

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

# S. 1260

To reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

SEPTEMBER 19 (legislative day, SEPTEMBER 5), 1995

Mr. MACK (for himself, Mr. D'AMATO, and Mr. BOND) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## A BILL

To reform and consolidate the public and assisted housing programs of the United States, and to redirect primary responsibility for these programs from the Federal Government to States and localities, 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; TABLE OF CONTENTS.**

4       (a) SHORT TITLE.—This Act may be cited as the  
5       “Public Housing Reform and Empowerment Act of  
6       1995”.

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

- Sec. 1. Short title; table of contents.
- Sec. 2. Findings and purpose.
- Sec. 3. Definitions.
- Sec. 4. Effective date.
- Sec. 5. Technical recommendations; elimination of obsolete documents.

TITLE I—PUBLIC AND INDIAN HOUSING

- Sec. 101. Declaration of policy.
- Sec. 102. Nondiscrimination.
- Sec. 103. Authority of public housing agencies.
- Sec. 104. Definitions.
- Sec. 105. Contributions for lower income housing projects.
- Sec. 106. Public housing agency plan.
- Sec. 107. Contract provisions and requirements.
- Sec. 108. Expansion of powers.
- Sec. 109. Public housing designated for the elderly and the disabled.
- Sec. 110. Public and Indian housing capital and operating funds.
- Sec. 111. Labor standards.
- Sec. 112. Repeal of energy conservation; consortia and joint ventures.
- Sec. 113. Repeal of modernization fund.
- Sec. 114. Income eligibility for assisted housing.
- Sec. 115. Demolition and disposition of public housing.
- Sec. 116. Repeal of family investment centers; vouchers for public housing.
- Sec. 117. Repeal of family self-sufficiency; homeownership opportunities.
- Sec. 118. Conversion of distressed public housing to vouchers.
- Sec. 119. Applicability to Indian housing.

TITLE II—SECTION 8 RENTAL ASSISTANCE

- Sec. 201. Merger of the certificate and voucher programs.
- Sec. 202. Repeal of Federal preferences.
- Sec. 203. Portability.
- Sec. 204. Leasing to voucher holders.
- Sec. 205. Homeownership option.
- Sec. 206. Technical and conforming amendments.
- Sec. 207. Implementation.
- Sec. 208. Effective date.

TITLE III—MISCELLANEOUS PROVISIONS

- Sec. 301. Public housing flexibility in the CHAS.
- Sec. 302. Public housing flexibility in the HOME program.
- Sec. 303. Repeal of certain provisions.
- Sec. 304. Determination of income limits.

3 **SEC. 2. FINDINGS AND PURPOSE.**

4 (a) FINDINGS.—The Congress finds that—

1           (1) there exists throughout the Nation a need  
2 for decent, safe, and affordable housing;

3           (2) as of the date of enactment of this Act, the  
4 inventory of public housing units owned and oper-  
5 ated by public housing agencies, an asset in which  
6 the Federal Government has invested approximately  
7 \$90,000,000,000, has traditionally provided rental  
8 housing that is affordable to low-income persons;

9           (3) despite serving this critical function, the  
10 public housing system is plagued by a series of prob-  
11 lems, including the concentration of very poor people  
12 in very poor neighborhoods and disincentives for eco-  
13 nomic self-sufficiency;

14           (4) the Federal method of overseeing every as-  
15 pect of public housing by detailed and complex stat-  
16 utes and regulations aggravates the problem and  
17 places excessive administrative burdens on public  
18 housing agencies;

19           (5) the interests of low-income persons, and the  
20 public interest, will best be served by a reformed  
21 public housing program that—

22                   (A) consolidates many public housing pro-  
23 grams into a single program for the operation  
24 and capital needs of public housing;

1 (B) streamlines program requirements;  
2 and

3 (C) vests in public housing agencies that  
4 perform well the maximum feasible authority,  
5 discretion, and control with appropriate ac-  
6 countability to both public housing residents  
7 and localities; and

8 (6) voucher and certificate programs under sec-  
9 tion 8 of the United States Housing Act of 1937 are  
10 successful for approximately 80 percent of appli-  
11 cants, and a consolidation of the voucher and certifi-  
12 cate programs into a single, market-driven program  
13 will assist in making section 8 tenant-based assist-  
14 ance more successful in assisting low-income families  
15 in obtaining affordable housing.

16 (b) PURPOSE.—The purpose of this Act is to consoli-  
17 date the various programs and activities under the public  
18 housing programs administered by the Secretary in a  
19 manner designed to reduce Federal overregulation, to redi-  
20 rect the responsibility for a consolidated program to  
21 States, localities, public housing agencies, and public hous-  
22 ing residents, and to require Federal action to overcome  
23 problems of public housing agencies with severe manage-  
24 ment deficiencies.

1 **SEC. 3. DEFINITIONS.**

2 For purposes of this Act, the following definitions  
3 shall apply:

4 (1) PUBLIC HOUSING AGENCY.—The term  
5 “public housing agency” has the same meaning as in  
6 section 3 of the United States Housing Act of 1937.

7 (2) SECRETARY.—The term “Secretary” means  
8 the Secretary of Housing and Urban Development.

9 **SEC. 4. EFFECTIVE DATE.**

10 Except as otherwise specifically provided in this Act  
11 or the amendments made by this Act, this Act and the  
12 amendments made by this Act shall become effective on  
13 the date of enactment of this Act.

14 **SEC. 5. TECHNICAL RECOMMENDATIONS; ELIMINATION OF**  
15 **OBSOLETE DOCUMENTS.**

16 (a) TECHNICAL RECOMMENDATIONS.—Not later  
17 than 9 months after the date of enactment of this Act,  
18 the Secretary shall submit to the Committee on Banking,  
19 Housing, and Urban Affairs of the Senate and the Com-  
20 mittee on Banking and Financial Services of the House  
21 of Representatives, recommended technical and conform-  
22 ing amendments to carry out the amendments made by  
23 this Act.

24 (b) ELIMINATION OF OBSOLETE DOCUMENTS.—

25 (1) IN GENERAL.—Effective 1 year after the  
26 date of enactment of this Act, no rule, regulation, or

1 order (including all handbooks, notices, and related  
2 requirements) issued or promulgated under the  
3 United States Housing Act of 1937 before the date  
4 of enactment of this Act may be enforced by the  
5 Secretary.

6 (2) PROPOSED REGULATIONS.—Not later than  
7 6 months after the date of enactment of this Act,  
8 the Secretary shall submit to the Congress proposed  
9 regulations that the Secretary determines are nec-  
10 essary to carry out the United States Housing Act  
11 of 1937, as amended by this Act.

## 12 **TITLE I—PUBLIC AND INDIAN** 13 **HOUSING**

### 14 **SEC. 101. DECLARATION OF POLICY.**

15 Section 2 of the United States Housing Act of 1937  
16 (42 U.S.C. 1437) is amended to read as follows:

#### 17 **“SEC. 2. DECLARATION OF POLICY.**

18 “It is the policy of the United States to promote the  
19 general welfare of the Nation by employing the funds and  
20 credit of the Nation, as provided in this Act—

21 “(1) to assist States and political subdivisions  
22 of States to remedy the unsafe housing conditions  
23 and the acute shortage of decent and safe dwellings  
24 for low-income families; and

1           “(2) consistent with the objectives of this title,  
2           to vest in public housing agencies that perform well,  
3           the maximum amount of responsibility and flexibility  
4           in program administration, with appropriate ac-  
5           countability to both public housing residents and lo-  
6           calities.”.

7 **SEC. 102. NONDISCRIMINATION.**

8           Title I of the United States Housing Act of 1937 (42  
9 U.S.C. 1437 et seq.) is amended by adding at the end  
10 the following new section:

11 **“SEC. 27. NONDISCRIMINATION.**

12           “(a) PUBLIC HOUSING RESIDENTS.—No person shall  
13 be prohibited from serving on the board of directors or  
14 similar governing body of a public housing agency because  
15 of the residence of that person in a low-income housing  
16 project.

17           “(b) NONDISCRIMINATION BASED ON RACE, COLOR,  
18 NATIONAL ORIGIN, RELIGION, OR SEX.—

19           “(1) IN GENERAL.—No person in the United  
20 States shall, based on the race, color, national ori-  
21 gin, religion, or sex of that person be excluded from  
22 participation in, denied the benefits of, or be sub-  
23 jected to discrimination under any program or activ-  
24 ity funded in whole or in part with funds made  
25 available under this title.

1           “(2) APPLICABILITY OF OTHER LAWS.—Any  
 2 prohibition against discrimination on the basis of  
 3 age under the Age Discrimination Act of 1975, or  
 4 with respect to an otherwise qualified handicapped  
 5 individual, as provided in section 504 of the Reha-  
 6 bilitation Act of 1973 shall apply to any such pro-  
 7 gram or activity.”.

8 **SEC. 103. AUTHORITY OF PUBLIC HOUSING AGENCIES.**

9 (a) AUTHORITY OF PUBLIC HOUSING AGENCIES.—

10 (1) IN GENERAL.—Section 3(a)(2) of the  
 11 United States Housing Act of 1937 (42 U.S.C.  
 12 1437a(a)(2)) is amended to read as follows:

13 “(2) AUTHORITY OF PUBLIC HOUSING AGEN-  
 14 CIES.—

15 “(A) CEILING RENTS.—Notwithstanding  
 16 paragraph (1), a public housing agency may—

17 “(i) adopt ceiling rents that reflect the  
 18 reasonable market value of the housing,  
 19 but that are not less than the actual  
 20 monthly costs—

21 “(I) to operate such housing; and

22 “(II) to make a deposit to a re-  
 23 placement reserve (in the sole discre-  
 24 tion of the public housing agency);  
 25 and

1           “(ii) allow families to pay ceiling rents  
2 referred to in clause (i), unless, with re-  
3 spect to any family, the ceiling rent estab-  
4 lished under this subparagraph would ex-  
5 ceed the amount payable as rent by that  
6 family under paragraph (1).

7           “(B) MINIMUM RENT.—Notwithstanding  
8 paragraph (1), a public housing agency may  
9 provide that each family residing in a public  
10 housing project or receiving tenant-based or  
11 project-based assistance under section 8 shall  
12 pay a minimum monthly rent in an amount not  
13 to exceed \$30 per month.

14           “(C) MIXED-INCOME PROJECTS.—

15           “(i) IN GENERAL.—Notwithstanding  
16 paragraph (1), and subject to clause (ii), a  
17 public housing agency may own or operate  
18 one or more mixed-income projects, except  
19 as otherwise provided in the public housing  
20 agency plan of that public housing agency  
21 submitted in accordance with section 5A.

22           “(ii) RESTRICTION.—No assistance  
23 provided under section 9 shall be used by  
24 a public housing agency in direct support

1 of any unit rented to a household that is  
2 not a low-income household.

3 “(D) POLICE OFFICERS.—

4 “(i) IN GENERAL.—Notwithstanding  
5 any other provision of law, a public hous-  
6 ing agency may, in accordance with the  
7 public housing agency plan of the public  
8 housing agency, allow a police officer who  
9 is not otherwise eligible for residence in  
10 public housing to reside in a public hous-  
11 ing unit. The number and location of units  
12 occupied by police officers under this  
13 clause, and the terms and conditions of  
14 their tenancies, shall be determined by the  
15 public housing agency.

16 “(ii) DEFINITION.—As used in this  
17 subparagraph, the term ‘police officer’  
18 means any person determined by a public  
19 housing agency to be, during the period of  
20 residence of such person in public housing,  
21 employed on a full-time basis by a Federal,  
22 State, or local government or any agency  
23 thereof (including a public housing agency  
24 having an accredited police force) as a duly  
25 licensed professional police officer.

1           “(E) ENCOURAGEMENT OF SELF-SUFFI-  
2           CIENCY.—Public housing agencies shall develop  
3           rental policies that encourage and reward em-  
4           ployment and upward economic mobility.”.

5           (2) REGULATIONS.—

6           (A) IN GENERAL.—The Secretary shall, by  
7           regulation, after notice and an opportunity for  
8           public comment, establish such requirements as  
9           may be necessary to carry out section  
10          3(a)(2)(A) of the United States Housing Act of  
11          1937, as amended by paragraph (1).

12          (B) TRANSITION RULE.—Prior to the issu-  
13          ance of final regulations under paragraph (1),  
14          a public housing agency may implement ceiling  
15          rents, which shall be—

16               (i) determined in accordance with sec-  
17               tion 3(a)(2)(A) of the United States Hous-  
18               ing Act of 1937, as such section existed on  
19               the day before effective date of this Act; or

20               (ii) equal to the 95th percentile of the  
21               rent paid for a unit of comparable size by  
22               tenants in the same project or a group of  
23               comparable projects totaling 50 units or  
24               more.

1 (b) HIGH PERFORMING PUBLIC HOUSING AGEN-  
2 CIES.—

3 (1) IN GENERAL.—Section 3(a) of the United  
4 States Housing Act of 1937 (42 U.S.C. 1437(a)) is  
5 amended by adding at the end the following new  
6 paragraph:

7 “(3) HIGH PERFORMING PUBLIC HOUSING  
8 AGENCIES.—

9 “(A) IN GENERAL.—Notwithstanding the  
10 rent calculation formula in paragraph (1), sub-  
11 ject to subparagraph (B), the Secretary shall  
12 permit a high performing public housing agen-  
13 cy, as determined by the Secretary, to deter-  
14 mine the amount that a family residing in pub-  
15 lic housing shall pay as rent.

16 “(B) LIMITATION.—With respect to a fam-  
17 ily whose income is equal to or less than 30  
18 percent of the median income for the area, as  
19 determined by the Secretary with adjustments  
20 for smaller and larger families, a public housing  
21 agency may not require a family to pay as rent  
22 under subparagraph (A) an amount that ex-  
23 ceeds the greater of—

24 “(i) 30 percent of the monthly ad-  
25 justed income of the family; and

1                   “(ii) \$30.”.

2                   (2) PHASE-IN PERIOD.—If a public housing  
3                   agency charges rent pursuant to section 3(a)(3) of  
4                   the United States Housing Act of 1937, as added by  
5                   paragraph (1) of this subsection, the agency shall  
6                   phase in any increase in the amount otherwise pay-  
7                   able by the family over a 3-year period.

8                   (3) REPORTS TO CONGRESS.—

9                   (A) INITIAL REPORT.—Not later than 2  
10                  years after the date of enactment of this Act,  
11                  the Secretary shall report to the Congress on  
12                  the impact of section 3(a)(3) of the United  
13                  States Housing Act of 1937, as added by para-  
14                  graph (1) of this subsection, on residents and  
15                  on the economic viability of public housing  
16                  agencies.

17                  (B) FINAL REPORT.—Not later than 5  
18                  years after the date of enactment of this Act,  
19                  the Secretary shall submit to the Congress a  
20                  final report on the impact of section 3(a)(3) of  
21                  the United States Housing Act of 1937, as  
22                  added by paragraph (1) of this subsection, on  
23                  residents and on the economic viability of public  
24                  housing agencies. The report shall include rec-

1           ommendations for any legislative changes to  
2           rent reform policies.

3 **SEC. 104. DEFINITIONS.**

4           (a) DEFINITIONS.—

5           (1) SINGLE PERSONS.—Section 3(b)(3) of the  
6           United States Housing Act of 1937 (42 U.S.C.  
7           1437a(b)(3)) is amended—

8                   (A) in subparagraph (A), in the third sen-  
9                   tence, by striking “the Secretary shall” and all  
10                   that follows before the period at the end and in-  
11                   serting the following: “the public housing agen-  
12                   cy may give preference to single persons who  
13                   are elderly or disabled persons before single  
14                   persons who are otherwise eligible”; and

15                   (B) in subparagraph (B), in the second  
16                   sentence, by striking “regulations of the Sec-  
17                   retary” and inserting “public housing agency  
18                   plan of the public housing agency”.

19           (2) DEFINITION OF ADJUSTED INCOME.—Sec-  
20           tion 3(b)(5) of the United States Housing Act of  
21           1937 (42 U.S.C. 1437a(b)(5)) is amended to read as  
22           follows:

23                   “(5) ADJUSTED INCOME.—The term ‘adjusted  
24                   income’ means the income that remains after exclud-  
25                   ing—

1           “(A) \$480 for each member of the family  
2 residing in the household (other than the head  
3 of the household or spouse)—

4                   “(i) who is under 18 years of age; or

5                   “(ii) who is—

6                           “(I) 18 years of age or older; and

7                           “(II) a person with disabilities or  
8 a full-time student;

9           “(B) \$400 for an elderly or disabled fam-  
10 ily;

11           “(C) the amount by which the aggregate  
12 of—

13                   “(i) medical expenses for an elderly or  
14 disabled family; and

15                   “(ii) reasonable attendant care and  
16 auxiliary apparatus expenses for each fam-  
17 ily member who is a person with disabili-  
18 ties, to the extent necessary to enable any  
19 member of the family (including a member  
20 who is a person with disabilities) to be em-  
21 ployed;

22 exceeds 3 percent of the annual income of the  
23 family;

24           “(D) child care expenses, to the extent  
25 necessary to enable another member of the fam-

1           ily to be employed or to further his or her edu-  
2           cation;

3           “(E) excessive travel expenses, not to ex-  
4           ceed \$25 per family per week, for employment-  
5           or education-related travel, except that this sub-  
6           paragraph shall apply only to a family assisted  
7           by an Indian housing authority; and

8           “(F) any other income that the public  
9           housing agency determines to be appropriate, as  
10          provided in the public housing agency plan of  
11          the public housing agency.”.

12          (b) DEFINITIONS OF TERMS USED IN REFERENCE  
13          TO PUBLIC HOUSING.—

14               (1) TECHNICAL CORRECTION.—Section 622(c)  
15               of the Housing and Community Development Act of  
16               1992 (Public Law 102–550; 106 Stat. 3817) is  
17               amended by inserting “in paragraph (3),” after “is  
18               amended”.

19               (2) HOUSING ACT OF 1937.—Section 3(c) of the  
20               United States Housing Act of 1937 (42 U.S.C.  
21               1437a(c)) is amended—

22                       (A) in paragraph (1), by inserting “and of  
23                       the fees and related costs normally involved in  
24                       obtaining non-Federal financing and tax credits

1 with or without private and nonprofit partners”  
2 after “carrying charges”;

3 (B) in paragraph (2), in the first sentence,  
4 by striking “security personnel),” and all that  
5 follows through the period and inserting the fol-  
6 lowing: “security personnel), and all eligible ac-  
7 tivities under the Public and Assisted Housing  
8 Drug Elimination Act of 1990, or financing in  
9 connection with a low-income housing project,  
10 including projects developed with non-Federal  
11 financing and tax credits, with or without pri-  
12 vate and nonprofit partners.”;

13 (C) in the undesignated paragraph imme-  
14 diately following paragraph (3), by striking  
15 “The earnings of” and all that follows through  
16 the period at the end; and

17 (D) by adding at the end the following new  
18 paragraphs:

19 “(6) PUBLIC HOUSING AGENCY PLAN.—The  
20 term ‘public housing agency plan’ means the annual  
21 plan adopted by a public housing agency under sec-  
22 tion 5A.

23 “(7) DISABLED HOUSING.—The term ‘disabled  
24 housing’ means any project, building, or portion of  
25 a project or building that is designated by a public

1 housing agency for occupancy exclusively by disabled  
2 persons or families.

3 “(8) ELDERLY HOUSING.—The term ‘elderly  
4 housing’ means any project, building, or portion of  
5 a project or building, that is designated by a public  
6 housing agency for occupancy exclusively by elderly  
7 persons or families, including elderly disabled per-  
8 sons or families.

9 “(9) MIXED-INCOME PROJECT.—

10 “(A) IN GENERAL.—The term ‘mixed-in-  
11 come project’ means a project that is occupied  
12 both by one or more low-income households and  
13 by one or more households that are not low-in-  
14 come households.

15 “(B) TYPES OF PROJECTS.—The term  
16 ‘mixed-income project’ includes a project devel-  
17 oped—

18 “(i) by a public housing agency or an  
19 entity controlled by a public housing agen-  
20 cy; and

21 “(ii) by a partnership, a limited liabil-  
22 ity company, or other entity in which the  
23 public housing agency (or an entity con-  
24 trolled by a public housing agency) is a  
25 general partner, managing member, or oth-

1 otherwise has significant participation in di-  
2 recting the activities of such entity, if—

3 “(I) units are made available in  
4 the project, by master contract or in-  
5 dividual lease, for occupancy by low-  
6 income families identified by the pub-  
7 lic housing agency for a period of not  
8 less than 20 years; and

9 “(II) the number of public hous-  
10 ing units are approximately in the  
11 same proportion to the total number  
12 of units in the mixed-income project  
13 that, in the sole determination of the  
14 public housing agency, the value of  
15 the financial assistance provided by  
16 the public housing agency bears to the  
17 value of the total equity investment in  
18 the project, or shall not be less than  
19 the number of units that could have  
20 been developed under the conventional  
21 public housing program with the as-  
22 sistance.

23 “(C) TAXATION.—A mixed-income project  
24 may elect to have all units subject to the local  
25 real estate taxes, except that units designated

1 as public housing units shall be eligible at the  
2 discretion of the public housing agency for the  
3 taxing requirements under section 6(d).”.

4 **SEC. 105. CONTRIBUTIONS FOR LOWER INCOME HOUSING**  
5 **PROJECTS.**

6 Section 5 of the United States Housing Act of 1937  
7 (42 U.S.C. 1437c) is amended by striking subsections (h)  
8 through (l).

9 **SEC. 106. PUBLIC HOUSING AGENCY PLAN.**

10 (a) IN GENERAL.—Title I of the United States Hous-  
11 ing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by  
12 inserting after section 5 the following new section:

13 **“SEC. 5A. PUBLIC HOUSING AGENCY PLAN.**

14 **“(a) IN GENERAL.—**

15 **“(1) SUBMISSION.—**Each public housing agency  
16 shall submit to the Secretary a written public hous-  
17 ing agency plan developed in accordance with this  
18 section.

19 **“(2) CONSISTENCY REQUIREMENT.—**Each pub-  
20 lic housing agency plan submitted to the Secretary  
21 under paragraph (1) shall be—

22 **“(A)** made in consultation with the local  
23 advisory board established under subsection (c);

24 **“(B)** consistent with the Comprehensive  
25 Housing Affordability Strategy for the jurisdic-

1           tion in which the public housing agency is lo-  
2           cated, as provided under title I of the Cranston-  
3           Gonzalez National Affordable Housing Act; and

4           “(C) accompanied by a certification by an  
5           appropriate State or local public official that  
6           the proposed public housing activities are con-  
7           sistent with the housing strategy of the jurisdic-  
8           tion to be served by the public housing agency,  
9           as required by subparagraph (B).

10          “(b) CONTENTS.—Each public housing agency plan  
11 shall contain, at a minimum, the following:

12           “(1) CERTIFICATION.—A written certification  
13           that the public housing agency is a governmental en-  
14           tity or public body (or agency or instrumentality  
15           thereof) that is authorized to engage in or assist in  
16           the development or operation of low-income housing.  
17           Any reference in any provision of law of the jurisdic-  
18           tion authorizing the creation of the public housing  
19           agency shall be identified and any legislative declara-  
20           tion of purpose in regard thereto shall be set forth  
21           in the certification with full text.

22           “(2) STATEMENT OF POLICY.—An annual  
23           statement of policy identifying the primary goals and  
24           objectives of the public housing agency for the year  
25           for which the statement is submitted, together with

1 any major developments, projects, or programs, in-  
2 cluding all proposed costs and activities under the  
3 Capital and Operating Funds of the public housing  
4 agency established under section 9.

5 “(3) GENERAL POLICIES, RULES, AND REGULA-  
6 TIONS.—The policies, rules, and regulations of the  
7 public housing agency regarding—

8 “(A) the requirements for eligibility into  
9 each program administered by the public hous-  
10 ing agency and the policies of the public hous-  
11 ing agency concerning verification of eligibility,  
12 which verification shall be required upon initial  
13 commencement of residency and not less fre-  
14 quently than annually thereafter;

15 “(B) the requirements for the selection  
16 and admission of eligible families into the pro-  
17 gram or programs of the public housing agency,  
18 including the tenant screening policies, any  
19 preferences or priorities for selection and ad-  
20 mission, and the requirements pertaining to the  
21 administration of the waiting list or lists of the  
22 public housing agency;

23 “(C) the procedure for assignment of per-  
24 sons admitted into the program to dwelling

1 units owned, leased, managed, or assisted by  
2 the public housing agency; and

3 “(D) the requirements for occupancy of  
4 dwelling units, including all standard lease pro-  
5 visions, and conditions for continued occupancy,  
6 termination, and eviction.

7 “(4) MANAGEMENT.—The policies, rules, and  
8 regulations relating to the management of the public  
9 housing agency, and the projects and programs of  
10 the public housing agency, including—

11 “(A) a description of how the public hous-  
12 ing agency is organized and staffed to perform  
13 the duties and functions of the public housing  
14 agency;

15 “(B) policies relating to the marketing of  
16 dwelling units owned or operated by the public  
17 housing agency;

18 “(C) policies relating to rent collection;

19 “(D) policies relating to security;

20 “(E) policies relating to services and amen-  
21 ities provided or offered to families assisted, in-  
22 cluding all related charges or fees, if any;

23 “(F) any system of priorities in the man-  
24 agement of the operations of the public housing  
25 agency; and

1           “(G) a list of activities to enhance tenant  
2 empowerment and management, including as-  
3 sistance to resident councils and resident man-  
4 agement corporations.

5           “(5) RENTS AND CHARGES.—

6           “(A) IN GENERAL.—The policies of the  
7 public housing agency concerning rents or other  
8 charges, the manner in which such policies are  
9 determined, and the justification for the poli-  
10 cies.

11           “(B) FACTORS FOR CONSIDERATION.—In  
12 determining and justifying the policies de-  
13 scribed in subparagraph (A), the public housing  
14 agency shall take into account—

15           “(i) the goals of the public housing  
16 agency to serve households with a broad  
17 range of incomes, to create incentives for  
18 families to obtain employment, and to  
19 serve primarily low-income families;

20           “(ii) the costs and other financial con-  
21 siderations of the public housing agency;  
22 and

23           “(iii) such other factors as the public  
24 housing agency determines to be relevant.

1           “(6) ECONOMIC AND SOCIAL SELF-SUFFICIENCY  
2 PROGRAMS.—A description of any programs, plans,  
3 and activities of the public housing agency for the  
4 enhancement of the economic and social self-suffi-  
5 ciency of residents assisted by the programs of the  
6 public housing agency. The description shall include  
7 a statement of any self-sufficiency requirements af-  
8 fecting residents assisted by the programs of the  
9 public housing agency.

10           “(7) USE OF FUNDS FOR EXISTING UNITS.—

11           “(A) IN GENERAL.—A statement describ-  
12 ing the use of distributions from the Capital  
13 Fund and Operating Fund of the public hous-  
14 ing agency, established in accordance with sec-  
15 tion 9, including a general description of the  
16 public housing agency policies or plans to keep  
17 the property of the public housing agency in a  
18 decent and safe condition.

19           “(B) ANNUAL AND 5-YEAR PLAN.—An an-  
20 nual plan and, if appropriate, a 5-year plan of  
21 the public housing agency for modernization of  
22 the existing dwelling units of the public housing  
23 agency, a plan for preventative maintenance, a  
24 plan for routine maintenance, and a plan to  
25 handle emergencies and other disasters. Each

1 annual and 5-year plan shall include a general  
2 statement identifying the long-term viability  
3 and physical condition of each of the projects  
4 and other property of the public housing agen-  
5 cy, including cost estimates and demolition  
6 plans, if any.

7 “(8) USE OF FUNDS FOR NEW OR ADDITIONAL  
8 UNITS AND DEMOLITION OR DISPOSITION.—

9 “(A) IN GENERAL.—

10 “(i) CAPITAL AND OPERATING  
11 FUNDS.—If applicable, a description of the  
12 plans of the public housing agency for the  
13 Capital Fund and Operating Fund dis-  
14 tributions of the public housing agency es-  
15 tablished under section 9, for the purpose  
16 of new construction, demolition, or disposi-  
17 tion.

18 “(ii) ANNUAL AND 5-YEAR PLANS.—  
19 An annual plan and a 5-year plan describ-  
20 ing any current and future plans for the  
21 development or acquisition of new or addi-  
22 tional dwelling units, or the demolition or  
23 disposition of any of the existing housing  
24 stock of the public housing agency, includ-  
25 ing—

1           “(I) any plans for the sale of ex-  
2           isting dwelling units to low-income  
3           residents, other low-income persons or  
4           families, or organizations acting as  
5           conduits for sales to low-income resi-  
6           dents, or other low-income persons or  
7           families, under a homeownership plan;  
8           and

9           “(II) the plans of the public  
10          housing agency, if any, for replace-  
11          ment of dwelling units to be demol-  
12          ished or disposed of, and any plans  
13          providing for the relocation of resi-  
14          dents who will be displaced by a dem-  
15          olition or disposition of units.

16          “(B) DEMOLITIONS.—In the case of a  
17          demolition of any existing housing stock, each  
18          plan required under subparagraph (A)(ii) shall  
19          include—

20                 “(i) identification of the property to  
21                 be demolished;

22                 “(ii) the estimated costs of the demo-  
23                 lition and the sources of funds to pay for  
24                 the demolition;

1           “(iii) the uses and explanation of the  
2           uses to which the property will be put after  
3           demolition; and

4           “(iv) the reasons for the demolition  
5           and for the conclusion of the public hous-  
6           ing agency that the demolition is in the  
7           best interests of the programs of the public  
8           housing agency.

9           “(C) DISPOSITIONS.—In the case of a dis-  
10          position of any existing housing stock, each  
11          plan required under subparagraph (A)(ii) shall  
12          include—

13               “(i) a description of the property to  
14               be disposed of;

15               “(ii) a description of the use or uses  
16               to which the property will be put after dis-  
17               position, including findings with regard  
18               to—

19                       “(I) whether the new use or uses  
20                       are consistent and compatible with  
21                       any public housing agency dwelling  
22                       units that will remain in the imme-  
23                       diate vicinity of the property to be  
24                       disposed of; and

1           “(II) whether the public housing  
2           agency plans to retain any control  
3           over or rights in the property after  
4           disposition;

5           “(iii) identification of any consider-  
6           ation, whether in money, property, or both,  
7           to be received by the public housing agency  
8           as part of the disposition, and the low-in-  
9           come uses that the public housing agency  
10          intends for the proceeds, pursuant to the  
11          requirements of section 18; and

12          “(iv) the reasons for disposition of the  
13          property by the public housing agency and  
14          for the conclusion of the public housing  
15          agency that the disposition is in the best  
16          interests of the tenants, programs, and ac-  
17          tivities of the public housing agency.

18          “(D) OTHER INFORMATION.—The public  
19          housing agency shall, with respect to any demo-  
20          lition or disposition plan required by subpara-  
21          graph (A)(ii), comply with the requirements of  
22          section 18, and the public housing agency plan  
23          shall expressly certify such compliance.

24          “(9) OPERATING FUND PLAN.—

1           “(A) IN GENERAL.—A plan for the Operat-  
2           ing Fund of the public housing agency, includ-  
3           ing—

4                   “(i) an identification of all sources  
5                   and uses of funding and income of the  
6                   public housing agency;

7                   “(ii) a description for the establish-  
8                   ment, maintenance, and use of reserves;  
9                   and

10                   “(iii) an operating budget, a budget  
11                   for any modernization or development, and  
12                   any plans that the public housing agency  
13                   has for borrowing funds, including a de-  
14                   scription of any anticipated actions to  
15                   mortgage or otherwise grant a security in-  
16                   terest in any of the projects or other prop-  
17                   erties of the public housing agency in con-  
18                   nection with public housing agency borrow-  
19                   ings.

20           “(B) APPROVAL BY THE SECRETARY.—  
21           Each plan under subparagraph (A) involving  
22           mortgaging or granting a security interest in  
23           the projects of the public housing agency  
24           shall—

1           “(i) be deemed to be approved by the  
2           Secretary, unless the Secretary provides a  
3           written disapproval to the public housing  
4           agency not later than 45 days after the  
5           date on which the plan is submitted under  
6           subparagraph (A); and

7           “(ii) include reasonable provisions for  
8           the relocation of low-income tenants in the  
9           event of displacement.

10           “(10) ADDITIONAL PERFORMANCE REQUIRE-  
11           MENTS.—A description of any additional perform-  
12           ance standards established by the public housing  
13           agency.

14           “(11) ANNUAL AUDIT.—The results of an an-  
15           nual audit of the public housing agency, which shall  
16           be conducted by an independent certified public ac-  
17           counting firm pursuant to generally accepted ac-  
18           counting principles.

19           “(c) LOCAL ADVISORY BOARD.—

20           “(1) IN GENERAL.—

21           “(A) ESTABLISHMENT.—Each public hous-  
22           ing agency shall establish one or more local ad-  
23           visory boards in accordance with this sub-  
24           section, adequate to reflect and represent all of

1 the residents of dwelling units owned, operated,  
2 or assisted by the public housing agency.

3 “(B) INCLUSION IN PUBLIC HOUSING  
4 AGENCY PLAN.—The rules governing each local  
5 advisory board shall be included in the public  
6 housing agency plan of the public housing agen-  
7 cy.

8 “(2) MEMBERSHIP.—Each local board estab-  
9 lished under this subsection shall be composed of the  
10 following membership:

11 “(A) Not less than 60 percent of the board  
12 shall be residents of dwelling units owned, oper-  
13 ated, or assisted by the public housing agency.

14 “(B) The remainder of the board shall be  
15 comprised of—

16 “(i) representatives of the community  
17 in which the public housing agency is lo-  
18 cated; and

19 “(ii) local government officials of the  
20 community in which the public housing  
21 agency is located.

22 “(3) PURPOSE.—Each local advisory board es-  
23 tablished under this subsection shall assist and make  
24 recommendations in the development of the public  
25 housing agency plan for submission under this sec-

1       tion. The public housing agency shall consider the  
2       recommendations of the local advisory board in pre-  
3       paring the final public housing agency plan, and  
4       shall include a copy of such recommendations in the  
5       public housing agency plan submitted to the Sec-  
6       retary under this section.

7       “(d) PUBLICATION OF NOTICE.—

8               “(1) IN GENERAL.—Not later than 45 days be-  
9       fore adoption of any public housing agency plan by  
10      the governing body of the public housing agency, the  
11      public housing agency shall publish a notice inform-  
12      ing the public that—

13               “(A) the proposed public housing agency  
14      plan is available for inspection at the principal  
15      office of the public housing agency during nor-  
16      mal business hours; and

17               “(B) a public hearing will be held to dis-  
18      cuss the public housing agency plan and to in-  
19      vite public comment thereon.

20               “(2) PUBLIC HEARING.—Each public housing  
21      agency shall conduct a public hearing, as provided in  
22      the notice published under paragraph (1), not earlier  
23      than 30 days nor later than 50 days after the date  
24      on which the notice was published. After such public  
25      hearing, the public housing agency shall, after con-

1       sidering all public comments received and making  
2       any changes it deems appropriate, adopt the public  
3       housing agency plan and submit the plan to the Sec-  
4       retary in accordance with this section.

5       “(e) COORDINATED PROCEDURES.—Each public  
6       housing agency shall, in conjunction with the State or rel-  
7       evant unit of general local government, establish proce-  
8       dures to ensure that the public housing agency plan re-  
9       quired by this section is consistent with the applicable  
10      Comprehensive Housing Affordability Strategy for the ju-  
11      risdiction in which the public housing agency is located,  
12      in accordance with title I of the Cranston-Gonzalez Na-  
13      tional Affordable Housing Act.

14      “(f) AMENDMENTS AND MODIFICATIONS TO  
15      PLANS.—

16           “(1) IN GENERAL.—Nothing in this section  
17      shall preclude a public housing agency, after submit-  
18      ting a plan to the Secretary in accordance with this  
19      section, from amending or modifying any policy,  
20      rule, regulation, or plan of the public housing agen-  
21      cy, except that no such significant amendment or  
22      modification may be implemented—

23           “(A) other than at a duly called meeting of  
24      commissioners (or other comparable governing

1 body) of the public housing agency which is  
2 open to the public; and

3 “(B) until notification of such amendment  
4 or modification is sent to the Secretary and ap-  
5 proved in accordance with subsection (g)(4).

6 “(2) CONSISTENCY.—Any significant amend-  
7 ment or modification to a plan submitted to the Sec-  
8 retary under this section shall—

9 “(A) comply with the requirements of sub-  
10 section (a)(2); and

11 “(B) be considered by the local board, as  
12 provided in subsection (c).

13 “(g) TIMING OF PLANS.—

14 “(1) IN GENERAL.—

15 “(A) INITIAL SUBMISSION.—Each public  
16 housing agency shall submit the initial plan re-  
17 quired by this section, and any amendment or  
18 revision to the initial plan, to the Secretary at  
19 such time and in such form as the Secretary  
20 shall require.

21 “(B) ANNUAL SUBMISSION.—Not later  
22 than 60 days prior to the start of the fiscal  
23 year of the public housing agency, after initial  
24 submission of the plan required by this section  
25 in accordance with subparagraph (A), each pub-

1           lic housing agency shall annually submit to the  
2           Secretary a plan update, including any amend-  
3           ments or reports containing information con-  
4           stituting changes or modifications to the public  
5           housing agency plan of the public housing agen-  
6           cy.

7           “(2) REVIEW AND APPROVAL.—

8                   “(A) REVIEW.—After submission of the  
9           public housing agency plan or any amendment  
10          or report of changes or modifications to the  
11          plan to the Secretary, the Secretary shall review  
12          the public housing agency plan, amendment, or  
13          report to determine—

14                   “(i) in the case of a public housing  
15          agency plan, whether the contents of the  
16          plan—

17                           “(I) set forth the information re-  
18          quired by this section to be contained  
19          in a public housing agency plan; and

20                           “(II) are consistent with informa-  
21          tion and data available to the Sec-  
22          retary; and

23                   “(ii) in all cases, whether the activi-  
24          ties proposed by the plan, amendment, or  
25          report are prohibited by or inconsistent

1 with any provision of this title or other ap-  
2 plicable law.

3 “(B) APPROVAL.—

4 “(i) IN GENERAL.—Except as pro-  
5 vided in paragraph (3)(B), not later than  
6 45 days after the date on which a public  
7 housing agency plan is submitted in ac-  
8 cordance with this section, the Secretary  
9 shall provide written notice to the public  
10 housing agency if the plan has been dis-  
11 approved, stating with specificity the rea-  
12 sons for the disapproval.

13 “(ii) FAILURE TO PROVIDE NOTICE OF  
14 DISAPPROVAL.—If the Secretary does not  
15 provide notice of disapproval under clause  
16 (i) before the expiration of the 45-day pe-  
17 riod described in clause (i), the public  
18 housing agency plan of the public housing  
19 agency shall be deemed to be approved by  
20 the Secretary.

21 “(3) SECRETARIAL DISCRETION.—

22 “(A) IN GENERAL.—The Secretary shall  
23 have sole discretion to require such additional  
24 information and performance requirements as  
25 deemed appropriate for each public housing

1 agency that is designated by the Secretary as a  
2 troubled public housing agency under section  
3 6(j).

4 “(B) TROUBLED AGENCIES.—The Sec-  
5 retary shall provide explicit written approval or  
6 disapproval, in a timely manner, for a public  
7 housing agency plan submitted by any public  
8 housing agency designated by the Secretary as  
9 a troubled public housing agency under section  
10 6(j).

11 “(4) STREAMLINED PLAN.—In carrying out this  
12 section, the Secretary may establish a streamlined  
13 public housing agency plan for—

14 “(A) public housing agencies that are de-  
15 termined by the Secretary to be high perform-  
16 ing public housing agencies; and

17 “(B) public housing agencies with less  
18 than 250 units.”.

19 (b) INTERIM RULE.—

20 (1) IN GENERAL.—Not later than January 1,  
21 1996, the Secretary shall issue an interim rule to re-  
22 quire the submission of an interim public housing  
23 agency plan by each public housing agency, as re-  
24 quired by section 5A of the United States Housing

1 Act of 1937 (as added by subsection (a) of this sec-  
2 tion).

3 (2) REGULATIONS.—Not later than 1 year after  
4 the date of enactment of this Act, the Secretary  
5 shall promulgate final regulations implementing sec-  
6 tion 5A of the United States Housing Act of 1937,  
7 as added by subsection (a) of this section. Such reg-  
8 ulations shall be subject to negotiated rulemaking.

9 **SEC. 107. CONTRACT PROVISIONS AND REQUIREMENTS.**

10 (a) CONDITIONS.—Section 6(a) of the United States  
11 Housing Act of 1937 (42 U.S.C. 1437d(a)) is amended—

12 (1) in the first sentence, by inserting “, in a  
13 manner consistent with the public housing agency  
14 plan submitted under section 5A” before the period;  
15 and

16 (2) by striking the second sentence.

17 (b) REVISION OF MAXIMUM INCOME LIMITS; CER-  
18 TIFICATION OF COMPLIANCE WITH REQUIREMENTS; NO-  
19 TIFICATION OF ELIGIBILITY.—Section 6(c) of the United  
20 States Housing Act of 1937 (42 U.S.C. 1437d(c)) is  
21 amended to read as follows:

22 “(c) [Reserved.]”.

23 (c) EXCESS FUNDS.—Section 6(e) of the United  
24 States Housing Act of 1937 (42 U.S.C. 1437d(e)) is  
25 amended to read as follows:

1 “(e) [Reserved.]”.

2 (d) PERFORMANCE INDICATORS FOR PUBLIC HOUS-  
3 ING AGENCIES.—Section 6(j) of the United States Hous-  
4 ing Act of 1937 (42 U.S.C. 1437d(j)) is amended—

5 (1) in paragraph (1)—

6 (A) in subparagraph (B)—

7 (i) by striking “obligated” and insert-  
8 ing “provided”; and

9 (ii) by striking “unexpended” and in-  
10 sserting “unobligated by the public housing  
11 agency”;

12 (B) in subparagraph (D), by striking “en-  
13 ergy” and inserting “utility”;

14 (C) by redesignating subparagraph (H) as  
15 subparagraph (J); and

16 (D) by adding at the end the following new  
17 paragraphs:

18 “(H) The extent to which the agency pro-  
19 vides effective programs and activities to pro-  
20 mote the economic self-sufficiency of tenants.

21 “(I) The extent to which the agency suc-  
22 cessfully meets the goals and carries out the ac-  
23 tivities and programs of the public housing  
24 agency plan under section 5(A).”; and

1           (2) in paragraph (2)(A)(i), by inserting after  
2           the first sentence the following: “The Secretary may  
3           use a simplified set of indicators for public housing  
4           agencies with less than 250 units.”.

5           (e) LEASES.—Section 6(l) of the United States Hous-  
6           ing Act of 1937 (42 U.S.C. 1437d(l)) is amended—

7           (1) in paragraph (3), by striking “not be less  
8           than” and all that follows before the semicolon at  
9           the end and inserting “be the period of time re-  
10          quired under State law”; and

11          (2) in paragraph (5), by striking “on or near  
12          such premises”.

13          (f) PUBLIC HOUSING ASSISTANCE TO FOSTER CARE  
14          CHILDREN.—Section 6(o) of the United States Housing  
15          Act of 1937 (42 U.S.C. 1437d(o)) is amended by striking  
16          “Subject” and all that follows through “, in” and inserting  
17          “In”.

18          (g) PREFERENCE FOR AREAS WITH INADEQUATE  
19          SUPPLY OF VERY LOW-INCOME HOUSING.—Section 6(p)  
20          of the United States Housing Act of 1937 (42 U.S.C.  
21          1437d(p)) is amended to read as follows:

22          “(p) [Reserved.]”.

23          (h) AVAILABILITY OF CRIMINAL RECORDS FOR  
24          SCREENING AND EVICTION; EVICTION FOR DRUG-RELAT-  
25          ED ACTIVITY.—Section 6 of the United States Housing

1 Act of 1937 (42 U.S.C. 1437d) is amended by adding at  
2 the end the following new subsections:

3 “(q) AVAILABILITY OF RECORDS.—

4 “(1) IN GENERAL.—

5 “(A) PROVISION OF INFORMATION.—Not-  
6 withstanding any other provision of law, except  
7 as provided in subparagraph (B), the National  
8 Crime Information Center, a police department,  
9 and any other law enforcement agency shall,  
10 upon request, provide information to public  
11 housing agencies regarding the criminal convic-  
12 tion records of adult applicants for, or residents  
13 of, public housing for purposes of applicant  
14 screening, lease enforcement, and eviction.

15 “(B) EXCEPTION.—Except as provided  
16 under any provision of State or local law, no  
17 law enforcement agency described in subpara-  
18 graph (A) shall provide information under this  
19 paragraph relating to any criminal conviction if  
20 the date of that conviction occurred 5 or more  
21 years prior to the date on which the request for  
22 the information is made.

23 “(2) OPPORTUNITY TO DISPUTE.—Before an  
24 adverse action is taken on the basis of a criminal  
25 record, the public housing agency shall provide the

1 resident or applicant with a copy of the criminal  
2 record and an opportunity to dispute the accuracy  
3 and relevance of that record.

4 “(3) FEE.—A public housing agency may be  
5 charged a reasonable fee for information provided  
6 under paragraph (1).

7 “(4) RECORDS MANAGEMENT.—Each public  
8 housing agency shall establish and implement a sys-  
9 tem of records management that ensures that any  
10 criminal record received by the public housing agen-  
11 cy is—

12 “(A) maintained confidentially;

13 “(B) not misused or improperly dissemi-  
14 nated; and

15 “(C) destroyed, once the purpose for which  
16 the record was requested has been accom-  
17 plished.

18 “(5) DEFINITION.—For purposes of this sub-  
19 section, the term ‘adult’ means a person who is 18  
20 years of age or older, or who has been convicted of  
21 a crime as an adult under any Federal or State law.

22 “(r) EVICTION FOR DRUG-RELATED ACTIVITY.—Any  
23 resident evicted from housing assisted under this title by  
24 reason of drug-related criminal activity (as such term is  
25 defined in section 8(f)(5)) shall not be eligible for housing

1 assistance under this title during the 3-year period begin-  
2 ning on the date of such eviction, unless the evicted resi-  
3 dent successfully completes a rehabilitation program ap-  
4 proved by the public housing agency (which shall include  
5 a waiver of this subsection if the circumstances leading  
6 to eviction no longer exist).”.

7 **SEC. 108. EXPANSION OF POWERS.**

8 (a) IN GENERAL.—Section 6(j)(3) of the United  
9 States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is  
10 amended—

11 (1) in subparagraph (A)—

12 (A) by redesignating clauses (iii) and (iv)  
13 as clauses (iv) and (v), respectively; and

14 (B) by inserting after clause (ii) the follow-  
15 ing new clause:

16 “(iii) take possession of the public  
17 housing agency, including any project or  
18 function of the agency, including any  
19 project or function under any other provi-  
20 sion of this Act;”;

21 (2) by redesignating subparagraphs (B)  
22 through (D) as subparagraphs (E) through (G), re-  
23 spectively;

24 (3) by inserting after subparagraph (A) the fol-  
25 lowing new subparagraphs:

1           “(B)(i) If a public housing agency is iden-  
2           tified as troubled under this subsection, the  
3           Secretary shall notify the agency of the troubled  
4           status of the agency.

5           “(ii) The Secretary may give a public  
6           housing agency a 1-year period, beginning on  
7           the date on which the agency receives notifica-  
8           tion from the Secretary of the troubled status  
9           of the agency under clause (i), within which to  
10          demonstrate improvement satisfactory to the  
11          Secretary. Nothing in this clause shall preclude  
12          the Secretary from taking any action the Sec-  
13          retary considers necessary before the com-  
14          mencement or the expiration of the 1-year pe-  
15          riod described in this clause.

16          “(iii) Upon the expiration of the 1-year pe-  
17          riod described in clause (ii), or in the case of  
18          a public housing agency identified as troubled  
19          before the effective date of this Act, upon the  
20          expiration of the 1-year period commencing on  
21          that date, if the troubled agency has not dem-  
22          onstrated improvement satisfactory to the Sec-  
23          retary and the Secretary has not yet declared  
24          the agency to be in breach of its contract with  
25          the Federal Government under this Act, the

1 Secretary shall declare the public housing agen-  
2 cy to be in substantial default, as described in  
3 subparagraph (A).

4 “(iv) Upon declaration of a substantial de-  
5 fault under clause (iii), the Secretary—

6 “(I) shall either—

7 “(aa) petition for the appoint-  
8 ment of a receiver pursuant to sub-  
9 paragraph (A)(ii); or

10 “(bb) take possession of the pub-  
11 lic housing agency or any development  
12 or developments of the public housing  
13 agency pursuant to subparagraph  
14 (A)(iii); and

15 “(II) may, in addition, take other ap-  
16 propriate action.

17 “(C)(i) If a receiver is appointed pursuant  
18 to subparagraph (A)(ii), in addition to the pow-  
19 ers accorded by the court appointing the re-  
20 ceiver, the receiver—

21 “(I) may abrogate any contract that  
22 substantially impedes correction of the sub-  
23 stantial default;

1           “(II) may demolish and dispose of the  
2           assets of the public housing agency, in ac-  
3           cordance with section 18;

4           “(III) if determined to be appropriate  
5           by the Secretary, may require the estab-  
6           lishment, as permitted by applicable State  
7           and local law, of one or more new public  
8           housing agencies; and

9           “(IV) shall not be subject to any  
10          State or local law relating to civil service  
11          requirements, employee rights, procure-  
12          ment, or financial or administrative con-  
13          trols that, in the determination of the re-  
14          ceiver, substantially impedes correction of  
15          the substantial default.

16          “(ii) For purposes of this subparagraph,  
17          the term ‘public housing agency’ includes any  
18          project or function of a public housing agency,  
19          as appropriate, including any project or func-  
20          tion under any other provision of this Act.

21          “(D)(i) If the Secretary takes possession of  
22          a public housing agency, or any project or func-  
23          tion of the agency, pursuant to subparagraph  
24          (A)(iii), the Secretary—

1           “(I) may abrogate any contract that  
2           substantially impedes correction of the sub-  
3           stantial default;

4           “(II) may demolish and dispose of the  
5           assets of the public housing agency, in ac-  
6           cordance with section 18;

7           “(III) may require the establishment,  
8           as permitted by applicable State and local  
9           law, of one or more new public housing  
10          agencies;

11          “(IV) shall not be subject to any  
12          State or local law relating to civil service  
13          requirements, employee rights, procure-  
14          ment, or financial or administrative con-  
15          trols that, in the determination of the Sec-  
16          retary, substantially impedes correction of  
17          the substantial default; and

18          “(V) shall have such additional au-  
19          thority as a district court of the United  
20          States could confer under like cir-  
21          cumstances on a receiver to fulfill the pur-  
22          poses of the receivership.

23          “(ii) The Secretary may appoint, on a  
24          competitive or noncompetitive basis, an individ-  
25          ual or entity as an administrative receiver to as-

1           sume the responsibilities of the Secretary under  
2           this subparagraph for the administration of a  
3           public housing agency. The Secretary may dele-  
4           gate to the administrative receiver any or all of  
5           the powers given the Secretary by this subpara-  
6           graph, as the Secretary determines to be appro-  
7           priate.

8           “(iii) Regardless of any delegation under  
9           this subparagraph, an administrative receiver  
10          may not require the establishment of one or  
11          more new public housing agencies pursuant to  
12          clause (i)(III), unless the Secretary first ap-  
13          proves an application by the administrative re-  
14          ceiver to authorize such establishment.

15          “(iv) For purposes of this subparagraph,  
16          the term ‘public housing agency’ includes any  
17          project or function of a public housing agency,  
18          as appropriate, including any project or func-  
19          tion under any other provision of this Act.”;  
20          and

21          (4) by adding at the end the following new sub-  
22          paragraph:

23          “(H) If the Secretary (or an administrative  
24          receiver appointed by the Secretary) takes pos-  
25          session of a public housing agency (including

1 any project or function of the agency) pursuant  
2 to subparagraph (A)(iii), or if a receiver is ap-  
3 pointed by a court pursuant to subparagraph  
4 (A)(ii), the Secretary or receiver shall be  
5 deemed to be acting not in that person's or en-  
6 tity's official capacity, but rather in the capac-  
7 ity of the public housing agency, and any liabil-  
8 ity incurred, regardless of whether the incident  
9 giving rise to such liability occurred while the  
10 Secretary or receiver was in possession of the  
11 public housing agency (including any project or  
12 function of the agency), shall be the liability of  
13 the public housing agency.”.

14 (b) APPLICABILITY.—The amendments made by sub-  
15 section (a) shall apply to a public housing agency that is  
16 found to be in substantial default, on or after the date  
17 of enactment of this Act, with respect to the covenants  
18 or conditions to which the agency is subject (as such sub-  
19 stantial default is defined in the contract for contributions  
20 of the agency) or with respect to an agreement entered  
21 into under section 6(j)(2)(C) of the United States Housing  
22 Act of 1937.

1 **SEC. 109. PUBLIC HOUSING DESIGNATED FOR THE ELDER-**  
2 **LY AND THE DISABLED.**

3 Section 7 of the United States Housing Act of 1937  
4 (42 U.S.C. 1437e) is amended to read as follows:

5 **“SEC. 7. AUTHORITY TO PROVIDE DESIGNATED HOUSING.**

6 “(a) **IN GENERAL.**—Notwithstanding any other pro-  
7 vision of law, a public housing agency may, in its discre-  
8 tion and without approval by the Secretary, designate pub-  
9 lic housing projects or mixed-income projects (or portions  
10 of projects) for occupancy as elderly housing, disabled  
11 housing, or elderly and disabled housing. The public hous-  
12 ing agency shall establish requirements for this section in  
13 the public housing agency plan of the public housing agen-  
14 cy.

15 “(b) **RELOCATION ASSISTANCE.**—A public housing  
16 agency that converts any existing project or building, or  
17 portion thereof, to elderly housing or disabled housing  
18 shall provide to all persons or families who are to be relo-  
19 cated in connection with the conversion—

20 “(1) notice of the conversion and relocation not  
21 less than 6 months before the date of such action;

22 “(2) comparable housing (including appropriate  
23 services and design features) at a rental rate that is  
24 comparable to that applicable to the unit from which  
25 the person or family has vacated; and

1           “(3) payment of actual, reasonable moving ex-  
2           penses.

3           “(c) COMPARABLE HOUSING.—For purposes of this  
4 section, tenant-based assistance under section 8(o) shall  
5 be deemed to be comparable housing, if the person or fam-  
6 ily who is relocated may obtain with such assistance hous-  
7 ing that is generally comparable to the housing that was  
8 vacated at a cost to the relocated person or family that  
9 is not in excess of the amount previously paid for the hous-  
10 ing vacated.

11          “(d) UNIFORM RELOCATION AND REAL PROPERTY  
12 ACQUISITION ACT.—The Uniform Relocation and Real  
13 Property Acquisition Act shall not apply to activities  
14 under this section.”.

15 **SEC. 110. PUBLIC AND INDIAN HOUSING CAPITAL AND OP-**  
16 **ERATING FUNDS.**

17          Section 9 of the United States Housing Act of 1937  
18 (42 U.S.C. 1437g) is amended to read as follows:

19 **“SEC. 9. PUBLIC AND INDIAN HOUSING CAPITAL AND OPER-**  
20 **ATING FUNDS.**

21          “(a) IN GENERAL.—Except for assistance provided  
22 under section 8, all programs under which assistance is  
23 provided for public housing on the day before the effective  
24 date of the Public Housing Reform and Empowerment Act  
25 of 1995 shall be merged, as appropriate, into either—

1           “(1) the Capital Fund established under sub-  
2           section (c); or

3           “(2) the Operating Fund established under sub-  
4           section (d).

5           “(b) USE OF EXISTING FUNDS.—With the exception  
6 of funds made available pursuant to section 20(f) and  
7 funds appropriated for the urban revitalization demonstra-  
8 tion program authorized under the Department of Veter-  
9 ans Affairs and Housing and Urban Development, and  
10 Independent Agencies Appropriations Acts—

11           “(1) funds made available to the Secretary for  
12           public housing purposes that have not been obligated  
13           by the Secretary to a public housing agency before  
14           the effective date of the Public Housing Reform and  
15           Empowerment Act of 1995 shall be made available,  
16           for the period originally provided in law, for use in  
17           either the Capital Fund or the Operating Fund es-  
18           tablished under this section, as appropriate; and

19           “(2) funds made available to the Secretary for  
20           public housing purposes that have been obligated by  
21           the Secretary to a public housing agency but that,  
22           as of the effective date of the Public Housing Re-  
23           form and Empowerment Act of 1995, have not been  
24           obligated by the public housing agency, may be  
25           made available by that public housing agency, for

1 the period originally provided in law, for use in ei-  
2 ther the Capital Fund or the Operating Fund estab-  
3 lished under this section, as appropriate.

4 “(c) CAPITAL FUND.—

5 “(1) IN GENERAL.—The Secretary shall estab-  
6 lish a Capital Fund for the purpose of making  
7 grants to public housing agencies principally—

8 “(A) to make physical improvements to, to  
9 replace, or demolish public housing projects, or  
10 portions of projects; and

11 “(B) for associated management improve-  
12 ments.

13 “(2) GRANTS.—The Secretary shall make  
14 grants to public housing agencies to carry out cap-  
15 ital and management activities, including—

16 “(A) the development and modernization of  
17 public housing projects, including the redesign,  
18 reconstruction, and reconfiguration of public  
19 housing sites and buildings;

20 “(B) vacancy reduction;

21 “(C) addressing deferred maintenance  
22 needs and the replacement of dwelling equip-  
23 ment;

24 “(D) planned code compliance;

25 “(E) management improvements;

1           “(F) community services;

2           “(G) demolition and replacement;

3           “(H) tenant relocation; and

4           “(I) activities to improve the economic  
5           empowerment and self-sufficiency of public  
6           housing tenants.

7           “(3) LIMIT ON USE OF FUNDS.—Each public  
8           housing agency may use not more than 20 percent  
9           of the Capital Fund distribution of the public hous-  
10          ing agency for activities under the Operating Fund  
11          of the public housing agency pursuant to subsection  
12          (d), provided that the public housing agency plan  
13          provides for such use.

14          “(d) OPERATING FUND.—

15                 “(1) IN GENERAL.—The Secretary shall estab-  
16                 lish an Operating Fund for the purpose of making  
17                 assistance available to public housing agencies for  
18                 the operation and management of public housing.

19                 “(2) GRANTS.—The Secretary shall make  
20                 grants to public housing agencies to carry out activi-  
21                 ties that relate to the operation and management of  
22                 public housing, including—

23                         “(A) anti-crime and anti-drug activities  
24                         (including those activities eligible for assistance  
25                         under the Public and Assisted Housing Drug

1 Elimination Act of 1990 and the Drug-Free  
2 Public Housing Act of 1988); and

3 “(B) activities related to the provision of  
4 service coordinators for elderly persons or per-  
5 sons with disabilities pursuant to section 673 of  
6 the Housing and Community Development Act  
7 of 1992.

8 “(e) ESTABLISHMENT OF FORMULAE.—

9 “(1) IN GENERAL.—The Secretary shall estab-  
10 lish formulae for providing assistance under the  
11 Capital Fund and the Operating Fund under this  
12 subsection.

13 “(2) FORMULAE REQUIREMENTS.—The for-  
14 mulae established under paragraph (1) shall include  
15 the following:

16 “(A) The needs of public housing agencies  
17 as identified through their public housing agen-  
18 cy plans submitted under section 5A.

19 “(B) The number of public housing dwell-  
20 ing units owned and operated by a housing  
21 management agency and occupied by low-in-  
22 come families (including the costs of conversion  
23 to tenant-based assistance under section 22).

24 “(C) The extent to which public housing  
25 agencies provide programs and activities de-

1 signed to promote the economic self-sufficiency  
2 of tenants.

3 “(D) The age, condition, and density of  
4 the low-income housing owned or operated by  
5 the agency.

6 “(E) The number of dwelling units owned  
7 and operated by the housing management agen-  
8 cy that are chronically vacant and the amount  
9 of assistance appropriate for such units.

10 “(F) The amount of assistance necessary  
11 to provide rehabilitation and operating expenses  
12 for public housing dwelling units including the  
13 amount of assistance to provide a safe environ-  
14 ment.

15 “(3) TRANSITION FORMULA.—The transition  
16 formula shall provide that each public housing agen-  
17 cy shall receive that percentage of funds which rep-  
18 represents the percentage of funds that the public hous-  
19 ing agency received, on average, for modernization  
20 costs and operating expenses during the 3 fiscal  
21 years of that public housing agency preceding imple-  
22 mentation of a formula established under paragraph  
23 (1).

24 “(4) PROCEDURES.—The Secretary shall estab-  
25 lish formulae under paragraph (1) through nego-

1       tiated rulemaking, and shall submit the formulae to  
2       the Congress for review not later than 2 years after  
3       the date of enactment of the Public Housing Reform  
4       and Empowerment Act of 1995.

5           “(5) APPROVAL.—Unless the Congress acts to  
6       disapprove a formula submitted under this sub-  
7       section, the formula shall be presumed to be ap-  
8       proved until a revised formula is adopted.

9           “(6) OPERATING AND CAPITAL ASSISTANCE.—A  
10      resident management corporation managing a public  
11      housing development pursuant to a contract under  
12      this section shall be provided directly by the Sec-  
13      retary with operating and capital assistance under  
14      this title for purposes of operating the development  
15      and performing such other eligible activities with re-  
16      spect to the development as may be provided under  
17      the contract.

18          “(f) NATIVE AMERICAN HOUSING PROGRAMS.—Not-  
19      withstanding any other provision of law, from amounts ap-  
20      propriated for the Capital Fund or the Operating Fund,  
21      the Secretary shall establish such formulae and programs  
22      as may be necessary to provide such sums as may be nec-  
23      essary to carry out housing programs for Indians.

1       “(g) TECHNICAL ASSISTANCE.—To the extent ap-  
2 proved in appropriations Acts for grants, the Secretary  
3 may provide—

4           “(1) technical assistance to public housing  
5 agencies, resident councils, resident organizations,  
6 and resident management corporations, including  
7 monitoring, inspections, training for public housing  
8 agency employees and residents, and data collection  
9 and analysis; and

10          “(2) remedial activities associated with troubled  
11 public housing agencies, as such agencies are so des-  
12 ignated under section 6(j).

13       “(h) FUNDING FOR RESIDENT COUNCILS.—Of any  
14 amounts made available in any fiscal year to carry out  
15 this section, \$25,000,000 shall be made available to resi-  
16 dent councils, resident organizations, or resident manage-  
17 ment corporations, on a competitive basis, to carry out  
18 resident management activities, and other activities de-  
19 signed to improve the economic self-sufficiency of public  
20 housing residents.

21       “(i) EMERGENCY RESERVE.—

22           “(1) IN GENERAL.—

23               “(A) SET-ASIDE.—In each fiscal year, the  
24 Secretary shall set aside an amount not to ex-  
25 ceed 2 percent of the amount appropriated to

1 carry out this section for that fiscal year for  
2 use in accordance with this subsection.

3 “(B) USE OF FUNDS.—Amounts set aside  
4 under this paragraph shall be available to the  
5 Secretary for use in connection with emer-  
6 gencies, and to fund the cost of demolitions,  
7 modernization, and other activities if the Cap-  
8 ital Fund and Operating Fund distributions of  
9 any public housing agency are not adequate to  
10 carry out activities relating to the goal of the  
11 public housing agency of providing decent, safe,  
12 and affordable housing in viable communities.

13 “(2) ALLOCATION.—Amounts set aside under  
14 this paragraph shall be allocated pursuant to a com-  
15 petition based upon relative need to such public  
16 housing agencies, in such manner, and in such  
17 amounts as the Secretary shall determine.”.

18 **SEC. 111. LABOR STANDARDS.**

19 Section 12 of the United States Housing Act of 1937  
20 (42 U.S.C. 1437j) is amended by adding at the end the  
21 following new subsection:

22 “(c) WORK REQUIREMENT.—

23 “(1) IN GENERAL.—Notwithstanding any other  
24 provision of law, each adult member of each house-  
25 hold assisted under this Act shall contribute not less

1 than 8 hours of volunteer work per month within the  
2 community of that adult.

3 “(2) INCLUSION IN PLAN.—Each public housing  
4 agency shall include in the plan submitted to the  
5 Secretary under section 5A, a detailed description of  
6 how the public housing agency intends to implement  
7 and administer the requirements of paragraph (1).

8 “(3) EXEMPTIONS.—The Secretary may provide  
9 an exemption from the requirements of paragraph  
10 (1) for any individual who is—

11 “(A) not less than 62 years of age;

12 “(B) a person with disabilities who is un-  
13 able, as determined in accordance with guide-  
14 lines established by the Secretary, to comply  
15 with this section; or

16 “(C) working full-time, a student, receiving  
17 vocational training, or otherwise meeting work  
18 requirements of a public assistance program.”.

19 **SEC. 112. REPEAL OF ENERGY CONSERVATION; CONSORTIA**  
20 **AND JOINT VENTURES.**

21 Section 13 of the United States Housing Act of 1937  
22 (42 U.S.C. 1437k) is amended to read as follows:

1 **“SEC. 13. CONSORTIA, JOINT VENTURES, AFFILIATES, AND**  
2 **SUBSIDIARIES OF PUBLIC HOUSING AGEN-**  
3 **CIES.**

4 “(a) CONSORTIA.—

5 “(1) IN GENERAL.—Any 2 or more public hous-  
6 ing agencies may participate in a consortium for the  
7 purpose of administering any or all of the housing  
8 programs of those public housing agencies in accord-  
9 ance with this section.

10 “(2) EFFECT.—With respect to any consortium  
11 described in paragraph (1)—

12 “(A) any assistance made available under  
13 this title to each of the public housing agencies  
14 participating in the consortium shall be paid to  
15 the consortium; and

16 “(B) all planning and reporting require-  
17 ments imposed upon each public housing agency  
18 participating in the consortium with respect to  
19 the programs operated by the consortium shall  
20 be consolidated.

21 “(3) RESTRICTIONS.—

22 “(A) AGREEMENT.—Each consortium de-  
23 scribed in paragraph (1) shall be formed and  
24 operated in accordance with a consortium  
25 agreement, and shall be subject to the require-  
26 ments of a joint public housing agency plan,

1           which shall be submitted by the consortium in  
2           accordance with section 5A.

3           “(B) MINIMUM REQUIREMENTS.—The Sec-  
4           retary shall specify minimum requirements re-  
5           lating to the formation and operation of consor-  
6           tia and the minimum contents of consortium  
7           agreements under this paragraph.

8           “(b) JOINT VENTURES.—

9           “(1) IN GENERAL.—Notwithstanding any other  
10          provision of law, a public housing agency, in accord-  
11          ance with its public housing agency plan submitted  
12          under section 5A, may—

13                 “(A) form and operate wholly owned or  
14                 controlled subsidiaries (which may be nonprofit  
15                 corporations) and other affiliates, any of which  
16                 may be directed, managed, or controlled by the  
17                 same persons who constitute the board of com-  
18                 missioners or other similar governing body of  
19                 the public housing agency, or who serve as em-  
20                 ployees or staff of the public housing agency; or

21                 “(B) enter into joint ventures, partner-  
22                 ships, or other business arrangements with, or  
23                 contract with, any person, organization, entity,  
24                 or governmental unit, with respect to the ad-  
25                 ministration of the programs of the public hous-

1           ing agency, including any program that is sub-  
2           ject to this title.

3           “(2) USE OF INCOME.—Any income generated  
4           under paragraph (1) shall be used for low-income  
5           housing or to benefit the tenants of the public hous-  
6           ing agency.

7           “(3) AUDITS.—The Secretary may conduct an  
8           audit of any activity undertaken under paragraph  
9           (1) at any time.”.

10 **SEC. 113. REPEAL OF MODERNIZATION FUND.**

11           Section 14 of the United States Housing Act of 1937  
12 (42 U.S.C. 1437) is repealed.

13 **SEC. 114. INCOME ELIGIBILITY FOR ASSISTED HOUSING.**

14           Section 16 of the United States Housing Act of 1937  
15 (42 U.S.C. 1437n) is amended to read as follows:

16 **“SEC. 16. INCOME ELIGIBILITY FOR ASSISTED HOUSING.**

17           “(a) IN GENERAL.—

18           “(1) INITIAL OCCUPANCY BY CERTAIN HOUSE-  
19           HOLDS.—Of the dwelling units of a public housing  
20           agency, including public housing units in a des-  
21           ignated mixed-income project, made available for ini-  
22           tial occupancy—

23           “(A) not less than 40 percent shall be oc-  
24           cupied by households whose incomes do not ex-



1 or without financial assistance under this title, to demolish  
2 or dispose of a public housing project or a portion of a  
3 public housing project, the Secretary shall approve the ap-  
4 plication, if the public housing agency certifies—

5 “(1) in the case of—

6 “(A) an application proposing demolition  
7 of a public housing project or a portion of a  
8 public housing project, that—

9 “(i) the project or portion of the  
10 project is obsolete as to physical condition,  
11 location, or other factors, making it unsuit-  
12 able for housing purposes; and

13 “(ii) no reasonable program of modi-  
14 fications is cost-effective to return the  
15 project or portion of the project to useful  
16 life; and

17 “(B) an application proposing the demoli-  
18 tion of only a portion of a project, that the  
19 demolition will help to assure the useful life of  
20 the remaining portion of the project;

21 “(2) in the case of an application proposing dis-  
22 position of public housing project or other real prop-  
23 erty subject to this title by sale or other transfer,  
24 that—

1           “(A) the retention of the property is not in  
2 the best interests of the residents or the public  
3 housing agency because—

4           “(i) conditions in the area surround-  
5 ing the project adversely affect the health  
6 or safety of the residents or the feasible  
7 operation of the project by the public hous-  
8 ing agency; or

9           “(ii) disposition allows the acquisition,  
10 development, or rehabilitation of other  
11 properties that will be more efficiently or  
12 effectively operated as low-income housing;

13           “(B) the public housing agency has other-  
14 wise determined the disposition to be appro-  
15 priate for reasons that are—

16           “(i) in the best interests of the resi-  
17 dents and the public housing agency;

18           “(ii) consistent with the goals of the  
19 public housing agency and the public hous-  
20 ing agency plan of the public housing  
21 agency; and

22           “(iii) otherwise consistent with this  
23 title; or

24           “(C) for property other than dwelling  
25 units, the property is excess to the needs of a

1 public housing project or the disposition is inci-  
2 dental to, or does not interfere with, continued  
3 operation of a public housing project;

4 “(3) that the public housing agency has specifi-  
5 cally authorized the demolition or disposition in the  
6 public housing agency plan of the public housing  
7 agency submitted under section 5A, and has cer-  
8 tified that the actions contemplated in the public  
9 housing agency plan comply with the requirements  
10 of this section;

11 “(4) that the public housing agency—

12 “(A) will provide for the payment of the  
13 relocation expenses of each resident to be dis-  
14 placed;

15 “(B) will ensure that the amount of rent  
16 paid by the tenant following relocation will not  
17 exceed the amount permitted under this Act;  
18 and

19 “(C) will not commence demolition or dis-  
20 position until all tenants residing in the unit  
21 are relocated;

22 “(5) that the net proceeds of any disposition  
23 will be used—

24 “(A) unless waived by the Secretary, for  
25 the retirement of outstanding obligations issued

1 to finance the original public housing project or  
2 modernization of the project; and

3 “(B) to the extent that any proceeds re-  
4 main after the application of proceeds in ac-  
5 cordance with subparagraph (A), for the provi-  
6 sion of low-income housing or to benefit the  
7 tenants of the public housing agency; and

8 “(6) that the public housing agency has com-  
9 plied with subsection (b).

10 “(b) TENANT OPPORTUNITY TO PURCHASE IN CASE  
11 OF PROPOSED DISPOSITION.—

12 “(1) IN GENERAL.—In the case of a proposed  
13 disposition of a public housing project or portion of  
14 a project, the public housing agency shall, in appro-  
15 priate circumstances, as determined by the Sec-  
16 retary, initially offer the property to any eligible  
17 resident organization, eligible resident management  
18 corporation, or nonprofit organization for resale to  
19 low-income families, if such entity—

20 “(A) is operating only at the public hous-  
21 ing project that is the subject of the disposition;  
22 and

23 “(B) has expressed an interest, in writing,  
24 to the public housing agency in a timely man-

1           ner, in purchasing the property for continued  
2           use as low-income housing.

3           “(2) TIMING.—

4                   “(A) THIRTY-DAY NOTICE.—A resident or-  
5                   ganization, resident management corporation,  
6                   or other entity referred to in paragraph (1) may  
7                   express interest in purchasing property that is  
8                   the subject of a disposition, as described in  
9                   paragraph (1), during the 30-day period begin-  
10                  ning on the date of notification of a proposed  
11                  sale of the property.

12                  “(B) SIXTY-DAY NOTICE.—If an entity ex-  
13                  presses written interest in purchasing a prop-  
14                  erty, as provided in subparagraph (A), no dis-  
15                  position of the property shall occur during the  
16                  60-day period beginning on the date of receipt  
17                  of such written notice, during which time that  
18                  entity shall be given the opportunity to obtain  
19                  a firm commitment for financing the purchase  
20                  of the property.

21                  “(c) HOMEOWNERSHIP ACTIVITIES.—This section  
22                  does not apply to the disposition of a public housing  
23                  project, or any portion thereof, in accordance with a home-  
24                  ownership program under which the property is sold or  
25                  conveyed to low-income persons or families or to an orga-

1 nization acting as a conduit for sales or conveyances to  
2 such persons or families.

3 “(d) REPLACEMENT UNITS.—Notwithstanding any  
4 other provision of law, replacement housing units for pub-  
5 lic housing units demolished in accordance with this sec-  
6 tion may be built on the original public housing location  
7 or in the same neighborhood as the original public housing  
8 location if the number of such replacement units is fewer  
9 than the number of units demolished.”.

10 (b) HOMEOWNERSHIP REPLACEMENT PLAN.—

11 (1) IN GENERAL.—Section 304(g) of the United  
12 States Housing Act of 1937 (42 U.S.C. 1437aaa-  
13 3(g)), as amended by section 1002(b) of the Emer-  
14 gency Supplemental Appropriations for Additional  
15 Disaster Assistance, for Anti-terrorism Initiatives,  
16 for Assistance in the Recovery from the Tragedy  
17 that Occurred At Oklahoma City, and Rescissions  
18 Act, 1995, is amended to read as follows:

19 “(g) [Reserved.]”.

20 (2) EFFECTIVE DATE.—The amendment made  
21 by paragraph (1) shall be effective for plans for the  
22 demolition, disposition, or conversion to homeowner-  
23 ship of public housing approved by the Secretary  
24 after September 30, 1995.

1 (c) UNIFORM RELOCATION AND REAL PROPERTY  
2 ACQUISITION ACT.—The Uniform Relocation and Real  
3 Property Acquisition Act shall not apply to activities  
4 under section 18 of the United States Housing Act of  
5 1937, as amended by this section.

6 **SEC. 116. REPEAL OF FAMILY INVESTMENT CENTERS;**  
7 **VOUCHERS FOR PUBLIC HOUSING.**

8 (a) IN GENERAL.—Section 22 of the United States  
9 Housing Act of 1937 (42 U.S.C. 1437t) is amended to  
10 read as follows:

11 **“SEC. 22. VOUCHERS FOR PUBLIC HOUSING.**

12 “(a) IN GENERAL.—

13 “(1) AUTHORIZATION.—A public housing agen-  
14 cy may convert any public housing project (or por-  
15 tion thereof) owned and operated by the public hous-  
16 ing agency to a system of tenant-based assistance in  
17 accordance with this section.

18 “(2) REQUIREMENTS.—In making a conversion  
19 under this section, the public housing agency shall  
20 develop a conversion plan and an assessment under  
21 subsection (b) in consultation with the appropriate  
22 public housing officials and residents, which plan  
23 and assessment shall be consistent with and part of  
24 the public housing agency plan submitted under sec-  
25 tion 5A, and shall describe the conversion and future

1 use or disposition of the public housing project, in-  
2 cluding an impact analysis on the affected commu-  
3 nity.

4 “(b) CONVERSION ASSESSMENT.—

5 “(1) IN GENERAL.—Not later than 2 years  
6 after the date of enactment of the Public Housing  
7 Reform and Empowerment Act of 1995, each public  
8 housing agency shall assess the status of each public  
9 housing project owned and operated by that public  
10 housing agency and shall submit to the Secretary a  
11 report that includes—

12 “(A) a cost analysis of the public housing  
13 project, including costs attributable to the phys-  
14 ical condition, modernization needs, operating  
15 costs, and market value (both before and after  
16 rehabilitation) of the project;

17 “(B) a market analysis of the public hous-  
18 ing project, including an evaluation of the avail-  
19 ability of rental dwelling units at or below the  
20 fair market rent in the market area in which  
21 the public housing project is located; and

22 “(C) the impact of the conversion on the  
23 neighborhood in which the public housing  
24 project is located.



1 housing agency, to other low-income persons or families,  
2 or to organizations serving as conduits for sales to such  
3 persons.

4 “(b) SALE PRICES, TERMS AND CONDITIONS.—Any  
5 sales under subsection (a) may involve such sales prices,  
6 terms, and conditions as the public housing agency may  
7 determine in accordance with procedures set forth in the  
8 public housing agency plan of the public housing agency  
9 submitted under section 5A.

10 “(c) PROTECTION OF NONPURCHASING FAMILIES.—  
11 If a tenant decides not to purchase a unit, or is not quali-  
12 fied to do so, the public housing agency shall—

13 “(1) ensure that rental assistance under section  
14 8 is made available to the tenant; and

15 “(2) provide for the payment of the reasonable  
16 relocation expenses of the tenant.

17 “(d) NET PROCEEDS.—The net proceeds of any sales  
18 under this section remaining after payment of all costs  
19 of the sale and any unassumed, unpaid indebtedness owed  
20 in connection with the dwelling units sold unless waived  
21 by the Secretary, shall be used for purposes relating to  
22 low-income housing and in accordance with the public  
23 housing agency plan of the public housing agency submit-  
24 ted under section 5A.”.

1 (b) SAVINGS PROVISION.—The amendment made by  
 2 subsection (a) does not affect any contract or other agree-  
 3 ment entered into under section 23 of the United States  
 4 Housing Act of 1937, as that section existed on the day  
 5 before the date of enactment of this Act.

6 **SEC. 118. CONVERSION OF DISTRESSED PUBLIC HOUSING**  
 7 **TO VOUCHERS.**

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

11 **“SEC. 28. CONVERSION OF DISTRESSED PUBLIC HOUSING**  
 12 **TO VOUCHERS.**

13 “(a) IDENTIFICATION OF UNITS.—Each public hous-  
 14 ing agency shall identify any public housing develop-  
 15 ments—

16 “(1) that are on the same or contiguous sites;

17 “(2) that total more than—

18 “(A) 600 dwelling units; or

19 “(B) in the case of high-rise family build-  
 20 ings or substantially vacant buildings, 300  
 21 dwelling units;

22 “(3) that have a vacancy rate of at least 10  
 23 percent for dwelling units not in funded, on-schedule  
 24 modernization programs;

1           “(4) identified as distressed housing that the  
2 public housing agency cannot assure the long-term  
3 viability as public housing through density reduction,  
4 achievement of a broader range of household income,  
5 or other measures; and

6           “(5) for which the estimated cost of continued  
7 operation and modernization of the developments as  
8 public housing exceeds the cost of providing tenant-  
9 based assistance under section 8 for all families in  
10 occupancy.

11          “(b) CONSULTATION.—Each public housing agency  
12 shall consult with the applicable public housing tenants  
13 and the unit of general local government in identifying any  
14 public housing under subsection (a).

15          “(c) REMOVAL OF UNITS FROM THE INVENTORIES  
16 OF PUBLIC HOUSING AGENCIES.—

17           “(1) IN GENERAL.—Each public housing agen-  
18 cy shall develop a plan in conjunction with the Sec-  
19 retary for the removal of public housing units identi-  
20 fied under subsection (a), over a period of not more  
21 than 5 years, from the inventory of the public hous-  
22 ing agency and the annual contributions contract.  
23 The plan shall be approved as part of the public  
24 housing agency plan under section 5A and by the  
25 relevant local official as consistent with the Com-

1       prehensive Housing Affordability Strategy under  
2       title I of the Housing and Community Development  
3       Act of 1992, including a description of any disposi-  
4       tion and demolition plan for the public housing  
5       units.

6               “(2) EXTENSIONS.—The Secretary may extend  
7       the deadline in paragraph (1) by not more than 5  
8       years if the Secretary makes a determination that  
9       the deadline is impracticable.

10              “(3) DEMOLITION AND DISPOSITION.—To the  
11       extent approved in advance in an appropriations Act,  
12       the Secretary may establish requirements and pro-  
13       vide funding under the Urban Revitalization Dem-  
14       onstration program for demolition and disposition of  
15       public housing under this section.

16              “(d) CONVERSION TO TENANT-BASED ASSIST-  
17       ANCE.—

18              “(1) IN GENERAL.—The Secretary shall make  
19       authority available to a public housing agency to  
20       provide tenant-based assistance pursuant to section  
21       8 to families residing in any development that is re-  
22       moved from the inventory of the public housing  
23       agency and the annual contributions contract pursu-  
24       ant to subsection (b).

1           “(2) CONVERSION PLANS.—Each conversion  
2 plan under subsection (c) shall—

3           “(A) require the agency to notify families  
4 residing in the development, consistent with any  
5 guidelines issued by the Secretary governing  
6 such notifications, that the development shall be  
7 removed from the inventory of the public hous-  
8 ing agency and the families shall receive tenant-  
9 based or project-based assistance, and to pro-  
10 vide any necessary counseling for families; and

11           “(B) ensure that all tenants affected by a  
12 determination under this section that a develop-  
13 ment shall be removed from the inventory of a  
14 public housing agency shall be offered tenant-  
15 based or project-based assistance and shall be  
16 relocated to other decent, safe, and affordable  
17 housing that is, to the maximum extent prac-  
18 ticable, housing of their choice.

19           “(e) ADMINISTRATION.—

20           “(1) IN GENERAL.—The Secretary may require  
21 a public housing agency to provide such information  
22 as the Secretary considers necessary for the adminis-  
23 tration of this section.

24           “(2) APPLICABILITY OF SECTION 18.—Section  
25 18 does not apply to the demolition of developments

1 removed from the inventory of the public housing  
2 agency under this section.”.

3 **SEC. 119. APPLICABILITY TO INDIAN HOUSING.**

4 In accordance with section 201(b)(2) of the United  
5 States Housing Act of 1937, except as otherwise provided  
6 in this Act, this title and the amendments made by this  
7 title shall apply to public housing developed or operated  
8 pursuant to a contract between the Secretary and an In-  
9 dian housing authority, as such term is defined in section  
10 3(b) of the United States Housing Act of 1937.

11 **TITLE II—SECTION 8 RENTAL**  
12 **ASSISTANCE**

13 **SEC. 201. MERGER OF THE CERTIFICATE AND VOUCHER**  
14 **PROGRAMS.**

15 Section 8(o) of the United States Housing Act of  
16 1937 (42 U.S.C. 1437f(o)) is amended to read as follows:

17 “(o) VOUCHER PROGRAM.—

18 “(1) PAYMENT STANDARD.—

19 “(A) IN GENERAL.—The Secretary may  
20 provide assistance to public housing agencies  
21 for tenant-based assistance using a payment  
22 standard established in accordance with sub-  
23 paragraph (B). The payment standard shall be  
24 used to determine the monthly assistance that

1           may be paid for any family, as provided in  
2           paragraph (2).

3           “(B) ESTABLISHMENT OF PAYMENT  
4           STANDARD.—The payment standard shall not  
5           exceed 120 percent of the fair market rental es-  
6           tablished under subsection (c) and shall be not  
7           less than 80 percent of that fair market rental.

8           “(C) SET-ASIDE.—The Secretary may set  
9           aside not more than 5 percent of the budget au-  
10          thority available under this subsection as an ad-  
11          justment pool. The Secretary shall use amounts  
12          in the adjustment pool to make adjusted pay-  
13          ments to public housing agencies under sub-  
14          paragraph (A), to ensure continued afford-  
15          ability, if the Secretary determines that addi-  
16          tional assistance for such purpose is necessary,  
17          based on documentation submitted by a public  
18          housing agency.

19          “(D) APPROVAL.—The public housing  
20          agency shall submit the payment standard of  
21          the public housing agency as part of the public  
22          housing agency plan submitted under section  
23          5A.

24          “(E) REVIEW.—The Secretary shall mon-  
25          itor rent burdens and review any payment

1 standard that results in a significant percentage  
2 of the families occupying units of any size pay-  
3 ing more than 30 percent of adjusted income  
4 for rent. The Secretary shall require each public  
5 housing agency to modify the payment standard  
6 based on the results of such review.

7 “(2) AMOUNT OF MONTHLY ASSISTANCE PAY-  
8 MENT.—

9 “(A) FAMILIES RECEIVING TENANT-BASED  
10 ASSISTANCE; RENT DOES NOT EXCEED PAY-  
11 MENT STANDARD.—For a family receiving ten-  
12 ant-based assistance under this title, if the rent  
13 for that family (including the amount allowed  
14 for tenant-paid utilities) does not exceed the  
15 payment standard established under paragraph  
16 (1), the monthly assistance payment to that  
17 family shall be equal to the amount by which  
18 the rent exceeds the greatest of the following  
19 amounts, rounded to the nearest dollar:

20 “(i) Thirty percent of the monthly ad-  
21 justed income of the family.

22 “(ii) Ten percent of the monthly in-  
23 come of the family.

24 “(iii) If the family is receiving pay-  
25 ments for welfare assistance from a public

1 agency and a part of such payments, ad-  
2 justed in accordance with the actual hous-  
3 ing costs of the family, is specifically des-  
4 ignated by such agency to meet the hous-  
5 ing costs of the family, the portion of such  
6 payments that is so designated.

7 “(B) FAMILIES RECEIVING TENANT-BASED  
8 ASSISTANCE; RENT EXCEEDS PAYMENT STAND-  
9 ARD.—For a family receiving tenant-based as-  
10 sistance under this title, if the rent for that  
11 family (including the amount allowed for ten-  
12 ant-paid utilities) exceeds the payment standard  
13 established under paragraph (1), the monthly  
14 assistance payment to that family shall be equal  
15 to the amount by which the applicable payment  
16 standard exceeds the greatest of the following  
17 amounts, rounded to the nearest dollar:

18 “(i) Thirty percent of the monthly ad-  
19 justed income of the family.

20 “(ii) Ten percent of the monthly in-  
21 come of the family.

22 “(iii) If the family is receiving pay-  
23 ments for welfare assistance from a public  
24 agency and a part of such payments, ad-  
25 justed in accordance with the actual hous-

1           ing costs of the family, is specifically des-  
2           ignated by such agency to meet the hous-  
3           ing costs of the family, the portion of such  
4           payments that is so designated.

5           “(C) FAMILIES RECEIVING PROJECT-  
6           BASED ASSISTANCE.—For a family receiving  
7           project-based assistance under this title, the  
8           rent that the family is required to pay shall be  
9           determined in accordance with section 3(a)(1),  
10          and the amount of the housing assistance pay-  
11          ment shall be determined in accordance with  
12          subsection (c)(3) of this section.

13          “(3) FORTY PERCENT LIMIT.—At the time at  
14          which a family initially receives tenant-based assist-  
15          ance under this title with respect to any dwelling  
16          unit, the total amount that a family may be required  
17          to pay for rent may not exceed 40 percent of the  
18          monthly adjusted income of the family.

19          “(4) ELIGIBLE FAMILIES.—At the time at  
20          which a family initially receives assistance under this  
21          subsection, a family shall qualify as—

22                  “(A) a very low-income family;

23                  “(B) a family previously assisted under  
24          this title;

1           “(C) a low-income family that meets eligi-  
2           bility criteria specified by the public housing  
3           agency;

4           “(D) a family that qualifies to receive a  
5           voucher in connection with a homeownership  
6           program approved under title IV of the Cran-  
7           ston-Gonzalez National Affordable Housing Act;  
8           or

9           “(E) a family that qualifies to receive a  
10          voucher under section 223 or 226 of the Low-  
11          Income Housing Preservation and Resident  
12          Homeownership Act of 1990.

13          “(5) ANNUAL REVIEW OF FAMILY INCOME.—  
14          Each public housing agency shall, not less frequently  
15          than annually, conduct a review of the family income  
16          of each family receiving assistance under this sub-  
17          section.

18          “(6) SELECTION OF FAMILIES.—

19                 “(A) IN GENERAL.—Each public housing  
20                 agency may establish local preferences consist-  
21                 ent with its public housing agency plan submit-  
22                 ted under section 5A.

23                 “(B) EVICTION FOR DRUG-RELATED AC-  
24                 TIVITY.—Any individual or family evicted from  
25                 housing assisted under this subsection by rea-

1 son of drug-related criminal activity (as defined  
2 in subsection (f)(5)) shall not be eligible for  
3 housing assistance under this title during the 3-  
4 year period beginning on the date of such evic-  
5 tion, unless the evicted tenant successfully com-  
6 pletes a rehabilitation program approved by the  
7 public housing agency (which shall include waiv-  
8 er for any member of the family of an individ-  
9 ual prohibited from receiving assistance under  
10 this title whom the public housing agency deter-  
11 mines clearly did not participate in and had no  
12 knowledge of such criminal activity, or if the  
13 circumstances leading to the eviction no longer  
14 exist).

15 “(C) SELECTION OF TENANTS.—The selec-  
16 tion of tenants shall be made by the owner of  
17 the dwelling unit, subject to the annual con-  
18 tributions contract between the Secretary and  
19 the public housing agency.

20 “(7) LEASE.—Each housing assistance payment  
21 contract entered into by the public housing agency  
22 and the owner of a dwelling unit shall provide  
23 that—

1           “(A) the screening and selection of house-  
2 holds for such units shall be the function of the  
3 owner;

4           “(B) the lease between the tenant and the  
5 owner shall be for a term of not less than 1  
6 year, except that the public housing agency may  
7 approve a shorter term for an initial lease be-  
8 tween the tenant and the dwelling unit owner if  
9 the public housing agency determines that such  
10 shorter term would improve housing opportuni-  
11 ties for the tenant;

12           “(C) except as otherwise provided by the  
13 public housing agency, may provide for a termi-  
14 nation of the tenancy of a resident assisted  
15 under this subsection after 1 year;

16           “(D) the dwelling unit owner shall offer  
17 leases to tenants assisted under this subsection  
18 that are—

19                   “(i) in a standard form used in the lo-  
20 cality by the dwelling unit owner; and

21                   “(ii) contain terms and conditions  
22 that—

23                           “(I) are consistent with State  
24 and local law; and

1                   “(II) apply generally to tenants  
2                   in the property who are not assisted  
3                   under this section;

4                   “(E) the dwelling unit owner may not ter-  
5                   minate the tenancy of any person assisted  
6                   under this subsection during the term of a lease  
7                   that meets the requirements of this section un-  
8                   less the owner determines, on the same basis  
9                   and in the same manner as would apply to a  
10                  tenant in the property who does not receive as-  
11                  sistance under this subsection, that—

12                  “(i) the tenant has committed a seri-  
13                  ous violation of the terms and conditions of  
14                  the lease;

15                  “(ii) the tenant has violated applicable  
16                  Federal, State, or local law; or

17                  “(iii) other good cause for termination  
18                  of the tenancy exists; and

19                  “(F) any termination of tenancy under this  
20                  subsection shall be preceded by the provision of  
21                  written notice by the owner to the tenant speci-  
22                  fying the grounds for such action, and any re-  
23                  lief shall be consistent with applicable State and  
24                  local law.

1           “(8) INSPECTION OF UNITS BY PUBLIC HOUS-  
2           ING AGENCIES.—

3           “(A) IN GENERAL.—Except as provided in  
4           subparagraph (B), for each dwelling unit for  
5           which a housing assistance payment contract is  
6           established under this subsection, the public  
7           housing agency shall—

8                   “(i) inspect the unit before any assist-  
9                   ance payment is made to determine wheth-  
10                  er the dwelling unit meets housing quality  
11                  standards for decent and safe housing es-  
12                  tablished—

13                           “(I) by the Secretary for pur-  
14                           poses of this subsection; or

15                           “(II) by local housing codes that  
16                           exceed housing quality standards or  
17                           by housing agency-designed codes that  
18                           exceed housing quality standards; and

19                           “(ii) make periodic inspections during  
20                           the contract term.

21           “(B) LEASING OF UNITS OWNED BY PUB-  
22           LIC HOUSING AGENCY.—If an eligible household  
23           assisted under this subsection leases a dwelling  
24           unit that is owned by a public housing agency  
25           administering assistance under this subsection,

1           the Secretary shall require the unit of general  
2           local government, or another entity approved by  
3           the Secretary, to make inspections and rent de-  
4           terminations as required by this paragraph.

5           “(9) EXPEDITED INSPECTION PROCEDURES.—

6           The Secretary shall establish a demonstration  
7           project to identify efficient procedures to determine  
8           whether units meet housing quality standards for de-  
9           cent and safe housing established by the Secretary.  
10          The demonstration project shall include the develop-  
11          ment of procedures to be followed in any case in  
12          which a family receiving tenant-based assistance  
13          under this subsection is moving into a dwelling unit,  
14          or in which a family notifies the Secretary that a  
15          dwelling unit in which they no longer live fails to  
16          meet housing quality standards. The Secretary shall  
17          also establish procedures for the expedited repair  
18          and inspection of units that do not meet housing  
19          quality standards.

20          “(10) VACATED UNITS.—If a family vacates a  
21          dwelling unit, no assistance payment may be made  
22          under this subsection for the dwelling unit after the  
23          month during which the unit was vacated.

24          “(11) RENT.—

1           “(A) REASONABLE MARKET RENT.—The  
2 rent for dwelling units for which a housing as-  
3 sistance payment contract is established under  
4 this subsection shall be reasonable in compari-  
5 son with rents charged for comparable dwelling  
6 units in the private, unassisted, local market.

7           “(B) NEGOTIATED RENT.—A public hous-  
8 ing agency shall, at the request of a family re-  
9 ceiving tenant-based assistance under this sub-  
10 section, assist such family in negotiating a rea-  
11 sonable rent with a dwelling unit owner. A pub-  
12 lic housing agency shall review the rent for a  
13 unit under consideration by the family (and all  
14 rent increases for units under lease by the fam-  
15 ily) to determine whether the rent (or rent in-  
16 crease) requested by the owner is reasonable. If  
17 a public housing agency determines that the  
18 rent (or rent increase) for a dwelling unit is not  
19 reasonable, the public housing agency shall not  
20 make housing assistance payments to the owner  
21 under this subsection with respect to such unit.

22           “(C) UNITS EXEMPT FROM LOCAL RENT  
23 CONTROL.—If a dwelling unit for which a hous-  
24 ing assistance payment contract is established  
25 under this subsection is exempt from local rent

1 control provisions during the term of such con-  
2 tract, the rent for such unit shall be reasonable  
3 in comparison with other units in the market  
4 area that are exempt from local rent control  
5 provisions.

6 “(D) TIMELY PAYMENTS.—Each public  
7 housing agency shall make timely payment of  
8 any amounts due to a dwelling unit owner  
9 under this subsection. The housing assistance  
10 payment contract between the owner and the  
11 public housing agency may provide for penalties  
12 for the late payment of amounts due under the  
13 contract, which shall be imposed on the public  
14 housing agency in accordance with generally ac-  
15 cepted practices in the local housing market.

16 “(E) PENALTIES.—Unless otherwise au-  
17 thorized by the Secretary, each public housing  
18 agency shall pay any penalties from administra-  
19 tive fees collected by the public housing agency.

20 “(12) MANUFACTURED HOUSING.—

21 “(A) IN GENERAL.—A public housing  
22 agency may make assistance payments in ac-  
23 cordance with this subsection on behalf of a  
24 family that utilizes a manufactured home as its  
25 principal place of residence. Such payments

1           may be made for the rental of the real property  
2           on which the manufactured home owned by any  
3           such family is located.

4           “(B) RENT CALCULATION.—

5           “(i) CHARGES INCLUDED.—For as-  
6           sistance pursuant to this paragraph, the  
7           rent for the space on which a manufac-  
8           tured home is located and with respect to  
9           which assistance payments are to be made  
10          shall include maintenance and manage-  
11          ment charges and tenant-paid utilities.

12          “(ii) PAYMENT STANDARD.—The pub-  
13          lic housing agency shall establish a pay-  
14          ment standard for the purpose of deter-  
15          mining the monthly assistance that may be  
16          paid for any family under this paragraph.  
17          The payment standard may not exceed an  
18          amount approved or established by the  
19          Secretary.

20          “(iii) MONTHLY ASSISTANCE PAY-  
21          MENT.—The monthly assistance payment  
22          under this paragraph shall be determined  
23          in accordance with paragraph (2).

24          “(13) CONTRACT FOR ASSISTANCE PAY-  
25          MENTS.—

1           “(A) IN GENERAL.—If the Secretary en-  
2           ters into an annual contributions contract  
3           under this subsection with a public housing  
4           agency pursuant to which the public housing  
5           agency will enter into a housing assistance pay-  
6           ment contract with respect to an existing struc-  
7           ture under this subsection, the housing assist-  
8           ance payment contract may not be attached to  
9           the structure unless the owner agrees to reha-  
10          bilitate or newly construct the structure other  
11          than with assistance under this Act, and other-  
12          wise complies with the requirements of this sec-  
13          tion. The public housing agency may approve a  
14          housing assistance payment contract for such  
15          structures for not more than 15 percent of the  
16          funding available for tenant-based assistance  
17          administered by the public housing agency  
18          under this section.

19          “(B) EXTENSION OF CONTRACT TERM.—  
20          In the case of a housing assistance payment  
21          contract that applies to a structure under this  
22          paragraph, a public housing agency shall enter  
23          into a contract with the owner, contingent upon  
24          the future availability of appropriated funds for  
25          the purpose of renewing expiring contracts for

1 assistance payments, as provided in appropria-  
2 tions Acts, to extend the term of the underlying  
3 housing assistance payment contract for such  
4 period as the Secretary determines to be appro-  
5 priate to achieve long-term affordability of the  
6 housing. The contract shall obligate the owner  
7 to have such extensions of the underlying hous-  
8 ing assistance payment contract accepted by the  
9 owner and the owner's successors in interest.

10 “(C) RENT CALCULATION.—For project-  
11 based assistance under this paragraph, housing  
12 assistance payment contracts shall establish  
13 rents and provide for rent adjustments in ac-  
14 cordance with subsection (c).

15 “(14) INAPPLICABILITY TO TENANT-BASED AS-  
16 SISTANCE.—Subsection (c) does not apply to tenant-  
17 based assistance under this subsection.

18 “(15) HOMEOWNERSHIP OPTION.—A public  
19 housing agency providing assistance under this sub-  
20 section may, at the option of the agency, provide as-  
21 sistance for homeownership under subsection (y).”.

22 **SEC. 202. REPEAL OF FEDERAL PREFERENCES.**

23 (a) SECTION 8 EXISTING AND MODERATE REHABILI-  
24 TATION.—Section 8(d)(1)(A) of the United States Hous-

1 ing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)) is amended  
2 to read as follows:

3           “(A) the selection of tenants shall be the  
4           function of the owner, subject to the annual  
5           contributions contract between the Secretary  
6           and the agency, except that with respect to the  
7           certificate and moderate rehabilitation pro-  
8           grams only, for the purpose of selecting families  
9           to be assisted, the public housing agency may  
10          establish, after public notice and an opportunity  
11          for public comment, a written system of pref-  
12          erences for selection that are not inconsistent  
13          with the comprehensive housing affordability  
14          strategy under title I of the Cranston-Gonzalez  
15          National Affordable Housing Act;”.

16          (b) SECTION 8 NEW CONSTRUCTION AND SUBSTAN-  
17          TIAL REHABILITATION.—

18               (1) REPEAL.—Section 545(c) of the Cranston-  
19          Gonzalez National Affordable Housing Act (42  
20          U.S.C. 1437f note) is amended to read as follows:

21          “(c) [Reserved.]”.

22               (2) PROHIBITION.—Notwithstanding any other  
23          provision of law, no Federal tenant selection pref-  
24          erences shall apply with respect to—

1 (A) housing constructed or substantially  
2 rehabilitated pursuant to assistance provided  
3 under section 8(b)(2) of the United States  
4 Housing Act of 1937 (as such section existed  
5 on the day before October 1, 1983); or

6 (B) projects financed under section 202 of  
7 the Housing Act of 1959 (as such section ex-  
8 isted on the day before the date of enactment  
9 of the Cranston-Gonzalez National Affordable  
10 Housing Act).

11 (c) RENT SUPPLEMENTS.—Section 101(k) of the  
12 Housing and Urban Development Act of 1965 (12 U.S.C.  
13 1701s(k)) is amended to read as follows:

14 “(k) [Reserved.]”.

15 (d) CONFORMING AMENDMENTS.—

16 (1) UNITED STATES HOUSING ACT OF 1937.—  
17 The United States Housing Act of 1937 (42 U.S.C.  
18 1437 et seq.) is amended—

19 (A) in section 6(o), by striking “preference  
20 rules specified in” and inserting “written selec-  
21 tion criteria established pursuant to”;

22 (B) in section 7(a)(2), by striking “accord-  
23 ing to the preferences for occupancy under”  
24 and inserting “in accordance with the written  
25 selection criteria established pursuant to”;

1 (C) in section 7(a)(3), by striking “who  
2 qualify for preferences for occupancy under”  
3 and inserting “who meet the written selection  
4 criteria established pursuant to”;

5 (D) in section 8(d)(2)(A), by striking the  
6 last sentence;

7 (E) in section 8(d)(2)(H), by striking  
8 “notwithstanding subsection (d)(1)(A)(i), an”  
9 and inserting “An”;

10 (F) in section 16(c), in the second sen-  
11 tence, by striking “the system of preferences es-  
12 tablished by the agency pursuant to section  
13 6(c)(4)(A)(ii)” and inserting “the written selec-  
14 tion criteria established by the public housing  
15 agency pursuant to section 6(c)(4)(A)”;

16 (G) in section 24(e)—

17 (i) by striking “(e) EXCEPTIONS.—”

18 and all that follows through “The Sec-  
19 retary may” and inserting the following:

20 “(e) EXCEPTION TO GENERAL PROGRAM REQUIRE-  
21 MENTS.—The Secretary may”; and

22 (ii) by striking paragraph (2).

23 (2) CRANSTON-GONZALEZ NATIONAL AFFORD-  
24 ABLE HOUSING ACT.—The Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C. 12704 et  
2 seq.) is amended—

3 (A) in section 455(a)(2)(D)(iii), by striking  
4 “would qualify for a preference under” and in-  
5 serting “meet the written selection criteria es-  
6 tablished pursuant to”;

7 (B) in section 522(f)(6)(B), by striking  
8 “any preferences for such assistance under sec-  
9 tion 8(d)(1)(A)(i)” and inserting “the written  
10 selection criteria established pursuant to section  
11 8(d)(1)(A)”;

12 (3) LOW-INCOME HOUSING PRESERVATION AND  
13 RESIDENT HOMEOWNERSHIP ACT OF 1990.—The sec-  
14 ond sentence of section 226(b)(6)(B) of the Low-In-  
15 come Housing Preservation and Resident Home-  
16 ownership Act of 1990 (12 U.S.C. 4116(b)(6)(B)) is  
17 amended by striking “requirement for giving pref-  
18 erences to certain categories of eligible families  
19 under” and inserting “written selection criteria es-  
20 tablished pursuant to”.

21 (4) HOUSING AND COMMUNITY DEVELOPMENT  
22 ACT OF 1992.—Section 655 of the Housing and Com-  
23 munity Development Act of 1992 (42 U.S.C. 13615)  
24 is amended by striking “preferences for occupancy”  
25 and all that follows before the period at the end and

1 inserting “selection criteria established by the owner  
2 to elderly families according to such written selection  
3 criteria, and to near-elderly families according to  
4 such written selection criteria, respectively”.

5 (5) REFERENCES IN OTHER LAW.—Any ref-  
6 erence in any Federal law other than any provision  
7 of any law amended by paragraphs (1) through (5)  
8 of this subsection or section 201 to the preferences  
9 for assistance under section 6(c)(4)(A)(i),  
10 8(d)(1)(A)(i), or 8(o)(3)(B) of the United States  
11 Housing Act of 1937 (as such sections existed on  
12 the day before the date of enactment of this Act)  
13 shall be considered to refer to the written selection  
14 criteria established pursuant to section 6(c)(4)(A),  
15 8(d)(1)(A), or 8(o)(6)(A), respectively, of the United  
16 States Housing Act of 1937, as amended by this  
17 subsection and section 201 of this Act.

18 **SEC. 203. PORTABILITY.**

19 Section 8(r) of the United States Housing Act of  
20 1937 (42 U.S.C. 1437f(r)) is amended—

21 (1) in paragraph (1), by striking “assisted  
22 under subsection (b) or (o)” and inserting “receiving  
23 tenant-based assistance under subsection (o)”;

24 (2) in paragraph (3)—

25 (A) by striking “(b) or”; and

1 (B) by adding at the end the following new  
2 sentence: “The Secretary may reserve amounts  
3 available for assistance under subsection (o) to  
4 compensate public housing agencies that issue  
5 vouchers to families that move into the jurisdic-  
6 tion of the public housing agency under port-  
7 ability procedures.”; and

8 (3) by adding at the end the following new  
9 paragraph:

10 “(5) LEASE VIOLATIONS.—A family may not  
11 receive a voucher from a public housing agency and  
12 move to another jurisdiction under the tenant-based  
13 assistance program if the family has moved out of  
14 the assisted dwelling unit of the family in violation  
15 of a lease.”.

16 **SEC. 204. LEASING TO VOUCHER HOLDERS.**

17 Section 8(t) of the United States Housing Act of  
18 1937 (42 U.S.C. 1437f(t)) is amended to read as follows:

19 “(t) [Reserved.]”.

20 **SEC. 205. HOMEOWNERSHIP OPTION.**

21 Section 8(y) of the United States Housing Act of  
22 1937 (42 U.S.C. 1437f(y)) is amended—

23 (1) in paragraph (1)(A), by inserting before the  
24 semicolon “, or owns or is acquiring shares in a co-  
25 operative”;

1           (2) in paragraph (1)(B)(i), by inserting before  
2 the semicolon “and demonstrates to the public hous-  
3 ing agency that it has sufficient resources for home-  
4 ownership”;

5           (3) by amending paragraph (2) to read as fol-  
6 lows:

7           “(2) DETERMINATION OF AMOUNT OF ASSIST-  
8 ANCE.—

9           “(A) MONTHLY EXPENSES DO NOT EX-  
10 CEED PAYMENT STANDARD.—If the monthly  
11 homeownership expenses, as determined in ac-  
12 cordance with requirements established by the  
13 Secretary, do not exceed the payment standard,  
14 the monthly assistance payment shall be the  
15 amount by which the homeownership expenses  
16 exceed the highest of the following amounts,  
17 rounded to the nearest dollar:

18           “(i) Thirty percent of the monthly ad-  
19 justed income of the family.

20           “(ii) Ten percent of the monthly in-  
21 come of the family.

22           “(iii) If the family is receiving pay-  
23 ments for welfare assistance from a public  
24 agency and a part of such payments, ad-  
25 justed in accordance with the actual hous-

1 ing costs of the family, is specifically des-  
2 ignated by such agency to meet the hous-  
3 ing costs of the family, the portion of such  
4 payments that is so designated.

5 “(B) MONTHLY EXPENSES EXCEED PAY-  
6 MENT STANDARD.—If the monthly homeowner-  
7 ship expenses, as determined in accordance with  
8 requirements established by the Secretary, ex-  
9 ceed the payment standard, the monthly assist-  
10 ance payment shall be the amount by which the  
11 applicable payment standard exceeds the high-  
12 est of the following amounts, rounded to the  
13 nearest dollar:

14 “(i) Thirty percent of the monthly ad-  
15 justed income of the family.

16 “(ii) Ten percent of the monthly in-  
17 come of the family.

18 “(iii) If the family is receiving pay-  
19 ments for welfare assistance from a public  
20 agency and a part of such payments, ad-  
21 justed in accordance with the actual hous-  
22 ing costs of the family, is specifically des-  
23 ignated by such agency to meet the hous-  
24 ing costs of the family, the portion of such  
25 payments that is so designated.”;

1 (4) by striking paragraphs (3) and (4); and  
2 (5) by redesignating paragraphs (5) through  
3 (8) as paragraphs (3) through (6), respectively.

4 **SEC. 206. TECHNICAL AND CONFORMING AMENDMENTS.**

5 (a) CONTRACT PROVISIONS AND REQUIREMENTS.—  
6 Section 6(p)(1)(B) of the United States Housing Act of  
7 1937 (42 U.S.C. 1437d(p)(1)(B)) is amended by striking  
8 “holding certificates and vouchers” and inserting “receiv-  
9 ing tenant-based assistance”.

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

13 (1) in subsection (a), by striking the second and  
14 third sentences;

15 (2) in subsection (b)—

16 (A) in the section heading, by striking  
17 “RENTAL CERTIFICATES AND”; and

18 (B) in the first undesignated paragraph—

19 (i) by striking “The Secretary” and  
20 inserting the following:

21 “(1) IN GENERAL.—The Secretary”; and

22 (ii) by striking the second sentence;

23 (3) in subsection (c)—

24 (A) in paragraph (3)—

25 (i) by striking “(A)”; and

1 (ii) by striking subparagraph (B);

2 (B) in the first sentence of paragraph (4),  
3 by striking “or by a family that qualifies to re-  
4 ceive” and all that follows through “1990”;

5 (C) by striking paragraph (5) and redesign-  
6 ating paragraph (6) as paragraph (5);

7 (D) by striking paragraph (7) and redesign-  
8 ating paragraphs (8) through (10) as para-  
9 graphs (6) through (8), respectively;

10 (E) in paragraph (6), as redesignated, by  
11 inserting “(other than a contract under section  
12 8(o))” after “section”;

13 (F) in paragraph (7), as redesignated, by  
14 striking “(but not less than 90 days in the case  
15 of housing certificates or vouchers under sub-  
16 section (b) or (o))” and inserting “, other than  
17 a contract for tenant-based assistance under  
18 this section”; and

19 (G) in paragraph (8), as redesignated, by  
20 striking “Secretary” and inserting “contract  
21 administrator”;

22 (4) in subsection (d)—

23 (A) in paragraph (1)(B)(iii), by striking  
24 “on or near such premises”; and

25 (B) in paragraph (2)—

1 (i) in subparagraph (A), by striking  
2 the third sentence and all that follows  
3 through the end of the subparagraph; and

4 (ii) by striking subparagraph (B) and  
5 inserting the following:

6 “(B) [Reserved.]”;

7 (5) in subsection (f)—

8 (A) in paragraph (6), by striking “(d)(2)”  
9 and inserting “(o)(11)”; and

10 (B) in paragraph (7)—

11 (i) by striking “(b) or”; and

12 (ii) by inserting before the period the  
13 following: “and that provides for the eligi-  
14 ble family to select suitable housing and to  
15 move to other suitable housing”;

16 (6) by striking subsection (j) and inserting the  
17 following:

18 “(j) [Reserved.]”;

19 (7) by striking subsection (n) and inserting the  
20 following:

21 “(n) [Reserved.]”;

22 (8) in subsection (q)—

23 (A) in the first sentence of paragraph (1),  
24 by striking “and housing voucher programs

1 under subsections (b) and (o)” and inserting  
2 “program under this section”;

3 (B) in paragraph (2)(A)(i), by striking  
4 “and housing voucher programs under sub-  
5 sections (b) and (o)” and inserting “program  
6 under this section”; and

7 (C) in paragraph (2)(B), by striking “and  
8 housing voucher programs under subsections  
9 (b) and (o)” and inserting “program under this  
10 section”;

11 (9) in subsection (u), by striking “certificates  
12 or” each place such term appears; and

13 (10) in subsection (x)(2), by striking “housing  
14 certificate assistance” and inserting “tenant-based  
15 assistance”.

16 (c) RENTAL REHABILITATION AND DEVELOPMENT  
17 GRANTS.—Section 17(d)(6)(B) of the United States  
18 Housing Act of 1937 (42 U.S.C. 1437o(d)(6)(B)) is  
19 amended by striking “holding certificates under” and in-  
20 serting “receiving tenant-based assistance”.

21 (d) PUBLIC HOUSING HOMEOWNERSHIP AND MAN-  
22 AGEMENT OPPORTUNITIES.—Section 21(b)(3) of the  
23 United States Housing Act of 1937 (42 U.S.C. 1437f(b))  
24 is amended—

1           (1) in the first sentence, by striking “(at the  
2           option of the family) a certificate under section  
3           8(b)(1) or a housing voucher under section 8(o)”  
4           and inserting “tenant-based assistance under section  
5           8”; and

6           (2) by striking the second sentence.

7           (e) DOCUMENTATION OF EXCESSIVE RENT BUR-  
8           DENS.—Section 550(b) of the Cranston-Gonzalez National  
9           Affordable Housing Act (42 U.S.C. 1437f note) is amend-  
10          ed—

11           (1) in paragraph (1), by striking “assisted  
12           under the certificate and voucher programs estab-  
13           lished” and inserting “receiving tenant-based assist-  
14           ance”;

15           (2) in the first sentence of paragraph (2)—

16           (A) by striking “, for each of the certifi-  
17           cate program and the voucher program” and in-  
18           serting “for the tenant-based assistance under  
19           section 8”; and

20           (B) by striking “participating in the pro-  
21           gram” and inserting “receiving tenant-based as-  
22           sistance”; and

23           (3) in paragraph (3), by striking “assistance  
24           under the certificate or voucher program” and in-

1       serting “tenant-based assistance under section 8 of  
2       the United States Housing Act of 1937”.

3       (f) GRANTS FOR COMMUNITY RESIDENCES AND  
4 SERVICES.—Section 861(b)(1)(D) of the Cranston-Gon-  
5 zalez National Affordable Housing Act (42 U.S.C.  
6 12910(b)(1)(D)) is amended by striking “certificates or  
7 vouchers” and inserting “assistance”.

8       (g) SECTION 8 CERTIFICATES AND VOUCHERS.—Sec-  
9 tion 931 of the Cranston-Gonzalez National Affordable  
10 Housing Act (42 U.S.C. 1437c note) is amended by strik-  
11 ing “assistance under the certificate and voucher pro-  
12 grams under sections 8(b) and (o) of such Act” and insert-  
13 ing “tenant-based assistance under section 8 of the United  
14 States Housing Act of 1937”.

15       (h) ASSISTANCE FOR DISPLACED TENANTS.—Sec-  
16 tion 223(a) of the Housing and Community Development  
17 Act of 1987 (12 U.S.C. 4113(a)) is amended by striking  
18 “assistance under the certificate and voucher programs  
19 under sections 8(b) and 8(o)” and inserting “tenant-based  
20 assistance under section 8”.

21       (i) RURAL HOUSING PRESERVATION GRANTS.—Sec-  
22 tion 533(a) of the Housing Act of 1949 (42 U.S.C.  
23 1490m(a)) is amended in the second sentence by striking  
24 “assistance payments as provided by section 8(o)” and in-

1 setting “tenant-based assistance as provided under section  
2 8”.

3 (j) REPEAL OF MOVING TO OPPORTUNITIES FOR  
4 FAIR HOUSING DEMONSTRATION.—Section 152 of the  
5 Housing and Community Development Act of 1992 (42  
6 U.S.C. 1437f note) is repealed.

7 (k) PREFERENCES FOR ELDERLY FAMILIES AND  
8 PERSONS.—Section 655 of the Housing and Community  
9 Development Act of 1992 (42 U.S.C. 13615) is amended  
10 by striking “the first sentence of section 8(o)(3)(B)” and  
11 inserting “section 8(o)(6)(A)”.

12 (l) ASSISTANCE FOR TROUBLED MULTIFAMILY  
13 HOUSING PROJECTS.—Section 201(m)(2)(A) of the Hous-  
14 ing and Community Development Amendments of 1978  
15 (12 U.S.C. 1715z-1a(m)(2)(A)) is amended by striking  
16 “section 8(b)(1)” and inserting “section 8”.

17 (m) MANAGEMENT AND DISPOSITION OF MULTIFAM-  
18 ILY HOUSING PROJECTS.—Section 203(g)(2) of the Hous-  
19 ing and Community Development Amendments of 1978  
20 (12 U.S.C. 1701z-11(g)(2)), as amended by section  
21 101(b) of the Multifamily Housing Property Disposition  
22 Reform Act of 1994, is amended by striking “8(o)(3)(B)”  
23 and inserting “8(o)(6)(A)”.

1 **SEC. 207. IMPLEMENTATION.**

2 In accordance with the negotiated rulemaking proce-  
3 dures set forth in subchapter III of chapter 5 of title 5,  
4 United States Code, the Secretary shall issue such regula-  
5 tions as may be necessary to implement the amendments  
6 made by this title after notice and opportunity for public  
7 comment.

8 **SEC. 208. EFFECTIVE DATE.**

9 (a) IN GENERAL.—The amendments made by this  
10 title shall become effective not later than 1 year after the  
11 date of enactment of this Act.

12 (b) CONVERSION ASSISTANCE.—

13 (1) IN GENERAL.—The Secretary may provide  
14 for the conversion of assistance under the certificate  
15 and voucher programs under subsections (b) and (o)  
16 of section 8 of the United States Housing Act of  
17 1937, as such sections existed before the effective  
18 date of the amendments made by this title, to the  
19 voucher program established by the amendments  
20 made by this title.

21 (2) CONTINUED APPLICABILITY.—The Sec-  
22 retary may apply the provisions of the United States  
23 Housing Act of 1937, or any other provision of law  
24 amended by this title, as such provisions existed on  
25 the day before the effective date of the amendments  
26 made by this title, to assistance obligated by the

1 Secretary before such effective date for the certifi-  
2 cate or voucher program under section 8 of the  
3 United States Housing Act of 1937, if the Secretary  
4 determines that such action is necessary for sim-  
5 plification of program administration, avoidance of  
6 hardship, or other good cause.

7 **TITLE III—MISCELLANEOUS**  
8 **PROVISIONS**

9 **SEC. 301. PUBLIC HOUSING FLEXIBILITY IN THE CHAS.**

10 Section 105(b) of the Cranston-Gonzalez National  
11 Affordable Housing Act (42 U.S.C. 12705(b)) is amend-  
12 ed—

13 (1) by redesignating the second paragraph des-  
14 ignated as paragraph (17) (as added by section  
15 681(2) of the Housing and Community Development  
16 Act of 1992) as paragraph (20);

17 (2) by redesignating paragraph (17) (as added  
18 by section 220(b)(3) of the Housing and Community  
19 Development Act of 1992) as paragraph (19);

20 (3) by redesignating the second paragraph des-  
21 ignated as paragraph (16) (as added by section  
22 220(c)(1) of the Housing and Community Develop-  
23 ment Act of 1992) as paragraph (18);

24 (4) in paragraph (16)—

25 (A) by striking the period at the end; and

1 (B) by striking “(16)” and inserting  
2 “(17)”;

3 (5) by redesignating paragraphs (11) through  
4 (15) as paragraphs (12) through (16), respectively;  
5 and—

6 (6) by inserting after paragraph (10) the fol-  
7 lowing new paragraph:

8 “(11) describe how the jurisdiction’s plan will  
9 help address the needs of public housing and coordi-  
10 nate with the local public housing agency plan under  
11 section 5A of the United States Housing Act of  
12 1937;”.

13 **SEC. 302. PUBLIC HOUSING FLEXIBILITY IN THE HOME**  
14 **PROGRAM.**

15 Section 212(d) of the Cranston-Gonzalez National  
16 Affordable Housing Act (42 U.S.C. 12742) is amended—

17 (1) in paragraph (3), by adding “or” at the  
18 end;

19 (2) by striking paragraphs (4) and (5); and

20 (3) by redesignating paragraph (6) as para-  
21 graph (4).

22 **SEC. 303. REPEAL OF CERTAIN PROVISIONS.**

23 (a) **MAXIMUM ANNUAL LIMITATION ON RENT IN-**  
24 **CREASES RESULTING FROM EMPLOYMENT.—**

1           (1) REPEAL.—Section 957 of the Cranston-  
2           Gonzalez National Affordable Housing Act (42  
3           U.S.C. 12714) is repealed.

4           (2) EFFECTIVE DATE.—The amendment made  
5           by paragraph (1) shall be deemed to have the same  
6           effective date as section 957 of the Cranston-Gon-  
7           zalez National Affordable Housing Act.

8           (b) ECONOMIC INDEPENDENCE.—

9           (1) REPEAL.—Section 923 of the Housing and  
10          Community Development Act of 1992 (42 U.S.C.  
11          12714 note) is repealed.

12          (2) EFFECTIVE DATE.—The amendment made  
13          by paragraph (1) shall be deemed to have the same  
14          effective date as section 923 of the Housing and  
15          Community Development Act of 1992.

16 **SEC. 304. DETERMINATION OF INCOME LIMITS.**

17          (a) IN GENERAL.—Section 3(b)(2) of the United  
18          States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is  
19          amended—

20                 (1) in the fourth sentence—

21                         (A) by striking “County” and inserting  
22                         “and Rockland Counties”; and

23                         (B) by inserting “each” before “such coun-  
24                         ty”; and

1           (2) in the fifth sentence, by striking “County”  
 2           each place such term appears and inserting “and  
 3           Rockland Counties”.

4           (b) REGULATIONS.—Not later than the expiration of  
 5           the 90-day period beginning on the date of the enactment  
 6           of this Act, the Secretary shall issue regulations imple-  
 7           menting the amendments made by subsection (a).

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