

105TH CONGRESS
2^D SESSION

H. R. 3545

To amend section 8 of the United States Housing Act of 1937 to ensure that the tenant-based rental assistance program under such section is carried out in an efficient and fair manner.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 1998

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

A BILL

To amend section 8 of the United States Housing Act of 1937 to ensure that the tenant-based rental assistance program under such section is carried out in an efficient and fair manner.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Neighborhood Integ-
5 rity and Responsibility Act”.

6 **SEC. 2. RENT REASONABLENESS TEST.**

7 (a) HOUSING CERTIFICATE PROGRAM.—Section
8 8(c)(2) of the United States Housing Act of 1937 (42

1 U.S.C. 1437f(c)(2)) is amended by adding at the end the
2 following new subparagraph:

3 “(D)(i) Each public housing agency administering as-
4 sistance provided under the housing certificate program
5 under this section shall ensure that the rent charged for
6 each dwelling unit assisted by the agency is reasonable in
7 comparison with rents charged for comparable unassisted
8 units available in the private residential rental market,
9 by—

10 “(I) reviewing all rents for units under consid-
11 eration by families assisted under the certificate pro-
12 gram; and

13 “(II) reviewing all rent increases for units
14 under lease by families assisted under such program.
15 If an agency determines that the rent (or rent increase)
16 for a unit is not reasonable, the agency shall disapprove
17 a lease for such unit.

18 “(ii) For purposes of this subparagraph, rent com-
19 parisons shall be conducted by comparing the rent of the
20 assisted dwelling unit with the rent of comparable unas-
21 sisted units that are located in a geographical area, deter-
22 mined by the agency and approved by the Secretary that—

23 “(I) is geographically smaller than the applica-
24 ble housing area used for the establishment of fair
25 market rentals under paragraph (1);

1 “(II) has a continuous boundary; and

2 “(III) exhibits a commonality of geographic, de-
3 mographic, housing, or other characteristics that
4 make it appropriate for use under this subpara-
5 graph, including characteristics such as consisting of
6 a recognized or identifiable neighborhood or geo-
7 graphic area, proximity to or identification with a
8 particular location, structure, or feature, having a
9 population with similar incomes, or containing hous-
10 ing a significant portion of which is similar in age,
11 cost, type, or design.”.

12 (b) HOUSING VOUCHER PROGRAM.—The last sen-
13 tence of paragraph (10) of section 8(o) of the United
14 States Housing Act of 1937 (42 U.S.C. 1437f(o)(10)) is
15 amended by striking “may” and inserting “shall”.

16 (c) CONDITION ON RECEIPT OF ADMINISTRATIVE
17 FEES.—Section 8(q) of the United States Housing Act of
18 1937 (42 U.S.C. 1437f(q)) is amended by adding at the
19 end the following new paragraph:

20 “(5) Notwithstanding any other provision of this sub-
21 section, the fee under this subsection attributable to any
22 dwelling unit for any fiscal year may be paid to the public
23 housing agency only if the agency has complied, during
24 the preceding fiscal year, with the requirement under sub-

1 section (e)(2)(D) or (o)(10), as applicable, to such dwell-
2 ing unit.”.

3 **SEC. 3. LIMITATION ON ASSISTED UNITS OWNED BY SINGLE**
4 **OWNER.**

5 Section 8 of the United States Housing Act of 1937
6 (42 U.S.C. 1437f) is amended by inserting after sub-
7 section (k) the following new subsection:

8 “(1) OWNERSHIP LIMITATION.—

9 “(1) IN GENERAL.—Except as provided in para-
10 graphs (2) and (3), a single public housing agency
11 may not provide tenant-based assistance under this
12 section for more than 5 dwelling units that are
13 owned by any single owner.

14 “(2) WAIVER.—A public housing agency may
15 waive the applicability of the limitation under para-
16 graph (1) with respect to an owner if the agency de-
17 termines that all dwelling units owned by such
18 owner and assisted or to be assisted with tenant-
19 based assistance under this section are, at that time,
20 in compliance with housing quality standards estab-
21 lished by the Secretary for purposes of this section
22 and any applicable State or local laws relating to
23 housing habitability, construction, maintenance,
24 safety, health, and sanitation.

25 “(3) PROTECTION OF CURRENT OWNERS.—

1 “(A) IN GENERAL.—If, at any time, a sin-
2 gle owner owns more than 5 protected dwelling
3 units, such protected dwelling units in excess of
4 5 shall not be considered at such time for pur-
5 poses of applying the numerical limitation
6 under paragraph (1) to such owner.

7 “(B) PROTECTED DWELLING UNITS.—A
8 dwelling unit shall be considered to be a pro-
9 tected dwelling unit at any time for purposes of
10 this paragraph only if the dwelling unit, at that
11 time, is occupied by a tenant who—

12 “(i) is an assisted family on whose be-
13 half tenant-based assistance under this
14 section is provided;

15 “(ii) on the date of the enactment of
16 the Neighborhood Integrity and Respon-
17 sibility Act occupied such unit and, at such
18 time, was assisted with tenant-based as-
19 sistance under this section; and

20 “(iii) has, without interruption since
21 such date of enactment, continued to oc-
22 cupy such unit and continued to be as-
23 sisted with such assistance.

24 “(4) OWNER.—The Secretary shall issue regu-
25 lations defining the term ‘single owner’ for purposes

1 of this subsection. The regulations shall provide
2 that, with respect to any person or entity, any other
3 person or entity owned or controlled by such person
4 or entity (including any such affiliate or subsidiary
5 of such person or entity) shall be considered a single
6 owner for purposes of this subsection.”.

7 **SEC. 4. RENT PAID BY ASSISTED FAMILIES.**

8 (a) EXCEPTIONS TO GENERAL RENT RULE.—Section
9 3(a)(1) of the United States Housing Act of 1937 (42
10 U.S.C. 1437a(1)) is amended in the matter preceding sub-
11 paragraph (A) by striking “section 8(c)(3)(B)” and insert-
12 ing “subparagraph (B) or (C) of section 8(c)(3)”.

13 (b) TENANT RENT PAYMENT UNDER CERTIFICATE
14 PROGRAM.—Section 8(c)(3) of the United States Housing
15 Act of 1937 (42 U.S.C. 1437f(c)(3)) is amended—

16 (1) in the first sentence of subparagraph (A),
17 by inserting before the period at the end the follow-
18 ing: “or subparagraph (B) or (C) of this paragraph,
19 as applicable”; and

20 (2) in subparagraph (B)(i), by striking the mat-
21 ter that precedes clause I and inserting the follow-
22 ing:

23 “(B)(i) Notwithstanding section 3(a)(1) and subpara-
24 graph (B) of this paragraph, a family receiving tenant-
25 based assistance under subsection (b) may pay for rent

1 more than the amount determined under such provisions
2 if—”;

3 (3) by redesignating subparagraph (B) (as so
4 amended) as subparagraph (C); and

5 (4) by inserting after subparagraph (A) the fol-
6 lowing new subparagraph:

7 “(B) A family on whose behalf tenant-based assist-
8 ance under subsection (b) is provided for a dwelling unit
9 having a maximum monthly rent under the contract equal
10 to or exceeding 50 percent of the applicable fair market
11 rental for the area shall pay as rent for the dwelling unit
12 the greater of the following two amounts:

13 “(i) The amount determined for the family
14 under section 3(a)(1).

15 “(ii) For a dwelling unit having a maximum
16 monthly rent under the contract—

17 “(I) that is equal to or exceeds 75 percent
18 of the applicable fair market rental for the
19 area, the amount that is equal to 50 percent of
20 the contract rent for the unit.

21 “(II) that is equal to or exceeds 50 percent
22 of the applicable fair market rental for the area
23 but is less than 75 percent of such fair market
24 rental, the amount that is equal to 30 percent
25 of the contract rent for the unit.”.

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

4 (1) in paragraph (2)—

5 (A) by striking “The” and inserting “(A)
6 Except as provided in paragraph (2), the”; and

7 (B) by adding at the end the following new
8 subparagraph:

9 “(B) The monthly assistance payment under this
10 subsection for any family renting a dwelling unit having
11 a rent equal to or exceeding 50 percent of the applicable
12 payment standard for the area shall be the amount by
13 which the payment standard exceeds the greater of the
14 following two amounts:

15 “(i) The amount determined for the family pur-
16 suant to subparagraph (A).

17 “(ii) For a dwelling unit having a rent—

18 “(I) that is equal to or exceeds 75 percent
19 of the applicable payment standard for the
20 area, the amount that is equal to 50 percent of
21 the rent for the unit.

22 “(II) that is equal to or exceeds 50 percent
23 of the applicable payment standard for the area
24 but is less than 75 percent of such payment

1 standard, the amount that is equal to 30 per-
2 cent of the rent for the unit.”.

3 (d) CONFORMING AMENDMENTS.—Section 8 of the
4 United States Housing Act of 1937 (42 U.S.C.
5 1437f(c)(1)(B)) is amended—

6 (1) in clause (b) of the second sentence of sub-
7 section (c)(1), by striking “paragraph (3)(B)” and
8 inserting “paragraph (3)(C)”; and

9 (2) in subsection (y)(6)(A), by striking “Sub-
10 section (c)(3)(B)” and inserting “Subsection
11 (c)(3)(C)”.

○