

103^D CONGRESS
2^D SESSION

H. R. 5275

To establish a Federal Housing Trust Fund to provide decent, safe, and affordable housing for low-income families lacking such housing.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 1994

Mr. OWENS introduced the following bill; which was referred jointly to the Committees on Ways and Means and Banking, Finance and Urban Affairs

A BILL

To establish a Federal Housing Trust Fund to provide decent, safe, and affordable housing for low-income families lacking such housing.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Federal Housing Trust Fund Act of 1994”.

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

Sec. 1. Short title and table of contents.

TITLE I—REDUCTION OF CERTAIN TAX BENEFITS FOR HIGHER
INCOME TAXPAYERS AND ESTABLISHMENT OF HOUSING
TRUST FUND

- Sec. 101. Reduction of certain tax benefits for higher income taxpayers.
 Sec. 102. Repeal of increase in basis of property acquired from a decedent;
 phasein of capital gains tax on inherited property.
 Sec. 103. Establishment of Housing Trust Fund.

TITLE II—ADMINISTRATION OF HOUSING TRUST FUND AND ENTITLEMENT PROGRAM FOR FORMULA GRANTS FOR AFFORDABLE HOUSING

- Sec. 201. Grants for eligible public entities.
 Sec. 202. Eligible activities for use of grant amounts.
 Sec. 203. Housing costs assistance program.
 Sec. 204. Housing supply assistance program.
 Sec. 205. Affordability.
 Sec. 206. Eligible public entities.
 Sec. 207. Requirements of eligible public entities.
 Sec. 208. Trust Fund grant plans.
 Sec. 209. Allocation of Trust Fund amounts for States, entitlement communities, and Indian tribes.
 Sec. 210. Grant allotments.
 Sec. 211. Maintenance of State and local effort.
 Sec. 212. Compliance.
 Sec. 213. Administrative expenses.
 Sec. 214. Housing Trust Fund Program Advisory Committee.
 Sec. 215. Administrator of Trust Fund in Department of Housing and Urban Development.
 Sec. 216. Definitions.
 Sec. 217. Regulations.

1 **TITLE I—REDUCTION OF CER-**
 2 **TAIN TAX BENEFITS FOR**
 3 **HIGHER INCOME TAXPAYERS**
 4 **AND ESTABLISHMENT OF**
 5 **HOUSING TRUST FUND**

6 **SEC. 101. REDUCTION OF CERTAIN TAX BENEFITS FOR**
 7 **HIGHER INCOME TAXPAYERS.**

8 (a) IN GENERAL.—Part I of subchapter B of chapter
 9 1 of the Internal Revenue Code of 1986 (relating to defini-
 10 tion of gross income, adjusted gross income, taxable in-
 11 come, etc.) is amended by adding at the end the following
 12 new section:

1 **“SEC. 69. LIMITATION ON CERTAIN TAX BENEFITS FOR**
2 **HIGHER INCOME TAXPAYERS.**

3 “(a) IN GENERAL.—In the case of an individual, the
4 limitations of this section apply if the taxpayer’s modified
5 adjusted gross income for the taxable year exceeds
6 \$75,000.

7 “(b) LIMITATIONS ON DEDUCTION FOR MORTGAGE
8 INTEREST AND PROPERTY TAXES.—In the case of a tax-
9 payer to whom this section applies for the taxable year—

10 “(1) the amount of qualified residence interest
11 (as defined in section 163(h)(3)) which is allowed as
12 a deduction under section 163 shall not exceed the
13 applicable percentage of such interest, and

14 “(2) the amount of real property taxes which is
15 allowed as a deduction under section 164 shall not
16 exceed the applicable percentage of such taxes.

17 “(c) APPLICABLE PERCENTAGE.—For purposes of
18 this section—

19 “(1) IN GENERAL.—The term ‘applicable per-
20 centage’ means 100 percent reduced (but not below
21 the 50 percent) by 3 percentage points for each
22 \$1,000 by which the modified adjusted gross income
23 of the taxpayer for the taxable year exceeds
24 \$75,000.

25 “(2) PHASE-IN.—In the case of taxable years
26 beginning before January 1, 2000, paragraph (1)

1 shall be applied by substituting for ‘50 percent’ the
 2 percentage determined in accordance with the follow-
 3 ing table:

“In the case of taxable years beginning in calendar year:	The percentage is:
1996	90 percent
1997	80 percent
1998	70 percent
1999	60 percent.

4 “(d) MODIFIED ADJUSTED GROSS INCOME.—For
 5 purposes of this section, the term ‘modified adjusted gross
 6 income’ means adjusted gross income—

7 “(1) determined without regard to this section,
 8 sections 911, 931, and 933, and the deductions re-
 9 ferred to in subsection (b), and

10 “(2) increased by the amount of interest re-
 11 ceived or accrued by the individual during the tax-
 12 able year which is exempt from tax.

13 “(e) COORDINATION WITH SECTION 68.—This sec-
 14 tion shall be applied before section 68 with respect to the
 15 deductions referred to in subsection (b).”

16 (b) CONFORMING AMENDMENT.—The table of sec-
 17 tions for such part I is amended by adding at the end
 18 the following new item:

“Sec. 69. Limitation on certain tax benefits for higher income
taxpayers.”

19 (c) EFFECTIVE DATE.—The amendments made by
 20 this section shall apply to taxable years beginning after
 21 December 31, 1995.

1 **SEC. 102. REPEAL OF INCREASE IN BASIS OF PROPERTY AC-**
2 **QUIRED FROM A DECEDENT; PHASEIN OF**
3 **CAPITAL GAINS TAX ON INHERITED PROP-**
4 **ERTY.**

5 (a) IN GENERAL.—Section 1014 of the Internal Rev-
6 enue Code of 1986 (relating to basis of property acquired
7 from a decedent) is hereby repealed.

8 (b) BASIS TO BE DETERMINED UNDER RULES AP-
9 PPLICABLE TO GIFTS.—Section 1015 of such Code (relat-
10 ing to basis of property acquired by gifts and transfers
11 in trusts) is amended by adding at the end the following
12 new subsection:

13 “(f) PROPERTY ACQUIRED FROM OR PASSING FROM
14 A DECEDENT.—

15 “(1) IN GENERAL.—Property acquired from a
16 decedent dying after December 31, 1995, or passed
17 from such a decedent shall be treated for purposes
18 of subsection (a) as acquired by gift for purposes of
19 this section.

20 “(2) PROPERTY ACQUIRED FROM A DECE-
21 DENT.—Section 1014(b) (as in effect on the day be-
22 fore the date of the enactment of the Federal Hous-
23 ing Trust Fund Act of 1994) shall apply for pur-
24 poses of whether property is considered to have been
25 acquired from or to have passed from the decedent.

1 “(3) INCREASE IN BASIS FOR ESTATE TAX
2 PAID.—

3 “(A) IN GENERAL.—The basis of any
4 property which this subsection applies shall be
5 the basis determined under subsection (a) in-
6 creased by the portion of the aggregate death
7 tax adjustment which is allocated to the prop-
8 erty pursuant to this paragraph.

9 “(B) LIMITATION.—The death tax adjust-
10 ment for any property shall not exceed—

11 “(i) the net appreciation in such prop-
12 erty, multiplied by

13 “(ii) the Federal marginal estate tax
14 rate.

15 “(C) NET APPRECIATION.—For purposes
16 of this paragraph, the net appreciation in value
17 of any property is the amount by which—

18 “(i) the fair market value of such
19 property, exceeds

20 “(ii) the initial basis of such property
21 increased by the minimum basis adjust-
22 ment of such property.

23 “(4) AGGREGATE DEATH TAX ADJUSTMENT.—
24 In the case of any estate—

1 “(A) IN GENERAL.—The aggregate death
2 tax adjustment is the product of—

3 “(i) the aggregate net appreciation of
4 all properties which have net appreciation,
5 and

6 “(ii) the Federal marginal estate tax
7 rate.

8 “(B) LIMITATION.—The amount taken
9 into account under subparagraph (A)(i) shall
10 not exceed the taxable estate.

11 “(C) FEDERAL MARGINAL ESTATE TAX
12 RATE.—The term ‘Federal marginal estate tax
13 rate’ means the highest rate in the rate sched-
14 ule set forth in section 2001(c)—

15 “(i) which is used in determining the
16 tentative tax under section 2001(b)(1) with
17 respect to the estate of the decedent, and

18 “(ii) the amount subject to which is at
19 least \$50,000.

20 In no event shall the Federal marginal estate
21 tax rate be less than 30 percent.

22 “(5) ALLOCATION RULES.—The executor shall
23 allocate the adjustments under this subsection
24 among the properties on the return of the tax im-
25 posed by chapter 11.”

1 (c) PHASE-IN OF CAPITAL GAINS TAX ON INHERITED
2 PROPERTY.—Subsection (h) of section 1 of such Code (re-
3 lating to maximum capital gains rate) is amended to read
4 as follows:

5 “(h) MAXIMUM CAPITAL GAINS RATE.—

6 “(1) IN GENERAL.—If a taxpayer has a net
7 capital gain for any taxable year, then the tax im-
8 posed by this section shall not exceed the sum of—

9 “(A) a tax computed at the rates and in
10 the same manner as if this subsection had not
11 been enacted on the greater of—

12 “(i) taxable income reduced by the
13 amount of the net capital gain, or

14 “(ii) the amount of taxable income
15 taxed at a rate below 28 percent, plus

16 “(B) a tax equal to the sum of—

17 “(i) the applicable percentage of so
18 much of such net capital gain as is attrib-
19 utable to property acquired by the tax-
20 payer from a decedent dying after Decem-
21 ber 31, 1995 (or passed to the taxpayer
22 from such a decedent), and

23 “(ii) 28 percent of the amount of the
24 taxable income in excess of the sum of the
25 amount determined under subparagraph

1 (A) and the net capital gain described in
2 clause (i) of this subparagraph.

3 “(2) APPLICABLE PERCENTAGE.—For purposes
4 of paragraph (1), the term ‘applicable percentage’
5 means—

6 “(A) 10 percent in the case of taxable
7 years ending during 1996,

8 “(B) 15 percent in the case of taxable
9 years ending during 1997,

10 “(C) 20 percent in the case of taxable
11 years ending during 1998, and

12 “(D) 25 percent in the case of taxable
13 years ending during 1999.

14 “(3) ELECTION TO MARK-TO-MARKET PROP-
15 ERTY ACQUIRED FROM A DECEDENT.—If the tax-
16 payer elects this paragraph with respect to any prop-
17 erty described in paragraph (1)(B)(i), such property
18 shall be treated as sold (for its fair market value as
19 of the first day of the taxpayer year) and any gain
20 or loss shall be treated as received or accrued on
21 such day.”

22 (d) CONFORMING AMENDMENTS.—

23 (1) The table of sections for part II of sub-
24 chapter O of chapter 1 of such Code is amended by
25 striking the item relating to section 1014.

1 (2) The heading of section 1015 of such Code
2 is amended to read as follows:

3 **“SEC. 1015. BASIS OF PROPERTY ACQUIRED BY GIFT, FROM**
4 **A DECEDENT, OR TRANSFERRED IN TRUST.”**

5 (3) The table of sections for part II of sub-
6 chapter O of chapter 1 of such Code is amended by
7 striking the item relating to section 1015 and insert-
8 ing the following new item:

“Sec. 1015. Basis of property acquired by gift, from a decedent,
or transferred in trust.”

9 (e) EFFECTIVE DATES.—

10 (1) CARRYOVER BASIS.—Except as provided in
11 paragraph (2), the amendments made by this section
12 shall apply to decedents dying after December 31,
13 1995.

14 (2) TAX ON INHERITED PROPERTY.—The
15 amendment made by subsection (c) shall apply to
16 taxable years ending after December 31, 1995.

17 **SEC. 103. ESTABLISHMENT OF HOUSING TRUST FUND.**

18 (a) IN GENERAL.—Subchapter A of chapter 98 of the
19 Internal Revenue Code of 1986 (relating to trust funds)
20 is amended by adding at the end thereof the following new
21 section:

22 **“SEC. 9512. HOUSING TRUST FUND.**

23 “(a) CREATION OF TRUST FUND.—There is hereby
24 established in the Treasury of the United States a trust

1 fund to be known as the ‘Housing Trust Fund’, consisting
2 of such amounts as may be appropriated or credited to
3 such trust fund as provided in this section, section
4 9602(b) of this title, or section 201(e) or 212(a)(3)(B)
5 of the Federal Housing Trust Fund Act of 1994.

6 “(b) CREDITS TO TRUST FUND.—There are hereby
7 appropriated to the Housing Trust Fund amounts equiva-
8 lent to the increase in income tax liability attributable to
9 section 69.

10 “(c) EXPENDITURES FROM TRUST FUND.—Amounts
11 in the Housing Trust Fund are available each fiscal year
12 to the Secretary of Housing and Urban Development for
13 carrying out title II of the Federal Housing Trust Fund
14 Act of 1994, but shall not be available for any other pur-
15 pose.”.

16 (b) CLERICAL AMENDMENT.—The table of sections
17 for such subchapter A is amended by adding at the end
18 thereof the following new item:

“Sec. 9512. Housing Trust Fund.”.

1 **TITLE II—ADMINISTRATION OF**
2 **HOUSING TRUST FUND AND**
3 **ENTITLEMENT PROGRAM FOR**
4 **FORMULA GRANTS FOR AF-**
5 **FORDABLE HOUSING**

6 **SEC. 201. GRANTS FOR ELIGIBLE PUBLIC ENTITIES.**

7 (a) IN GENERAL.—The Secretary of Housing and
8 Urban Development shall, for fiscal year 1995 and each
9 fiscal year thereafter, make a grant under this title to each
10 eligible public entity for which an allotment is made under
11 section 210. The amount of the grant for such an eligible
12 public entity shall be equal to the amount of the allotment
13 for the eligible public entity determined in accordance with
14 section 209.

15 (b) USE OF TRUST FUNDS.—Grants under this title
16 shall be made only using amounts from the Housing Trust
17 Fund established in section 9512 of the Internal Revenue
18 Code of 1986.

19 (c) ENTITLEMENT STATUS OF GRANTS.—

20 (1) IN GENERAL.—Subject to subsection (d),
21 each eligible public entity is entitled to payment of
22 the grant required by subsection (a) for fiscal year
23 1995 and each subsequent fiscal year.

24 (2) RULE OF CONSTRUCTION.—Paragraph (1)
25 may not be construed to establish, with respect to

1 this section, an entitlement of any individual to have
2 carried out on behalf of the individual any activity
3 authorized in this title.

4 (d) LIMITATIONS.—An entitlement is established pur-
5 suant to subsection (a) for a fiscal year for an eligible pub-
6 lic entity—

7 (1) only to the extent that there are amounts
8 in the Fund and only to the extent of the amount
9 of the allotment made under section 210 for the en-
10 tity; and

11 (2) only if the allotment for the entity has not
12 been terminated pursuant to section 212(c)(1).

13 (e) DURATION OF AVAILABILITY OF GRANT
14 AMOUNTS.—With respect to the 24-month period begin-
15 ning on the date on which a grant under subsection (a)
16 for a fiscal year becomes available to an eligible public en-
17 tity, any portion of the grant that is not obligated by the
18 entity before the expiration of such period shall be covered
19 into the Fund and be available for grants under such sub-
20 section for the following fiscal year.

21 (f) PAYMENT OF GRANT AMOUNTS.—The grant
22 amounts for each eligible public entity shall be paid di-
23 rectly to the agency designated pursuant to section 206(2)
24 by the eligible public entity and shall be available only for
25 activities authorized under section 202.

1 **SEC. 202. ELIGIBLE ACTIVITIES FOR USE OF GRANT**
2 **AMOUNTS.**

3 (a) IN GENERAL.—Grant amounts provided under
4 this title for a fiscal year may be expended by the eligible
5 public entity receiving the grant only in accordance with
6 the Trust Fund grant plan for the entity for such year
7 approved by the Secretary under section 208 to carry
8 out—

9 (1) a housing costs assistance program under
10 section 203;

11 (2) a housing supply assistance program under
12 section 204; and

13 (3) administrative activities, to the extent pro-
14 vided in subsection (c).

15 (b) ALLOCATION OF GRANT AMOUNTS BETWEEN
16 PROGRAMS.—

17 (1) IN GENERAL.—Except to the extent pro-
18 vided in subsection (a)(3) and paragraph (2) of this
19 subsection, from the grant amounts provided to an
20 eligible public entity for a fiscal year, the entity shall
21 use—

22 (A) the amount provided to the entity
23 under paragraph (1)(A), (2)(A), or (3)(A), as
24 applicable, of section 210(a) for carrying out
25 the housing costs assistance program under sec-
26 tion 203 of the entity; and

1 (B) the amount provided to the entity
2 under paragraph (1)(B), (2)(B), or (3)(B), as
3 applicable, of section 210(a) for carrying out
4 the housing supply assistance program under
5 section 204 of the entity.

6 (2) EXCEPTION.—If in any fiscal year any
7 grant amounts referred to in paragraph (1)(A) re-
8 main available for commitment for housing costs as-
9 sistance for eligible families 9 months after such
10 amounts are first made available to the eligible pub-
11 lic entity because of a lack of eligible families or the
12 failure of eligible families to obtain suitable dwelling
13 units, the eligible public entity may use such
14 amounts for carrying out the housing supply assist-
15 ance program of the entity.

16 (c) ADMINISTRATIVE EXPENSES.—

17 (1) LIMITATION.—An eligible public entity that
18 receives grant amounts for a fiscal year may use for
19 administrative expenses relating to carrying out the
20 housing costs assistance program and housing sup-
21 ply assistance program of the entity not more than
22 the applicable percentage of such amounts as the
23 Secretary shall establish by regulation for purposes
24 of this subsection. The Secretary may establish dif-
25 ferent percentage limitations based on the amount of

1 grant amounts received, but no such limitation may
2 exceed 6 percent.

3 (2) INCLUDED EXPENSES.—For purposes of
4 paragraph (1), the term “administrative expenses”
5 includes expenses relating to performance reports re-
6 quired under section 212(a), expenses of a public en-
7 tity in administering a grant under this section, and
8 expenses of a public entity or other subgrantee orga-
9 nization or entity in administering a housing costs
10 assistance program or housing supply assistance
11 program.

12 **SEC. 203. HOUSING COSTS ASSISTANCE PROGRAM.**

13 (a) REQUIREMENT TO CARRY OUT PROGRAM.—Each
14 eligible public entity that receives grant amounts under
15 paragraph (1)(A), (2)(A), or (3)(A), as applicable, of sec-
16 tion 210(a) shall carry out a housing costs assistance pro-
17 gram under this section using such grant amounts to pro-
18 vide financial assistance on behalf of eligible families for
19 the rental or purchase of dwelling units occupied by such
20 families.

21 (b) ELIGIBLE HOUSING.—A housing costs assistance
22 program may provide assistance on behalf of an eligible
23 family only for the costs of—

24 (1) renting a dwelling unit that is—

25 (A) affordable housing;

1 (B) under lease for occupancy by the fam-
2 ily as its principal residence; and

3 (C) except as provided in subsection (e)(4),
4 located in the jurisdiction of the eligible public
5 entity carrying out the program; or

6 (2) purchasing a dwelling unit that is—

7 (A) the principal residence of the family;

8 (B) security for (or subject to a mortgage
9 that secures) repayment of the outstanding obli-
10 gation of a loan made for purchase of the dwell-
11 ing by the family; and

12 (C) except as provided in subsection (e)(4),
13 located in the jurisdiction of the eligible public
14 entity carrying out the program.

15 (c) AMOUNT OF ASSISTANCE.—The amount of finan-
16 cial assistance provided under a housing costs assistance
17 program on behalf of an eligible family shall be the
18 amount equal to the amount by which the fair market
19 rental for a dwelling unit of the size appropriate for the
20 family in the applicable housing market area exceeds the
21 lesser of 30 percent of the adjusted income of the family
22 or 5 percent of the gross income of the family.

23 (d) PRIORITIES.—If the grant amounts provided for
24 a fiscal year for an eligible public entity are insufficient
25 to provide assistance under the housing costs assistance

1 program of the entity for all eligible families residing in
2 the jurisdiction of the entity—

3 (1) 70 percent of the grant amounts received by
4 the entity under paragraph (1)(A), (2)(A), or (3)(A),
5 as applicable, of section 210(a) shall be used subject
6 to a preference for assisting eligible families de-
7 scribed in section 8(d)(1)(A)(i) of the United States
8 Housing Act of 1937; and

9 (2) 30 percent of such grant amounts shall be
10 used subject to a preference for assisting eligible
11 families who qualify under a system of local pref-
12 erences established by the eligible public entity.

13 (e) METHOD OF ASSISTANCE.—Under a housing
14 costs assistance program under this section—

15 (1) the eligible public entity carrying out the
16 program shall make assistance payments on behalf
17 of the eligible family assisted to the owner of, or
18 mortgage servicer for, the dwelling unit occupied by
19 the eligible family;

20 (2) the owner of a rental dwelling unit to be oc-
21 cupied by a family assisted under the program shall
22 enter into a contract with the eligible public entity
23 that—

24 (A) provides for making of the assistance
25 payments under the program;

1 (B) has a term not shorter than the term
2 of the lease for the dwelling unit and not longer
3 than 60 months; and

4 (C) provides that the housing shall be sub-
5 ject to the procedures established under section
6 207(b)(3) by the eligible public entity to ensure
7 compliance of the housing with housing codes or
8 quality standards;

9 (3) a family assisted under the program who is
10 purchasing the dwelling occupied by the family shall
11 enter into a contract with the eligible public entity
12 that—

13 (A) provides for the making the assistance
14 payments under the program;

15 (B) has a term not longer than 60 months,
16 which shall be renewable subject only to the
17 availability of amounts, the need for such as-
18 sistance, and compliance by the assisted family
19 with the conditions of the program; and

20 (C) provides that the housing shall be sub-
21 ject to the procedures established under section
22 207(b)(3) by the eligible public entity to ensure
23 compliance of the housing with housing codes or
24 quality standards; and

1 (4) any eligible family on behalf of whom assist-
2 ance is provided under the program and who moves
3 to an affordable dwelling unit located not more than
4 100 miles from the jurisdiction of the eligible public
5 entity providing such assistance may use the assist-
6 ance to rent or purchase the dwelling unit.

7 (f) HOUSING CHOICE ASSISTANCE.—

8 (1) IN GENERAL.—A housing costs assistance
9 program may reserve not more than 20 percent of
10 the amount of assistance available for any fiscal year
11 under the program for use only to provide assistance
12 under the program for eligible families who are mi-
13 nority families and are moving to dwelling units lo-
14 cated in areas without high concentrations of per-
15 sons living in poverty.

16 (2) AUTHORITY TO INCREASE ASSISTANCE.—
17 Notwithstanding subsection (c), the amount of fi-
18 nancial assistance provided under a housing costs
19 assistance program on behalf of an eligible family
20 who meets the requirements for assistance with
21 amounts reserved under this subsection may exceed
22 the amount determined under subsection (c), but
23 only to the extent necessary to enable the family as-
24 sisted to relocate to and maintain residence in an af-

1 affordable dwelling unit in an area described in para-
2 graph (1) of this subsection.

3 (3) AMOUNT OF INCREASE.—In no event may
4 the amount of such financial assistance exceed the
5 sum of—

6 (A) the cost of relocating to a dwelling unit
7 in an area described in paragraph (1); and

8 (B) the difference between (i) the amount
9 by which 125 percent of the fair market rental
10 for a dwelling unit of the size appropriate for
11 the family and located in the applicable housing
12 market (to which the family is moving), and (ii)
13 the lesser of 30 percent of the adjusted income
14 of the family or 5 percent of the gross income
15 of the family.

16 (g) HOUSING COUNSELING.—Each family assisted
17 under a housing costs assistance program shall be pro-
18 vided counseling regarding housing quality, obtaining a
19 decent and affordable dwelling unit, and the choice of a
20 neighborhood in which to reside.

21 (h) REQUIREMENTS FOR HOMEOWNERSHIP ASSIST-
22 ANCE.—The Secretary shall by regulation establish re-
23 quirements applicable to housing costs assistance pro-
24 grams established under this section to provide that, in
25 the case of assistance for purchase of a dwelling unit—

1 (1) such assistance is provided only on behalf of
2 eligible families for whom the terms of the purchase
3 (including the loan amount and interest rate, other
4 financing provisions, and other obligations) are rea-
5 sonable, taking into consideration the assets, income,
6 and obligations of the eligible family assisted; and

7 (2) upon the sale of the dwelling unit by the eli-
8 gible family, the housing costs assistance program
9 shall recapture from any net proceeds of the sale the
10 amount necessary to avoid any unreasonable profit
11 to the eligible family and make such amount avail-
12 able for use under the program.

13 **SEC. 204. HOUSING SUPPLY ASSISTANCE PROGRAM.**

14 (a) REQUIREMENT TO CARRY OUT PROGRAM.—Each
15 eligible public entity that receives grant amounts under
16 paragraph (1)(B), (2)(B), or (3)(B), as applicable, of sec-
17 tion 210(a) shall carry out a housing supply assistance
18 program under this section using such grant amounts to
19 provide financial assistance for increasing the supply of
20 affordable housing in the jurisdiction of the eligible public
21 entity.

22 (b) ELIGIBLE HOUSING DEVELOPMENT ACTIVI-
23 TIES.—

24 (1) IN GENERAL.—A housing supply assistance
25 program shall provide assistance for the development

1 of affordable housing for rental or homeownership.
2 Such assistance may be provided for the acquisition,
3 new construction, reconstruction, and moderate or
4 substantial rehabilitation of affordable housing,
5 which may include costs for real property acquisi-
6 tion, site improvement, conversion, and demolition,
7 financing costs, relocation expenses of any displaced
8 persons, families, businesses, or organizations, rea-
9 sonable administrative and planning costs, and any
10 other expenses as the Secretary may provide.

11 (2) AFFORDABILITY REQUIREMENT.—Any
12 housing for which assistance is provided pursuant to
13 paragraph (1) with grant amounts shall be subject
14 to binding restrictions sufficient to ensure that, for
15 the entire useful life of the housing, the housing is
16 used as affordable housing.

17 (3) COST LIMITS.—The Secretary shall by regu-
18 lation establish limitations on the amount of assist-
19 ance provided under a housing assistance supply
20 program that may be used for administrative, plan-
21 ning, and development costs of affordable housing.

22 (4) REQUIRED NUMBER OF UNITS FOR EX-
23 TREMELY LOW-, VERY LOW-, AND LOW-INCOME FAM-
24 ILIES.—Of the number of dwelling units in housing
25 assisted under this subsection under the housing

1 supply assistance program of an eligible public entity
2 in a fiscal year—

3 (A) the percentage of such number that
4 are subject to binding restrictions ensuring af-
5 fordability to, and priority for occupancy by, ex-
6 tremely low-income families shall not be less
7 than the percentage of low-income renter fami-
8 lies with housing problems in the jurisdiction of
9 the eligible public entity that are extremely low-
10 income families, as determined based on the
11 most recent information available from the Sec-
12 retary;

13 (B) the percentage of such number that
14 are subject to binding restrictions ensuring af-
15 fordability to, and priority for occupancy by,
16 very low-income families shall not be less than
17 the percentage of low-income renter families
18 with housing problems in the jurisdiction of the
19 eligible public entity that are very low-income
20 families (but not extremely low-income fami-
21 lies), as determined based on the most recent
22 information available from the Secretary; and

23 (C) the percentage of such number that
24 are subject to binding restrictions ensuring af-
25 fordability to, and priority for occupancy by,

1 low-income families shall not be less than the
2 percentage of low-income renter families with
3 housing problems in the jurisdiction of the eligi-
4 ble public entity that are low-income families
5 (but not very low-income families), as deter-
6 mined based on the most recent information
7 available from the Secretary.

8 (5) REQUIRED PROPORTION OF RENTAL UNITS
9 TO HOMEOWNERSHIP UNITS.—Of the number of
10 dwelling units in housing assisted under this sub-
11 section under a housing supply assistance program
12 of an eligible public entity in a fiscal year, the per-
13 centage of such number that are units available for
14 rental shall not be less than the percentage that is
15 10 percent less than the percentage of low-income
16 families with housing problems in the jurisdiction of
17 the entity that are renters, as determined based on
18 the most recent information available to the Sec-
19 retary.

20 (6) REQUIRED PROPORTION OF ASSISTED
21 UNITS IN POVERTY AREAS.—Of the number of dwell-
22 ing units in housing assisted under this subsection
23 under a housing supply assistance program of an eli-
24 gible public entity in a fiscal year, the percentage of
25 such number that are located in poverty areas shall

1 not be less than the percentage of the number of
2 low-income families residing within the jurisdiction
3 of the entity that reside within poverty areas, as de-
4 termined based on the most recent information avail-
5 able to the Secretary.

6 (7) ALLOCATION FOR RURAL AREAS.—Of the
7 grant amounts available for a fiscal year for a public
8 entity that is a State to carry out a housing supply
9 assistance program under this section, the State
10 shall allocate an amount for each rural area based
11 on a formula, determined by the Secretary, that de-
12 termines the need for such assistance in each such
13 area based on the number of extremely low- and
14 very low-income families residing in the area. The
15 weight given under the formula to the number of ex-
16 tremely low-income families residing in a rural area
17 shall be twice the weight given under the formula to
18 the number of such very-low income families.

19 (c) ELIGIBLE HOUSING REPAIR ACTIVITIES.—

20 (1) IN GENERAL.—A housing supply assistance
21 program may provide assistance for emergency re-
22 pairs of housing, abatement of lead-based paint, and
23 removal of such other hazards in housing as the Sec-
24 retary shall provide.

1 (2) LIMITATION ON HOUSING ASSISTED.—As-
2 sistance may be provided under paragraph (1) only
3 if—

4 (A) the housing assisted is subject to bind-
5 ing restrictions sufficient to ensure that, for the
6 entire useful life of the housing, the housing is
7 used as affordable housing; or

8 (B) the activities conducted with such as-
9 sistance are conducted on behalf of residents of
10 the housing who are very low-income families to
11 enable such families to remain in the housing.

12 (d) ELIGIBLE HOUSING SERVICES ACTIVITIES.—

13 (1) IN GENERAL.—A housing supply assistance
14 program may provide assistance for carrying out
15 services relating to the development of decent and
16 affordable housing, eliminating segregation in the
17 availability and occupancy of such housing, and im-
18 proving the capacity of moderate-income families to
19 obtain and maintain such housing.

20 (2) ELIGIBLE ACTIVITIES.—Activities eligible
21 for assistance under this subsection shall include—

22 (A) fair housing enforcement activities;

23 (B) counseling relating to housing and
24 neighborhood choice;

1 (C) counseling regarding homeownership
2 and tenant affairs and responsibilities;

3 (D) support services for nonprofit organi-
4 zations engaged in developing or managing af-
5 fordable housing;

6 (E) employment training for moderate-in-
7 come families;

8 (F) development of the capacity of commu-
9 nity housing development organizations and
10 tenant organizations;

11 (G) supportive services for moderate-in-
12 come residents of affordable housing (including
13 day care and job counseling);

14 (H) technical assistance to organizations in
15 developing proposals for assistance under the
16 housing supply assistance program; and

17 (I) other services as the Secretary may
18 provide.

19 (3) LIMITATION ON AVAILABILITY OF
20 AMOUNTS.—The Secretary shall establish, by regula-
21 tion, limitations on the portion of grant amounts for
22 a fiscal year received by an eligible public entity and
23 available for carrying out a housing supply assist-
24 ance program that may be used for services under
25 this subsection. The limitations shall be expressed in

1 terms of percentages of the grant amounts available
2 for carrying out the housing supply assistance pro-
3 gram, none of which may exceed 15 percent and
4 which shall progressively decrease as such amount
5 increases.

6 (e) PROHIBITED USES.—Amounts available for car-
7 rying out a housing assistance supply program may not
8 be used—

9 (1) to provide tenant-based assistance for the
10 rental of a dwelling unit, including providing re-
11 placement units for public housing to meet the re-
12 quirements under section 18 of the United States
13 Housing Act of 1937;

14 (2) provide non-Federal matching contributions
15 required under any other Federal program;

16 (3) provide assistance authorized under section
17 9 of the United States Housing Act of 1937;

18 (4) carry out activities authorized under section
19 14 of the United States Housing Act of 1937; or

20 (5) provide assistance to eligible low-income
21 housing under the provisions of the Emergency Low
22 Income Housing Preservation Act of 1987 or the
23 Low-Income Housing Preservation and Resident
24 Homeownership Act of 1990, except in the case of
25 such assistance in connection with acquisition of the

1 housing by a priority purchaser (as such term is de-
2 fined in section 231(a) of the Low-Income Housing
3 Preservation and Resident Homeownership Act of
4 1990).

5 (f) ECONOMIC OPPORTUNITIES FOR LOW-INCOME
6 PERSONS.—Amounts available to carry out a housing sup-
7 ply assistance program shall be considered the provision
8 of housing assistance for purposes of section 3 of the
9 Housing and Urban Development Act of 1968. The Sec-
10 retary shall issue regulations to carry out the provisions
11 of such section with respect to assistance provided under
12 housing supply assistance programs.

13 (g) ELIGIBLE HOUSING PROVIDERS.—Assistance for
14 activities under this section may be provided to any entity
15 capable, in the determination of the eligible public entity
16 providing the assistance, to carry out such activities, in-
17 cluding nonprofit organizations, cooperative housing orga-
18 nizations, public housing agencies and other public agen-
19 cies, and for-profit housing providers.

20 (h) USE OF ASSISTANCE UNDER OTHER PRO-
21 GRAMS.—Except as provided in subsection (e), amounts
22 available to carry out a housing supply assistance program
23 may be used for activities under other Federal, State, and
24 local programs to the extent the use of such assistance
25 complies with the requirements under this title.

1 **SEC. 205. AFFORDABILITY.**

2 (a) IN GENERAL.—The Secretary shall issue regula-
3 tions establishing requirements that must be met for hous-
4 ing to be considered affordable housing for purposes of
5 this title.

6 (b) CONTENT.—The regulations under subsection (a)
7 shall include requirements regarding—

8 (1) in the case of rental dwelling units, the
9 maximum monthly rents for the units, which shall
10 take into consideration the fair market rentals for
11 the relevant area and, if applicable, the income
12 group for which the unit is to be affordable; and

13 (2) in the case of homeownership dwelling
14 units—

15 (A) the maximum purchase price of the
16 units;

17 (B) resale restrictions appropriate—

18 (i) to allow for subsequent purchase of
19 the property only by an eligible family at
20 a price that will—

21 (I) provide the owner with a fair
22 return on investment, including any
23 improvements; and

24 (II) ensure that the housing will
25 remain affordable; or

1 (ii) to recapture from any net pro-
2 ceeds of the sale the amount necessary to
3 avoid any unreasonable profit to the seller
4 and make such amount available for use
5 under the program; and

6 (3) in the case of multifamily housing—

7 (A) the number or percentage of units in
8 the housing that comply with the applicable re-
9 quirements established under paragraph (1) or
10 (2); and

11 (B) the number or percentage of units in
12 the housing available for occupancy only by eli-
13 gible families.

14 (c) STANDARDS FOR INCOME GROUPS.—The Sec-
15 retary shall issue regulations establishing requirements
16 that must be met for a dwelling unit to be considered af-
17 fordable for purposes of this title for each of the income
18 groups.

19 **SEC. 206. ELIGIBLE PUBLIC ENTITIES.**

20 For purposes of this title, the term “eligible public
21 entity” means, with respect to a fiscal year, a public entity
22 that meets the following requirements:

23 (1) SUBMISSION OF CHAS.—The public entity
24 has submitted to the Secretary a comprehensive
25 housing affordability strategy under section 105 of

1 the Cranston-Gonzalez National Affordable Housing
2 Act for such year that has been approved under such
3 section.

4 (2) DESIGNATION OF RECIPIENT AGENCY.—The
5 public entity has designated or established a public
6 agency of the government of the public entity for
7 purposes of carrying out this title for the public en-
8 tity, which such agency—

9 (A) is governed by a board of directors or
10 other similar governing body whose members—

11 (i) are appointed by the chief execu-
12 tive officer of the government for the pub-
13 lic entity, except that not less than 50 per-
14 cent of the members shall be individuals
15 who were recommended for membership by
16 individuals and entities other than the
17 agency referred to in the matter preceding
18 subparagraph (A) or any official of the
19 government for the public entity or of such
20 agency;

21 (ii) include—

22 (I) not less than 1 individual who
23 is homeless at the time of such ap-
24 pointment or previously was homeless;

- 1 (II) not less than 1 individual
2 who represents a nonprofit organiza-
3 tion significantly engaged in low-in-
4 come housing advocacy activities; and
- 5 (III) not less than 1 individual
6 who represents a nonprofit organiza-
7 tion significantly engaged in providing
8 housing assistance and supportive
9 services to low-income and homeless
10 families; and
- 11 (iii) in the case of an agency for a
12 public entity that is a State, complies with
13 the requirements for geographic distribu-
14 tion that the Secretary shall establish to
15 ensure that the various geographic areas of
16 the State are fairly represented in the
17 membership of the governing body; and
- 18 (B) complies with requirements that the
19 Secretary shall establish to ensure that the
20 agency is capable of carrying out activities
21 under this title for the public entity, including
22 receiving and distributing the grant for the
23 public entity, conducting activities under sec-
24 tions 203 and 204 or selecting subgrantee orga-
25 nizations and entities to undertake such activi-

1 ties, and monitoring such activities in accord-
2 ance with section 212(a).

3 (3) PLAN.—The public entity has submitted to
4 the Secretary a Trust Fund grant plan in accord-
5 ance with section 208 for the fiscal year that has
6 been approved by the Secretary under such section.

7 (4) COMPLIANCE WITH PROGRAM REQUIRE-
8 MENTS.—The public entity has entered into an
9 agreement with the Secretary, as the Secretary may
10 require, to comply with the provisions of this title
11 and the Trust Fund grant plan for such year for the
12 entity that is approved by the Secretary.

13 **SEC. 207. REQUIREMENTS OF ELIGIBLE PUBLIC ENTITIES.**

14 (a) CITIZEN PARTICIPATION PROCEDURES.—Each
15 eligible public entity that receives grant amounts for a fis-
16 cal year shall establish procedures, in accordance with reg-
17 ulations that the Secretary shall issue to carry out this
18 subsection, to ensure the participation of citizens in deter-
19 minations relating to the programs for assistance under
20 sections 203 and 204, subject to the following require-
21 ments:

22 (1) COVERED ISSUES.—The citizen participa-
23 tion procedures under this subsection shall apply to
24 any determinations made for the eligible public en-
25 tity regarding the following issues:

1 (A) Identifying the housing needs of the
2 entity and priorities for use of grant amounts
3 for addressing such needs.

4 (B) Developing requirements and proce-
5 dures for expending grant amounts.

6 (C) Reviewing proposals for assistance
7 with grant amounts and determining the alloca-
8 tion of grant amounts among such proposals.

9 (D) Monitoring and reviewing the perform-
10 ance of the eligible public entity in complying
11 with the Trust Fund grant plan of the entity.

12 (E) Recommending and developing im-
13 provements in the operations of the eligible
14 public entity to implement the Trust Fund
15 grant plan of the entity.

16 (F) Amending or changing the Trust Fund
17 grant plan for the entity.

18 (G) Submitting a performance review
19 under section 212(a) for the entity.

20 (H) Establishing a system of local pref-
21 erences under section 203(d)(2) for housing
22 costs assistance.

23 (I) Such other issues as the Secretary may
24 provide.

1 (2) PROCEDURE.—The citizen participation re-
2 quirements under this subsection for an eligible pub-
3 lic entity shall provide for—

4 (A) public hearings to obtain the views of
5 citizens, public agencies, and other interested
6 parties regarding significant actions referred to
7 in paragraph (1), which shall be conducted a
8 reasonable period of time before any such ac-
9 tion is taken;

10 (B) publication of each performance review
11 under section 212(a) and any substantial
12 amendment to or change in the Trust Fund
13 grant plan for the entity; and

14 (C) a procedure for submission of com-
15 plaints and grievances regarding the operation
16 of the programs of the public entity assisted
17 under this title and for a written response by
18 the public entity to each such grievance and
19 complaint not later than 15 days after submis-
20 sion.

21 (b) HOUSING QUALITY STANDARDS AND ENFORCE-
22 MENT.—

23 (1) SECTION 8 STANDARDS.—Except as pro-
24 vided in paragraph (2), each dwelling unit assisted
25 with grant amounts shall be maintained in the con-

1 dition that is required under the housing quality
2 standards established under section 8 of the United
3 States Housing Act of 1937 with respect to dwelling
4 units assisted under such section.

5 (2) ESTABLISHMENT OF LOCAL STANDARDS.—
6 Each dwelling unit assisted with grant amounts pro-
7 vided to an eligible public entity whose jurisdiction
8 is subject to a housing code or quality standards
9 that have been determined by the Secretary to pro-
10 vide protection for the health and safety of housing
11 residents equivalent to or greater than the protection
12 provided by the standards applicable to housing as-
13 sisted under section 8 of the United States Housing
14 Act of 1937 shall be maintained in compliance with
15 such local code or standards.

16 (3) ENFORCEMENT.—Each eligible public entity
17 that receives grant amounts for a fiscal year shall
18 have in effect procedures, in accordance with regula-
19 tions that the Secretary shall issue to carry out this
20 paragraph, to ensure that each dwelling unit of
21 housing assisted with grant amounts is maintained
22 in accordance with the housing code or quality
23 standards applicable under paragraph (1) or (2).
24 Such procedures may include providing for the vol-
25 untary transfer of housing that violates such code or

1 standards in a significant manner to an owner who
2 will remedy such violations and maintain the hous-
3 ing in accordance with such code or standards.

4 (c) PREVENTION OF DISPLACEMENT.—

5 (1) IN GENERAL.—Each eligible public entity
6 that receives grant amounts for a fiscal year shall
7 establish standards and procedures, in accordance
8 with regulations established by the Secretary, to
9 minimize the displacement of moderate-income fami-
10 lies by activities conducted in whole or in part with
11 grant amounts.

12 (2) RELOCATION ASSISTANCE.—The standards
13 and procedures shall ensure that any such family in-
14 voluntarily displaced by such activities—

15 (A) is provided assistance under the hous-
16 ing costs assistance program, if such family is
17 an eligible family; and

18 (B) is provided assistance in obtaining and
19 relocating to a reasonable and suitable alter-
20 native dwelling unit of decent and affordable
21 housing.

22 (d) PROHIBITION OF ASSISTANCE BY STATES FOR
23 ENTITLEMENT COMMUNITIES.—An eligible public entity
24 that is a State that receives grant amounts for a fiscal
25 year may not use any of such amounts for carrying out

1 eligible activities under section 202(a) in entitlement com-
2 munities within the State.

3 (e) ENFORCEMENT OF REQUIREMENTS.—Each eligi-
4 ble public entity that receives grant amounts for a fiscal
5 year shall have in effect procedures, in accordance with
6 regulations that the Secretary shall issue to carry out this
7 subsection, to ensure that any grant amounts provided to
8 any subgrantee to carry out a housing costs assistance
9 program or a housing supply assistance program are used
10 in accordance with the requirements of this title.

11 **SEC. 208. TRUST FUND GRANT PLANS.**

12 (a) REQUIREMENTS FOR APPROVAL.—A Trust Fund
13 grant plan for a public entity for a fiscal year is in accord-
14 ance with this section only if the plan complies with follow-
15 ing requirements:

16 (1) SUBMISSION.—The plan is submitted not
17 later than 90 days before the commencement of the
18 fiscal year by the agency of the public entity des-
19 ignated under section 206(2).

20 (2) HOUSING COSTS ASSISTANCE PROGRAM.—
21 The plan—

22 (A) provides for using grant amounts to
23 the extent provided in section 202(b)(1)(A) to
24 carry out a housing costs assistance program in

1 accordance with section 203 within the jurisdic-
2 tion of the public entity;

3 (B) describes how assistance will be pro-
4 vided under the program to assist minority
5 families to move to areas without high con-
6 centrations of persons living in poverty;

7 (C) describes how families receiving assist-
8 ance under the program will be provided coun-
9 seling in accordance with section 203(g); and

10 (D) describes the operation of the program
11 and identifies and describes the entities admin-
12 istrating the program.

13 (3) HOUSING SUPPLY ASSISTANCE PROGRAM.—

14 The plan—

15 (A) provides for using grant amounts to
16 the extent provided in section 202(b)(1)(B) to
17 carry out a housing supply assistance program
18 in accordance with section 204 within the juris-
19 diction of the public entity;

20 (B) describes, for each income group, the
21 shortage of decent housing in the jurisdiction of
22 the public entity that is affordable for the in-
23 come group;

24 (C) describes how, and the extent to which,
25 the program will remedy such shortages;

1 (D) describes the priorities for the types of
2 housing to be provided under the program, the
3 areas for locating housing to be provided under
4 the program, and the families to be offered oc-
5 cupancy in such housing;

6 (E) describes how the program will comply
7 with the requirements under section 207(c) re-
8 garding avoiding displacement and providing
9 assistance for families involuntarily displaced;

10 (F) describes the provisions under the pro-
11 gram to comply with section 207(b) regarding
12 ensuring housing quality; and

13 (G) describes the operation of the program
14 and identifies and describes the entities admin-
15 istrating the program.

16 (4) CERTIFICATION OF PREVIOUS COMPLI-
17 ANCE.—With respect to fiscal year 1996 and subse-
18 quent fiscal years, the plan contains a certification
19 that, for the most recent fiscal year for which the el-
20 igible public entity received a grant under this title,
21 the entity complied with the requirements under this
22 title.

23 (5) CITIZEN PARTICIPATION IN PREPARA-
24 TION.—The public entity has, in preparing the
25 plan—

1 (A) made available to citizens, public agen-
2 cies, and other interested parties reasonable
3 and timely access to meetings, information, and
4 records relating to any amounts the entity has
5 received under this title in previous years, the
6 amount the entity expects to receive for the fis-
7 cal year under this title, and the proposed uses
8 of the grant amounts;

9 (B) published the proposed plan in a man-
10 ner that, in the determination of the Secretary,
11 affords affected citizens, public agencies, and
12 other interested parties a reasonable oppor-
13 tunity to examine its content and to submit
14 comments on the proposed plan;

15 (C) held 1 or more public hearings to ob-
16 tain the views of citizens, public agencies, and
17 other interested parties on the needs of the
18 public entity with respect to eligible families
19 and the supply of affordable housing;

20 (D) considered any comments or views of
21 citizens in preparing the final plan for submis-
22 sion under this section and attached a summary
23 of such comments or views to the plan submit-
24 ted; and

1 (E) made the plan submitted available to
2 the public.

3 (6) ONGOING CITIZEN PARTICIPATION.—The
4 plan describes the procedures for ongoing citizen
5 participation required under section 207(a).

6 (7) HOUSING QUALITY ENFORCEMENT MEAS-
7 URES.—The plan describes the procedures developed
8 to comply with the requirement under section
9 207(b)(3) to enforce the housing code or quality
10 standards applicable to housing assisted under this
11 title.

12 (8) OTHER.—The plan contains any other in-
13 formation that the Secretary considers appropriate
14 to carry out the purposes of this title.

15 (b) REVIEW.—

16 (1) IN GENERAL.—Upon the submission of a
17 Trust Fund grant plan under this section, the Sec-
18 retary shall review the plan to determine whether it
19 is in accordance with this section. Not later than 90
20 days after receipt by the Secretary, the Secretary
21 shall approve the plan unless the Secretary deter-
22 mines that it has not been submitted in accordance
23 with this section, in which case the Secretary shall
24 disapprove the plan.

1 (2) NOTIFICATION.—The Secretary shall imme-
2 diately notify the public entity submitting a plan, in
3 writing, of any approval or disapproval of the plan.
4 A plan shall be considered to have been approved
5 under this subsection for purposes of section 206(3)
6 unless the Secretary provides notice under this para-
7 graph of disapproval during the period referred to
8 paragraph (1) of this subsection.

9 (3) DISAPPROVAL.—In the case of a plan dis-
10 approved by the Secretary, the Secretary shall in-
11 clude with the notification of disapproval a written
12 description of the reasons for the disapproval identi-
13 fying the specific deficiencies of the plan.

14 (4) AMENDMENTS AND RESUBMISSION.—Any
15 public entity whose plan has been disapproved may
16 amend or resubmit the plan during the 60-day pe-
17 riod beginning upon notice of disapproval. The Sec-
18 retary shall review, and approve or disapprove, a
19 plan amended or resubmitted under this paragraph
20 not later than 60 days after receipt of the resubmit-
21 ted plan, and shall immediately notify the public en-
22 tity amending or resubmitting the plan, in writing,
23 of such approval or disapproval. A plan resubmitted
24 or amended under this paragraph shall be consid-
25 ered to have been approved under this subsection for

1 purposes of section 206(3) unless the Secretary pro-
2 vides notice under this paragraph of disapproval
3 during such period.

4 (c) UPDATED PLANS.—A public entity may, for any
5 fiscal year, submit to the Secretary a Trust Fund grant
6 plan that was submitted by the public entity for a preced-
7 ing fiscal year and approved under this section by the Sec-
8 retary, together with written changes or amendments to
9 such plan. Such plan, together with such changes and
10 amendments, shall be considered for purposes of this title
11 to be the Trust Fund grant plan submitted by such public
12 entity for the fiscal year.

13 **SEC. 209. ALLOCATION OF TRUST FUND AMOUNTS FOR**
14 **STATES, ENTITLEMENT COMMUNITIES, AND**
15 **INDIAN TRIBES.**

16 (a) SET ASIDE FOR HUD ADMINISTRATIVE ACTIVI-
17 TIES.—For each fiscal year, the Secretary shall reserve
18 for activities under section 213 an amount equal to 1 per-
19 cent of the total amounts available for the fiscal year to
20 carry out this title.

21 (b) ENTITLEMENT COMMUNITIES.—

22 (1) IN GENERAL.—In each fiscal year, the Sec-
23 retary shall allocate a portion of the total Fund
24 grant amounts (as such term is defined in section
25 217) for the fiscal year for grants under this title

1 for eligible public entities that are entitlement com-
2 munities.

3 (2) AMOUNT.—For a fiscal year, the amount al-
4 located for entitlement communities pursuant to
5 paragraph (1) shall bear the same ratio to the total
6 Fund grant amounts for the fiscal year that—

7 (A) the number of low-income families with
8 a housing problem who reside in an entitlement
9 community that is an eligible public entity,
10 bears to

11 (B) the total number (for all States) of
12 low-income families with a housing problem.

13 (c) INDIAN TRIBES.—

14 (1) IN GENERAL.—In each fiscal year, the Sec-
15 retary shall allocate a portion of the total Fund
16 grant amounts for the fiscal year for eligible public
17 entities that are Indian tribes.

18 (2) AMOUNT.—For a fiscal year, the amount al-
19 located for Indian tribes pursuant to paragraph (1)
20 shall bear the same ratio to the total Fund grant
21 amounts for the fiscal year that—

22 (A) the number of low-income families
23 who—

24 (i) have a housing problem,

1 (ii) have a head of household who is
2 a member of an Indian tribe, and

3 (iii) reside on Indian land,

4 bears to

5 (B) the total number (for all States) of
6 low-income families with a housing problem.

7 (d) STATES.—

8 (1) IN GENERAL.—In each fiscal year, the Sec-
9 retary shall allocate a portion of the total Fund
10 grant amounts for the fiscal year for eligible public
11 entities that are States.

12 (2) AMOUNT.—For a fiscal year, the amount al-
13 located for States pursuant to paragraph (1) shall
14 be equal to the difference between—

15 (A) the total Fund grant amounts for the
16 fiscal year; and

17 (B) the sum of the portions for allocation
18 for the fiscal year for entitlement communities
19 and Indian tribes, as determined under sub-
20 sections (b) and (c), respectively.

21 (e) SOURCE OF INFORMATION REGARDING FAMILIES
22 WITH A HOUSING PROBLEM.—In determining the ratios
23 under subsections (b)(2) and (c)(2), the Secretary shall
24 use the most recent information regarding the number of
25 families with housing problems tabulated by the Bureau

1 of the Census, Department of Commerce, pursuant to in-
2 formation compiled for use in preparing the comprehensive
3 housing affordability strategies submitted by participating
4 jurisdictions under section 105 of the Cranston-Gonzalez
5 National Affordable Housing Act.

6 **SEC. 210. GRANT ALLOTMENTS.**

7 (a) IN GENERAL.—The amount of the allotment for
8 an eligible public entity for a fiscal year shall be deter-
9 mined as follows:

10 (1) ENTITLEMENT COMMUNITIES.—For an eli-
11 gible public entity that is an entitlement community,
12 the amount of the allotment shall be the sum of the
13 following amounts:

14 (A) HIGH HOUSING COSTS.—The product
15 of—

16 (i) 67 percent of the amount of the al-
17 location under section 209(b) for the fiscal
18 year for entitlement communities, and

19 (ii) the high housing cost ratio under
20 subsection (b)(1) for the entitlement com-
21 munity,

22 as adjusted by the Secretary in accordance with
23 subsection (c).

24 (B) AFFORDABLE HOUSING SUPPLY.—The
25 product of—

1 (i) 33 percent of the amount of the al-
2 location under section 209(b) for the fiscal
3 year for entitlement communities; and

4 (ii) the affordable housing supply mul-
5 tiplier under subsection (d) for the entitle-
6 ment community.

7 (2) INDIAN TRIBES.—For an eligible public en-
8 tity that is an Indian tribe, the amount of the allot-
9 ment shall be the sum of the following amounts:

10 (A) HIGH HOUSING COSTS.—The product
11 of—

12 (i) 67 percent of the amount of the al-
13 location under section 209(c) for the fiscal
14 year for Indian tribes, and

15 (ii) the high housing cost ratio under
16 subsection (b)(2) for the Indian tribe,
17 as adjusted by the Secretary in accordance with
18 subsection (c).

19 (B) AFFORDABLE HOUSING SUPPLY.—The
20 product of—

21 (i) 33 percent of the amount of the al-
22 location under section 209(c) for the fiscal
23 year for Indian tribes; and

1 (ii) the affordable housing supply mul-
2 tiplier under subsection (d) for the Indian
3 tribe.

4 (3) STATES.—For an eligible public entity that
5 is a State, the amount of the allotment shall be the
6 sum of the following amounts:

7 (A) HIGH HOUSING COSTS.—The product
8 of—

9 (i) 67 percent of the amount of the al-
10 location under section 209(d) for the fiscal
11 year for States, and

12 (ii) the high housing cost ratio under
13 subsection (b)(3) for the State,
14 as adjusted by the Secretary in accordance with
15 subsection (c).

16 (B) AFFORDABLE HOUSING SUPPLY.—The
17 product of—

18 (i) 33 percent of the amount of the al-
19 location under section 209(d) for the fiscal
20 year for States; and

21 (ii) the affordable housing supply mul-
22 tiplier under subsection (d) for the State.

23 (b) HIGH HOUSING COST RATIO.—The ratio under
24 this subsection for an eligible public entity shall be—

1 (1) in the case of an entitlement community,
2 the ratio of—

3 (A) the number of families residing in the
4 entitlement community who pay more than 50
5 percent of the gross family income for housing
6 costs, to

7 (B) the total number of families residing in
8 entitlement communities who pay more than 50
9 percent of the gross family income for housing
10 costs;

11 (2) in the case of an Indian tribe, the ratio of—

12 (A) number of families who—

13 (i) pay more than 50 percent of the
14 gross family income for housing costs,

15 (ii) have a head of household who is
16 a member of the tribe, and

17 (iii) reside on Indian land of the tribe,
18 to

19 (B) the total number of families who—

20 (i) pay more than 50 percent of the
21 gross family income for housing costs,

22 (ii) have a head of household who is
23 a member of an Indian tribe, and

24 (iii) reside on Indian land; and

25 (3) in the case of a State, the ratio of—

1 (A) the number of families residing in the
2 State (but not within an entitlement commu-
3 nity) who pay more than 50 percent of the
4 gross family income for housing costs, to

5 (B) the total number of families residing in
6 all States (but not within an entitlement com-
7 munity) who pay more than 50 percent of the
8 gross family income for housing costs.

9 (c) ADJUSTMENT FOR HIGH HOUSING COSTS.—Ad-
10 justment of an amount for an eligible public entity in ac-
11 cordance with this subsection shall be an adjustment to
12 the extent necessary to reflect the cost of affordable hous-
13 ing in the eligible public entity relative to the cost of af-
14 fordable housing in other eligible entities, as determined
15 by the Secretary. Any adjustment of amounts for a fiscal
16 year in accordance with this subsection shall be made in
17 such amounts so that the sum of the allotments for all
18 eligible public entities resulting from paragraphs (1)(A),
19 (2)(A), and (3)(A) of subsection (a) is equal to 67 percent
20 of the total Fund grant amounts for the fiscal year.

21 (d) AFFORDABLE HOUSING SUPPLY MULTIPLIER.—

22 (1) IN GENERAL.—The Secretary shall, by reg-
23 ulation, establish a formula to determine, for each
24 eligible public entity, a number (for purposes of this
25 section referred to as the “affordable housing supply

1 multiplier”) that reflects the share, for each eligible
2 public entity, of the total need in all States for addi-
3 tional units of decent housing that is permanently
4 affordable for extremely low-, very low-, and low-in-
5 come families of different size relative to the share
6 of such need for other eligible public entities, as ad-
7 justed to take into consideration prevailing levels of
8 construction and rehabilitation costs.

9 (2) FACTORS.—The formula established pursu-
10 ant to paragraph (1) shall be based on objective
11 measures of inadequate housing supply, including—

12 (A) population growth;

13 (B) costs of acquiring, rehabilitating, and
14 constructing affordable housing;

15 (C) relative fiscal incapacity to carry out
16 activities under section 204 without Federal as-
17 sistance; and

18 (D) special housing needs.

19 (e) DE MINIMIS RULE.—Notwithstanding subsection

20 (a)—

21 (1) if the allotment determined under sub-
22 section (a)(1) for an entitlement community is less
23 than \$750,000, the amount of the allotment for the
24 entitlement community shall instead be \$750,000,

1 and the allotment for each other entitlement commu-
2 nity shall be adjusted on a pro rata basis;

3 (2) if the allotment determined under sub-
4 section (a)(2) for an Indian tribe is less than
5 \$500,000, the amount of the allotment for the In-
6 dian tribe shall instead be \$500,000, and the allot-
7 ment for each other Indian tribe shall be adjusted
8 on a pro rata basis; and

9 (3) if the allotment determined under sub-
10 section (a)(3) for a State is less than \$2,000,000,
11 the amount of the allotment for the State shall in-
12 stead be \$2,000,000, and the allotment for each
13 other State shall be adjusted on a pro rata basis.

14 **SEC. 211. MAINTENANCE OF STATE AND LOCAL EFFORT.**

15 Assistance provided with grant amounts may not be
16 used to replace other public funds previously used, or des-
17 ignated for use, for activities of the type eligible to be as-
18 sisted under this title.

19 **SEC. 212. COMPLIANCE.**

20 (a) **MONITORING AND PERFORMANCE REPORTS.**—

21 (1) **IN GENERAL.**—Each eligible public entity
22 shall monitor the programs for assistance under this
23 title carried out by the entity and activities assisted
24 under such programs, and annually conduct a review
25 of the progress made in carrying out the Trust

1 Fund grant plan for the entity. Each eligible public
2 entity shall annually submit a report on such mon-
3 itoring and review, in the form established by the
4 Secretary, which shall include information describing
5 the number and types of families served, including
6 the number of families in each income group as-
7 sisted under this title and the racial and ethnic sta-
8 tus of persons assisted.

9 (2) SUBMISSION.—The Secretary shall establish
10 dates for submission of reports under this subsection
11 and review the reports and make such recommenda-
12 tions as the Secretary considers appropriate to carry
13 out the purposes of this title.

14 (3) FAILURE TO REPORT.—If an eligible public
15 entity fails to submit a report to the Secretary in a
16 timely manner or the Secretary determines that the
17 report is incomplete, assistance under this title to
18 the entity may be—

19 (A) withheld until a report satisfactory to
20 the Secretary is submitted; or

21 (B) withdrawn and credited to the Fund
22 for reallocation under section 209 of this title
23 in the succeeding fiscal year, but only if the
24 Secretary determines on the record, after notice
25 to the entity and an opportunity for a hearing,

1 that the entity will not submit a satisfactory re-
2 port.

3 (b) PERFORMANCE REVIEW BY SECRETARY.—

4 (1) IN GENERAL.—The Secretary shall review
5 the activities of each eligible public entity that re-
6 ceives grant amounts for a fiscal year in a timely
7 manner after the conclusion of such fiscal year.
8 Such review shall include regular on-site visits in ac-
9 cordance with a schedule established by the Sec-
10 retary and assessment of—

11 (A) management of grant amounts pro-
12 vided to the eligible public entity;

13 (B) compliance by the eligible public entity
14 with the Trust Fund grant plan of the entity;

15 (C) the accuracy of eligible public entity in
16 preparing performance reports under subsection
17 (a); and

18 (D) efforts of the eligible public entity to
19 ensure that housing assisted with grant
20 amounts are maintained in compliance with
21 contractual agreements and the requirements
22 under this title.

23 (2) REPORT.—For each eligible public entity
24 that submits a performance review under subsection
25 (a), the Secretary shall submit to the entity a writ-

1 ten preliminary report evaluating the performance
2 review. During the 30-day period beginning upon
3 submission of the report, the eligible public entity
4 may submit to the Secretary comments regarding
5 the report. After reviewing such comments but not
6 later than 30 days after the conclusion of such pe-
7 riod, the Secretary shall submit to the eligible public
8 entity a final report evaluating the performance re-
9 port of the entity. Upon submission to the eligible
10 public entity, the Secretary shall make the final re-
11 port, together with the comments submitted by the
12 entity, publicly available.

13 (c) REMEDIES FOR NONCOMPLIANCE WITH PRO-
14 GRAM REQUIREMENTS.—

15 (1) AVAILABLE REMEDIES.—If the Secretary
16 finds on the record, after reasonable notice and op-
17 portunity for hearing, that an eligible public entity
18 has failed to comply substantially with any provision
19 of this title, the Secretary, until the Secretary deter-
20 mines that there is no longer any such failure to
21 comply, shall take one or more of the following ac-
22 tions:

23 (A) Termination of the payment of assist-
24 ance under this title to the entity.

1 (B) Reduction of the amount of assistance
2 under this title to the entity by an amount
3 equal to the amount of such payments which
4 were not expended in accordance with this title.

5 (C) Limitation of the availability of pay-
6 ments under this title to programs, projects, or
7 activities not affected by such failure to comply.

8 (D) Termination of the allotment for the
9 entity for subsequent fiscal years.

10 (2) CIVIL ACTION.—

11 (A) AVAILABILITY.—In lieu of, or in addi-
12 tion to, any action authorized by paragraph (1),
13 the Secretary may, if the Secretary has reason
14 to believe that an eligible public entity has
15 failed to comply substantially with any provision
16 of this title, refer the matter to the Attorney
17 General of the United States with a rec-
18 ommendation that an appropriate civil action be
19 commenced.

20 (B) RELIEF SOUGHT.—Upon such a refer-
21 ral the Attorney General may bring a civil ac-
22 tion in any United States district court having
23 venue thereof for such relief as may be appro-
24 priate, including an action to recover the
25 amount of the assistance provided under this

1 title which was not expended in accordance with
2 this title, or for mandatory or injunctive relief.

3 (3) PETITION FOR REVIEW.—

4 (A) AVAILABILITY.—Any eligible public en-
5 tity which receives notice under paragraph (1)
6 of the termination, reduction, or limitation of
7 payments under this title may, within 60 days
8 after receiving such notice, file with the United
9 States Court of Appeals for the circuit in which
10 such State is located, or in the United States
11 Court of Appeals for the District of Columbia,
12 a petition for review of the Secretary's action.
13 The petitioner shall forthwith transmit copies of
14 the petition to the Secretary and the Attorney
15 General of the United States, who shall rep-
16 resent the Secretary in the litigation.

17 (B) FILING OF RECORD.—The Secretary
18 shall file in the court a record of the proceeding
19 on which the Secretary based the action, as pro-
20 vided in section 2112 of title 28, United States
21 Code. No objection to the action of the Sec-
22 retary shall be considered by the court unless
23 such objection has been urged before the Sec-
24 retary.

1 (C) RULES OF PROCEEDING.—The court
2 shall have jurisdiction to affirm or modify the
3 action of the Secretary or to set it aside in
4 whole or in part. The findings of fact by the
5 Secretary, if supported by substantial evidence
6 on the record considered as a whole, shall be
7 conclusive. The court may order additional evi-
8 dence to be taken by the Secretary, and to be
9 made part of the record. The Secretary may
10 modify findings of fact made by the Secretary,
11 or make new findings, by reason of the new evi-
12 dence so taken and filed with the court, and the
13 Secretary shall also file such modified or new
14 findings, which findings with respect to ques-
15 tions of fact shall be conclusive if supported by
16 substantial evidence on the record considered as
17 a whole, and shall also file a recommendation,
18 if any, for the modification or setting aside of
19 the original action of the Secretary.

20 (D) JURISDICTION.—Upon the filing of the
21 record with the court, the jurisdiction of the
22 court shall be exclusive and its judgment shall
23 be final, except that such judgment shall be
24 subject to review by the Supreme Court of the
25 United States upon writ of certiorari or certifi-

1 cation as provided in section 1254 of title 28,
2 United State Code.

3 **SEC. 213. ADMINISTRATIVE EXPENSES.**

4 The Secretary may use the amounts reserved under
5 section 209(a) for a fiscal year for conducting perform-
6 ance reviews under section 212(b), for costs of the Hous-
7 ing Trust Fund Advisory Committee under section 213,
8 and for costs of administration relating to carrying out
9 this title.

10 **SEC. 214. HOUSING TRUST FUND PROGRAM ADVISORY**
11 **COMMITTEE.**

12 (a) ESTABLISHMENT.—There is hereby established
13 the Housing Trust Fund Advisory Committee (in this sec-
14 tion referred to as the “Committee”).

15 (b) MEMBERSHIP.—

16 (1) APPOINTMENT.—The Committee shall be
17 composed of an odd number of members, which is
18 not less than 7 and not more than 15, who shall be
19 appointed by the Secretary of Housing and Urban
20 Development.

21 (2) EXPERIENCE.—Not less than a majority of
22 the members of the Committee shall be individuals
23 who—

24 (A) represent the interests of low-income
25 families; or

1 (B) have experience in issues regarding
2 providing affordable housing for low-income
3 families and in working on such issues with
4 low-income families.

5 (c) CHAIRPERSON.—The Chairperson of the Commit-
6 tee shall be designated by the Secretary at the time of
7 appointment.

8 (d) TERMS.—

9 (1) IN GENERAL.—Each member of the Com-
10 mittee shall be appointed for a term of 4 years, ex-
11 cept as provided in paragraphs (2) and (3).

12 (2) TERMS OF INITIAL APPOINTEES.—As des-
13 ignated by the Secretary at the time of appointment,
14 of the members first appointed—

15 (A) not less than 1 shall be appointed for
16 a term of 1 year;

17 (B) not less than 2 shall be appointed for
18 terms of 2 years;

19 (C) not less than 2 shall be appointed for
20 terms of 3 years; and

21 (D) not less than 2 shall be appointed for
22 terms of 4 years.

23 (3) VACANCIES.—Any member appointed to fill
24 a vacancy occurring before the expiration of the
25 term for which the member's predecessor was ap-

1 pointed shall be appointed only for the remainder of
2 such term.

3 (e) DUTIES.—The Committee shall meet not less
4 than annually to—

5 (1) review the use by eligible public entities of
6 amounts provided under this title to the entities
7 from the Fund;

8 (2) make recommendations to the Adminis-
9 trator for changes in Federal policy to further the
10 purposes of this title; and

11 (3) consider such other matters relating to the
12 Fund and the housing costs assistance and housing
13 supply assistance programs under this title as the
14 Committee considers appropriate or requested by the
15 Secretary, including—

16 (A) reviewing the allocation of amounts
17 under section 209;

18 (B) periodically reviewing the formulas and
19 system for grant allotments under section 210,
20 including the establishment of the high housing
21 cost ratios, adjustments for high housing costs,
22 and affordable housing supply multipliers; and

23 (C) analyzing the adequacy of the grant al-
24 lotments determined under section 210 for ena-

1 bling public entities to respond to the housing
2 needs in their jurisdictions.

3 (f) REIMBURSEMENT FOR EXPENSES.—Members of
4 the Committee shall serve without pay, but, to the extent
5 amounts are available pursuant to section 209, shall be
6 entitled to reimbursement for travel, subsistence, and
7 other necessary expenses incurred in the performance of
8 their duties.

9 (g) EXEMPTION FROM AUTOMATIC TERMINATION
10 PROVISIONS.—Section 14(a)(2)(B) of the Federal Advi-
11 sory Committee Act (5 U.S.C. App.; relating to the termi-
12 nation of advisory committees) shall not apply to the Com-
13 mittee.

14 **SEC. 215. ADMINISTRATOR OF TRUST FUND IN DEPART-**
15 **MENT OF HOUSING AND URBAN DEVELOP-**
16 **MENT.**

17 Section 4 of the Department of Housing and Urban
18 Development Act (42 U.S.C. 3533) is amended by adding
19 at the end the following new subsection:

20 “(g) ADMINISTRATOR OF TRUST FUND.—There shall
21 be in the Department an Administrator of the Housing
22 Trust Fund, who shall be appointed by the President by
23 and with the advice and consent of the Senate, who shall
24 be responsible, on behalf of the Secretary, for administer-
25 ing amounts in the Housing Trust Fund established under

1 section 9512 of the Internal Revenue Code of 1986 in ac-
2 cordance with title II of the Federal Housing Trust Fund
3 Act of 1994.”.

4 **SEC. 216. DEFINITIONS.**

5 For purposes of this title, the following definitions
6 shall apply:

7 (1) The term “adjusted income” means, with
8 respect to a family, the income of the family (from
9 all sources) which remains after excluding—

10 (A) \$550 for each member of the family
11 residing in the household (other than the head
12 of the household or his spouse) who is under 18
13 years of age or who is 18 years of age or older
14 and is disabled or handicapped or a full-time
15 student;

16 (B) \$400 for any elderly or disabled fam-
17 ily;

18 (C) the amount by which the aggregate of
19 the following expenses of the family exceeds 3
20 percent of annual family income: (i) medical ex-
21 penses for any family, and (ii) reasonable at-
22 tendant care and auxiliary apparatus expenses
23 for each handicapped member of any family, to
24 the extent necessary to enable any member of

1 such family (including such handicapped mem-
2 ber) to be employed;

3 (D) child care expenses to the extent nec-
4 essary to enable another member of the family
5 to be employed or to further his or her edu-
6 cation;

7 (E) 10 percent of the earned income of the
8 family;

9 (F) any payment made by a member of the
10 family for the support and maintenance of any
11 child, spouse, or former spouse who does not re-
12 side in the household, except that the amount
13 excluded under this subparagraph shall not ex-
14 ceed the lesser of (i) the amount that such fam-
15 ily member has a legal obligation to pay; or (ii)
16 \$550 for each individual for whom such pay-
17 ment is made;

18 (G) an amount equal to 50 percent of ag-
19 gregate amount of personal exemptions allowed
20 under section 151 of the Internal Revenue Code
21 of 1986 for the family; and

22 (H) excessive travel expenses, not to ex-
23 ceed \$25 per family per week, for employment-
24 or education-related travel.

1 (2) The term “affordable” means, with respect
2 to a particular income group, that a dwelling unit
3 complies with the requirements established under
4 section 205(c) for the income group.

5 (3) The term “affordable housing” means hous-
6 ing that complies with the requirements established
7 under section 205(a).

8 (4) The term “city” has the meaning given the
9 term in section 102(a) of the Housing and Commu-
10 nity Development Act of 1974.

11 (5) The term “community housing development
12 organization” has the meaning given the term in
13 section 104 of the Cranston-Gonzalez National Af-
14 fordable Housing Act.

15 (6) The term “decent” means, with respect to
16 housing, that the housing is maintained in the condi-
17 tion required by the housing quality standards estab-
18 lished under section 8 of the United States Housing
19 Act of 1937 with respect to dwelling units assisted
20 under such section or in compliance with the re-
21 quirement under paragraph (2) of section 207(b), if
22 applicable.

23 (7) The term “eligible family” means a house-
24 hold, including a single person, for whom the fair
25 market rental of a dwelling unit of the size appro-

1 appropriate for the household and located in the jurisdic-
2 tion of the eligible public entity providing assistance
3 under this title for the family exceeds 30 percent of
4 the household's adjusted monthly income.

5 (8) The term "eligible public entity" means a
6 public entity that meets the requirements of section
7 206.

8 (9) The term "entitlement community" means,
9 with respect to a fiscal year—

10 (A) any city within a metropolitan area
11 which is the central city of such area, as de-
12 fined and used by the Director of the Office of
13 Management and Budget;

14 (B) any other city, within a metropolitan
15 area that has a population of 100,000 or more;

16 (C) any county that is classified for the fis-
17 cal year as an urban county for purposes of the
18 community development block grant program
19 under title I of the Housing and Community
20 Development Act of 1974; or

21 (D) any consortia of units of general local
22 government that the Secretary determines has
23 sufficient authority and administrative capacity
24 to carry out the functions of an entitlement

1 community under this title on behalf of its
2 member jurisdictions.

3 (10) The term “extremely low-income family”
4 means a household whose income does not exceed 30
5 percent of the median income for the area, as deter-
6 mined by the Secretary with adjustments for smaller
7 and larger households.

8 (11) The term “fair market rental” means the
9 fair market rental for a dwelling unit established
10 under section 8 of the United States Housing Act of
11 1937.

12 (12) The term “family with housing problems”
13 means a low-income family—

14 (A) that pays for housing costs an amount
15 in excess of 30 percent of the adjusted income
16 of the family; or

17 (B) lives in a dwelling unit that is over-
18 crowded or that lacks kitchen or plumbing fa-
19 cilities.

20 (13) The term “Fund” means the Housing
21 Trust Fund established by section 9512 of the Inter-
22 nal Revenue Code of 1986.

23 (14) The term “grant amounts” means
24 amounts provided under this title to an eligible pub-
25 lic entity.

1 (15) The term “homeless individual” has the
2 meaning given the term in section 103 of the Stew-
3 art B. McKinney Homeless Assistance Act.

4 (16) The term “housing costs” means, with re-
5 spect to a family, the sum of the amounts paid by
6 the family, in rent or loan payments, for a dwelling
7 unit and essential housing utilities (not including
8 telephone).

9 (17) The term “income group” means the fol-
10 lowing groups:

11 (A) Extremely low-income families.

12 (B) Very low-income families.

13 (C) Low-income families.

14 (D) Moderate-income families.

15 (18) The term “Indian land” means any real
16 property owned by an Indian tribe, any real property
17 held in trust by the United States for an Indian or
18 Indian tribes, and any real property held by an In-
19 dian or Indian tribes that is subject to restrictions
20 on alienation imposed by the United States.

21 (19) The term “Indian tribe” has the meaning
22 given the term in section 102(a) of the Housing and
23 Community Development Act of 1974.

24 (20) The term “low-income family” means a
25 household whose income does not exceed 80 percent

1 of the median income for the area, as determined by
2 the Secretary with adjustments for smaller and larg-
3 er households. The term includes a very low-income
4 family and an extremely low-income family.

5 (21) The term “moderate-income family”
6 means a household whose income does not exceed 95
7 percent of the median income for the area, as deter-
8 mined by the Secretary with adjustments for smaller
9 and larger households. The term includes a low-in-
10 come family, a very low-income family, and an ex-
11 tremely low-income family.

12 (22) The term “poverty area” means a census
13 tract for which more than 10 percent of the house-
14 holds are extremely low-income families or have in-
15 comes that do not exceed the poverty line (as estab-
16 lished by the Office of Management and Budget and
17 revised periodically in accordance with section
18 673(2) of the Omnibus Budget Reconciliation Act of
19 1981) applicable to a family of the size involved.

20 (23) The term “public entity” means a State,
21 an entitlement community, or an Indian tribe.

22 (24) The term “rural area” means any area of
23 a State not included within an area designated as an
24 urbanized area by the Bureau of the Census of the
25 Department of Commerce.

1 (25) The term “Secretary” means the Secretary
2 of Housing and Urban Development.

3 (26) The term “State” means the States of the
4 United States, the District of Columbia, the Com-
5 monwealth of Puerto Rico, the Commonwealth of the
6 Northern Mariana Islands, Guam, the Virgin Is-
7 lands, American Samoa, and any other territory or
8 possession of the United States.

9 (27) The term “total Fund grant amounts”
10 means, with respect to a fiscal year, the difference
11 between the total amount from the Fund available
12 for the fiscal year to carry out this title and the
13 amount reserved pursuant to section 208(a).

14 (28) The term “Trust Fund grant plan”
15 means, with respect to a fiscal year, a plan under
16 section 208 for the fiscal year or an update under
17 section 208(c) for the fiscal year of a plan under
18 such section submitted and approved for a previous
19 fiscal year.

20 (29) The term “unit of general local govern-
21 ment” any city, town, township, county, parish, vil-
22 lage, or other general purpose political subdivision of
23 a State.

24 (30) The term “very low-income family” means
25 a household whose income does not exceed 50 per-

1 cent of the median income for the area, as deter-
2 mined by the Secretary with adjustments for smaller
3 and larger households. The term includes a very low-
4 income family.

5 **SEC. 217. REGULATIONS.**

6 The Secretary shall issue regulations to implement
7 the provisions of this title. The regulations shall be issued
8 after notice and opportunity for public comment in accord-
9 ance with the procedure under section 553 of title 5,
10 United States Code, applicable to substantive rules (not-
11 withstanding subsections (a)(2), (b)(B), and (d)(3) of
12 such section). The regulations shall become effective not
13 later than 180 days after the date of the enactment of
14 this Act.

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