

103<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 4304

To amend the United States Housing Act of 1937 to reform the public housing program.

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IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1994

Mr. PETERSON of Minnesota introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

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## A BILL

To amend the United States Housing Act of 1937 to reform the public housing program.

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 “Public Housing Im-  
5 provement Act of 1994”.

6 **SEC. 2. REPEAL OF 1-FOR-1 REPLACEMENT REQUIREMENT.**

7 (a) IN GENERAL.—Section 18 of the United States  
8 Housing Act of 1937 (42 U.S.C. 1437p) is amended—

9 (1) in subsection (b)—

1 (A) in paragraph (1), by inserting “and”  
2 after the semicolon at the end;

3 (B) in paragraph (2), by striking “; and”  
4 and inserting a period; and

5 (C) by striking paragraph (3); and  
6 (2) in subsection (c)—

7 (A) by striking the paragraph designation  
8 for paragraph (1); and

9 (B) by striking paragraph (2).

10 (b) EFFECTIVE DATE.—The amendments under sub-  
11 section (a) shall be made and shall take effect on October  
12 1, 1994.

13 **SEC. 3. USE OF MODERNIZATION FUNDS FOR COST-EFFEC-**  
14 **TIVE NEW CONSTRUCTION.**

15 Section 14 of the United States Housing Act of 1937  
16 (42 U.S.C. 1437l) is amended—

17 (1) in subsection (a)(1), by inserting before the  
18 semicolon the following: “or replace existing public  
19 housing projects whose physical condition is such  
20 that replacement units may be newly constructed at  
21 a cost not greater than the cost of improving such  
22 units”;

23 (2) in subsection (b)(1), by inserting after  
24 “public housing projects” the following: “(or replac-

1 ing such projects through new construction pursuant  
2 to subsection (f)(3))”;

3 (3) in subsection (d)—

4 (A) in paragraph (1)—

5 (i) by striking “and” before “(B)”;

6 and

7 (ii) by inserting before the semicolon  
8 at the end the following: “, and (C) for any  
9 project for which replacement through new  
10 construction is proposed under subsection  
11 (f)(3), the estimated cost of the physical  
12 improvements to and replacements for the  
13 project under this paragraph and para-  
14 graph (2) and the estimated cost of the  
15 new construction”;

16 (B) in paragraph (4)(A)—

17 (i) in clause (i), by striking “and” at  
18 the end; and

19 (ii) by adding at the end the following  
20 new clause:

21 “(iii) to replace any projects through  
22 new construction pursuant to subsection  
23 (f)(3); and”;

24 (4) in subsection (e)(1)—

25 (A) in subparagraph (A)—

1 (i) in clause (ii), by striking “and” at  
2 the end;

3 (ii) in clause (iii), by inserting “and”  
4 after the semicolon at the end; and

5 (iii) by inserting after clause (iii) the  
6 following new clause:

7 “(iv) for any project for which re-  
8 placement through new construction is pro-  
9 posed under subsection (f)(3), the esti-  
10 mated cost of the physical improvements to  
11 and replacements for the project under this  
12 subparagraph and the estimated cost of  
13 the new construction”; and

14 (B) in subparagraph (D)—

15 (i) in clause (i), by striking “and” at  
16 the end;

17 (ii) by redesignating clause (ii) as  
18 clause (iii); and

19 (iii) by inserting after clause (i) the  
20 following new clause:

21 “(ii) to replace any projects through  
22 new construction pursuant to subsection  
23 (f)(3); and”; and

24 (5) in subsection (f), by adding at the end the  
25 following new paragraph:

1       “(3) A public housing agency may use financial as-  
2 sistance received under subsection (b) for development  
3 costs of new public housing projects to replace a project  
4 otherwise eligible for assistance under this section and for  
5 costs of demolition or disposition of such projects replaced,  
6 but only if—

7           “(A) the sum of such development and demoli-  
8 tion or disposition costs does not exceed the sum of  
9 the costs of the physical improvements necessary to  
10 the project replaced to meet the standards estab-  
11 lished by the Secretary under subsection (j) and the  
12 costs of replacement equipment systems and struc-  
13 tural elements that will be required during the ensu-  
14 ing 5-year period; and

15           “(B) the public housing agency enters into an  
16 agreement with the Secretary providing that the  
17 public housing developed will comply with any re-  
18 quirements pursuant to this Act applicable to public  
19 housing developed under a contract under section 5  
20 for contributions for development costs of public  
21 housing.”.

1 **SEC. 4. MANDATORY PRIVATE MANAGEMENT OF CHRON-**  
2 **ICALLY TROUBLED PUBLIC HOUSING AGEN-**  
3 **CIES.**

4 Section 6(j) of the United States Housing Act of  
5 1937 (42 U.S.C. 1437d(j)) is amended—

6 (1) by redesignating paragraph (4) as para-  
7 graph (5); and

8 (2) by inserting after paragraph (3) the follow-  
9 ing new paragraph:

10 “(4)(A) Notwithstanding any other provision of law  
11 or of any contract for contributions, the Secretary shall  
12 transfer the management of public housing projects owned  
13 or operated by a troubled public housing agency to a pri-  
14 vate management entity selected by the Secretary if, for  
15 any year—

16 “(i) the public housing is designated pursuant  
17 to paragraph (2) as a troubled public housing agen-  
18 cy; and

19 “(ii) for the preceding 5 years, the agency was  
20 designated as a troubled public housing agency.

21 “(B) In selecting a private management entity to  
22 manage public housing pursuant to this paragraph, the  
23 Secretary shall consult with residents of the public housing  
24 (including any resident council for the housing).

25 “(C) In transferring management of public housing  
26 under this paragraph, the Secretary shall enter into a con-

1 tract with the private management entity. The contract  
2 shall meet the requirements of section 25(h)(1), shall pro-  
3 vide for the private management entity to periodically con-  
4 sult with residents of the housing (including any resident  
5 council for the housing) regarding management of and liv-  
6 ing conditions in the housing, and may make operating  
7 subsidies and funding for capital improvements available  
8 to the private management entity managing the public  
9 housing pursuant to this paragraph in the manner pro-  
10 vided under section 25 for managers of eligible housing  
11 (as such term is defined in such section).

12 “(D) The provisions of section 25(j) relating to man-  
13 agers of eligible housing under such section shall apply  
14 with respect to any private management entity managing  
15 public housing pursuant to this paragraph.

16 “(E) The Secretary shall transfer management of  
17 public housing that was transferred to a private manage-  
18 ment agency under this paragraph back to the public  
19 housing agency immediately upon the removal of the  
20 designation of the agency as a troubled public housing  
21 agency.”.

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