

109TH CONGRESS
2^D SESSION

H. R. 5443

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937.

IN THE HOUSE OF REPRESENTATIVES

MAY 22, 2006

Mr. NEY (for himself, Ms. WATERS, Mr. FRANK of Massachusetts, and Mr. SHAYS) introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937.

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 “Section 8 Voucher Re-
5 form Act of 2006”.

6 **SEC. 2. INSPECTION OF DWELLING UNITS.**

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

1 (1) in subparagraph (A), by inserting “subpara-
2 graph (D) of this paragraph and” before “paragraph
3 (11)”;

4 (2) by redesignating subparagraphs (D) and
5 (E) as subparagraphs (E) and (F), respectively;

6 (3) by inserting after subparagraph (C) the fol-
7 lowing new subparagraph:

8 “(D) EXCEPTIONS TO INITIAL INSPECTION
9 REQUIREMENT PRIOR TO OCCUPANCY.—

10 “(i) RECENT INSPECTION UNDER
11 HOUSING CHOICE VOUCHER PROGRAM.—In
12 the case of any dwelling unit that, within
13 the 30-day period ending upon initial occu-
14 pancy by a family assisted under this sub-
15 section, was occupied by another family so
16 assisted, an inspection pursuant to sub-
17 paragraph (A) shall not be required if such
18 unit was inspected during the 12-month
19 period ending upon such initial occupancy
20 and was determined to comply with the
21 housing quality standards under subpara-
22 graph (B).

23 “(ii) RECENT INSPECTION UNDER
24 OTHER PROGRAMS.—In the case of any
25 dwelling unit that, during the 12-month

1 period ending upon such initial occupancy,
2 was inspected pursuant to requirements
3 under a Federal, State, or local housing
4 assistance program (including the HOME
5 investment partnerships program under
6 title II of the Cranston-Gonzalez National
7 Affordable Housing Act (42 U.S.C. 12721
8 et seq.)), an inspection pursuant to sub-
9 paragraph (A) shall not be required if—

10 “(I) pursuant to such inspection,
11 the dwelling unit was determined to
12 meet the standards or requirements
13 regarding housing quality or safety
14 applicable to units assisted under such
15 program; and

16 “(II) the public housing agency
17 certifies to the Secretary that such
18 standards or requirements provide the
19 same protection to occupants of dwell-
20 ing units meeting such standards or
21 requirements as, or greater protection
22 than, the housing quality standards
23 under subparagraph (B).

24 “(iii) CORRECTION OF NON-LIFE
25 THREATENING CONDITIONS.—In the case

1 of any dwelling unit that is determined,
2 pursuant to an inspection under subpara-
3 graph (A), not to meet the housing quality
4 standards under subparagraph (B), assist-
5 ance payments may be made for the unit
6 notwithstanding subparagraph (C) if fail-
7 ure to meet such standards is a result only
8 of non-life threatening conditions. A public
9 housing agency making assistance pay-
10 ments pursuant to this clause for a dwell-
11 ing unit shall, upon the expiration of the
12 30-day period beginning upon commence-
13 ment of the period for which such pay-
14 ments are made, suspend any assistance
15 payments for the unit if any deficiency re-
16 sulting in noncompliance with the housing
17 quality standards has not been corrected
18 by such time, and may not resume such
19 payments until each such deficiency has
20 been corrected.”; and

21 (4) in subparagraph (E), as so redesignated by
22 paragraph (2) of this section—

23 (A) by striking “ANNUAL INSPECTIONS”
24 and inserting “BIENNIAL INSPECTIONS”;

1 (B) by striking “shall make an annual in-
2 spection of each assisted dwelling unit during
3 the term of the housing assistance payments
4 contract for the unit” and inserting “shall, for
5 each assisted dwelling unit, make biennial in-
6 spections during the term of the housing assist-
7 ance payments contract for the unit”; and

8 (C) by inserting after the period at the end
9 of the first sentence the following: “In the case
10 of a dwelling unit described in clause (i) or (ii)
11 of subparagraph (D), the first such annual in-
12 spection shall take place during the 2-year pe-
13 riod beginning upon the most recent inspection
14 conducted with respect to the occupancy of the
15 unit by the family previously residing in the
16 unit.”.

17 **SEC. 3. RENT REFORM AND INCOME REVIEWS.**

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

21 (1) in subsection (a)—

22 (A) in paragraph (1)—

23 (i) by inserting “LOW-INCOME OCCU-
24 PANCY REQUIREMENT AND RENTAL PAY-
25 MENTS.—” after “(1)”;

- 1 (ii) by striking the second sentence;
- 2 (iii) in subparagraph (A), by inserting
- 3 “or” after the semicolon
- 4 (iv) by striking subparagraph (B);
- 5 and
- 6 (v) by redesignating subparagraph (C)
- 7 as subparagraph (B); and
- 8 (B) by adding at the end the following new
- 9 paragraphs:
- 10 “(6) REVIEWS OF FAMILY INCOME.—
- 11 “(A) FREQUENCY.—Reviews of family in-
- 12 come for purposes of this section shall be
- 13 made—
- 14 “(i) in the case of all families, upon
- 15 the initial provision of housing assistance
- 16 for the family;
- 17 “(ii) annually thereafter, except as
- 18 provided in subparagraph (B)(i);
- 19 “(iii) upon the request of the family,
- 20 at any time the annual income of the fam-
- 21 ily decreases by \$1,500 or more; and
- 22 “(iv) at any time the annual income
- 23 of the family increases by \$1,500 or more,
- 24 except that any increase in the earned in-

1 come of a family shall not be considered
2 for purposes of this clause.

3 “(B) FIXED-INCOME FAMILIES.—

4 “(i) SELF CERTIFICATION AND 3-YEAR
5 REVIEW.—In the case of any family de-
6 scribed in clause (ii), after the initial re-
7 view of the family’s income pursuant to
8 subparagraph (A)(i), the public housing
9 agency shall not be required to conduct a
10 review of the family’s income pursuant to
11 subparagraph (A)(ii) for any year for
12 which such family certifies, in accordance
13 with such requirements as the Secretary
14 shall establish, that the income of the fam-
15 ily meets the requirements of clause (ii) of
16 this subparagraph, except that the public
17 housing agency shall conduct a review of
18 each such family’s income not less than
19 once every 3 years.

20 “(ii) ELIGIBLE FAMILIES.—A family
21 described in this clause is a family who has
22 an income, as of the most recent review
23 pursuant to subparagraph (A) or clause (i)
24 of this subparagraph, of which 90 percent

1 or more consists of fixed income, as such
2 term is defined in clause (ii).

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

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

15 “(II) Social Security payments;

16 “(III) Federal, State, local and
17 private pension plans; and

18 “(IV) other periodic payments re-
19 ceived from annuities, insurance poli-
20 cies, retirement funds, disability or
21 death benefits, and other similar types
22 of periodic receipts.

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

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

3 “(7) CALCULATION OF INCOME.—

4 “(A) USE OF PRIOR YEAR’S INCOME.—Ex-
5 cept as otherwise provided in this paragraph, in
6 determining the income of a family for a year,
7 a public housing agency may use the income of
8 the family as determined by the agency for the
9 prior year, taking into consideration any rede-
10 termination of income during such prior year
11 pursuant to clause (iii) or (iv) of paragraph
12 (6)(A).

13 “(B) EARNED INCOME.—For purposes of
14 this section, the earned income of a family for
15 a year shall be the amount of earned income of
16 the family in the prior year minus an amount
17 equal to 10 percent of such prior year’s earned
18 income, except that the income of a family for
19 purposes of section 16 (relating to eligibility for
20 assisted housing and income mix) shall be de-
21 termined without regard to any reduction under
22 this subparagraph.

23 “(C) INFLATIONARY ADJUSTMENT FOR
24 FIXED INCOME FAMILIES.—If, for any year, a
25 public housing agency determines the income

1 for any family described in paragraph (6)(ii), or
2 the amount of fixed income of any other family,
3 based on the prior year's income or fixed in-
4 come, respectively, pursuant to subparagraph
5 (A), such prior year's income or fixed income,
6 respectively, shall be adjusted by applying an
7 inflationary factor as the Secretary shall, by
8 regulation, establish.

9 “(D) OTHER INCOME.—If, for any year, a
10 public housing agency determines the income
11 for any family based on the prior year's income,
12 with respect to prior year calculations of types
13 of income not subject to subparagraph (B), a
14 public housing agency may make other adjust-
15 ments as it considers appropriate to reflect cur-
16 rent income.

17 “(E) SAFE HARBOR.—A public housing
18 agency may, to the extent such information is
19 available to the public housing agency, deter-
20 mine the family's income for purposes of this
21 section based on timely income determinations
22 made for purposes of other means-tested Fed-
23 eral public assistance programs (including the
24 program for block grants to States for tem-
25 porary assistance for needy families under part

1 A of title IV of the Social Security Act, a pro-
2 gram for medicaid assistance under a State
3 plan approved under title XIX of the Social Se-
4 curity Act, and the food stamp program as de-
5 fined in section 3(h) of the Food Stamp Act of
6 1977).

7 “(F) PHA COMPLIANCE.—A public hous-
8 ing agency may not be considered to fail to
9 comply with this paragraph or paragraph (6)
10 due solely to any de minimus errors made by
11 the agency in calculating family incomes.”;

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

13 (3) by redesignating subsection (f) as sub-
14 section (d).

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

17 (1) by striking paragraph (4) and inserting the
18 following new paragraph:

19 “(4) INCOME.—The term ‘income’ means, with
20 respect to a family, income received from all sources
21 by each member of the household who is 18 years
22 of age or older, as determined in accordance with
23 criteria prescribed by the Secretary, in consultation
24 with the Secretary of Agriculture, subject to the fol-
25 lowing requirements:

1 “(A) INCLUDED AMOUNTS.—Such term in-
2 includes recurring gifts and receipts, actual in-
3 come from assets, and profit or loss from a
4 business.

5 “(B) EXCLUDED AMOUNTS.—Such term
6 does not include any imputed return on assets.

7 “(C) EARNED INCOME OF STUDENTS.—
8 Such term does not include earned income of
9 any dependent earned during any period that
10 such dependent is attending school on a full-
11 time basis.

12 “(D) OTHER EXCLUSIONS.—Such term
13 shall not include other exclusions from income
14 as are established by the Secretary or any
15 amount required by Federal law to be excluded
16 from consideration as income. The Secretary
17 may not require a public housing agency to
18 maintain records of any amounts excluded from
19 income pursuant to this subparagraph.”; and
20 (2) in paragraph (5)—

21 (A) in the matter preceding subparagraph
22 (A), by striking “income exclusions” and insert-
23 ing “deductions from income”; and

24 (B) by striking subparagraphs (A) and (B)
25 and inserting the following:

1 “(A) ELDERLY AND DISABLED FAMI-
2 LIES.—\$750 in the case of any family that is
3 an elderly family or a disabled family.

4 “(B) DEPENDENTS.—In the case of any
5 family that includes a member or members who
6 are dependents (as such term is defined in sec-
7 tion 152 of the Internal Revenue Code of 1986
8 (26 U.S.C. 152)) and resides in the household,
9 \$500 for each such member.

10 “(C) HEALTH AND MEDICAL EXPENSES.—
11 In the case of any elderly or disabled family,
12 the amount, if any, by which the sum of any
13 unreimbursed medical and health care expenses
14 and reasonable attendant care and auxiliary ap-
15 paratus expenses for any person with disabil-
16 ities exceeds 10 percent of the family’s income.
17 The Secretary shall annually adjust the amounts of
18 the exclusions under subparagraphs (A) and (B), as
19 such amounts may have been previously adjusted, by
20 applying an inflationary factor as the Secretary
21 shall, by regulation, establish. If the dollar amount
22 of any such exclusion determined for any year by ap-
23 plying such inflationary factor is not a multiple of
24 \$25, the Secretary shall round such amount to the
25 next lowest multiple of \$25.”.

1 (c) HOUSING CHOICE VOUCHER PROGRAM.—Section
2 8(o)(2) of the United States Housing Act of 1937 (42
3 U.S.C. 1437f(o)(2)) is amended—

4 (1) in subparagraph (A)—

5 (A) by striking clause (ii); and

6 (B) by redesignating clause (iii) as clause
7 (ii); and

8 (2) in subparagraph (B), by striking “, (ii), and
9 (iii)” and inserting “and (ii)”.

10 (d) ENHANCED VOUCHER PROGRAM.—Section
11 8(t)(1)(D) of the United States Housing Act of 1937 (42
12 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”
13 and inserting “annual adjusted income”.

14 (e) HOMEOWNERSHIP PROGRAM.—Section 8(y)(2) of
15 the United States Housing Act of 1937 (42 U.S.C.
16 1437f(y)(2)) is amended—

17 (1) in subparagraph (A)—

18 (A) by striking clause (ii); and

19 (B) by redesignating clause (iii) as clause
20 (ii); and

21 (2) in subparagraph (B), by striking “, (ii), and
22 (iii)” and inserting “and (ii)”.

23 (f) EFFECTIVE DATE AND TRANSITION.—The
24 amendments made by this section shall apply with respect
25 to fiscal year 2008 and fiscal years thereafter.

1 **SEC. 4. TARGETING VOUCHERS TO LOW-INCOME WORKING**
2 **FAMILIES.**

3 Section 16(b)(1) of the United States Housing Act
4 of 1937 (42 U.S.C. 1437n(b)(1)) is amended by inserting
5 after “do not exceed” the following: “the higher of (A)
6 the poverty line (as such term is defined in section 673
7 of the Omnibus Budget Reconciliation Act of 1981 (42
8 U.S.C. 9902), including any revision required by such sec-
9 tion) applicable to a family of the size involved, or (B)”.

10 **SEC. 5. MOVING TO WORK PROGRAM.**

11 (a) IN GENERAL.—Title I of the United States Hous-
12 ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by
13 adding at the end the following new section:

14 **“SEC. 36. MOVING TO WORK PROGRAM.**

15 “(a) PURPOSES.—The purposes of the program es-
16 tablished under this section are—

17 “(1) to give incentives to families to become
18 self-sufficient;

19 “(2) to give public housing agencies and the
20 Secretary flexibility to develop approaches for pro-
21 viding and administering housing assistance that
22 achieve greater cost-effectiveness in Federal expendi-
23 tures;

24 “(3) to increase housing opportunities for low-
25 income families;

1 “(4) to reduce administrative burdens on public
2 housing agencies in providing housing assistance;
3 and

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

6 “(b) PROGRAM AUTHORITY.—

7 “(1) IN GENERAL.—The Secretary shall carry
8 out a Moving to Work Program (in this section re-
9 ferred to as the ‘program’), in which public housing
10 agencies selected under subsection (c) may partici-
11 pate.

12 “(2) USE OF ASSISTANCE.—Under the pro-
13 gram, a public housing agency—

14 “(A) may combine operating assistance
15 provided under section 9(e), modernization as-
16 sistance provided under section 9(d), and assist-
17 ance provided under section 8 for voucher pro-
18 gram, to provide housing assistance for low-in-
19 come families, and services to facilitate the
20 transition to work; and

21 “(B) shall continue to assist substantially
22 the same total number of eligible low-income
23 families as would have been served had the
24 amounts not be combined.

25 “(3) AUTHORITY OF SECRETARY.—

1 “(A) WAIVER.—Notwithstanding any other
2 provision of law, except as provided in sub-
3 section (f), the Secretary may waive any provi-
4 sion of this Act with respect to assistance under
5 the program.

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

9 “(i) provide streamlined procedures
10 including procurement procedures; and

11 “(ii) subject to paragraph (2), provide
12 for immediate implementation of such pro-
13 cedures.

14 “(c) SELECTION.—

15 “(1) IN GENERAL.—The Secretary shall select
16 public housing agencies to participate in the pro-
17 gram. The Secretary shall provide for agencies to
18 submit applications, in such form as prescribed by
19 the Secretary, for selection for participation in the
20 program.

21 “(2) SELECTION CRITERIA.—In selecting
22 among applications by public housing agencies to
23 participate in the program, the Secretary shall take
24 into consideration the extent to which such public

1 housing agency meets such criteria as the Secretary
2 shall establish, including—

3 “(A) a demonstrated capacity by the public
4 housing agency to develop and manage a suc-
5 cessful program;

6 “(B) demonstrated compliance by the
7 agency with statutes and regulations applicable
8 to Department of Housing and Urban Develop-
9 ment programs in which the public housing
10 agency participates or has participated;

11 “(C) commitment by the agency of non-
12 Federal resources, including resources from the
13 local community; and

14 “(D) demonstrated commitment, by units
15 of local government serving the areas within
16 which the public housing agency administers its
17 program, on removing regulatory barriers to af-
18 fordable housing.

19 “(3) LIMITATION ON TOTAL NUMBER OF AGEN-
20 CIES PARTICIPATING.—Notwithstanding any other
21 provision of law, the aggregate number of public
22 housing agencies participating, at any single time, in
23 the program under this section or in the moving to
24 work demonstration program under section 204 of
25 the Departments of Veterans Affairs and Housing

1 and Urban Development, and Independent Agencies
2 Appropriations Act, 1996 (42 U.S.C. 1437f note) (in
3 this subsection referred to as the ‘demonstration
4 program’) may not exceed 40.

5 “(4) TERM OF PARTICIPATION.—

6 “(A) 3-YEAR TERM.—A public housing
7 agency may participate in the program for a pe-
8 riod of 3 years pursuant to selection by the Sec-
9 retary.

10 “(B) REAPPLICATION FOR CONTINUED
11 PARTICIPATION.— Upon the expiration (pursu-
12 ant to initial selection or reapplication under
13 this subparagraph) of the period of participa-
14 tion of an agency in the program, the agency
15 may reapply for selection for participation in
16 the program and the Secretary shall select such
17 agency for an additional 3-year period unless
18 such agency fails to comply with the perform-
19 ance standards established by the Secretary
20 pursuant to subsection (h)(3).

21 “(5) EFFECT ON AGENCIES CURRENTLY PAR-
22 TICIPATING IN DEMONSTRATION PROGRAM.—Subject
23 to such procedures and requirements as the Sec-
24 retary may establish, a public housing agency that,

1 as on the date of the enactment of this Act, is par-
2 ticipating in the demonstration program—

3 “(A) may apply, in accordance with the re-
4 quirements of this section, for participation in
5 program under this section—

6 “(i) at any time before the expiration
7 of the period of its participation in such
8 demonstration, if the agency opts out of
9 the demonstration program; or

10 “(ii) upon the expiration of the period
11 of participation of such agency in the dem-
12 onstration program; and

13 “(B) upon such application, shall be treat-
14 ed, for purposes of selection for participation,
15 as an agency reapplying under paragraph
16 (4)(B).

17 “(d) ELIGIBILITY FOR SELECTION.—A public hous-
18 ing agency shall be eligible for selection to participate in
19 the program only if such public housing agency—

20 “(1) is designated, at the time of submission of
21 an application for participation, as a high performer
22 under the applicable assessment systems that evalu-
23 ate the performance of a public housing agency, if
24 any, with respect to its public housing and voucher
25 programs; and

1 “(2)(A) manages at least 500 units of public
2 housing pursuant to contracts for annual contribu-
3 tions; or

4 “(B) administers at least 500 vouchers for as-
5 sistance under section 8.

6 “(e) PROGRAM REQUIREMENTS.—A public housing
7 agency that is administering a program pursuant to this
8 section shall, as a condition of continued participation in
9 the program—

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

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

20 “(3) establish a reasonable rent policy which is
21 designed to encourage employment and self-suffi-
22 ciency by participating families;

23 “(4) provide such assurances, as the Secretary
24 shall require, that housing assisted under the pro-

1 gram meets housing standards established or ap-
2 proved by the Secretary; and

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

5 “(f) APPLICABILITY OF SECTION 18 PROVISIONS.—
6 Section 18 shall continue to apply to public housing not-
7 withstanding any use of the housing under the program.

8 “(g) EFFECT ON SECTION 8 AND OPERATING SUB-
9 SIDIES ALLOCATIONS.—The amount of assistance received
10 under section 8 or section 9 by a public housing agency
11 participating in the program shall, subject to appropria-
12 tions, not be affected by its participation in the program.

13 “(h) EVALUATION OF PERFORMANCE.—

14 “(1) IN GENERAL.—The Secretary shall con-
15 duct detailed evaluations of all public housing agen-
16 cies participating in the program under this section
17 and all agencies participating in the moving to work
18 demonstration referred to in subsection (c)(3)—

19 “(A) to determine the level of success of
20 each public housing agency in achieving the
21 purposes of the program under subsection (a);
22 and

23 “(B) to identify program models that can
24 be replicated by other agencies to achieve such
25 success.

1 “(2) IN GENERAL.—The Secretary shall assess
2 the performance of a public housing agency in the
3 program under this section and in the moving to
4 work demonstration program referred to in sub-
5 section (c)(3). Subject to paragraph (3) of this sub-
6 section, such assessment—

7 “(A) may be conducted, only during the
8 period ending January 1, 2008, using the appli-
9 cable assessment systems that evaluate the per-
10 formance of a public housing agency with re-
11 spect to its public housing and voucher pro-
12 grams, including section 6(j); or

13 “(B) except as provided in subparagraph
14 (A), shall be conducted under such assessment
15 systems as shall be designed by the Secretary to
16 evaluate the program under this section.

17 “(3) 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 and agencies participating in the
23 moving to work demonstration program re-
24 ferred to in subsection (c)(3), issue a proposed

1 rule and a final rule implementing performance
2 standards under this section.

3 “(B) TIMING.—The final rule required
4 under subparagraph (A) shall be issued not
5 later than 24 months after the date of enact-
6 ment of the Section 8 Voucher Reform Act of
7 2006.

8 “(C) STANDARDS.—Performance stand-
9 ards issued by the Secretary under subpara-
10 graph (A) may include—

11 “(i) a baseline performance level
12 against which public housing agencies may
13 be rated; and

14 “(ii) standards for—

15 “(I) moving assisted low-income
16 families to economic self-sufficiency;

17 “(II) reducing the per-family cost
18 of providing housing assistance;

19 “(III) expanding housing choices
20 for low-income families;

21 “(IV) improving program man-
22 agement;

23 “(V) increasing the number of
24 homeownership opportunities and af-

1 fordable rental housing opportunities,
2 for low-income families; and

3 “**(VI)** any other performance
4 goals that the Secretary may estab-
5 lish.

6 “(i) **RECORDKEEPING, REPORTS, AND AUDITS.**—

7 “(1) **RECORDKEEPING.**—Each public housing
8 agency participating in the program shall keep such
9 records as the Secretary may prescribe as reasonably
10 necessary to disclose the amounts and the disposi-
11 tion of amounts under the program, to ensure com-
12 pliance with the requirements of this section, and to
13 measure performance.

14 “(2) **REPORTS.**—Each such agency partici-
15 pating in the program shall submit to the Secretary
16 a report, or series of reports, in a form and at a
17 time specified by the Secretary.

18 “(3) **ACCESS TO DOCUMENTS BY SECRETARY.**—
19 The Secretary shall have access for the purpose of
20 audit and examination to any books, documents, pa-
21 pers, and records that are pertinent to assistance in
22 connection with, and the requirements of, this sec-
23 tion.

24 “(4) **ACCESS TO DOCUMENTS BY THE COMP-**
25 **TROLLER GENERAL.**—The Comptroller General of

1 the United States, or any of the duly authorized rep-
2 resentatives of the Comptroller General, shall have
3 access for the purpose of audit and examination to
4 any books, documents, papers, and records that are
5 pertinent to assistance in connection with, and the
6 requirements of, this section.

7 “(5) REPORTS REGARDING EVALUATIONS.—

8 “(A) TO SECRETARY.—The Secretary shall
9 require each public housing agency partici-
10 pating in the program under this section and
11 each agency participating in the moving to work
12 demonstration program referred to in sub-
13 section (c)(3) to submit annually to the Sec-
14 retary such information as the Secretary con-
15 siders appropriate to permit the Secretary to
16 evaluate (pursuant to subsection (h)) the per-
17 formance and success of the agency in achieving
18 the purposes of the demonstration.

19 “(B) TO CONGRESS.—The Secretary shall
20 submit a report to the Congress not less than
21 annually evaluating the programs of all public
22 housing agencies participating in the program
23 under this section and all agencies participating
24 in the moving to work demonstration program
25 referred to in subsection (c)(3). Each such re-

1 port shall include findings and recommenda-
2 tions for any appropriate legislative action.”.

3 (b) PROHIBITION OF EXTENSION OF, AND SELEC-
4 TION OF ADDITIONAL AGENCIES FOR, PARTICIPATION IN
5 DEMONSTRATION PROGRAM.—Section 204(d) of the De-
6 partments of Veterans Affairs and Housing and Urban
7 Development, and Independent Agencies Appropriations
8 Act, 1996 (42 U.S.C. 1437f note) is amended by adding
9 after the period at the end the following: “After the date
10 of the enactment of the Section 8 Voucher Reform Act
11 of 2006, the Secretary may not extend the period of par-
12 ticipation, in effect on such date of enactment, of any pub-
13 lic housing agency, or select any public housing agency
14 for participation, in the demonstration under this sec-
15 tion.”.

16 (c) GAO REPORT.—Not later than 12 months after
17 the date of the enactment of this Act, the Comptroller
18 General of the United States shall submit a report to the
19 Congress on the extent to which the public housing agen-
20 cies participating in the Moving to Work program under
21 section 36 of the United States Housing Act of 1937 and
22 the agencies participating in the moving to work dem-
23 onstration program under section 204 of the Departments
24 of Veterans Affairs and Housing and Urban Development,
25 and Independent Agencies Appropriations Act, 1996, are

1 meeting the goals and purposes of such programs, includ-
2 ing the purposes under subsection (a) of such section 36
3 and the goals identified in section (h)(3)(C)(ii) of such
4 section 36.

5 **SEC. 6. VOUCHER RENEWAL FUNDING.**

6 Section 8 of the United States Housing Act of 1937
7 (42 U.S.C. 1437f) is amended by striking subsection (dd)
8 and inserting the following new subsection:

9 “(dd) TENANT-BASED VOUCHERS.—

10 “(1) AUTHORIZATION OF APPROPRIATIONS.—

11 There are authorized to be appropriated, for each of
12 fiscal years 2007 through 2011, such sums as may
13 be necessary for tenant-based assistance under sub-
14 section (o) for the following purposes:

15 “(A) To renew all expiring annual con-
16 tributions contracts for tenant-based rental as-
17 sistance.

18 “(B) To provide tenant-based rental assist-
19 ance for—

20 “(i) relocation and replacement of
21 housing units that are demolished or dis-
22 posed of pursuant to the Omnibus Consoli-
23 dated Rescissions and Appropriations Act
24 of 1996 (Public Law 104–134);

1 “(ii) conversion of section 23 projects
2 to assistance under this section;

3 “(iii) the family unification program
4 under subsection (x) of this section;

5 “(iv) relocation of witnesses in con-
6 nection with efforts to combat crime in
7 public and assisted housing pursuant to a
8 request from a law enforcement or pros-
9 ecution agency;

10 “(v) enhanced vouchers authorized
11 under subsection (t) of this section;

12 “(vi) vouchers in connection with the
13 HOPE VI program under section 24;

14 “(vii) demolition or disposition of pub-
15 lic housing units pursuant to section 18 of
16 the United States Housing Act of 1937
17 (42 U.S.C. 1437p);

18 “(viii) mandatory and voluntary con-
19 versions of public housing to vouchers, pur-
20 suant to sections 33 and 22 of the United
21 States Housing Act of 1937, respectively
22 (42 U.S.C. 1437z–5, 1437t);

23 “(ix) vouchers necessary to comply
24 with a consent decree or court order;

1 “(x) vouchers transferred from an-
2 other public housing agency; and

3 “(xi) tenant protection assistance, in-
4 cluding replacement and relocation assist-
5 ance.

6 “(2) ALLOCATION OF RENEWAL FUNDING
7 AMONG PUBLIC HOUSING AGENCIES.—

8 “(A) From amounts appropriated for each
9 year pursuant to paragraph (1)(A), the Sec-
10 retary shall provide renewal funding for each
11 public housing agency—

12 “(i) based on leasing and costs from
13 the prior year, as adjusted by an annual
14 adjustment factor to be established by the
15 Secretary;

16 “(ii) by making any adjustments nec-
17 essary to provide for the first-time renewal
18 of vouchers funded under paragraph
19 (1)(B); and

20 “(iii) by making such other adjust-
21 ments as the Secretary considers appro-
22 priate.

23 “(B) LEASING AND COST DATA.—For pur-
24 poses of subparagraph (A)(i), leasing and cost
25 data shall be calculated not less often than bi-

1 ennially by using the average for the calendar
2 year that, at the time of such calculation, is the
3 most recently completed calendar year for which
4 the Secretary determines data is available, sub-
5 stantially verifiable, and complete. Such leasing
6 data shall be adjusted to include vouchers that
7 were set aside under a commitment to provide
8 project-based assistance under subsection
9 (o)(13).

10 “(C) MOVING TO WORK.—Notwithstanding
11 subparagraphs (A) and (B), each public hous-
12 ing agency participating at any time in the
13 moving to work demonstration under section
14 204 of the Departments of Veterans Affairs
15 and Housing and Urban Development, and
16 Independent Agencies Appropriations Act, 1996
17 (42 U.S.C. 1437f note) or in the Moving to
18 Work program under section 36 of this Act
19 shall be funded pursuant to its agreement
20 under such program and shall be subject to any
21 pro rata adjustment made under subparagraph
22 (D).

23 “(D) PRO RATA ALLOCATION.—

24 “(i) INSUFFICIENT FUNDS.—To the
25 extent that amounts made available for a

1 fiscal year are not sufficient to provide
2 each public housing agency with the full al-
3 location for the agency determined pursu-
4 ant to subparagraphs (A) and (C), the
5 Secretary shall reduce such allocation for
6 each agency on a pro rata basis, except
7 that renewal funding of enhanced vouchers
8 under section 8(t) shall not be subject to
9 such proration.

10 “(ii) EXCESS FUNDS.—To the extent
11 that amounts made available for a fiscal
12 year exceed the amount necessary to pro-
13 vide each housing agency with the full allo-
14 cation for the agency determined pursuant
15 to subparagraphs (A) and (C), such excess
16 amounts shall be used for the purposes
17 specified in subparagraphs (B) and (C) of
18 paragraph (4).

19 “(3) ADVANCES.—

20 “(A) AUTHORITY.—During the last 3
21 months of each calendar year, the Secretary
22 shall provide amounts to any public housing
23 agency, at the request of the agency, in an
24 amount up to two percent of the allocation for
25 the agency for such calendar year.

1 “(B) USE.—Amounts advanced under sub-
2 paragraph (A) may be used to pay for addi-
3 tional voucher costs, including costs related to
4 temporary overleasing.

5 “(C) REPAYMENT.—Amounts advanced
6 under subparagraph (A) in a calendar year
7 shall be repaid to the Secretary in the subse-
8 quent calendar year by reducing the amounts
9 made available for such agency for such subse-
10 quent calendar year pursuant to allocation
11 under paragraph (2) by an amount equal to the
12 amount so advanced to the agency.

13 “(4) RECAPTURE.—

14 “(A) IN GENERAL.—The Secretary shall
15 recapture, from amounts provided under the
16 annual contributions contract for a public hous-
17 ing agency for a calendar year, all amounts al-
18 located under paragraph (2) that are unused by
19 the agency at the end of each calendar year.

20 “(B) REALLOCATION.—Not later than May
21 1 of each calendar year, the Secretary shall—

22 “(i) calculate the aggregate unused
23 amounts for the preceding year recaptured
24 pursuant to subparagraph (A);

1 “(ii) set aside and make available
2 such amounts as the Secretary considers
3 appropriate to reimburse public housing
4 agencies for increased costs related to port-
5 ability and family self-sufficiency activities
6 during such year; and

7 “(iii) reallocate all remaining amounts
8 among public housing agencies that, in the
9 preceding year, used at least 99 percent of
10 amounts allocated under paragraph (2) for
11 the agency and leased fewer than the num-
12 ber of vouchers authorized for the agency;
13 except that the Secretary may establish
14 priority for allocation of such amounts to
15 public housing agencies that leased fewer
16 vouchers in such preceding year than in
17 the 12-month period ending April 1, 2004.

18 “(C) USE.—Amounts reallocated to a pub-
19 lic housing agency pursuant to subparagraph
20 (B)(iii) may be used only to increase voucher
21 leasing rates to the level authorized for the
22 agency.”.

1 **SEC. 7. SECTION 8 HOMEOWNERSHIP DOWNPAYMENT PRO-**
2 **GRAM.**

3 Section 8(y)(7) of the United States Housing Act of
4 1937 (42 U.S.C. 1437f(y)(7)) is amended by striking sub-
5 paragraph (A) and inserting the following new subpara-
6 graph:

7 “(A) **AUTHORITY.**—A public housing agen-
8 cy may, in lieu of providing monthly assistance
9 payments under this subsection on behalf of a
10 family eligible for such assistance and at the
11 discretion of the public housing agency, provide
12 assistance for the family in the form of a single
13 grant to be used only as a contribution toward
14 the downpayment required in connection with
15 the purchase of a dwelling.”.

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