  
17 of, or be subjected to discrimination under any pro-  
18 gram or activity funded in whole or in part with  
19 funds made available under this title.

20 (f) REVIEW OF FAMILY INCOME.—

21 (1) IN GENERAL.—Not less frequently than  
22 once every 2 years, each public housing agency ad-  
23 ministering a housing assistance grant pursuant to  
24 this title shall conduct a review of the family income  
25 of each family receiving assistance under this title to

1 determine the continued eligibility of that family to  
2 receive assistance under this title.

3 (2) ELDERLY OR DISABLED FAMILY EXCEP-  
4 TION.—Notwithstanding paragraph (1), not less fre-  
5 quently than once every 3 years, each public housing  
6 agency shall review the income of each elderly family  
7 and each disabled family receiving assistance under  
8 this title to determine the continued eligibility of  
9 that family to receive assistance under this title.

10 (g) TERMINATION FOR CRIMINAL ACTIVITY AND AL-  
11 COHOL ABUSE AND SELECTION OF TENANTS.—

12 (1) TERMINATION OF ASSISTANCE.—Notwith-  
13 standing any other provision of law, a public housing  
14 agency may deny assistance under this title based on  
15 the actions by a family member, and may terminate  
16 assistance under this title based on actions by a  
17 family member, or any guest or other person under  
18 the family's control, if the public housing agency de-  
19 termines that the family member or other person en-  
20 gages in or has engaged in any—

21 (A) criminal activity (including violent  
22 criminal activity and drug-related criminal ac-  
23 tivity) on or off the premises;

24 (B) alcohol abuse (or pattern of abuse)  
25 that threatens the health, safety, or right to

1 peaceful enjoyment of the premises by other  
2 tenants;

3 (C) parole violation, probation violation, or  
4 flight to avoid prosecution, custody, or confine-  
5 ment after conviction; or

6 (D) such other acts that subject the person  
7 to a lifetime registration requirement under a  
8 State sex offender registration program.

9 (2) GENERAL TERMINATION PROVISIONS.—

10 Each contract between a public housing agency and  
11 an owner to make assistance payments under this  
12 title shall provide that, during the term of the lease,  
13 the owner may not terminate the tenancy except for  
14 serious or repeated violations of the terms and con-  
15 ditions of the lease, for violation of applicable Fed-  
16 eral, State, and local law, in accordance with this  
17 title, or for other good cause.

18 (3) SPECIFIC CAUSES FOR TERMINATION.—

19 (A) IN GENERAL.—Each contract between  
20 a public housing agency and an owner to make  
21 assistance payments under this title shall pro-  
22 vide that, during the term of the lease, the cir-  
23 cumstances described in subparagraph (B) shall  
24 be cause for termination of tenancy by the  
25 owner, if the owner determines that the tenant

1 of a unit, any member of the tenant's house-  
2 hold, or any guest or other person under the  
3 tenant's control engages in or has engaged in  
4 any activities described in subparagraph (B).

5 (B) PROHIBITED ACTIVITIES.—Activities  
6 described in this subparagraph are—

7 (i) violent criminal activity or drug-re-  
8 lated criminal activity, on or off the prem-  
9 ises;

10 (ii) other criminal activity that threat-  
11 ens the health, safety, or right to peaceful  
12 enjoyment of the premises by other ten-  
13 ants, or the right to peaceful enjoyment of  
14 their residences by persons residing in the  
15 immediate vicinity of the premises;

16 (iii) alcohol abuse (or pattern of  
17 abuse) that threatens the health, safety, or  
18 right to peaceful enjoyment of the premises  
19 by other tenants;

20 (iv) parole violation, probation viola-  
21 tion, or flight to avoid prosecution, cus-  
22 tody, or confinement after conviction; or

23 (v) such other acts that subject the  
24 person to a lifetime registration require-

1                   ment under a State sex offender registra-  
2                   tion program.

3                   (4) **ADDITIONAL TERMINATION PROVISIONS.**—A  
4                   public housing agency may deny or terminate assist-  
5                   ance under this title, and the owner may terminate  
6                   tenancy for reasons other than the reasons specified  
7                   in paragraph (3), as specified in an agreement or  
8                   contract or as prescribed by the Secretary.

9                   (5) **SELECTION OF TENANTS.**—After the eligi-  
10                  bility of a family is determined in accordance with  
11                  this section, the selection of a tenant shall be the  
12                  function of the owner.

13               (h) **SELECTION OF FAMILIES.**—In selecting families  
14               for the provision of assistance under this title, a public  
15               housing agency may not exclude or penalize a family solely  
16               because the family resides in a public housing project, sub-  
17               ject to the normal and customary procedures of the public  
18               housing agency.

19 **SEC. 108. ELIGIBLE ACTIVITIES.**

20               (a) **IN GENERAL.**—Eligible activities under this title  
21               include—

22                   (1) tenant-based rental assistance, including  
23                   pad rentals;

24                   (2) project-based rental assistance under sub-  
25                   section (b);

1           (3) tenant-based homeownership assistance for  
2 first-time homebuyers under subsection (c);

3           (4) self-sufficiency programs under section 114,  
4 including self-sufficiency escrow savings accounts de-  
5 posits;

6           (5) costs of administering grant amounts under  
7 this title;

8           (6) costs of other activities, as specified by the  
9 Secretary, in support of tenant-based rental assist-  
10 ance, project-based rental assistance, tenant-based  
11 homeownership assistance, and self-sufficiency coor-  
12 dinators authorized under this title; and

13           (7) amounts to be used by the Secretary for  
14 purposes of program evaluation, management infor-  
15 mation systems, and technical assistance.

16 (b) PROJECT-BASED RENTAL ASSISTANCE.—

17           (1) IN GENERAL.—A public housing agency  
18 may use amounts provided under this title to enter  
19 into a project-based housing assistance payments  
20 contract with respect to eligible units for up to 10  
21 years, subject to the availability of appropriations  
22 and to compliance with the inspection requirements  
23 under section 112(b).

24           (2) EXTENSIONS.—At the expiration of a con-  
25 tract entered into under paragraph (1), a public

1 housing agency may extend the term of the contract  
2 if the housing continues to meet the housing quality  
3 standards under section 112(b) and such other re-  
4 quirements as that public housing agency may pre-  
5 scribe.

6 (3) PERCENTAGE LIMITATIONS.—

7 (A) ATTACHED STRUCTURES.—Not more  
8 than 20 percent of the funding made available  
9 to the public housing agency under this title  
10 may be attached to structures pursuant to this  
11 subsection.

12 (B) PROJECT-BASED HOUSING ASSIST-  
13 ANCE.—Not more than 25 percent of the dwell-  
14 ing units in any building may be assisted under  
15 a project-based housing assistance payments  
16 contract, except for—

17 (i) housing consisting of single-family  
18 properties; or

19 (ii) dwelling units that are specifically  
20 made available for households comprised of  
21 elderly families, disabled families, and fam-  
22 ilies receiving supportive services.

23 (4) OPTION OF TENANT-BASED ASSISTANCE.—

24 (A) RELOCATION.—Each low-income fam-  
25 ily occupying a dwelling unit assisted under a

1 project-based voucher contract may relocate and  
2 continue to receive assistance under this title so  
3 long as the family has occupied the assisted  
4 dwelling unit for 12 months and relocates with-  
5 in the jurisdiction of the public housing agency  
6 wherein it currently resides.

7 (B) COMPARABLE ASSISTANCE.—Except as  
8 provided in subparagraphs (C) and (D), upon  
9 such a move to a unit that meets Federal and  
10 local requirements, including housing quality  
11 standards, the public housing agency shall pro-  
12 vide the low-income family with tenant-based  
13 rental assistance under this title or such other  
14 tenant-based rental assistance that is com-  
15 parable.

16 (C) LIMITATION.—In providing assistance  
17 under subparagraph (B), the public housing  
18 agency shall not be required to provide housing  
19 assistance in an amount higher than the assist-  
20 ance provided to the low-income family prior to  
21 the relocation under subparagraph (A).

22 (D) IF ASSISTANCE NOT AVAILABLE.—If  
23 tenant-based rental assistance is not imme-  
24 diately available to fulfill this requirement, the  
25 public housing agency shall provide the family

1 with the next available tenant-based rental  
2 voucher or other tenant-based rental assistance  
3 amounts that become available.

4 (5) PAYMENT FOR VACANT UNITS.—

5 (A) IN GENERAL.—The public housing  
6 agency may continue to provide assistance  
7 under the project-based contract, for a reason-  
8 able period not exceeding 60 days, for a dwell-  
9 ing unit that becomes vacant, but only if—

10 (i) the vacancy was not the fault of  
11 the owner of the dwelling unit; and

12 (ii) the owner takes every reasonable  
13 action to minimize the likelihood and ex-  
14 tent of any such vacancy.

15 (B) NO ASSISTANCE AFTER EXPIRATION  
16 OF 60-DAY PERIOD.—Project-based rental as-  
17 sistance may not be provided for a vacant unit  
18 after the expiration of the 60-day period de-  
19 scribed in subparagraph (A).

20 (c) HOMEOWNERSHIP ASSISTANCE FOR FIRST-TIME  
21 HOMEBUYERS.—

22 (1) IN GENERAL.—A public housing agency  
23 may provide tenant-based homeownership assistance  
24 and downpayment assistance under this title to as-  
25 sist a first-time homebuyer that purchases a home.

1           (2) FAMILY ELIGIBILITY.—In order to receive  
2           tenant-based homeownership assistance or downpay-  
3           ment assistance under this title, a family shall—

4                   (A) qualify as a first-time homebuyer;

5                   (B) participate in a homeownership coun-  
6           seling program; and

7                   (C) meet any other initial or continuing re-  
8           quirements established by the public housing  
9           agency.

10          (3) PURCHASE AGREEMENT.—A recipient of  
11          tenant-based homeownership assistance or downpay-  
12          ment assistance may enter into a purchase agree-  
13          ment for a home whether constructed, under con-  
14          struction, or proposed.

15          (4) DOWNPAYMENT ASSISTANCE.—

16                   (A) IN GENERAL.—Subject to the provi-  
17          sions of this paragraph, a public housing agen-  
18          cy may, in lieu of providing tenant-based home-  
19          ownership assistance to a family under this sub-  
20          section, provide downpayment assistance under  
21          this title for a family that has received a rental  
22          subsidy administered by the Secretary for a pe-  
23          riod of not less than 12 months prior to the  
24          date of receipt of downpayment assistance.

1 (B) GRANT REQUIREMENTS.—A downpay-  
2 ment assistance grant under subparagraph  
3 (A)—

4 (i) shall be in the form of a single  
5 one-time grant to be used only as a con-  
6 tribution toward the downpayment and  
7 reasonable and customary closing costs re-  
8 quired in connection with the purchase of  
9 a home; and

10 (ii) may not exceed \$10,000.

11 (C) NO EFFECT ON OBTAINING OUTSIDE  
12 SOURCES FOR DOWNPAYMENT ASSISTANCE.—  
13 This title may not be construed to prohibit a  
14 public housing agency from providing downpay-  
15 ment assistance to families from sources other  
16 than a grant provided under this title, or as de-  
17 termined by the public housing agency.

18 **SEC. 109. AMOUNT OF ASSISTANCE.**

19 (a) IN GENERAL.—In accordance with the provisions  
20 of this section, each public housing agency administering  
21 assistance under this title shall determine the amount of  
22 any monthly assistance payment for a family.

23 (b) RENT STRUCTURES.—In fulfilling its require-  
24 ments under this section, a public housing agency may es-  
25 tablish—

1           (1) a rent structure in which a family pays a  
2 flat amount of rent and such amount is adjusted on  
3 the basis of an annual cost index;

4           (2) an income-tiered rent structure in which the  
5 amount of rent that a family is required to pay is  
6 set and distributed on the basis of broad tiers of in-  
7 come, adjusted on the basis of an annual cost index;

8           (3) a rent structure in which the amount of  
9 rent that a family is required to pay is based on a  
10 percentage of family income;

11           (4) a rent structure in which the amount of  
12 rent that a family is required to pay is based on the  
13 provisions of sections 3 and 8(o)(2) of the United  
14 States Housing Act of 1937 (42 U.S.C. 1437a and  
15 1437f(o)(2)) as such sections existed prior to the  
16 date of enactment of this title; or

17           (5) any other rent structure that includes 1 or  
18 more of the elements of the rent structures specified  
19 in this subsection.

20           (c) ELDERLY AND DISABLED FAMILIES.—Notwith-  
21 standing subsection (b), elderly families and disabled fami-  
22 lies shall pay rent in accordance with the provisions of sec-  
23 tion 105.

24           (d) MINIMUM RENTAL AMOUNT.—A public housing  
25 agency shall establish a minimum monthly rental amount

1 to be paid by each family assisted in accordance with this  
2 title.

3 (e) RENT REASONABLENESS.—

4 (1) IN GENERAL.—The rent for dwelling units  
5 assisted under this title shall be reasonable and ap-  
6 propriate in comparison with rents charged for  
7 dwelling units of a modest nature and a non-luxury  
8 standard in the private, unassisted local market.

9 (2) REVIEW.—Public housing agencies shall re-  
10 view rents not less than annually to ensure that they  
11 meet the standard described in paragraph (1).

12 (f) MAXIMUM SUBSIDY.—Public housing agencies  
13 shall establish maximum subsidy levels for housing assist-  
14 ance under this title that are reasonable and appropriate  
15 for the market area.

16 **SEC. 110. ALLOCATION AND DISTRIBUTION OF FUNDS.**

17 (a) IN GENERAL.—For purposes of administering as-  
18 sistance under this title, the Secretary shall allocate avail-  
19 able amounts subject to appropriations as follows:

20 (1) INTERIM FORMULA FOR ALLOCATION OF  
21 FUNDS.—During the fiscal years in which this title  
22 is being administered pursuant to the Federal Reg-  
23 ister notice described in section 118(a), each public  
24 housing agency may receive an amount propor-  
25 tionate to its annual 2005 housing choice voucher

1 program funding for housing assistance and admin-  
2 istrative expenses, adjusted for inflation and subject  
3 to validation.

4 (2) PERMANENT FORMULA FOR ALLOCATION OF  
5 FUNDS.—In accordance with the provisions of sec-  
6 tion 118(b)(2), the Secretary shall establish a for-  
7 mula to allocate funding made available by Congress  
8 under this title.

9 (b) AMOUNTS TO PROVIDE TENANT-BASED RENTAL  
10 ASSISTANCE.—

11 (1) IN GENERAL.—The Secretary shall allocate  
12 amounts made available from appropriations to pub-  
13 lic housing agencies for tenant-based rental assist-  
14 ance as authorized by section 115.

15 (2) TIMING.—Additional tenant-based rental  
16 assistance provided under paragraph (1) for a family  
17 shall be allocated for 1 year.

18 (3) EXPIRATION.—After the expiration of the  
19 1-year period described in paragraph (2), any  
20 amounts not expended shall be included in the sub-  
21 sequent grant to each public housing agency under  
22 this title.

23 **SEC. 111. ENVIRONMENTAL REVIEW.**

24 Notwithstanding any other provision of law, the Na-  
25 tional Environmental Protection Act (42 U.S.C. 4321 et

1 seq.) shall not apply to activities authorized under this  
2 title.

3 **SEC. 112. INSPECTION OF UNITS.**

4 (a) INSPECTION REQUIRED.—

5 (1) IN GENERAL.—The Secretary shall require  
6 that a public housing agency administering rental  
7 assistance under this title shall inspect each rental  
8 dwelling unit assisted pursuant to this title not later  
9 than 60 days after the date of receipt of the initial  
10 assistance payment to determine that the rental  
11 dwelling unit meets the housing quality standards  
12 under subsection (b).

13 (2) STANDARDS MUST BE MET.—Each rental  
14 dwelling unit shall meet such standards in order to  
15 receive continued assistance payments.

16 (b) HOUSING QUALITY STANDARDS.—Each rental  
17 dwelling unit assisted by a public housing agency under  
18 this title shall either meet the housing quality standards  
19 established by the Secretary or comparable housing qual-  
20 ity standards that the Secretary has approved.

21 (c) INSPECTIONS.—

22 (1) MAINTENANCE REQUIREMENT.—Each pub-  
23 lic housing agency administering rental assistance  
24 under this title shall determine that all occupied  
25 dwelling units assisted by such public housing agen-



1           (b) REGIONAL BOUNDARIES.—For the purpose of en-  
2     tering into agreements among public housing agencies  
3     within a proposed region pursuant to subsection (a), pub-  
4     lic housing agencies may establish regions and enter into  
5     regional agreements with other public housing agencies,  
6     except that the public housing agencies shall notify the  
7     Secretary of any proposed regional boundaries encom-  
8     passing more than 1 State or the District of Columbia  
9     prior to the execution of any such agreement, and the  
10    boundaries may be implemented only if the Secretary does  
11    not object, not later than 60 days after the date of notifi-  
12    cation to the Secretary.

13           (c) PROCEDURES.—The Secretary may establish pro-  
14    cedures to transfer funding between public housing agen-  
15    cies in order to phase out and eliminate previous port-  
16    ability billing arrangements among public housing agen-  
17    cies under section 8(r)(3) of the United States Housing  
18    Act of 1937 (42 U.S.C. 1437f(r)(3)) as in effect on the  
19    day prior to the date of enactment of this title.

20    **SEC. 114. SELF-SUFFICIENCY.**

21           (a) SELF-SUFFICIENCY.—Subject to the provisions of  
22    this section, a public housing agency may develop a local  
23    self-sufficiency initiative accessing public and private re-  
24    sources to enable families to achieve economic independ-  
25    ence and homeownership.

1 (b) ELIGIBLE ACTIVITIES.—A public housing agency  
2 may use funds made available under this title for a self-  
3 sufficiency initiative authorized by subsection (a) only—

4 (1) to provide housing assistance;

5 (2) to employ self-sufficiency coordinators; and

6 (3) to establish and maintain a special escrow  
7 account incentive.

8 (c) REQUIREMENTS.—A public housing agency may  
9 establish requirements for participating families and ter-  
10 minate or withhold assistance under this title if families  
11 fail to comply, without good cause, with any such require-  
12 ments.

13 **SEC. 115. TERMINATION OF RENTAL ASSISTANCE CON-**  
14 **TRACTS AND RELATED TRANSACTIONS.**

15 (a) ENHANCED VOUCHER ASSISTANCE.—

16 (1) IN GENERAL.—Except as provided in sub-  
17 section (b), families affected by an eligibility event  
18 shall receive enhanced voucher assistance under this  
19 subsection.

20 (2) SCOPE OF ENHANCED VOUCHER ASSIST-  
21 ANCE.—Enhanced voucher assistance shall be ten-  
22 ant-based rental assistance under this title, except  
23 that a family shall—

1           (A) pay as rent not less than the amount  
2           that the family was paying on the date of the  
3           eligibility event;

4           (B) be allowed to remain in the rental  
5           housing project in which they were residing for  
6           12 months; and

7           (C) have its housing assistance calculated  
8           in accordance with the provisions of section 109  
9           if the family moves out of the housing project.

10          (3) AMOUNT OF RENTAL ASSISTANCE.—If a  
11          family elects to remain in the same housing project  
12          under paragraph (2)(A), and if the rent for the  
13          dwelling unit in the housing project exceeds the  
14          maximum subsidy level established by the public  
15          housing agency, the maximum subsidy level used to  
16          calculate the enhanced voucher shall equal the rent  
17          for the dwelling unit, subject to the rent reasonable-  
18          ness requirements of section 109(e) and any other  
19          reasonable limit prescribed by the Secretary.

20          (4) TENANT-BASED RENTAL ASSISTANCE.—  
21          After 12 months of receiving assistance under sub-  
22          section (a), affected families shall receive tenant-  
23          based rental assistance calculated in accordance with  
24          section 109 in lieu of the assistance under sub-  
25          section (a).

1 **SEC. 116. FAILURE TO PERFORM.**

2 (a) MONITORING.—The Secretary shall make such  
3 reviews and audits as may be necessary or appropriate to  
4 determine whether—

5 (1) each public housing agency has carried out  
6 the activities and objectives of this title, including all  
7 certifications, in accordance with the requirements of  
8 this title and other applicable laws;

9 (2) it has the continuing capacity to undertake  
10 such activities and objectives in a timely and effec-  
11 tive manner; and

12 (3) whether it has met the performance stand-  
13 ards established by the Secretary pursuant to sec-  
14 tion 106(a).

15 (b) ENFORCEMENT.—In addition to any other actions  
16 authorized under this or any other applicable law, if the  
17 Secretary finds that a public housing agency receiving as-  
18 sistance under this title has failed to comply with any pro-  
19 vision of this title, including any performance standard es-  
20 tablished by the Secretary pursuant to this title, and until  
21 the Secretary is satisfied that there is no longer any such  
22 failure to comply, the Secretary may—

23 (1) terminate payments under this title to the  
24 public housing agency and provide for alternative  
25 administration of such amounts;

1           (2) withhold from the public housing agency  
2 amounts from the total allocation that would other-  
3 wise be available to the public housing agency under  
4 this title;

5           (3) reduce the amount of future grants to the  
6 public housing agency by an amount equal to the  
7 amount of such grants that were not expended in ac-  
8 cordance with this title;

9           (4) limit the availability of amounts provided to  
10 the public housing agency to programs and activities  
11 under this title not affected by such failure to com-  
12 ply;

13           (5) withhold from the public housing agency  
14 other amounts allocated for the public housing agen-  
15 cy under other programs administered by the Sec-  
16 retary;

17           (6) require such changes in public housing  
18 agency policy or management practices, consistent  
19 with other provisions of this title, as determined nec-  
20 essary to ensure compliance;

21           (7) refer any such failure to comply, as appro-  
22 priate, to Federal, State, or local enforcement agen-  
23 cies for appropriate action;

24           (8) impose civil money penalties, except that a  
25 public housing agency shall not pay a civil money

1 penalty imposed under this paragraph from a grant  
2 received under section 103; or

3 (9) take any combination of the actions de-  
4 scribed in paragraphs (1) through (8), as appro-  
5 priate.

6 **SEC. 117. ADMINISTRATIVE AND SPECIAL ADMINISTRATIVE**  
7 **FEES.**

8 (a) ADMINISTRATIVE FEES.—In each fiscal year, the  
9 Secretary shall pay an administrative fee to each public  
10 housing agency administering a program under this title.

11 (b) SPECIAL ADMINISTRATIVE FEES.—Of amounts  
12 made available under this title for administrative fees, the  
13 Secretary may retain up to 5 percent for allocation as spe-  
14 cial administrative fees to public housing agencies for non-  
15 routine expenses.

16 (c) INTERIM ALLOCATION OF ADMINISTRATIVE  
17 FEES.—During the period in which this title is being ad-  
18 ministered pursuant to the Federal Register notice de-  
19 scribed in section 118(a), the Secretary shall allocate ad-  
20 ministrative fees to public housing agencies on a pro rata  
21 basis, based upon the amount that each public housing  
22 agency received under the pro rata distribution method in  
23 fiscal year 2005.

24 (d) PERMANENT ALLOCATION OF ADMINISTRATIVE  
25 FEES.—In the final rule described in section 118(b)(2),

1 the Secretary shall establish a formula for distributing ad-  
2 ministrative fees for the administration of this title.

3 **SEC. 118. IMPLEMENTATION.**

4 (a) INTERIM IMPLEMENTATION.—Notwithstanding  
5 any other provision of law, the Secretary shall publish a  
6 notice in the Federal Register not later than 90 days after  
7 the date of enactment of this title describing the imme-  
8 diate implementation of this title on an interim basis.

9 (b) FINAL IMPLEMENTATION.—

10 (1) RULES.—The Secretary shall, not later  
11 than 18 months after the date of enactment of this  
12 title, issue a final rule for the purpose of implemen-  
13 tation of this title, other than sections 110(a)(2) and  
14 117(d).

15 (2) RULES ISSUED UNDER NEGOTIATED RULE-  
16 MAKING PROCEDURES.—For the purpose of final im-  
17 plementation of sections 110(a)(2) and 117(d), the  
18 Secretary shall issue 1 or more proposed rules devel-  
19 oped under the negotiated rulemaking procedure  
20 under subchapter III of chapter 5 of title 5, United  
21 States Code.

22 (3) RULES SHALL BE ISSUED WITHIN 24  
23 MONTHS.—One or more final rules implementing  
24 sections 110(a)(2), and 117(d) shall be issued not

1 later than 24 months after the date of enactment of  
2 this title.

3 **SEC. 119. AUTHORIZATION OF APPROPRIATIONS.**

4 There are authorized to be appropriated such sums  
5 as may be necessary to carry out the provisions of this  
6 title for each of fiscal years 2006 through 2011.

7 **SEC. 120. CONFORMING AMENDMENTS.**

8 (a) PUBLIC HOUSING AGENCY ORGANIZATION.—Sec-  
9 tion 2 of the United States Housing Act of 1937 (42  
10 U.S.C. 1437) is amended—

11 (1) in subsection (b)(2)—

12 (A) in subparagraph (A), by striking “or”  
13 at the end;

14 (B) in subparagraph (B), by striking the  
15 period at the end and inserting “; or”; and

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

17 “(C) that is administering a program  
18 under section 8 of this Act.”; and

19 (2) in subsection (b)(3), by striking “or status  
20 as assisted housing under section 8”.

21 (b) RENTAL PAYMENTS.—Section 3 of the United  
22 States Housing Act of 1937 (42 U.S.C. 1437a) is amend-  
23 ed—

24 (1) in subsection (a)(1)—

1 (A) by striking “(other than a family as-  
 2 sisted under section 8(o) or (y) or paying rent  
 3 under section 8(c)(3)(B))”; and

4 (B) by inserting “section 3A of this Act  
 5 and” after “Except as provided in”;

6 (2) in subsection (a)(3)(A), by striking  
 7 “(o)(2)”;

8 (3) in subsection (b)(6)—

9 (A) by striking “(A) IN GENERAL.—Except  
 10 as provided in subparagraph (B), the term”  
 11 and inserting “The term”; and

12 (B) by striking subparagraph (B); and

13 (4) in subsection (f)(2)—

14 (A) in subparagraph (A), by inserting  
 15 “and” after the semicolon;

16 (B) by striking subparagraph (B); and

17 (C) by redesignating subparagraph (C) as  
 18 subparagraph (B).

19 (c) CONTRIBUTIONS FOR LOWER INCOME HOUSING  
 20 PROJECTS.—Section 5(c) of the United States Housing  
 21 Act of 1937 (42 U.S.C. 1437c(c)) is amended by striking  
 22 paragraphs (6) through (8).

23 (d) PUBLIC HOUSING AGENCY PLANS.—Section 5A  
 24 of the United States Housing Act of 1937 (42 U.S.C.  
 25 1437c-1) is amended—

1           (1) in subsection (a)(1), by inserting “admin-  
2           istering programs under this Act” after “public  
3           housing agency” the first place it appears;

4           (2) in subsection (b)(1), by striking “8(o) or”;

5           (3) in subsection (d)—

6                 (A) in paragraph (3), by striking “and  
7                 housing assistance under section 8(o)”;

8                 (B) in paragraph (4), by striking “and  
9                 rental contributions of families assisted under  
10                section 8(o)”;

11                (C) in paragraph (10)(A), by striking “to  
12                tenant-based assistance” and

13                (D) in paragraph (11), by striking “under  
14                section 8(y) or”; and

15           (4) in subsection (k)—

16                 (A) in subparagraph (A), by inserting  
17                 “and” after the semicolon;

18                 (B) in subparagraph (B), by striking “;  
19                 and” and inserting a period; and

20                 (C) by striking subparagraph (C).

21           (e) CONTRACT PROVISIONS.—Section 6(q)(8)(B) of  
22 the United States Housing Act of 1937 (42 U.S.C.  
23 1437d(q)(8)(B)) is amended—

24                 (1) in clause (i), by inserting “and” after the  
25                 semicolon;

1           (2) in clause (ii), by striking “; and” and in-  
2           serting a period; and

3           (3) by striking clause (iii).

4           (f) DESIGNATED HOUSING FOR ELDERLY AND DIS-  
5 ABLED FAMILIES.—Section 7(c)(2) of the United States  
6 Housing Act of 1937 (42 U.S.C. 1437e(c)(2)) is amended  
7 by striking “tenant-based rental assistance under section  
8 8” and inserting “assistance under the Flexible Voucher  
9 Act of 2005”.

10          (g) LOWER INCOME HOUSING ASSISTANCE.—Section  
11 8 of the United States Housing Act of 1937 (42 U.S.C.  
12 1437f) is amended—

13           (1) in subsection (b)—

14                 (A) in paragraph (1), by striking “(1) IN  
15                 GENERAL.—” ; and

16                 (B) by striking paragraph (2);

17           (2) in subsection (p), by striking “existing  
18           housing and moderate rehabilitation programs”; and  
19           inserting “moderate rehabilitation program”;

20           (3) in subsection (q)—

21                 (A) by striking paragraphs (2) through (4)

22                 (B) in paragraph (1)—

23                         (i) in subparagraph (A)—

1 (I) by striking “tenant-based as-  
2 sistance, certificate, voucher, and”;  
3 and

4 (II) by striking “rehabilitation  
5 programs” and inserting “rehabilita-  
6 tion program”;

7 (ii) by striking subparagraph (B);

8 (iii) by redesignating subparagraphs  
9 (C) as subparagraph (B); and

10 (iv) by redesignating subparagraphs  
11 (D) and (E) as paragraphs (2) and (3), re-  
12 spectively, and moving the margins 2 ems  
13 to the left.

14 (4) in subsection (z)—

15 (A) in paragraph (1)(A)—

16 (i) in the subparagraph heading, by  
17 striking “TENANT-BASED ASSISTANCE”  
18 and inserting “VOUCHER PROGRAM AS-  
19 SISTANCE”; and

20 (ii) by striking “tenant-based assist-  
21 ance” and inserting “assistance under the  
22 Flexible Voucher Act of 2005”; and

23 (B) in paragraph (2)—

24 (i) by striking “tenant - or”; and

25 (ii) by striking the last sentence; and

1           (5) by striking subsections (o), (r), (s), (t), (u),  
2           (x), (y), and (dd).

3           (h) ELIGIBILITY FOR ASSISTED HOUSING.—Section  
4 16 of the United States Housing Act of 1937 (42 U.S.C.  
5 1437n) is amended—

6           (1) in subsection (a), by striking paragraph (4);

7           (2) by striking subsection (b); and

8           (3) by redesignating subsections (c), (d), and  
9           (f) as subsections (b), (c), and (d), respectively.

10          (i) DEMOLITION AND DISPOSITION OF HOUSING.—  
11 Section 18(a)(4)(A)(iii)(III)(aa) of the United States  
12 Housing Act of 1937 (42 U.S.C.  
13 1437p(a)(4)(A)(iii)(III)(aa)) is amended by striking “ten-  
14 ant-based assistance” and inserting “assistance under the  
15 Flexible Voucher Act of 2005”.

16          (j) CONVERSION OF PUBLIC HOUSING TO VOUCH-  
17 ERS.—Section 22 of the United States Housing Act of  
18 1937 (42 U.S.C. 1437t) is amended—

19           (1) in subsection (a), by striking “tenant-based  
20 assistance” and inserting “assistance under the  
21 Flexible Voucher Act of 2005”;

22           (2) in subsection (b)(1)—

23                   (A) in subparagraph (A), by striking “ten-  
24 ant-based assistance under section 8” and by

1 inserting “assistance under the Flexible Vouch-  
2 er Act of 2005”;

3 (B) in subparagraph (C), by striking “ten-  
4 ant-based assistance under section 8” each  
5 place that term appears and inserting “assist-  
6 ance under the Flexible Voucher Act of 2005”;

7 (C) in subparagraph (D), by striking “ten-  
8 ant-based assistance” and inserting “assistance  
9 under the Flexible Voucher Act of 2005”; and

10 (D) in subparagraph (E), by striking “ten-  
11 ant-based assistance” and inserting “assistance  
12 under the Flexible Voucher Act of 2005”;

13 (3) in subsection (c), by striking “tenant-based  
14 assistance” and inserting “assistance under the  
15 Flexible Voucher Act of 2005”; and

16 (4) in subsection (d)—

17 (A) by striking “tenant-based assistance”  
18 and inserting “assistance under the Flexible  
19 Voucher Act of 2005”; and

20 (B) in paragraph (4)(A)(ii)(III)(aa), by  
21 striking “tenant-based assistance” each place  
22 that term appears and inserting “assistance  
23 under the Flexible Voucher Act of 2005”; and

24 (5) by striking subsection (f).

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

4 (1) in subsection (a), by striking “and assist-  
5 ance under the certificate and voucher programs  
6 under section 8”;

7 (2) in subsection (b)—

8 (A) in paragraph (4)(A), by striking “re-  
9 ceives incremental assistance under subsection  
10 (b) or (o) of section 8 or that”; and

11 (B) by striking paragraph (5);

12 (3) in subsection (c)—

13 (A) in paragraph (1), in the first sentence,  
14 by striking “receiving assistance under the cer-  
15 tificate and voucher programs of the public  
16 housing agency under section 8 or”;

17 (B) in paragraph (1), in the third sen-  
18 tence, by striking “under section 8”; and

19 (C) in paragraph (2), in the second sen-  
20 tence, by striking “receiving assistance under  
21 section 8 or”;

22 (4) in subsection (d)—

23 (A) in paragraph (1), in the first sentence,  
24 by striking “or dwelling unit assisted under sec-  
25 tion 8”; and

1 (B) in paragraph (1), in the third sen-  
 2 tence, by striking “or housing assisted under  
 3 section 8”;

4 (5) in subsection (h)—

5 (A) by striking the subsection heading and  
 6 inserting the following: “PERFORMANCE FUND-  
 7 ING SYSTEM.— ”;

8 (B) by striking paragraph (1); and

9 (C) in paragraph (2), by striking “(2)  
 10 PERFORMANCE FUNDING SYSTEM.—”;

11 (6) in subsection (i)(1), by striking “budget au-  
 12 thority for certificate and voucher assistance under  
 13 section 8 and”; and,

14 (7) in subsection (n)(5), by striking “or housing  
 15 assisted under section 8”.

16 (l) TENANT-BASED ASSISTANCE GRANTS FOR  
 17 PROJECTS.—Section 24 of the United States Housing Act  
 18 of 1937 (42 U.S.C. 1437v) is amended—

19 (1) in the section heading—

20 (A) by inserting “**AND**” after “**REVITAL-**  
 21 **IZATION,**”; and

22 (B) by striking “, **AND TENANT-BASED**  
 23 **ASSISTANCE**”;

1 (2) in subsection (c)(3), by striking “tenant-  
2 based assistance under section 8” and inserting “as-  
3 sistance under the Flexible Voucher Act of 2005”;

4 (3) in subsection (d)(1)(J), by striking “section  
5 8” and inserting “the Flexible Voucher Act of  
6 2005”;

7 (4) in subsection (e)—

8 (A) in paragraph (2)(F), by striking “ten-  
9 ant” and inserting “project”; and

10 (B) in paragraph (3), by striking “, ten-  
11 ant-based assistance only,” and inserting “as-  
12 sistance under the Flexible Voucher Act of  
13 2005 only”; and

14 (5) in subsection (j)(2)(B), by striking “(other  
15 than tenant-based assistance)” and inserting “(other  
16 than assistance under the Flexible Voucher Act of  
17 2005)”.

18 (m) CONVERSION OF DISTRESSED PUBLIC HOUS-  
19 ING.—Section 33 of the United States Housing Act of  
20 1937 (42 U.S.C. 1437z–5) is amended—

21 (1) in the section heading by striking “**TEN-**  
22 **ANT-BASED ASSISTANCE**” and inserting “**ASSIST-**  
23 **ANCE UNDER THE FLEXIBLE VOUCHER ACT OF**  
24 **2005**”;

1           (2) in subsection (a)(3)(B), by striking “tenant-  
2           based assistance under section 8” and inserting “as-  
3           sistance under the Flexible Voucher Act of 2005, if  
4           specific appropriations are available for such pur-  
5           pose,”;

6           (3) in subsection (d), in the subsection heading,  
7           by striking “TENANT-BASED ASSISTANCE” and in-  
8           serting “ASSISTANCE UNDER THE FLEXIBLE  
9           VOUCHER ACT OF 2005”; and

10          (4) in subsection (d)(2)(A)(ii)(II)(aa), by strik-  
11          ing “tenant-based assistance” both places where it  
12          appears and inserting “assistance under the Flexible  
13          Voucher Act of 2005”.

14          (n) LOCAL HOUSING ASSISTANCE PLAN.—Section  
15          213 of the Housing and Community Development Act of  
16          1974 (42 U.S.C. 1439) is amended—

17                 (1) in subsection (d)(1)(A)—

18                         (A) in clause (i)—

19                                 (i) by striking “(i)”; and

20                                 (ii) in the last sentence—

21   (I) by striking “tenant-based”  
22   and inserting “project-based”; and

23   (II) by striking “(o)”; and

24                                 (B) by striking clause (ii); and

25                 (2) by striking subsection (e).

1 **TITLE II—PUBLIC HOUSING**  
2 **RENT FLEXIBILITY AND SIM-**  
3 **PLIFICATION**

4 **SEC. 201. SHORT TITLE.**

5 This title may be cited as the “Public Housing Rent  
6 Flexibility and Simplification Act of 2005”.

7 **SEC. 202. PUBLIC HOUSING RENT FLEXIBILITY AND SIM-**  
8 **PLIFICATION.**

9 (a) IN GENERAL.—Section 3 of the United States  
10 Housing Act of 1937 (42 U.S.C. 1437a), as amended by  
11 section 120, is amended—

12 (1) in subsection (a)—

13 (A) by striking “(1) Dwelling units” and  
14 that follows through “(3), a family” and insert-  
15 ing “A family”; and

16 (B) by striking paragraphs (2), (3), (4),  
17 and (5);

18 (2) in subsection (b)(5)—

19 (A) in subparagraph (A), by striking  
20 “(A)”; and

21 (B) by striking subparagraph (B); and

22 (3) in subsection (d)(3), by amending subpara-  
23 graph (A) to read as follows:

24 “(A) that receives assistance under section  
25 8; and”.

1 (b) PUBLIC HOUSING RENTAL PAYMENTS.—The  
2 United States Housing Act of 1937 is amended by insert-  
3 ing after section 3 (42 U.S.C. 1437a) the following new  
4 section:

5 **“SEC. 3A. PUBLIC HOUSING RENTAL PAYMENTS.**

6 “(a) RENT STRUCTURE AND OCCUPANCY.—

7 “(1) IN GENERAL.—Public housing dwelling  
8 units assisted under this Act shall be rented only to  
9 and occupied by low-income families that do not own  
10 a significant interest in real property and do not  
11 have assets exceeding an amount established by the  
12 Secretary at the time of their initial occupancy of  
13 such units.

14 “(2) REVIEW.—Not less frequently than once  
15 every 2 years, each public housing dwelling unit re-  
16 ceiving assistance under this Act shall conduct a re-  
17 view of the family income of each family occupying  
18 such unit to determine the continued eligibility of  
19 that family to occupy such unit.

20 “(3) ELDERLY OR DISABLED FAMILY EXCEP-  
21 TION.—Notwithstanding paragraph (1), not less fre-  
22 quently than once every 3 years, each public housing  
23 dwelling unit receiving assistance under this Act  
24 shall conduct a review of the income of each elderly  
25 family or disabled family occupying such unit to de-

1        terminate the continued eligibility of that family to oc-  
2        cupy such unit.

3                “(4) RENTAL PAYMENTS FOR PUBLIC HOUSING  
4        FAMILIES AND RENT STRUCTURE.—

5                “(A) IN GENERAL.—In accordance with  
6        the provisions of this section, public housing  
7        agencies shall determine the amount of any  
8        monthly rent for a family with respect to a pub-  
9        lic housing dwelling unit receiving assistance  
10       under this Act.

11               “(B) RENT STRUCTURE GUIDELINES.—In  
12       fulfilling its requirements under this section, a  
13       public housing agency may establish—

14               “(i) a rent structure in which the pub-  
15       lic housing agency establishes a flat  
16       amount of rent for each dwelling unit that  
17       it owns and operates, based on the rental  
18       value of the unit, as determined by the  
19       public housing agency, and in which such  
20       rent is adjusted on the basis of an annual  
21       cost index;

22               “(ii) an income-tiered rent structure  
23       in which the amount of rent that a family  
24       is required to pay is set and distributed on  
25       the basis of broad tiers of income, and

1 such tiers and rents are adjusted on the  
2 basis of an annual cost index, except that  
3 families entering public housing shall not  
4 be offered a rent that is lower than the  
5 rent corresponding to their income tier;

6 “(iii) a rent structure in which the  
7 amount of rent that a family is required to  
8 pay is based on a percentage of family in-  
9 come;

10 “(iv) a rent structure in which the  
11 amount of rent that a family is required to  
12 pay is based on the provisions of section 3,  
13 as such section was in effect on the day  
14 prior to the date of enactment of this sec-  
15 tion; or

16 “(v) any other rent structure that in-  
17 cludes 1 or more of the elements of the  
18 rent structures specified in this subpara-  
19 graph.

20 “(C) ELDERLY FAMILIES AND DISABLED  
21 FAMILIES.—

22 “(i) EXISTING TENANTS.—Notwith-  
23 standing any other provision of this Act,  
24 elderly families and disabled families, as  
25 such terms were used in this Act on the

1 day prior to the date of enactment of this  
2 section, who were receiving assistance  
3 under section 3, as such section was in ef-  
4 fect on the day prior to the date of enact-  
5 ment of this section, shall be treated in ac-  
6 cordance with section 3 until January 1,  
7 2009.

8 “(ii) NEW ADMISSIONS.—Notwith-  
9 standing any other provision of this Act,  
10 except as provided in clause (iv), elderly  
11 families and disabled families not meeting  
12 the requirements of clause (i) shall also be  
13 treated in accordance with section 3, as  
14 such section was in effect on the day prior  
15 to the date of enactment of this section,  
16 until January 1, 2009.

17 “(iii) PUBLIC HOUSING AGENCY POLI-  
18 CIES.—Notwithstanding any other provi-  
19 sion of this Act, a public housing agency  
20 providing assistance under this Act shall,  
21 by January 1, 2009, have implemented a  
22 policy to ensure that the needs of elderly  
23 families and disabled families described  
24 under clauses (i) and (ii) are addressed by  
25 a policy determined by a public housing

1 agency, as they relate to, among other  
2 things, eligibility and rent.

3 “(iv) EARLY IMPLEMENTATION.—A  
4 public housing agency that has imple-  
5 mented a policy described in clause (iii) be-  
6 fore January 1, 2009, shall administer as-  
7 sistance for elderly families and disabled  
8 families first receiving assistance under  
9 this Act after the effective date of such  
10 policy in accordance with such policy.

11 “(D) MINIMUM RENTAL AMOUNT.—Public  
12 housing agencies shall establish a minimum  
13 monthly rental amount to be paid by each fam-  
14 ily.

15 “(5) OCCUPANCY BY POLICE OFFICERS.—

16 “(A) ELIGIBILITY REQUIREMENTS WAIV-  
17 ER.—

18 “(i) IN GENERAL.—Subject to sub-  
19 paragraph (B) and notwithstanding any  
20 other provision of law, a public housing  
21 agency may, in accordance with the public  
22 housing agency plan for the agency, allow  
23 a police officer who is not otherwise eligible  
24 for residence in public housing to reside in  
25 a public housing dwelling unit.

1                   “(ii) NUMBER AND LOCATION.—The  
2                   number and location of units occupied by  
3                   police officers under this paragraph and  
4                   the terms and conditions of their tenancies  
5                   shall be determined by the public housing  
6                   agency.

7                   “(B) INCREASED SECURITY.—A public  
8                   housing agency may take the actions authorized  
9                   in subparagraph (A) only for the purpose of in-  
10                  creasing security for the residents of a public  
11                  housing project.

12                  “(6) OCCUPANCY BY OVER-INCOME FAMILIES IN  
13                  CERTAIN PUBLIC HOUSING.—

14                  “(A) AUTHORITY.—Notwithstanding any  
15                  other provision of law, a public housing agency  
16                  that owns or operates fewer than 250 public  
17                  housing dwelling units may, on a month-to-  
18                  month basis, lease a dwelling unit in a public  
19                  housing project to an over-income family in ac-  
20                  cordance with this paragraph, but only if—

21                         “(i) there are no eligible families ap-  
22                         plying for housing assistance from the pub-  
23                         lic housing agency for that month; and

1                   “(ii) the agency provides not less than  
2                   a 30-day public notice of the availability of  
3                   such assistance.

4                   “(B) TERMS AND CONDITIONS.—The num-  
5                   ber and location of dwelling units of a public  
6                   housing agency occupied under this paragraph  
7                   by over-income families, and the terms and con-  
8                   ditions of those tenancies, shall be determined  
9                   by the public housing agency, except that—

10                   “(i) notwithstanding paragraph (2),  
11                   rent for a unit shall be in an amount that  
12                   is not less than the costs to operate the  
13                   unit;

14                   “(ii) if an eligible family applies for  
15                   residence after an over-income family  
16                   moves in to the last available unit, the  
17                   over-income family shall vacate the unit in  
18                   accordance with notice of termination of  
19                   tenancy provided by the agency, which  
20                   shall be provided not less than 30 days be-  
21                   fore such termination; and

22                   “(iii) if a unit is vacant and there is  
23                   no one on the waiting list, the public hous-  
24                   ing agency may allow an over-income fam-  
25                   ily to gain immediate occupancy in the

1 unit, while simultaneously providing rea-  
2 sonable public notice and outreach with re-  
3 gard to availability of the unit.

4 “(7) ESCROW SAVINGS ACCOUNTS.—

5 “(A) IN GENERAL.—A public housing  
6 agency may establish escrow savings accounts  
7 for any family residing in a public housing  
8 dwelling unit as an incentive to encourage sav-  
9 ings.

10 “(B) MATCHING.—Escrow savings ac-  
11 counts may be matched with any other public  
12 or private funds.

13 “(b) DEFINITION OF TERMS UNDER THIS SEC-  
14 TION.—As used in this section, the following definitions  
15 shall apply:

16 “(1) DISABLED FAMILY.—Except as otherwise  
17 provided in law, the term ‘disabled family’ means a  
18 family whose head, spouse, or sole member is a per-  
19 son with disabilities, including 2 or more persons  
20 who are persons with disabilities living together.

21 “(2) ELDERLY FAMILY.—Except as otherwise  
22 provided, the term ‘elderly family’ means a family  
23 whose head, spouse, or sole member is a person who  
24 is at least 62 years of age, including 2 or more per-  
25 sons who are at least 62 years of age living together.

1           “(3) FAMILY.—The term ‘family’ means a per-  
2           son or group of persons, as determined by the public  
3           housing agency, approved to reside in a unit receiv-  
4           ing assistance under this title.

5           “(4) INCOME.—The term ‘income’ means in-  
6           come from all sources of each member of the house-  
7           hold without deductions or exclusions, notwith-  
8           standing any other provisions of law, except where  
9           a public housing agency has approved deductions or  
10          exclusions.

11          “(5) POLICE OFFICER.—The term ‘police offi-  
12          cer’ means any person determined by a public hous-  
13          ing agency to be, during the period of residence of  
14          that person in public housing, employed on a full-  
15          time basis as a duly licensed professional police offi-  
16          cer by a Federal, State, or local government or by  
17          any agency thereof (including a public housing agen-  
18          cy having an accredited police force).

19          “(6) PUBLIC HOUSING AGENCY.—The term  
20          ‘public housing agency’ means—

21                 “(A) any State, county, municipality, or  
22                 other governmental entity or public body (or  
23                 agency or instrumentality thereof) which is au-  
24                 thorized to engage in or assist in the develop-  
25                 ment or operation of low-income housing; or

1           “(B) any other entity designated by the  
2           Secretary to administer assistance under this  
3           title in jurisdictions where—

4                   “(i) no public housing agency has  
5                   been organized; or

6           “(7) OVER-INCOME FAMILY.—The term ‘over-  
7           income family’ means an individual or family that is  
8           not a low-income family.

9           “(c) AVAILABILITY OF INCOME MATCHING INFORMA-  
10          TION.—A public housing agency shall require any family  
11          residing in a public housing dwelling unit who receives in-  
12          formation regarding income, earnings, wages, or unem-  
13          ployment compensation from the Department of Housing  
14          and Urban Development pursuant to income verification  
15          procedures of the Department to disclose such informa-  
16          tion, upon receipt of the information, to the public housing  
17          agency that owns or operates the public housing dwelling  
18          unit in which such family resides.”.

19          (c) TECHNICAL AND CONFORMING AMENDMENTS.—  
20          The United States Housing Act of 1937 (42 U.S.C. 1437  
21          et seq.) is amended—

22                   (1) in section 16(a) (42 U.S.C. 1437n), as  
23                   amended by this Act, by striking paragraph (3) and  
24                   by redesignating paragraph (4) as paragraph (3);  
25                   and

1 (2) in section 23 (42 U.S.C. 1437u)—

2 (A) by striking subsection (d) and insert-  
3 ing the following:

4 “(d) PLAN.—Each public housing agency carrying  
5 out a local program under this section shall establish a  
6 plan to offer incentives to families to encourage families  
7 to participate in the program.”;

8 (B) by striking subsection (e); and

9 (C) by redesignating subsections (f)  
10 through (o) as subsections (e) through (n), re-  
11 spectively.

## 12 **TITLE III—MOVING TO WORK** 13 **PROGRAM**

### 14 **SEC. 301. SHORT TITLE.**

15 This title may be cited as the “Moving to Work Pro-  
16 gram Act of 2005”.

### 17 **SEC. 302. MOVING TO WORK PROGRAM.**

18 The United States Housing Act of 1937 (42 U.S.C.  
19 1437) is amended by adding at the end the following new  
20 section:

### 21 **“SEC. 36. MOVING TO WORK PROGRAM.**

22 “(a) PURPOSES.—The purposes of the program es-  
23 tablished under this title are—

24 “(1) to give incentives to families to become  
25 self-sufficient;

1           “(2) to give public housing agencies and the  
2 Secretary flexibility to develop approaches for pro-  
3 viding and administering housing assistance that  
4 achieve greater cost-effectiveness in Federal expendi-  
5 tures;

6           “(3) to increase housing opportunities for low-  
7 income families;

8           “(4) to reduce administrative burdens on public  
9 housing agencies in providing housing assistance;  
10 and

11           “(5) to allow Federal resources to be more ef-  
12 fectively utilized at the local level.

13           “(b) PROGRAM AUTHORITY.—

14           “(1) IN GENERAL.—The Secretary shall estab-  
15 lish the Moving to Work Program (in this title re-  
16 ferred to as the ‘Program’), in which public housing  
17 agencies meeting the eligibility criteria under sub-  
18 section (c) may participate.

19           “(2) USE OF ASSISTANCE.—Under the Program  
20 a public housing agency may combine operating as-  
21 sistance provided under section 9(e), modernization  
22 assistance provided under section 9(d), and assist-  
23 ance provided under the Flexible Voucher Act of  
24 2005, to provide housing assistance for low-income

1 families, and services to facilitate the transition to  
2 work.

3 “(3) AUTHORITY OF SECRETARY.—

4 “(A) WAIVER.—Notwithstanding any other  
5 provision of law, except as provided in sub-  
6 section (e), the Secretary may waive any provi-  
7 sion of this Act with respect to assistance under  
8 the Program under this title.

9 “(B) ADDITIONAL POWERS.—The Sec-  
10 retary may, as the Secretary determines appro-  
11 priate to further the purposes of this section—

12 “(i) provide streamlined procedures  
13 including procurement procedures; and

14 “(ii) subject to paragraph (2), may  
15 provide for immediate implementation of  
16 such procedures.

17 “(c) ELIGIBILITY.—A public housing agency may  
18 submit an application, in such form as prescribed by the  
19 Secretary, under this title to participate in the Program  
20 if such public housing agency—

21 “(1) participates at the time of the submission  
22 in the Moving to Work Demonstration established  
23 under section 101(e) of the Departments of Vet-  
24 erans Affairs and Housing and Urban Development,  
25 and independent Agencies Appropriations Act, 1996

1 (Public Law 104–134; 110 Stat. 1321–281; 42  
2 U.S.C. 1437f note);

3 “(2) is designated at the time of submission as  
4 a high performer under the applicable assessment  
5 systems that evaluate a public housing agency’s per-  
6 formance, if any, with respect to its public housing  
7 and voucher programs;

8 “(3) manages at least 500 units of public hous-  
9 ing pursuant to contracts for annual contributions;

10 “(4) administers at least 500 vouchers under  
11 the Flexible Voucher Act of 2005; or

12 “(5) meets other criteria as determined by the  
13 Secretary, including the public housing agency’s—

14 “(A) demonstrated capacity to develop and  
15 manage a successful Program;

16 “(B) demonstrated compliance with stat-  
17 utes and regulations applicable to Department  
18 of Housing and Urban Development programs  
19 in which the public housing agency participates  
20 or has participated;

21 “(C) commitment of non-Federal re-  
22 sources, including resources from the local com-  
23 munity; and

24 “(D) demonstrated commitment of units of  
25 local government serving the areas within which

1           the public housing agency administers its Pro-  
2           gram, on removing regulatory barriers to af-  
3           fordable housing.

4           “(d) PROGRAM REQUIREMENTS.—A public housing  
5 agency that is administering a Program pursuant to this  
6 section shall, as a condition of continued participation in  
7 the Program—

8           “(1) consult with representatives of the commu-  
9           nity that represent a broad range of the various in-  
10          terests that are affected by the Program;

11          “(2) target, for purposes of the Program, not  
12          fewer than 90 percent of families authorized in the  
13          Program under this section to receive assistance,  
14          who have gross incomes that do not exceed 60 per-  
15          cent of the median income for the area, as deter-  
16          mined by the Secretary, with adjustments for small-  
17          er or larger families;

18          “(3) establish a reasonable rent policy, in ac-  
19          cordance with section 3A, which is designed to en-  
20          courage employment and self-sufficiency by partici-  
21          pating families;

22          “(4) assure that housing assisted under the  
23          Program meets housing standards established or ap-  
24          proved by the Secretary; and

1           “(5) provide such additional information as de-  
2           termined by the Secretary.

3           “(e) APPLICABILITY OF SECTION 18 PROVISIONS.—  
4           Section 18 shall continue to apply to public housing not-  
5           withstanding any use of the housing under the Program.

6           “(f) EFFECT ON SECTION 8, OPERATING SUBSIDIES,  
7           AND COMPREHENSIVE GRANT PROGRAM ALLOCATIONS.—  
8           The amount of assistance received under section 8, section  
9           9, or the Flexible Voucher Act of 2005, by a public hous-  
10          ing agency participating in the Program shall, subject to  
11          appropriations, not be affected by its participation in the  
12          Program.

13          “(g) EFFECT ON CURRENT PARTICIPANTS IN MOV-  
14          ING TO WORK DEMONSTRATION.—Subject to such proce-  
15          dures and requirements as the Secretary may establish—

16                 “(1) a public housing agency participating in  
17                 the Moving to Work Demonstration referred to in  
18                 subsection (c)(1) may opt out of the demonstration  
19                 and the requirements governing the demonstration,  
20                 and continue to operate its demonstration as part of  
21                 the Program in accordance with the requirements of  
22                 this section; or

23                 “(2) a public housing agency that will terminate  
24                 its participation in the Moving to Work Demonstra-  
25                 tion referred to in subsection (c)(1) in 2005 or 2006

1 may renew and extend its participation in the dem-  
2 onstration for an additional 3 years, and may apply  
3 for participation in the Program at the end of the  
4 3-year period.

5 “(h) EVALUATION OF PERFORMANCE.—

6 “(1) IN GENERAL.—Subject to paragraph (2), a  
7 public housing agency’s performance in the Moving  
8 to Work Demonstration referred to in subsection  
9 (c)(1) and the Program under this section shall be  
10 assessed under the applicable assessment systems  
11 that evaluate a public housing agency’s performance  
12 with respect to its public housing and voucher pro-  
13 grams, including section 6(j), for a period not to ex-  
14 tend beyond January 1, 2008, or under such other  
15 assessment systems as may be designed by the Sec-  
16 retary to evaluate the Program.

17 “(2) PERFORMANCE STANDARDS.—

18 “(A) ISSUANCE OF RULES.—The Secretary  
19 shall, for the purposes of designing and imple-  
20 menting performance standards for public hous-  
21 ing agencies participating in the Program under  
22 this section, issue a proposed rule and a final  
23 rule implementing performance standards under  
24 this section.

1           “(B) TIMING.—The final rule required  
2           under subparagraph (A) shall be issued not  
3           later than 24 months after the date of enact-  
4           ment of this title.

5           “(C) STANDARDS.—Performance stand-  
6           ards issued by the Secretary under subpara-  
7           graph (A) may include standards for—

8                   “(i) moving assisted low-income fami-  
9                   lies to economic self-sufficiency;

10                   “(ii) reducing the per-family cost of  
11                   providing housing assistance;

12                   “(iii) expanding housing choices for  
13                   low-income families;

14                   “(iv) improving Program manage-  
15                   ment;

16                   “(v) increasing the number of home-  
17                   ownership opportunities for low-income  
18                   families; and

19                   “(vi) any other performance goals  
20                   that they Secretary may establish.

21           “(i) RECORDKEEPING, REPORTS, AND AUDITS.—

22                   “(1) RECORDKEEPING.—Each public housing  
23                   agency participating in the Program shall keep such  
24                   records as the Secretary may prescribe as reasonably  
25                   necessary to disclose the amounts and the disposi-

1       tion of amounts under the Program, to ensure com-  
2       pliance with the requirements of this section, and to  
3       measure performance.

4               “(2) REPORTS.—Each such agency shall submit  
5       to the Secretary a report, or series of reports, in a  
6       form and at a time specified by the Secretary.

7               “(3) ACCESS TO DOCUMENTS BY THE SEC-  
8       RETARY.—The Secretary shall have access for the  
9       purpose of audit and examination to any books, doc-  
10      uments, papers, and records that are pertinent to  
11      assistance in connection with, and the requirements  
12      of, this section.

13              “(4) ACCESS TO DOCUMENTS BY THE COMP-  
14      TROLLER GENERAL.—The Comptroller General of  
15      the United States, or any of the duly authorized rep-  
16      resentatives of the Comptroller General, shall have  
17      access for the purpose of audit and examination to  
18      any books, documents, papers, and records that are  
19      pertinent to assistance in connection with, and the  
20      requirements of, this section.”.

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