

104TH CONGRESS
1ST SESSION

H. R. 486

To amend the United States Housing Act of 1937 to reform the manner of determining rent paid for public housing dwelling units, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JANUARY 11, 1995

Mr. KNOLLENBERG introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To amend the United States Housing Act of 1937 to reform the manner of determining rent paid for public housing dwelling units, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rent Reform and
5 Empowerment Act of 1995”.

6 **SEC. 2. CEILING RENTS.**

7 Section 3(a)(2) of the United States Housing Act of
8 1937 (42 U.S.C. 1437a(a)(2)) is amended—

9 (1) in subparagraph (A)—

1 (A) in clause (i), by striking “and ap-
2 proved by the Secretary”; and

3 (B) by striking clause (iii) and inserting
4 the following new clause:

5 “(iii) at the election of such agency, is—

6 “(I) not less than the average monthly
7 amount of debt service and operating expenses
8 attributable to dwelling units of similar size in
9 public housing projects owned and operated by
10 such agency;

11 “(II) not less than the reasonable rental
12 value of the unit, as determined by the agency;

13 or

14 “(III) not less than the local market rent
15 determined by the agency for comparable units
16 of similar size pursuant to the procedures pre-
17 scribed by the Secretary for determining rent
18 reasonableness under the program for rental
19 certificate assistance under section 8(b).”;

20 (2) by redesignating subparagraph (B) as sub-
21 paragraph (D); and

22 (3) by inserting after subparagraph (A) the fol-
23 lowing new subparagraphs:

1 “(B) Any ceiling rents established by a public housing
2 agency pursuant to this paragraph may be adjusted by
3 the agency.

4 “(C)(i) Any ceiling rents established pursuant to
5 subclause (I) or (III) of subparagraph (A)(iii) shall take
6 effect at the discretion of the public housing agency.

7 “(ii) Any ceiling rents established pursuant to
8 subclause (II) of subparagraph (A)(iii) may not take effect
9 before the issuance of regulations to carry out such
10 subclause, which shall be issued by the Secretary not later
11 than 180 days after the date of the enactment of the Rent
12 Reform and Empowerment Act of 1995.

13 “(iii) Before the effectiveness of regulations under
14 clause (ii), an agency shall determine the reasonable rental
15 value of unit for purposes of subclause (II) of subpara-
16 graph (A)(iii) based upon (I) in a project of 50 or more
17 units for which such ceiling rents are being established,
18 the 95th percentile of rents paid for all units in the
19 project, (II) in a group of comparable projects for which
20 such ceiling rents are being established that consists of
21 a total of 50 or more units, all units in the projects, and
22 (III) in a group of at least 50 comparable units for which
23 such ceiling rents are being established, all units in the
24 group.”.

1 **SEC. 3. EXCLUSIONS FROM ADJUSTED INCOME.**

2 Section 3(b)(5) of the United States Housing Act of
3 1937 (42 U.S.C. 1437a(b)(5)) is amended—

4 (1) in subparagraph (C)—

5 (A) by striking “and” before “(ii)”; and

6 (B) by inserting before the semicolon at
7 the end the following; “; and (iii) to the extent
8 documented by the family, the amount paid by
9 the family for health insurance coverage and
10 any other nonreimbursed out-of-pocket medical
11 expenses for any members of the family resid-
12 ing in the household who, at the time, are not
13 receiving or approved to receive any assistance
14 for health care from the Federal Government or
15 any State government, except that this clause
16 shall apply only to families residing in public
17 housing”;

18 (2) in subparagraph (E), by inserting before the
19 semicolon at the end the following: “, except that in
20 the case of a family residing in public housing the
21 amount excluded under this subparagraph shall be
22 20 percent of the earned income of the family re-
23 maining after excluding any amounts pursuant to
24 subparagraph (H)”;

25 (3) in subparagraph (F), by striking “and” at
26 the end;

1 (4) in subparagraph (G), by striking the period
2 at the end and inserting a semicolon; and

3 (5) by adding at the end the following new sub-
4 paragraphs:

5 “(H) in the case of a family residing in public
6 housing, any earned income of any formerly depend-
7 ent child who is a member of the family residing in
8 the family’s dwelling unit during the period begin-
9 ning on the date of the first redetermination of the
10 rent for and family composition of the family that
11 occurs after the child reaches 18 years of age and
12 ending upon the date of the first such redetermina-
13 tion occurring after he or she reaches 21 years of
14 age, except that, effective during and after the first
15 fiscal year that commences after the expiration of
16 the 4-year period beginning on the date of the enact-
17 ment of the Rent Reform and Empowerment Act of
18 1995, amounts earned by a child may not be ex-
19 cluded under this subparagraph unless (i) the child
20 is enrolled in and attending high school (or a recog-
21 nized equivalency program), or has received a high
22 school diploma (or the recognized equivalent there-
23 of), or (ii) the public housing agency has determined
24 that requiring the child to comply with clause (i)
25 would significantly interfere with the sole source of

1 financial support of the family or would otherwise
2 create a significant hardship for the family of the
3 child; and

4 “(I) in the case of 2-parent families with chil-
5 dren (as defined by the Secretary by regulation) who
6 reside in public housing, an amount (in addition to
7 any amounts excluded under subparagraphs (E) and
8 (H)) not to exceed 10 percent of any earned income
9 of the family.”.

10 **SEC. 4. EXCLUSION OF EARNED INCOME OF RESIDENTS**

11 **WHO OBTAIN EMPLOYMENT FROM RENT DE-**

12 **TERMINATIONS.**

13 (a) IN GENERAL.—Section 3(a) of the United States
14 Housing Act of 1937 (42 U.S.C. 1437a(a)) is amended—

15 (1) in the third sentence of paragraph (1), by
16 striking “paragraph (2)” and inserting “paragraphs
17 (2) and (3)”; and

18 (2) by adding at the end the following new
19 paragraph:

20 “(3) OPTIONAL EXCLUSION OF EARNED INCOME
21 FROM RENT DETERMINATION FOR FAMILIES PRE-
22 VIOUSLY UNEMPLOYED.—Notwithstanding any other pro-
23 vision of law, a public housing agency may provide (at the
24 option of a public housing agency) that, for all units in
25 public housing administered by the agency, the rent pay-

1 able under subsection (b) for any such unit occupied by
2 a family whose income increases as a result of employment
3 of a member of the family who was previously unemployed
4 for 1 or more years, may not—

5 “(A) be increased as a result of the increased
6 income due to such employment during the period
7 that begins upon the commencement of such employ-
8 ment and ends upon the second annual redetermina-
9 tion of the rent for and family composition of the
10 family occurring thereafter;

11 “(B) during any 12-month period occurring
12 during the 36 months succeeding the expiration of
13 the period under subparagraph (A) for the family,
14 be increased due to the continued employment of
15 such family member by more than one-third of the
16 difference between (i) the rent being paid by the
17 family upon expiration of such period, and (ii) the
18 amount of rent that the family would pay but for
19 the applicability of this paragraph; and

20 “(C) in any case, exceed the amount determined
21 under paragraph (1) or (2).”.

1 **SEC. 5. EXCLUSION FROM INCOME OF EARNINGS FROM**
2 **JOB TRAINING AND SELF-SUFFICIENCY PRO-**
3 **GRAMS.**

4 Section 3 of the United States Housing Act of 1937
5 (42 U.S.C. 1437a) is amended—

6 (1) in subsection (b)(4), by inserting before the
7 period at the end the following: “, and except that
8 the earnings of and benefits to any public housing
9 resident resulting from enrollment and participation
10 in a program providing employment training and
11 supportive services in accordance with the Family
12 Support Act of 1988, section 22 of this Act, the Job
13 Training Partnership Act, subtitle D of title IV of
14 the Cranston-Gonzalez National Affordable Housing
15 Act, part F of title IV of the Social Security Act,
16 or any comparable Federal, State, or local law shall
17 not be considered as income for the purposes of de-
18 termining a limitation on the amount of rent paid by
19 the resident during the period that the resident en-
20 rolls and participates in such program”; and

21 (2) by striking the undesignated paragraph at
22 the end of subsection (c)(3) (as added by section
23 515(b) of the Cranston-Gonzalez National Afford-
24 able Housing Act).

1 **SEC. 6. APPLICABILITY.**

2 Notwithstanding the amendments made by this Act,
3 any resident of public housing participating in the pro-
4 gram under the authority contained in the undesignated
5 paragraph at the end of section 3(c)(3) of the United
6 States Housing Act of 1937 (as added by section 515(b)
7 of the Cranston-Gonzalez National Affordable Housing
8 Act (Public Law 101-625; 104 Stat. 4199)), as such para-
9 graph existed before the date of enactment of this Act,
10 shall continue to be governed by such authority.

11 **SEC. 7. PERFORMANCE FUNDING SYSTEM.**

12 Section 9(a)(3)(B) of the United States Housing Act
13 of 1937 (42 U.S.C. 1437g(a)(3)(B)) is amended—

14 (1) in clause (iv), by striking “and” at the end;

15 (2) in clause (v), by striking the period at the
16 end and inserting a semicolon; and

17 (3) by adding at the end the following new
18 clause:

19 “(vi) the amount of any reduced revenue result-
20 ing from the exclusion of income of public housing
21 residents pursuant to section 3(b)(5)(E) shall be cal-
22 culated and included in the amount of the payment
23 received under this section by the public housing
24 agency administering the public housing in which
25 such residents reside;”.

1 **SEC. 8. EFFECTIVE DATE.**

2 The amendments under this Act shall be made and
3 shall take effect on the earlier of—

4 (1) the date of the effectiveness of the regula-
5 tions under section 9; or

6 (2) the expiration of the 120-day period begin-
7 ning on the date of the enactment of this Act.

8 **SEC. 9. REGULATIONS.**

9 The Secretary shall issue any final regulations nec-
10 essary to implement the amendments made by this Act,
11 which shall take effect not later than the expiration of the
12 120-day period beginning on the date of the enactment
13 of this Act. The regulations shall be issued after notice
14 and opportunity for public comment in accordance with
15 the procedures under section 553 of title 5, United States
16 Code, applicable to substantive rules (notwithstanding
17 subsections (a)(2), (b)(B), and (d)(3) of such section).

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