

**[DISCUSSION DRAFT]**112<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION**H. R.** \_\_\_\_\_

To reform affordable housing programs and the provision of supportive services under the United States Housing Act of 1937.

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## IN THE HOUSE OF REPRESENTATIVES

M. \_\_\_\_\_ introduced the following bill; which was referred to the Committee on \_\_\_\_\_

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**A BILL**

To reform affordable housing programs and the provision of supportive services under the United States Housing Act of 1937.

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

3 **SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Affordable Housing and Self-Sufficiency Improvement  
6 Act of 2011”.

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

Sec. 1. Short title and table of contents.

**TITLE I—REFORMS TO HOUSING ASSISTANCE PROGRAMS UNDER  
UNITED STATES HOUSING ACT OF 1937**

- Sec. 101. Inspection of dwelling units.
- Sec. 102. Rent reform and income reviews.
- Sec. 103. Eligibility for assistance based on assets.
- Sec. 104. Targeting assistance to low-income working families.
- Sec. 105. Use of voucher funds.
- Sec. 106. PHA project-based assistance.
- Sec. 107. Establishment of fair market rent.
- Sec. 108. Screening of applicants.
- Sec. 109. Utility data.
- Sec. 110. Flexibility of capital and operating fund amounts.
- Sec. 111. Study regarding occupancy of assisted housing by both elderly persons and persons with disabilities.
- Sec. 112. Housing assistance criteria simplification.

**TITLE II—RENTAL ASSISTANCE DEMONSTRATION AND  
CONTRACT CONVERSIONS**

- Sec. 201. Demonstration to expand role of private capital in affordable housing.
- Sec. 202. Rent supplement and rental assistance program contract conversions.

**TITLE III—FAMILY SELF-SUFFICIENCY PROGRAM**

- Sec. 301. Reforms to family self-sufficiency program.
- Sec. 302. Research demonstration to evaluate options for taking economic security initiatives to scale in subsidized housing.

**TITLE IV—REFORM OF MOVING TO WORK PROGRAM**

- Sec. 401. Reform of Moving to Work Program.

**TITLE V—ACCESS TO HUD PROGRAMS AND MARK-TO-MARKET  
PROGRAM EXTENSION**

- Sec. 501. Access to HUD programs for persons with limited English proficiency.
- Sec. 502. Extension of Mark-to-Market Program.

1 **TITLE I—REFORMS TO HOUSING**  
2 **ASSISTANCE PROGRAMS**  
3 **UNDER UNITED STATES**  
4 **HOUSING ACT OF 1937**

5 **SEC. 101. INSPECTION OF DWELLING UNITS.**

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

9 (1) by striking subparagraph (A) and inserting  
10 the following new subparagraph:

11 “(A) INITIAL INSPECTION.—

12 “(i) IN GENERAL.—For each dwelling  
13 unit for which a housing assistance pay-  
14 ment contract is established under this  
15 subsection, the public housing agency (or  
16 other entity pursuant to paragraph (11))  
17 shall inspect the unit before any assistance  
18 payment is made to determine whether the  
19 dwelling unit meets the housing quality  
20 standards under subparagraph (B), except  
21 as provided in clause (ii) or (iii) of this  
22 subparagraph.

23 “(ii) CORRECTION OF NON-LIFE  
24 THREATENING CONDITIONS.—In the case  
25 of any dwelling unit that is determined,

1           pursuant to an inspection under clause (i),  
2           not to meet the housing quality standards  
3           under subparagraph (B), assistance pay-  
4           ments may be made for the unit notwith-  
5           standing subparagraph (C) if failure to  
6           meet such standards is a result only of  
7           non-life threatening conditions, as such  
8           conditions are established by the Secretary.  
9           A public housing agency making assistance  
10          payments pursuant to this clause for a  
11          dwelling unit shall, 30 days after the be-  
12          ginning of the period for which such pay-  
13          ments are made, withhold any assistance  
14          payments for the unit if any deficiency re-  
15          sulting in noncompliance with the housing  
16          quality standards has not been corrected  
17          by such time. The public housing agency  
18          shall recommence assistance payments  
19          when such deficiency has been corrected,  
20          and may use any payments withheld to  
21          make assistance payments relating to the  
22          period during which payments were with-  
23          held.

24                           “(iii) USE OF ALTERNATIVE INSPEC-  
25                           TION METHOD FOR INTERIM PERIOD.—In

1 the case of any property that within the  
2 previous 12 months has met the require-  
3 ments of an inspection that qualifies as an  
4 alternative inspection method pursuant to  
5 subparagraph (E), a public housing agency  
6 may authorize occupancy before the inspec-  
7 tion under clause (i) has been completed,  
8 and may make assistance payments retro-  
9 active to the beginning of the lease term  
10 after the unit has been determined pursu-  
11 ant to an inspection under clause (i) to  
12 meet the housing quality standards under  
13 subparagraph (B).”;

14 (2) by redesignating subparagraph (E) as sub-  
15 paragraph (H); and

16 (3) by striking subparagraph (D) and inserting  
17 the following new subparagraphs:

18 “(D) BIENNIAL INSPECTIONS.—

19 “(i) REQUIREMENT.—Each public  
20 housing agency providing assistance under  
21 this subsection (or other entity, as pro-  
22 vided in paragraph (11)) shall, for each as-  
23 sisted dwelling unit, make inspections not  
24 less often than biennially during the term  
25 of the housing assistance payments con-

1 tract for the unit to determine whether the  
2 unit is maintained in accordance with the  
3 requirements under subparagraph (A).

4 “(ii) USE OF ALTERNATIVE INSPEC-  
5 TION METHOD.—The requirement under  
6 clause (i) may be complied with by use of  
7 inspections that qualify as an alternative  
8 inspection method pursuant to subpara-  
9 graph (E).

10 “(iii) RECORDS.—The agency (or  
11 other entity) shall retain the records of the  
12 inspection for a reasonable time and shall  
13 make the records available upon request to  
14 the Secretary, the Inspector General for  
15 the Department of Housing and Urban  
16 Development, and any auditor conducting  
17 an audit under section 5(h).

18 “(E) ALTERNATIVE INSPECTION METH-  
19 OD.—An inspection of a property shall qualify  
20 as an alternative inspection method for pur-  
21 poses of this subparagraph if—

22 “(i) the inspection was conducted pur-  
23 suant to requirements under a Federal,  
24 State, or local housing assistance program  
25 (including the HOME investment partner-

1           ships program under title II of the Cran-  
2           ston-Gonzalez National Affordable Housing  
3           Act (42 U.S.C. 12721 et seq.) and the low-  
4           income housing tax credit program under  
5           section 42 of the Internal Revenue Code of  
6           1986); and

7           “(ii) pursuant to such inspection, the  
8           property was determined to meet the  
9           standards or requirements regarding hous-  
10          ing quality or safety applicable to units as-  
11          sisted under such program, and, if a non-  
12          Federal standard was used, the public  
13          housing agency has certified to the Sec-  
14          retary that such standards or requirements  
15          provide the same protection to occupants  
16          of dwelling units meeting such standards  
17          or requirements as, or greater protection  
18          than, the housing quality standards under  
19          subparagraph (B).

20          “(F) INTERIM INSPECTIONS.—Upon notifi-  
21          cation to the public housing agency, by a family  
22          on whose behalf tenant-based rental assistance  
23          is provided under this subsection or by a gov-  
24          ernment official, that the dwelling unit for  
25          which such assistance is provided does not com-

1           ply with the housing quality standards under  
2           subparagraph (B), the agency shall inspect the  
3           dwelling unit—

4                   “(i) in the case of any condition that  
5                   is life-threatening, within 24 hours after  
6                   receipt of such notice; and

7                   “(ii) in the case of any condition that  
8                   is not life-threatening, within 15 days after  
9                   receipt of such notice.

10                   “(G) ENFORCEMENT OF HOUSING QUALITY  
11           STANDARDS.—

12                   “(i) DETERMINATION OF NONCOMPLI-  
13           ANCE.—A dwelling unit that is covered by  
14           a housing assistance payments contract  
15           under this subsection shall be considered,  
16           for purposes of subparagraphs (D) and  
17           (F), to be in noncompliance with the hous-  
18           ing quality standards under subparagraph  
19           (B) if—

20                   “(I) the public housing agency or  
21                   an inspector authorized by the State  
22                   or unit of local government deter-  
23                   mines upon inspection of the unit that  
24                   the unit fails to comply with such  
25                   standards;

1 “(II) the agency or inspector no-  
2 tifies the owner of the unit in writing  
3 of such failure to comply; and

4 “(III) the failure to comply is not  
5 corrected—

6 “(aa) in the case of any  
7 such failure that is a result of  
8 life-threatening conditions, within  
9 24 hours after such notice has  
10 been provided; and

11 “(bb) in the case of any  
12 such failure that is a result of  
13 non-life threatening conditions,  
14 within 30 days after such notice  
15 has been provided or such other  
16 reasonable longer period as the  
17 public housing agency may estab-  
18 lish.

19 “(ii) WITHHOLDING OF ASSISTANCE  
20 AMOUNTS DURING CORRECTION.—The  
21 public housing agency may withhold assist-  
22 ance amounts under this subsection with  
23 respect to a dwelling unit for which a no-  
24 tice pursuant to clause (i)(II), of failure to  
25 comply with housing quality standards

1 under subparagraph (B) as determined  
2 pursuant to an inspection conducted under  
3 subparagraph (D) or (F), has been pro-  
4 vided. If the unit is brought into compli-  
5 ance with such housing quality standards  
6 during the periods referred to in clause  
7 (i)(III), the public housing agency shall re-  
8 commence assistance payments and may  
9 use any amounts withheld during the cor-  
10 rection period to make assistance payments  
11 relating to the period during which pay-  
12 ments were withheld.

13 “(iii) ABATEMENT OF ASSISTANCE  
14 AMOUNTS.—The public housing agency  
15 shall abate all of the assistance amounts  
16 under this subsection with respect to a  
17 dwelling unit that is determined, pursuant  
18 to clause (i) of this subparagraph, to be in  
19 noncompliance with housing quality stand-  
20 ards under subparagraph (B). Upon com-  
21 pletion of repairs by the public housing  
22 agency or the owner sufficient so that the  
23 dwelling unit complies with such housing  
24 quality standards, the agency shall recom-  
25 mence payments under the housing assist-

1                   ance payments contract to the owner of the  
2                   dwelling unit.

3                   “(iv) NOTIFICATION.—If a public  
4                   housing agency providing assistance under  
5                   this subsection abates rental assistance  
6                   payments pursuant to clause (iii) with re-  
7                   spect to a dwelling unit, the agency shall,  
8                   upon commencement of such abatement—

9                                   “(I) notify the tenant and the  
10                                  owner of the dwelling unit that—

11   “(aa) such abatement has  
12    commenced; and

13   “(bb) if the dwelling unit is  
14    not brought into compliance with  
15    housing quality standards within  
16    60 days after the effective date of  
17    the determination of noncompli-  
18    ance under clause (i) or such rea-  
19    sonable longer period as the  
20    agency may establish, the tenant  
21    will have to move; and

22   “(II) issue the tenant the nec-  
23    essary forms to allow the tenant to  
24    move to another dwelling unit and

1 transfer the rental assistance to that  
2 unit.

3 “(v) PROTECTION OF TENANTS.—An  
4 owner of a dwelling unit may not terminate  
5 the tenancy of any tenant because of the  
6 withholding or abatement of assistance  
7 pursuant to this subparagraph. During the  
8 period that assistance is abated pursuant  
9 to this subparagraph, the tenant may ter-  
10minate the tenancy by notifying the owner.

11 “(vi) TERMINATION OF LEASE OR AS-  
12SISTANCE PAYMENTS CONTRACT.—If as-  
13sistance amounts under this section for a  
14dwelling unit are abated pursuant to clause  
15(iii) and the owner does not correct the  
16noncompliance within 60 days after the ef-  
17fective date of the determination of non-  
18compliance under clause (i), or such other  
19reasonable longer period as the public  
20housing agency may establish, the agency  
21shall terminate the housing assistance pay-  
22ments contract for the dwelling unit.

23 “(vii) RELOCATION.—

24 “(I) LEASE OF NEW UNIT.—The  
25agency shall provide the family resid-

1 ing in such a dwelling unit a period of  
2 90 days or such longer period as the  
3 public housing agency determines is  
4 reasonably necessary to lease a new  
5 unit, beginning upon termination of  
6 the contract, to lease a new residence  
7 with tenant-based rental assistance  
8 under this section.

9 “(II) AVAILABILITY OF PUBLIC  
10 HOUSING UNITS.—If the family is un-  
11 able to lease such a new residence  
12 during such period, the public housing  
13 agency shall, at the option of the fam-  
14 ily, provide such family a preference  
15 for occupancy in a dwelling unit of  
16 public housing that is owned or oper-  
17 ated by the agency that first becomes  
18 available for occupancy after the expi-  
19 ration of such period.

20 “(III) ASSISTANCE IN FINDING  
21 UNIT.—The public housing agency  
22 may provide assistance to the family  
23 in finding a new residence, including  
24 use of up to two months of any assist-  
25 ance amounts abated pursuant to

1 clause (iii) for costs directly associ-  
2 ated with relocation of the family to a  
3 new residence, which shall include se-  
4 curity deposits as necessary and may  
5 include reimbursements for reasonable  
6 moving expenses incurred by the  
7 household, as established by the Sec-  
8 retary. The agency may require that a  
9 family receiving assistance for a secu-  
10 rity deposit shall remit, to the extent  
11 of such assistance, the amount of any  
12 security deposit refunds made by the  
13 owner of the dwelling unit for which  
14 the lease was terminated.

15 “(viii) TENANT-CAUSED DAMAGES.—  
16 If a public housing agency determines that  
17 any damage to a dwelling unit that results  
18 in a failure of the dwelling unit to comply  
19 with housing quality standards under sub-  
20 paragraph (B), other than any damage re-  
21 sulting from ordinary use, was caused by  
22 the tenant, any member of the tenant’s  
23 household, or any guest or other person  
24 under the tenant’s control, the agency may  
25 waive the applicability of this subpara-

1 graph, except that this clause shall not ex-  
2 onerate a tenant from any liability other-  
3 wise existing under applicable law for dam-  
4 ages to the premises caused by such ten-  
5 ant.

6 “(ix) APPLICABILITY.—This subpara-  
7 graph shall apply to any dwelling unit for  
8 which a housing assistance payments con-  
9 tract is entered into or renewed after the  
10 date of the effectiveness of the regulations  
11 implementing this subparagraph.”.

12 (b) EFFECTIVE DATE.—The Secretary of Housing  
13 and Urban Development shall issue notice or regulations  
14 to implement subsection (a) of this section and such sub-  
15 section shall take effect after such issuance.

16 **SEC. 102. RENT REFORM AND INCOME REVIEWS.**

17 (a) RENT FOR PUBLIC HOUSING AND SECTION 8  
18 PROGRAMS.—

19 (1) IN GENERAL.—Section 3 of the United  
20 States Housing Act of 1937 (42 U.S.C. 1437a) is  
21 amended—

22 (A) in subsection (a)—

23 (i) in paragraph (3)(A)—

24 (I) in the matter preceding clause

25 (i), by striking “(which amount shall

1 include any amount allowed for utili-  
2 ties) of not more than \$50 per  
3 month” and inserting “, which  
4 amount shall be established by the  
5 Secretary, shall not be less than  
6 \$69.45 per month (as such amount is  
7 adjusted by applying an inflationary  
8 factor as the Secretary shall, by regu-  
9 lation or notice, establish), and shall  
10 include any amount allowed for utili-  
11 ties” ; and

12 (II) in clause (ii), by inserting  
13 before the period at the end the fol-  
14 lowing: “or by the owner of the prop-  
15 erty receiving rental assistance, as the  
16 Secretary may allow”; and

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

19 “(6) REVIEWS OF FAMILY INCOME.—

20 “(A) FREQUENCY.—Reviews of family in-  
21 come for purposes of this section shall be  
22 made—

23 “(i) in the case of all families, upon  
24 the initial provision of housing assistance  
25 for the family;

1           “(ii) annually thereafter, except as  
2 provided in subparagraph (B)(i);

3           “(iii) upon the request of the family,  
4 at any time the income or deductions  
5 (under subsection (b)(5)) of the family  
6 change by an amount that is estimated to  
7 result in a decrease of 10 percent (or such  
8 lower amount as the Secretary may, by no-  
9 tice, establish, or permit the public housing  
10 agency or owner to establish) or more in  
11 annual adjusted income; and

12           “(iv) at any time the income or deduc-  
13 tions (under subsection (b)(5)) of the fam-  
14 ily change by an amount that is estimated  
15 to result in an increase of 10 percent or  
16 more in annual adjusted income, or such  
17 other amount as the Secretary may by no-  
18 tice establish, except that any increase in  
19 the earned income of a family shall not be  
20 considered for purposes of this clause (ex-  
21 cept that earned income may be considered  
22 if the increase corresponds to previous de-  
23 creases under clause (iii)), except that a  
24 public housing agency or owner may elect

1 not to conduct such review in the last three  
2 months of a certification period.

3 “(B) FIXED-INCOME FAMILIES.—

4 “(i) SELF CERTIFICATION AND 3-YEAR  
5 REVIEW.—In the case of any family de-  
6 scribed in clause (ii), after the initial re-  
7 view of the family’s income pursuant to  
8 subparagraph (A)(i), the public housing  
9 agency or owner shall not be required to  
10 conduct a review of the family’s income  
11 pursuant to subparagraph (A)(ii) for any  
12 year for which such family certifies, in ac-  
13 cordance with such requirements as the  
14 Secretary shall establish, that the income  
15 of the family meets the requirements of  
16 clause (ii) of this subparagraph and that  
17 the sources of such income have not  
18 changed since the previous year, except  
19 that the public housing agency or owner  
20 shall conduct a review of each such fam-  
21 ily’s income not less than once every 3  
22 years.

23 “(ii) ELIGIBLE FAMILIES.—A family  
24 described in this clause is a family who has  
25 an income, as of the most recent review

1           pursuant to subparagraph (A) or clause (i)  
2           of this subparagraph, of which 90 percent  
3           or more consists of fixed income, as such  
4           term is defined in clause (iii).

5           “(iii) FIXED INCOME.—For purposes  
6           of this subparagraph, the term ‘fixed in-  
7           come’ includes income from—

8                       “(I) the supplemental security in-  
9                       come program under title XVI of the  
10                      Social Security Act, including supple-  
11                      mentary payments pursuant to an  
12                      agreement for Federal administration  
13                      under section 1616(a) of the Social  
14                      Security Act and payments pursuant  
15                      to an agreement entered into under  
16                      section 212(b) of Public Law 93–66;

17                      “(II) Social Security payments;

18                      “(III) Federal, State, local and  
19                      private pension plans; and

20                      “(IV) other periodic payments re-  
21                      ceived from annuities, insurance poli-  
22                      cies, retirement funds, disability or  
23                      death benefits, and other similar types  
24                      of periodic receipts that are of sub-

1                   stantially the same amounts from year  
2                   to year.

3                   “(C) IN GENERAL.—Reviews of family in-  
4                   come for purposes of this section shall be sub-  
5                   ject to the provisions of section 904 of the  
6                   Stewart B. McKinney Homeless Assistance  
7                   Amendments Act of 1988.

8                   “(7) CALCULATION OF INCOME.—

9                   “(A) USE OF CURRENT YEAR INCOME.—In  
10                  determining family income for initial occupancy  
11                  or provision of housing assistance pursuant to  
12                  clause (i) of paragraph (6)(A) or pursuant to  
13                  reviews pursuant to clause (iii) or (iv) of such  
14                  paragraph, a public housing agency or owner  
15                  shall use the income of the family as estimated  
16                  by the agency or owner for the upcoming year.

17                  “(B) USE OF PRIOR YEAR INCOME.—In  
18                  determining family income for annual reviews  
19                  pursuant to paragraph (6)(A)(ii), a public hous-  
20                  ing agency or owner shall, except as otherwise  
21                  provided in this paragraph, use the income of  
22                  the family as determined by the agency or  
23                  owner for the preceding year, taking into con-  
24                  sideration any redetermination of income during

1 such prior year pursuant to clause (iii) or (iv)  
2 of paragraph (6)(A).

3 “(C) INFLATIONARY ADJUSTMENT FOR  
4 FIXED INCOME FAMILIES.—

5 “(i) IN GENERAL.—In any year in  
6 which a public housing agency or owner  
7 does not conduct a review of income for  
8 any family described in clause (ii) of para-  
9 graph (6)(B) pursuant to the authority  
10 under clause (i) of such paragraph to  
11 waive such a review, such family’s prior  
12 year’s income determination shall, subject  
13 to clauses (ii) and (iii), be adjusted by ap-  
14 plying an inflationary factor as the Sec-  
15 retary shall, by regulation or notice, estab-  
16 lish.

17 “(ii) EXEMPTION FROM ADJUST-  
18 MENT.—A public housing agency or owner  
19 may exempt from an adjustment pursuant  
20 to clause (i) any income source for which  
21 income does not increase from year to  
22 year.

23 “(iii) APPLICABILITY OF INFLA-  
24 TIONARY FACTOR.—The inflationary factor  
25 adjustment referred to in clause (i) shall

1 not be made with respect to the first year  
2 after the year in which housing is occupied  
3 or housing assistance is initially provided  
4 for a family.

5 “(D) OTHER INCOME.—In determining the  
6 income for any family based on the prior year’s  
7 income, with respect to prior year calculations  
8 of income not subject to subparagraph (B), a  
9 public housing agency or owner may make other  
10 adjustments as it considers appropriate to re-  
11 flect current income.

12 “(E) SAFE HARBOR.—A public housing  
13 agency or owner may, to the extent such infor-  
14 mation is available to the public housing agency  
15 or owner, determine the family’s income prior  
16 to the application of any deductions based on  
17 timely income determinations made for pur-  
18 poses of other means-tested Federal public as-  
19 sistance programs (including the program for  
20 block grants to States for temporary assistance  
21 for needy families under part A of title IV of  
22 the Social Security Act, a program for Medicaid  
23 assistance under a State plan approved under  
24 title XIX of the Social Security Act, and the  
25 supplemental nutrition assistance program (as

1 such term is defined in section 3 of the Food  
2 and Nutrition Act of 2008 (7 U.S.C. 2012)).  
3 The Secretary shall, in consultation with other  
4 appropriate Federal agencies, develop proce-  
5 dures to enable public housing agencies and  
6 owners to have access to such income deter-  
7 minations made by other means-tested Federal  
8 programs that the Secretary determines to have  
9 comparable reliability. Exchanges of such infor-  
10 mation shall be subject to the same limitations  
11 and tenant protections provided under section  
12 904 of the Stewart B. McKinney Homeless As-  
13 sistance Act Amendments of 1988 (42 U.S.C.  
14 3544) with respect to information obtained  
15 under the requirements of section 303(i) of the  
16 Social Security Act (42 U.S.C. 503(i)).

17 “(F) PHA AND OWNER COMPLIANCE.—A  
18 public housing agency or owner may not be con-  
19 sidered to fail to comply with this paragraph or  
20 paragraph (6) due solely to any de minimis er-  
21 rors made by the agency or owner in calculating  
22 family incomes.”;

23 (B) by striking subsections (d) and (e);  
24 and

1 (C) by redesignating subsection (f) as sub-  
2 section (d).

3 (2) CERTIFICATION REGARDING HARDSHIP EX-  
4 CEPTION TO MINIMUM MONTHLY RENT.—Not later  
5 than the expiration of the 6-month period beginning  
6 on the date of the enactment of this Act, the Sec-  
7 retary of Housing and Urban Development shall  
8 submit to the Congress a certification that the hard-  
9 ship and tenant protection provisions in clause (i) of  
10 section 3(a)(3)(B) of the United States Housing Act  
11 of 1937 (42 U.S.C. 1437a(a)(3)(B)(i)) are being en-  
12 forced at such time and that the Secretary will con-  
13 tinue to provide due consideration to the hardship  
14 circumstances of persons assisted under relevant  
15 programs of this Act.

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

18 (1) by striking paragraph (4) and inserting the  
19 following new paragraph:

20 “(4) INCOME.—The term ‘income’ means, with  
21 respect to a family, income received from all sources  
22 by each member of the household who is 18 years  
23 of age or older or is the head of household or spouse  
24 of the head of the household, plus unearned income  
25 by or on behalf of each dependent who is less than

1 18 years of age, as determined in accordance with  
2 criteria prescribed by the Secretary, in consultation  
3 with the Secretary of Agriculture, subject to the fol-  
4 lowing requirements:

5 “(A) INCLUDED AMOUNTS.—Such term in-  
6 cludes recurring gifts and receipts, actual in-  
7 come from assets, and profit or loss from a  
8 business.

9 “(B) EXCLUDED AMOUNTS.—Such term  
10 does not include—

11 “(i) any imputed return on assets, ex-  
12 cept to the extent that net family assets  
13 exceed \$50,000;

14 “(ii) any amounts that would be eligi-  
15 ble for exclusion under section 1613(a)(7)  
16 of the Social Security Act (42 U.S.C.  
17 1382b(a)(7));

18 “(iii) deferred disability benefits from  
19 the Department of Veterans Affairs that  
20 are received in a lump sum amount or in  
21 prospective monthly amounts;

22 “(iv) any expenses related to aid and  
23 attendance under section 1521 of title 38,  
24 United States Code, to veterans who are in  
25 need of regular aid and attendance; and

1           “(v) exclusions from income as estab-  
2           lished by the Secretary by regulation or  
3           notice, or any amount required by Federal  
4           law to be excluded from consideration as  
5           income.

6           “(C) EARNED INCOME OF STUDENTS.—

7           Such term does not include—

8           “(i) earned income, up to an amount  
9           as the Secretary may by regulation estab-  
10          lish, of any dependent earned during any  
11          period that such dependent is attending  
12          school or vocational training on a full-time  
13          basis; or

14          “(ii) any grant-in-aid or scholarship  
15          amounts related to such attendance used—

16                  “(I) for the cost of tuition or  
17                  books; or

18                  “(II) in such amounts as the Sec-  
19                  retary may allow, for the cost of room  
20                  and board.

21          “(D) EDUCATIONAL SAVINGS ACCOUNTS.—

22          Income shall be determined without regard to  
23          any amounts in or from, or any benefits from,  
24          any Coverdell education savings account under  
25          section 530 of the Internal Revenue Code of

1           1986 or any qualified tuition program under  
2           section 529 of such Code.

3           “(E) RECORDKEEPING.—The Secretary  
4           may not require a public housing agency or  
5           owner to maintain records of any amounts ex-  
6           cluded from income pursuant to this subpara-  
7           graph.”; and

8           (2) by striking paragraph (5) and inserting the  
9           following new paragraph:

10          “(5) ADJUSTED INCOME.—The term ‘adjusted  
11          income’ means, with respect to a family, the amount  
12          (as determined by the public housing agency or  
13          owner) of the income of the members of the family  
14          residing in a dwelling unit or the persons on a lease,  
15          after any deductions from income as follows:

16                 “(A) ELDERLY AND DISABLED FAMI-  
17                 LIES.—\$550 in the case of any family that is  
18                 an elderly family or a disabled family.

19                 “(B) DEPENDENTS.—In the case of any  
20                 family, \$525 for each member who—

21                         “(i) is less than 18 years of age or at-  
22                         tending school or vocational training on a  
23                         full-time basis; or

24                         “(ii) is a person who is 18 years of  
25                         age or older, resides in the household, and

1 is certified as disabled and unable to work  
2 by the public housing agency of jurisdic-  
3 tion.

4 “(C) CHILD CARE.—The amount, if any,  
5 that exceeds 5 percent of annual family income  
6 that is used to pay for unreimbursed child care  
7 expenses, which shall include child care for pre-  
8 school-age children, for before- and after-care  
9 for children in school, and for other child care  
10 necessary to enable a member of the family to  
11 be employed or further his or her education.

12 “(D) HEALTH AND MEDICAL EXPENSES.—  
13 The amount, if any, by which 10 percent of an-  
14 nual family income is exceeded by the sum of—

15 “(i) in the case of any elderly or dis-  
16 abled family, any unreimbursed health and  
17 medical care expenses; and

18 “(ii) any unreimbursed reasonable at-  
19 tendant care and auxiliary apparatus ex-  
20 penses for each handicapped member of  
21 the family, if determined necessary by the  
22 public housing agency or owner to enable  
23 any member of such family to be employed.

24 “(E) PERMISSIVE DEDUCTIONS.—Such ad-  
25 ditional deductions as a public housing agency

1           may, at its discretion, establish, except that the  
2           Secretary shall establish procedures to ensure  
3           that such deductions do not materially increase  
4           Federal expenditures.

5           The Secretary shall annually calculate the amounts  
6           of the deductions under subparagraphs (A) and (B),  
7           as such amounts may have been previously cal-  
8           culated, by applying an inflationary factor as the  
9           Secretary shall, by regulation, establish, except that  
10          the actual deduction determined for each year shall  
11          be established by rounding such amount to the next  
12          lowest multiple of \$25.”.

13          (c) HOUSING CHOICE VOUCHER PROGRAM.—Para-  
14          graph (5) of section 8(o) of the United States Housing  
15          Act of 1937 (42 U.S.C. 1437f(o)(5)) is amended—

16                 (1) in the paragraph heading, by striking “AN-  
17                 NUAL REVIEW” and inserting “REVIEWS”;

18                 (2) in subparagraph (A)—

19                         (A) by striking “the provisions of” and in-  
20                         serting “paragraphs (6) and (7) of section 3(a)  
21                         and to”; and

22                         (B) by striking “and shall be conducted  
23                         upon the initial provision of housing assistance  
24                         for the family and thereafter not less than an-  
25                         nually”; and

1           (3) in subparagraph (B), by striking the second  
2 sentence.

3           (d) ENHANCED VOUCHER PROGRAM.—Section  
4 8(t)(1)(D) of the United States Housing Act of 1937 (42  
5 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”  
6 each place such term appears and inserting “annual ad-  
7 justed income”.

8           (e) PROJECT-BASED HOUSING.—Paragraph (3) of  
9 section 8(c) of the United States Housing Act of 1937  
10 (42 U.S.C. 1437f(c)(3)) is amended by striking the last  
11 sentence.

12           (f) IMPACT ON PUBLIC HOUSING REVENUES.—

13           (1) ADJUSTMENTS TO OPERATING FORMULA.—

14           If the Secretary of Housing and Urban Development  
15 determines that the application of subsections (a)  
16 through (e) of this section results in a material and  
17 disproportionate reduction in the rental income of  
18 certain public housing agencies during the first year  
19 in which such subsections are implemented, the Sec-  
20 retary may make appropriate adjustments in the for-  
21 mula income for such year of those agencies experi-  
22 encing such a reduction.

23           (2) HUD REPORTS ON REVENUE AND COST IM-  
24 PACT.—In each of the first two years after the first  
25 year in which subsections (a) through (e) are imple-

1       mented, the Secretary of Housing and Urban Devel-  
2       opment shall submit a report to Congress identifying  
3       and calculating the impact of changes made by such  
4       subsections and section 103 of this Act on the reve-  
5       nues and costs of operating public housing units, the  
6       voucher program for rental assistance under section  
7       8 of the United States Housing Act of 1937, and  
8       the program under such section 8 for project-based  
9       rental assistance. If such report identifies a material  
10      reduction in the net income of public housing agen-  
11      cies nationwide or a material increase in the costs of  
12      funding the voucher program or the project-based  
13      assistance program, the Secretary shall include in  
14      such report recommendations for legislative changes  
15      to reduce or eliminate such a reduction.

16      (g) RENT POLICY DEMONSTRATION.—

17           (1) IN GENERAL.—The Secretary of Housing  
18      and Urban Development may administer a dem-  
19      onstration program, which shall be initiated upon  
20      the commencement of the first calendar year begin-  
21      ning after the date of the enactment of this Act, for  
22      a limited number of families assisted by such agen-  
23      cies under the United States Housing Act of 1937  
24      to determine the effectiveness of different rent poli-  
25      cies, which may include providing income disregards,

1 family self-sufficiency accounts, and policies under  
2 which families pay amounts different from 30 per-  
3 cent of their adjusted income for rent, to encourage  
4 families to obtain employment, increase their in-  
5 comes, and achieve economic self-sufficiency.

6 (2) RENT STRUCTURES.—Such demonstration  
7 shall include activities sufficient to test the effective-  
8 ness of the following rent structures:

9 (A) CEILING RENTS.—Ceiling rents that  
10 are based on the rental value of the unit.

11 (B) INCOME-TIERED RENTS.—Income-  
12 tiered tenant rents under which the amount a  
13 family pays for rent is set and established on  
14 the basis of broad tiers of income, with annual  
15 cost adjustments.

16 (C) EARNED INCOME DISREGARD.—A ten-  
17 ant rent structure under which the amount of  
18 rent a family pays is reduced through a dis-  
19 regard of a portion of the percentage or of the  
20 dollar amount of the family's earned income.

21 (3) PUBLIC HOUSING AGENCIES.—Such dem-  
22 onstration shall include public housing agencies of  
23 various sizes, including small public housing agen-  
24 cies.

1 (h) EFFECTIVE DATE.—The Secretary of Housing  
2 and Urban Development shall issue notice or regulations  
3 to implement this section and this section shall take effect  
4 after such issuance, except that this section may only take  
5 effect upon the commencement of a calendar year.

6 **SEC. 103. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS.**

7 Section 16 of the United States Housing Act of 1937  
8 (42 U.S.C. 1437n) is amended by inserting after sub-  
9 section (d) the following new subsection:

10 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-  
11 SETS.—

12 “(1) LIMITATION ON ASSETS.—Subject to para-  
13 graph (3) and notwithstanding any other provision  
14 of this Act, a dwelling unit assisted under this Act  
15 may not be rented and assistance under this Act  
16 may not be provided, either initially or at each recer-  
17 tification of family income, to any family—

18 “(A) whose net family assets exceed  
19 \$100,000, as such amount is adjusted annually  
20 by applying an inflationary factor as the Sec-  
21 retary considers appropriate; or

22 “(B) who has a present ownership interest  
23 in, a legal right to reside in, and the effective  
24 legal authority to sell, real property that is suit-  
25 able for occupancy by the family as a residence,

1           except that the prohibition under this subpara-  
2           graph shall not apply to—

3                   “(i) any property for which the family  
4                   is receiving assistance under subsection (y)  
5                   or (o)(12) of section 8 of this Act;

6                   “(ii) any person that is a victim of do-  
7                   mestic violence; or

8                   “(iii) any family that is offering such  
9                   property for sale.

10           “(2) NET FAMILY ASSETS.—

11                   “(A) IN GENERAL.—For purposes of this  
12                   subsection, the term ‘net family assets’ means,  
13                   for all members of the household, the net cash  
14                   value of all assets after deducting reasonable  
15                   costs that would be incurred in disposing of real  
16                   property, savings, stocks, bonds, and other  
17                   forms of capital investment. Such term does not  
18                   include interests in Indian trust land, equity in  
19                   property for which the family is receiving assist-  
20                   ance under subsection (y) or (o)(12) of section  
21                   8, equity accounts in homeownership programs  
22                   of the Department of Housing and Urban De-  
23                   velopment, or Family Self Sufficiency accounts.

24                   “(B) EXCLUSIONS.—Such term does not  
25                   include—

1           “(i) the value of personal property, ex-  
2           cept for items of personal property of sig-  
3           nificant value, as the Secretary may estab-  
4           lish or the public housing agency may de-  
5           termine;

6           “(ii) the value of any retirement ac-  
7           count;

8           “(iii) real property for which the fam-  
9           ily does not have the effective legal author-  
10          ity necessary to sell such property;

11          “(iv) any amounts recovered in any  
12          civil action or settlement based on a claim  
13          of malpractice, negligence, or other breach  
14          of duty owed to a member of the family  
15          and arising out of law, that resulted in a  
16          member of the family being disabled;

17          “(v) the value of any Coverdell edu-  
18          cation savings account under section 530  
19          of the Internal Revenue Code of 1986 or  
20          any qualified tuition program under sec-  
21          tion 529 of such Code; and

22          “(vi) such other exclusions as the Sec-  
23          retary may establish.

24          “(C) TRUST FUNDS.—In cases in which a  
25          trust fund has been established and the trust is

1 not revocable by, or under the control of, any  
2 member of the family or household, the value of  
3 the trust fund shall not be considered an asset  
4 of a family if the fund continues to be held in  
5 trust. Any income distributed from the trust  
6 fund shall be considered income for purposes of  
7 section 3(b) and any calculations of annual  
8 family income, except in the case of medical ex-  
9 penses for a minor.

10 “(3) SELF-CERTIFICATION.—

11 “(A) NET FAMILY ASSETS.—A public  
12 housing agency or owner may determine the net  
13 assets of a family, for purposes of this section,  
14 based on a certification by the family that the  
15 net assets of such family do not exceed  
16 \$50,000.

17 “(B) NO CURRENT REAL PROPERTY OWN-  
18 ERSHIP.—A public housing agency or owner  
19 may determine compliance with paragraph  
20 (1)(B) based on a certification by the family  
21 that such family does not have any current  
22 ownership interest in any real property at the  
23 time the agency or owner reviews the family’s  
24 income.

1           “(C) STANDARDIZED FORMS.—The Sec-  
2           retary may develop standardized forms for the  
3           certifications referred to in subparagraphs (A)  
4           and (B).

5           “(4) COMPLIANCE FOR PUBLIC HOUSING  
6           DWELLING UNITS.—When recertifying family income  
7           with respect to families residing in public housing  
8           dwelling units, a public housing agency may, in the  
9           discretion of the agency and only pursuant to a pol-  
10          icy that is set forth in the public housing agency  
11          plan under section 5A for the agency, choose not to  
12          enforce the limitation under paragraph (1).

13          “(5) ENFORCEMENT.—When recertifying the  
14          income of a family residing in a dwelling unit as-  
15          sisted under this Act, a public housing agency or  
16          owner may choose not to enforce the limitation  
17          under paragraph (1) or may establish exceptions to  
18          such limitation based on eligibility criteria, but only  
19          pursuant to a policy that is set forth in the public  
20          housing agency plan under section 5A for the agency  
21          or under a policy adopted by the owner. Eligibility  
22          criteria for establishing exceptions may provide for  
23          separate treatment based on family type and may be  
24          based on different factors, such as age, disability, in-  
25          come, the ability of the family to find suitable alter-

1 native housing, and whether supportive services are  
2 being provided.

3 “(6) AUTHORITY TO DELAY EVICTIONS.—In the  
4 case of a family residing in a dwelling unit assisted  
5 under this Act who does not comply with the limita-  
6 tion under paragraph (1), the public housing agency  
7 or project owner may delay eviction or termination  
8 of the family based on such noncompliance for a pe-  
9 riod of not more than 6 months.”.

10 **SEC. 104. TARGETING ASSISTANCE TO LOW-INCOME WORK-**  
11 **ING FAMILIES.**

12 (a) VOUCHERS.—Section 16(b)(1) of the United  
13 States Housing Act of 1937 (42 U.S.C. 1437n(b)(1)) is  
14 amended by striking “families whose incomes” and all that  
15 follows through “low family incomes” and inserting “ex-  
16 tremely low-income families”.

17 (b) PUBLIC HOUSING.—Section 16(a)(2)(A) of the  
18 United States Housing Act of 1937 (42 U.S.C.  
19 1437n(a)(2)(A)) is amended by striking “families whose  
20 incomes” and all that follows through “low family in-  
21 comes” and inserting “extremely low-income families”.

22 (c) PROJECT-BASED SECTION 8 ASSISTANCE.—Sec-  
23 tion 16(c)(3) of the United States Housing Act of 1937  
24 (42 U.S.C. 1437n(c)(3)) is amended by striking “families

1 whose incomes” and all that follows through “low family  
2 incomes” and inserting: “extremely low-income families”.

3 (d) DEFINITION.—Section 3(b)(2) of the United  
4 States Housing Act of 1937 (42 U.S.C. 1437a(b)(2)) is  
5 amended by inserting after the period at the end of the  
6 second sentence the following new sentence: “The term  
7 ‘extremely low-income families’ means very low-income  
8 families whose incomes do not exceed the higher of (A)  
9 the poverty guidelines updated periodically by the Depart-  
10 ment of Health and Human Services under the authority  
11 of section 673(2) of the Omnibus Budget Reconciliation  
12 Act of 1981 (42 U.S.C. 9902(2)) applicable to a family  
13 of the size involved, or (B) 30 percent of the median fam-  
14 ily income for the area, as determined by the Secretary  
15 with adjustments for smaller and larger families, except  
16 that the Secretary may establish income ceilings higher  
17 or lower than 30 percent of the median for the area on  
18 the basis of the Secretary’s findings that such variations  
19 are necessary because of unusually high or low family in-  
20 comes, and except that clause (A) of this sentence shall  
21 not apply in the case of public housing agencies located  
22 in Puerto Rico or any other territory or possession of the  
23 United States.”.

24 (e) EFFECTIVE DATE.—The Secretary of Housing  
25 and Urban Development shall issue a notice to implement

1 the amendments made by this section and such amend-  
2 ments shall take effect upon such issuance.

3 **SEC. 105. USE OF VOUCHER FUNDS.**

4 Subsection (dd) of section 8 of the United States  
5 Housing Act of 1937 (42 U.S.C. 1437f(dd)) is amended—

6 (1) by striking “(dd) TENANT-BASED CON-  
7 TRACT RENEWALS.—Subject” and inserting the fol-  
8 lowing::

9 “(dd) TENANT-BASED CONTRACT RENEWALS.—

10 “(1) IN GENERAL.—Subject”; and

11 (2) by adding at the end the following new  
12 paragraphs:

13 “(2) LEASING RATE.—For purposes of deter-  
14 mining annual allocations of voucher funding for  
15 agencies, for 2012 and thereafter, the leasing rate  
16 calculated for an agency for the prior calendar year  
17 shall include vouchers that exceed the agency’s au-  
18 thorized voucher level only if they are funded  
19 through the allocation for the agency for the prior  
20 year, including adjustments for incremental and new  
21 tenant protection and enhanced vouchers.

22 “(3) RESERVES.—For 2012 and each calendar  
23 year thereafter, each public housing agency shall be  
24 allowed to retain as reserves an amount that is not  
25 less than 6 percent of the amount allocated to such

1 agency in such calendar year prior to proration. The  
2 sources of such reserves may include all allocated  
3 amounts from such year plus reserves carried over  
4 from previous years. Reserves may be used for over-  
5 leasing in any year, regardless of whether such use  
6 is eligible for renewal funding in the subsequent cal-  
7 endar year.”.

8 **SEC. 106. PHA PROJECT-BASED ASSISTANCE.**

9 Paragraph (13) of section 8(o) of the United States  
10 Housing Act of 1937 (42 U.S.C. 1437f(o)(13)) is amend-  
11 ed—

12 (1) by striking “structure” each place such  
13 term appears and inserting “project”;

14 (2) by striking “structures” each place such  
15 term appears and inserting “projects”;

16 (3) by striking subparagraph (B) and inserting  
17 the following new subparagraph:

18 “(B) PERCENTAGE LIMITATION.—

19 “(i) IN GENERAL.—Subject to clause  
20 (ii), a public housing agency may use for  
21 project-based assistance under this para-  
22 graph not more than 20 percent of the au-  
23 thorized units for the agency.

24 “(ii) EXCEPTION.—A public housing  
25 agency may use up to an additional 5 per-

1 cent of the authorized units for the agency  
2 for project-based assistance under this  
3 paragraph, to provide units that house in-  
4 dividuals and families that meet the defini-  
5 tion of homeless under section 103 of the  
6 McKinney-Vento Homeless Assistance Act  
7 (42 U.S.C. 11302), that house families  
8 with veterans, that provide supportive  
9 housing to persons with disabilities, or that  
10 are located in areas where vouchers under  
11 this subsection are difficult to use, as spec-  
12 ified in subparagraph (D)(ii)(II). The Sec-  
13 retary may, by regulation, establish addi-  
14 tional categories for the exception under  
15 this clause.”;

16 (4) by striking subparagraph (D) and inserting  
17 the following new subparagraph:

18 “(D) INCOME-MIXING REQUIREMENT.—  
19 “(i) IN GENERAL.—Except as pro-  
20 vided in clause (ii), not more than the  
21 greater of 25 dwelling units or 25 percent  
22 of the dwelling units in any project may be  
23 assisted under a housing assistance pay-  
24 ment contract for project-based assistance  
25 pursuant to this paragraph. For purposes

1 of this subparagraph, the term ‘project’  
2 means a single building, multiple contig-  
3 uous buildings, or multiple buildings on  
4 contiguous parcels of land.

5 “(ii) EXCEPTIONS.—

6 “(I) CERTAIN HOUSING.—The  
7 limitation under clause (i) shall not  
8 apply to dwelling units assisted under  
9 a contract that are exclusively made  
10 available to elderly families or to  
11 households eligible for supportive serv-  
12 ices that are made available to resi-  
13 dents of the project, according to  
14 standards for such services as are es-  
15 tablished by the Secretary. The Sec-  
16 retary may establish additional re-  
17 quirements for monitoring and over-  
18 sight of projects in which more than  
19 40 percent of the dwelling units are  
20 assisted.

21 “(II) CERTAIN AREAS.—With re-  
22 spect to areas in which tenant-based  
23 vouchers for assistance under this  
24 subsection are difficult to use, as de-  
25 termined by the Secretary, and with

1 respect to census tracts with a poverty  
2 rate of 20 percent or less, clause (i)  
3 shall be applied by substituting ‘40  
4 percent’ for ‘25 percent’, and the Sec-  
5 retary may, by regulation, establish  
6 additional conditions.

7 “(III) CERTAIN CONTRACTS.—  
8 The limitation under clause (i) shall  
9 not apply with respect to contracts or  
10 renewal of contracts under which a  
11 greater percentage of the dwelling  
12 units in a project were assisted under  
13 a housing assistance payment contract  
14 for project-based assistance pursuant  
15 to this paragraph on the effective date  
16 of the Affordable Housing and Self-  
17 Sufficiency Improvement Act of  
18 2011.”;

19 (5) by striking subparagraph (F) and inserting  
20 the following new subparagraph:

21 “(F) CONTRACT TERM.—A housing assist-  
22 ance payment contract pursuant to this para-  
23 graph between a public housing agency and the  
24 owner of a project may have a term of up to  
25 20 years, subject to—

1           “(i) the availability of sufficient ap-  
2           propriated funds for the purpose of renew-  
3           ing expiring contracts for assistance pay-  
4           ments, as provided in appropriation Acts  
5           and in the agency’s annual contributions  
6           contract with the Secretary, provided that  
7           in the event of insufficient appropriated  
8           funds, payments due under contracts  
9           under this paragraph shall take priority if  
10          other cost-saving measures that do not re-  
11          quire the termination of an existing con-  
12          tract are available to the agency; and

13           “(ii) annual compliance with the in-  
14          spection requirements under paragraph  
15          (8), except that the agency shall not be re-  
16          quired to make annual inspections of each  
17          assisted unit in the development.

18          The contract may specify additional conditions,  
19          including with respect to continuation, termi-  
20          nation, or expiration.”;

21          (6) in subparagraph (G), by striking “15 years”  
22          and inserting “20 years”; and

23          (7) in subparagraph (J)—

24                  (A) by striking “shall” in the first sentence  
25          and inserting “may”; and

1 (B) by striking the fifth and sixth sen-  
2 tences and inserting the following: “A public  
3 housing agency may establish and utilize proce-  
4 dures for owner-maintained site-based waiting  
5 lists, under which applicant may apply at, or  
6 otherwise designate to the public housing agen-  
7 cy, the project or projects in which they seek to  
8 reside, except that all eligible applicants on the  
9 waiting list of an agency for assistance under  
10 this subsection shall be permitted to place their  
11 names on such separate list, subject to policies  
12 and procedures established by the Secretary. All  
13 such procedures shall comply with title VI of  
14 the Civil Rights Act of 1964, the Fair Housing  
15 Act, section 504 of the Rehabilitation Act of  
16 1973, and other applicable civil rights laws. The  
17 owner or manager of a project assisted under  
18 this paragraph shall not admit any family to a  
19 dwelling unit assisted under a contract pursu-  
20 ant to this paragraph other than a family re-  
21 ferred by the public housing agency from its  
22 waiting list, or a family on a site-based waiting  
23 list that complies with the requirements of this  
24 subparagraph. A public housing agency shall  
25 disclose to each applicant all other options in

1 the selection of a project in which to reside that  
2 are provided by the public housing agency and  
3 are available to the applicant.”;

4 **SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

5 (a) IN GENERAL.—Paragraph (1) of section 8(c) of  
6 the United States Housing Act of 1937 (42 U.S.C.  
7 1437f(c)(1)) is amended—

8 (1) by inserting “(A)” after the paragraph des-  
9 ignation;

10 (2) by striking the fourth, seventh, eighth, and  
11 ninth sentences; and

12 (3) by adding at the end the following:

13 “(B) Fair market rentals for an area shall be pub-  
14 lished not less than annually by the Secretary on the site  
15 of the Department on the World Wide Web and in any  
16 other manner specified by the Secretary. Notice that such  
17 fair market rentals are being published shall be published  
18 in the Federal Register, and such fair market rentals shall  
19 become effective no earlier than 30 days after the date  
20 of such publication. The Secretary shall establish a proce-  
21 dure for public housing agencies and other interested par-  
22 ties to comment on such fair market rentals and to re-  
23 quest, within a time specified by the Secretary, reevalua-  
24 tion of the fair market rental in a jurisdiction. The Sec-  
25 retary shall cause to be published for comment in the Fed-

1 eral Register notices of proposed material changes in the  
2 methodology for estimating fair market rentals and no-  
3 tices specifying the final decisions regarding such pro-  
4 posed substantial methodological changes and responses to  
5 public comments.”.

6 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-  
7 tion 8(o)(1) of the United States Housing Act of 1937  
8 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-  
9 fore the period at the end the following: “, except that  
10 no public housing agency shall be required as a result of  
11 a reduction in the fair market rental to reduce the pay-  
12 ment standard applied to a family continuing to reside in  
13 a unit for which the family was receiving assistance under  
14 this section at the time the fair market rental was reduced.  
15 The Secretary shall allow public housing agencies to re-  
16 quest exception payment standards within fair market  
17 rental areas subject to criteria and procedures established  
18 by the Secretary”.

19 (c) EFFECTIVE DATE.—The amendments made by  
20 this section shall take effect upon the date of the enact-  
21 ment of this Act.

22 **SEC. 108. SCREENING OF APPLICANTS.**

23 (a) IN GENERAL.—Subparagraph (B) of section  
24 8(o)(6) of the United States Housing Act of 1937  
25 (1437f(o)(6)(B)) is amended—

1           (1) by striking “(B) SELECTION OF TEN-  
2           ANTS.—Each” and inserting the following:

3                   “(B) SELECTION OF TENANTS.—

4                           “(i) FUNCTION OF OWNER.—Each”;

5           (2) in the first sentence, by striking “unit)”  
6           and inserting “unit”;

7           (3) by striking “In addition” and inserting the  
8           following:

9                   “(ii) SCREENING.—In addition”;

10           (4) by inserting after “establish.” the following:

11           “A public housing agency’s elective screening shall  
12           be limited to criteria that are directly related to an  
13           applicant’s ability to fulfill the obligations of an as-  
14           sisted lease and shall consider mitigating cir-  
15           cumstances presented by such applicant. The re-  
16           quirements of the preceding sentence shall not limit  
17           the ability of a public housing agency to deny assist-  
18           ance based on an applicant’s criminal background or  
19           any other permissible grounds for denial under sub-  
20           title F of title V of the Quality Housing and Work  
21           Responsibility Act of 1998 (42 U.S.C. 13661 et seq.;  
22           relating to safety and security in public and assisted  
23           housing), subject to the procedural requirements of  
24           this section. Any applicant or participant determined  
25           to be ineligible for admission or continued participa-

1       tion to the program shall be notified of the basis for  
2       such determination and provided, within a reason-  
3       able time after the determination, an opportunity for  
4       an informal hearing on such determination at which  
5       mitigating circumstances presented by the applicant,  
6       including remedial conduct subsequent to the con-  
7       duct that is the basis of such determination, shall be  
8       considered.”; and

9               (5) by adding at the end the following:

10                       “(iii)   EXISTING   ASSISTED   FAMI-  
11                       LIES.—Families being provided enhanced  
12                       vouchers pursuant to subsection (t), fami-  
13                       lies receiving assistance under this Act  
14                       that are subsequently provided tenant-  
15                       based assistance pursuant to subsection  
16                       (dd)(1)(B), and families residing in multi-  
17                       family housing subject to a mortgage in-  
18                       sured under the National Housing Act that  
19                       are provided tenant-based assistance pur-  
20                       suant to subsection (dd)(1)(B)(xiv) of this  
21                       section shall not be considered new appli-  
22                       cants under this paragraph and shall not  
23                       be subject to elective re-screening by a  
24                       public housing agency.”.

1 (b) LEASES AND TENANCY.—Subparagraph (E) of  
2 section 8(o)(7) of the United States Housing Act of 1937  
3 (42 U.S.C. 1437f(o)(7)(E)) is amended by inserting “ter-  
4 mination or” after “any” the last place such term appears.

5 (c) REMOVAL OF SEX OFFENDERS.—Section 578 of  
6 the Quality Housing and Work Responsibility Act of 1998  
7 (42 U.S.C. 13663) is amended by striking subsection (a)  
8 and inserting the following new subsection:

9 “(a) IN GENERAL.—Notwithstanding any other pro-  
10 vision of law, an owner of federally assisted housing—

11 “(1) shall prohibit admission to such housing  
12 for any household that includes an individual who is  
13 subject to a lifetime registration requirement under  
14 a State sex offender registration program; and

15 “(2) shall terminate assistance to, and any  
16 lease or right to occupancy of such housing by, any  
17 household that includes any individual who is subject  
18 to a lifetime registration requirement under a State  
19 sex offender registration program.”.

20 **SEC. 109. UTILITY DATA.**

21 Section 8(o) of the United States Housing Act of  
22 1937 (42 U.S.C. 1437f(o), as amended by the preceding  
23 provisions of this Act, is further amended by adding at  
24 the end the following new paragraph:

25 “(22) UTILITY DATA.—

1           “(A) PUBLICATION.—The Secretary shall,  
2           to the extent that data can be collected cost ef-  
3           fectively, regularly publish such data regarding  
4           utility consumption and costs in local areas as  
5           the Secretary determines will be useful for the  
6           establishment of allowances for tenant-paid util-  
7           ities for families assisted under this subsection.

8           “(B) USE OF DATA.—The Secretary shall  
9           provide such data in a manner that—

10                   “(i) avoids unnecessary administrative  
11                   burdens for public housing agencies; and

12                           “(ii) protects families in various unit  
13                           sizes and building types, and using various  
14                           utilities, from high rent and utility cost  
15                           burdens relative to income.”.

16 **SEC. 110. FLEXIBILITY OF CAPITAL AND OPERATING FUND**  
17 **AMOUNTS.**

18           Subsection (g) of section 9 of the United States  
19 Housing Act of 1937 (42 U.S.C. 1437g(g)) is amended—

20                   (1) by striking paragraphs (1) and (2) and in-  
21                   serting the following new paragraph:

22                           “(1) FULL FLEXIBILITY OF CAPITAL AND OP-  
23                           ERATING FUND AMOUNTS.—Of any amounts allo-  
24                           cated for any fiscal year from the funds under sub-  
25                           sections (d) and (e) for any public housing agency

1 that is not designated pursuant to section 6(j)(2) as  
2 a troubled public housing agency and that, in the de-  
3 termination of the Secretary is operating and main-  
4 taining its public housing in a safe, clean, and  
5 healthy condition, the agency may use any such  
6 amounts for any eligible activities under subsections  
7 (d)(1) and (e)(1), regardless of the fund from which  
8 the amounts were allocated and provided, but only  
9 to the extent provided for such use by the public  
10 housing agency plan under section 5A for the agen-  
11 cy.”; and

12 (2) by redesignating paragraph (3) as para-  
13 graph (2).

14 **SEC. 111. STUDY REGARDING OCCUPANCY OF ASSISTED**  
15 **HOUSING BY BOTH ELDERLY PERSONS AND**  
16 **PERSONS WITH DISABILITIES.**

17 (a) IN GENERAL.—The Secretary of Housing and  
18 Urban Development shall conduct a study on the impact  
19 that providing public and assisted housing projects des-  
20 ignated for occupancy both by elderly persons and persons  
21 with disabilities (as such terms are defined under section  
22 3(b) of the United States Housing Act of 1937 (42 U.S.C.  
23 1437a(b))), including specifically persons with disabilities  
24 who are recovering from drug or alcohol abuse, has on

1 the effectiveness of providing an appropriate living envi-  
2 ronment for such elderly persons.

3 (b) REPORT.—Not later than the expiration of the  
4 12-month period beginning on the date of the enactment  
5 of this Act, the Secretary shall submit a report to the Con-  
6 gress setting forth the findings and conclusions of the  
7 study conducted pursuant to subsection (a).

8 **SEC. 112. HOUSING ASSISTANCE CRITERIA SIMPLIFICA-**  
9 **TION.**

10 The polices and standards issued by the Secretary of  
11 Housing and Urban Development, in effect with respect  
12 to public housing projects on the date of the enactment  
13 of this Act, relating to the flexibility of the criteria that  
14 may be used to establish local preferences, the use of wait-  
15 ing list management tools, and the inclusion of certain ac-  
16 tivities in house rules and lease provisions shall also apply  
17 to the programs for rental assistance under section 8 of  
18 the United States Housing Act of 1937 (42 U.S.C. 1437f).

19 **TITLE II—RENTAL ASSISTANCE**  
20 **DEMONSTRATION AND CON-**  
21 **TRACT CONVERSIONS**

22 **SEC. 201. DEMONSTRATION TO EXPAND ROLE OF PRIVATE**  
23 **CAPITAL IN AFFORDABLE HOUSING.**

24 (a) PURPOSE AND AUTHORIZATION.—To dem-  
25 onstrate the potential for preserving and improving low-

1 income housing through conversion of assistance for public  
2 housing and moderate rehabilitation properties to long-  
3 term rental assistance under section 8 of the United  
4 States Housing Act of 1937 (42 U.S.C. 1437 et seq.), (in  
5 this section referred to as the “Act”), the Secretary of  
6 Housing and Urban Development (in this section referred  
7 to as the “Secretary”) may undertake a demonstration of  
8 conversion of assistance under section 9 of the Act or the  
9 moderate rehabilitation program under section 8(e)(2) of  
10 the Act (except for funds allocated under such section for  
11 single-room occupancy dwellings as authorized by title IV  
12 of the McKinney-Vento Homeless Assistance Act) to as-  
13 sistance under a project-based subsidy contract under sec-  
14 tion 8 of the Act that shall be eligible for renewal under  
15 section 524 of the Multifamily Assisted Housing Reform  
16 and Affordability of 1997 (42 U.S.C. 1437f note) or under  
17 section 8(o)(13) of the Act.

18 (b) SELECTION AND TERMS.—

19 (1) SELECTION.—The Secretary shall select  
20 properties for conversion of assistance and award  
21 funds for assistance, including administrative fees,  
22 through a competitive process or such other means  
23 as the Secretary determines to be fair and necessary  
24 to promote the purposes of the demonstration.

25 (2) TERMS.—The demonstration—

1 (A) shall provide for the conversion of as-  
2 sistance for properties with varying characteris-  
3 tics, assisted by public housing agencies of var-  
4 ious sizes in a broad range of locations and  
5 markets;

6 (B) may provide for application of various  
7 policies covering contract rents and terms and  
8 resident choices to move with tenant-based  
9 rental assistance under section 8 of the Act;  
10 and

11 (C) shall, with respect to at least 90 per-  
12 cent of the total number of assisted units in all  
13 properties participating in the demonstration,  
14 test options to provide all assisted residents the  
15 choice, in accordance with policies established  
16 under such options, to move with tenant-based  
17 continuing rental assistance under section 8 of  
18 the Act within a reasonable time.

19 (3) **AUTHORITY.**—The Secretary may provide  
20 for the conversion of assistance through the con-  
21 tracts and transactional infrastructure of the au-  
22 thorized programs administered by the Office of Af-  
23 fordable Housing Preservation of the Department of  
24 Housing and Urban Development.

1           (4) PUBLIC COMMENT.—The Secretary shall  
2           provide an opportunity for public comment on draft  
3           eligibility and selection criteria and procedures that  
4           will apply to the selection of properties that will par-  
5           ticipate in the demonstration, including reasonable  
6           requirements for consultation with the residents of  
7           properties to be proposed for participation in the  
8           demonstration and with the resident advisory boards  
9           of public housing agencies responsible for such prop-  
10          erties.

11          (5) REQUIRED NOTICE.—The demonstration  
12          may proceed after the Secretary publishes notice of  
13          its terms in the Federal Register.

14          (c) REQUIREMENTS FOR PROPERTIES CONVERTING  
15          ASSISTANCE.—

16           (1) PUBLIC HOUSING.—In the case of a prop-  
17           erty with assistance converted under the demonstra-  
18           tion from assistance under section 9 of the Act—

19           (A) the assistance made available under  
20           the demonstration shall not be terminated, in-  
21           cluding in instances of foreclosure or bank-  
22           ruptcy, except for termination and transfer by  
23           the Secretary for a material violation or a sub-  
24           stantial default, or due to the unavailability of  
25           funds; and

1 (B) the Secretary—

2 (i) shall require ownership or control  
3 of assisted units by a public or non-profit  
4 entity, except as determined by the Sec-  
5 retary to be necessary pursuant to fore-  
6 closure, bankruptcy, or termination and  
7 transfer of assistance for material viola-  
8 tions or substantial default, in which cases  
9 the priority for ownership or control shall  
10 be provided to a capable public entity, then  
11 a capable nonprofit entity, and if such en-  
12 tities are not available, to a capable other  
13 entity;

14 (ii) shall require long-term renewable  
15 use and affordability restrictions for as-  
16 sisted units;

17 (iii) may permit transfer of assistance  
18 at or after conversion under the dem-  
19 onstration to replacement units subject to  
20 the requirements in clauses (i) and (ii);

21 (iv) shall offer, subject to the require-  
22 ments in clauses (i) and (ii) and the avail-  
23 ability of sufficient amounts, and the  
24 owner shall accept, a renewal of each ex-  
25 piring contract of assistance;

1 (v) shall require that applicants for,  
2 and tenants of, assisted units in such prop-  
3 erties shall have procedural rights that are  
4 equivalent to the rights provided under  
5 section 6 of the Act; and

6 (vi) may allow ownership to be trans-  
7 ferred to a for-profit entity to facilitate the  
8 use of tax credits only if the public housing  
9 agency preserves its interest in the prop-  
10 erty in a manner approved by the Sec-  
11 retary.

12 (2) TENANT PROTECTIONS.—Notwithstanding  
13 sections 3 and 16 of the Act, the conversion of as-  
14 sistance under the demonstration shall not be the  
15 basis for re-screening or termination of assistance or  
16 eviction of any tenant family in a property partici-  
17 pating in the demonstration, and such a family shall  
18 not be considered a new admission for any purpose,  
19 including compliance with income targeting require-  
20 ments.

21 (3) PARTICIPATION IN TENANT ORGANIZA-  
22 TIONS.—The Secretary shall ensure that assisted  
23 residents of all properties with converted assistance  
24 have the right to participate in a legitimate tenant  
25 organization if one is formed or exists that rep-

1       resents tenants at the property, which shall be rec-  
2       ognized by the owner of the property.

3           (4) REQUIREMENTS.—The Secretary may pro-  
4       vide the requirements for converted assistance under  
5       the demonstration through contracts, use agree-  
6       ments, regulations, or other means.

7       (d) DEMONSTRATION FLEXIBILITY.—

8           (1) AUTHORITY.—The Secretary may waive, or  
9       specify alternative requirements for, any provision of  
10      section 8(o)(13) of the Act (but not in a manner  
11      that adversely would affect requirements related to  
12      fair housing, nondiscrimination, labor standards,  
13      and the environment), or any provision in any ap-  
14      propriations Act that governs the type of assistance  
15      that is converted under the demonstration or funds  
16      made available under the headings of “Public Hous-  
17      ing Capital Fund,” “Public Housing Operating  
18      Fund,” and “Project-Based Rental Assistance,” or  
19      equivalent headings, for properties with assistance  
20      converted under the demonstration, upon a finding  
21      by the Secretary that any such waivers or alternative  
22      requirements are necessary for the effective conver-  
23      sion of assistance under the demonstration and not  
24      inconsistent with the requirements of this section,  
25      provided that the Secretary shall publish by notice

1 in the Federal Register any waivers or alternative  
2 requirements pursuant to this subsection not later  
3 than 10 days before the effective date of such notice.

4 (2) INAPPLICABILITY OF DEMOLITION AND DIS-  
5 POSITION PROVISIONS.—Section 18 of the Act shall  
6 not apply to a project converting assistance under  
7 the demonstration for all or substantially all of its  
8 units.

9 (e) EVALUATION.—The Secretary shall assess, and  
10 publish findings regarding, the impact of the conversion  
11 of assistance under this demonstration on the properties'  
12 physical and financial sustainability, including—

13 (1) the amount of private funding leveraged;

14 (2) the cost of preserving the properties;

15 (3) the financial and programmatic impact of  
16 providing the choice to move, with continuing rental  
17 assistance, from properties with assistance converted  
18 under the demonstration;

19 (4) the impact of conversion on residents' con-  
20 tinuing receipt of rental assistance;

21 (5) the access of eligible families to diverse  
22 communities of their choice;

23 (6) the amount of low-income housing tax cred-  
24 its under section 42 of the Internal Revenue Code  
25 of 1986 used to finance the demonstration prop-

1       erties, including a State-by-State report on the  
2       amount of credit authority allocated for purposes of  
3       demonstration projects and the extent to which allo-  
4       cating agencies provide preferences for such pur-  
5       poses. and

6               (7) such other aspects of the demonstration as  
7       the Secretary deems appropriate.

8       (f) AUTHORIZATION OF APPROPRIATIONS.—There  
9       are authorized to be appropriated \$30,000,000 for each  
10      of fiscal years 2012, 2013, 2014, 2015, and 2016 to carry  
11      out the demonstration under this section, including for  
12      supplemental costs of the first year of assistance, evalua-  
13      tion, technical assistance to public housing agencies and  
14      legitimate tenant organizations, and other appropriate  
15      purposes.

16      **SEC. 202. RENT SUPPLEMENT AND RENTAL ASSISTANCE**  
17                                      **PROGRAM CONTRACT CONVERSIONS.**

18      (a) RENT SUPPLEMENT AND RENTAL ASSISTANCE  
19      PROGRAM CONTRACT RENEWALS.—At the request of own-  
20      ers of properties assisted under the rent supplement pro-  
21      gram under section 101 of the Housing and Urban Devel-  
22      opment Act of 1965 (12 U.S.C. 1701s) or the rental as-  
23      sistance program under section 236(f)(2) of the National  
24      Housing Act (12 U.S.C. 1715z–1(f)(2) and with the ap-  
25      proval of the Secretary of Housing and Urban Develop-

1 ment, rent supplement or rental assistance program as-  
2 sistance may be converted to project-based subsidy con-  
3 tracts under section 8 of the United States Housing Act  
4 of 1937 (42 U.S.C. 1437f) under the terms of section 524  
5 of the Multifamily Assisted Housing Reform and Afford-  
6 ability Act of 1997 (42 U.S.C. 1437f note) and such con-  
7 tracts shall be considered renewal contracts. There are au-  
8 thorized to be appropriated \$10,000,000 for each of fiscal  
9 years 2012, 2013, 2014, 2015, and 2016 for the costs as-  
10 sociated with conversions under this subsection, and the  
11 Secretary is further authorized to use recaptured assisted  
12 housing program funds for the costs of such conversions.

13 (b) PROPERTY-BASED PRESERVATION CONTRACTS.—  
14 Owners of properties assisted by the Secretary of Housing  
15 and Urban Development other than under section 9 of the  
16 United States Housing Act of 1937 (42 U.S.C. 1437g),  
17 for which an event causing the cessation of rental assist-  
18 ance has resulted or will result in eligibility for tenant pro-  
19 tection vouchers under section 8(o) of such Act, shall be  
20 eligible for, subject to requirements established by the Sec-  
21 retary and in lieu of issuance or continuation of such  
22 vouchers, conversion of assistance available for such  
23 vouchers to assistance under section 8(o)(13) of such Act,  
24 except that, only with respect to such conversions, the Sec-

1   retary may alter or waive the provisions of subparagraphs  
2   (B), (C), and (D) of such section 8(o)(13).

3                   **TITLE III—FAMILY SELF-**  
4                   **SUFFICIENCY PROGRAM**

5   **SEC. 301. REFORMS TO FAMILY SELF-SUFFICIENCY PRO-**  
6                   **GRAM.**

7           (a) CONGRESSIONAL FINDINGS.—The Congress finds  
8   that public housing agencies have an important role to  
9   play not only in the provision of shelter, but also in the  
10  larger effort to help families achieve economic independ-  
11  ence and serve the most vulnerable populations.

12          (b) AMENDMENTS TO FAMILY SELF-SUFFICIENCY  
13  PROGRAM.—Section 23 of the United States Housing Act  
14  of 1937 (42 U.S.C. 1437u) is amended—

15               (1) in subsection (a)—

16                       (A) by striking “public housing and”; and

17                       (B) by striking “the certificate and vouch-  
18                       er programs under section 8” and inserting  
19                       “sections 8 and 9 of this title”;

20               (2) by striking subsection (b) and inserting the  
21   following new subsection:

22               “(b) REQUIREMENT TO CARRY OUT PROGRAM AND  
23  MINIMUM PROGRAM SIZE.—

24                       “(1) REQUIRED PROGRAM.—Subject to para-  
25                       graph (2), each housing agency that administers 500

1 or more units shall carry out a local Family Self-  
2 Sufficiency Program under this section or as other-  
3 wise determined by the Secretary, to the extent re-  
4 quired in paragraph (5) of this subsection.

5 “(2) CONTINUATION OF PRIOR MANDATORY  
6 PROGRAMS.—Each public housing agency that was  
7 required, as of the date of enactment of the Assisted  
8 Housing and Self-Sufficiency Improvement Act of  
9 2011, to administer a mandatory local Family Self-  
10 Sufficiency program, shall be required to operate  
11 such a local program to the extent provided under  
12 this section, as in effect immediately before such  
13 date of enactment.

14 “(3) SHARED PROGRAMS.—A public housing  
15 agency required by paragraph (1) or (2) to carry out  
16 a local Self-Sufficiency Program under this section  
17 may comply with such requirement by carrying out  
18 a local program in conjunction or partnership with  
19 another public housing agency or public housing  
20 agencies.

21 “(4) OPTIONAL PROGRAM.—Any public housing  
22 agency not required by paragraph (1) or (2) to carry  
23 out a local Self-Sufficiency Program under this sec-  
24 tion may carry out such a program, at the discretion  
25 of the agency.

1           “(5) SCOPE.—The local Family Self-Sufficiency  
2           program carried out by a public housing agency that  
3           is required under this subsection to carry out such  
4           a program shall be carried out with respect to the  
5           following number of assisted families:

6                   “(A) For any fiscal year that the amount  
7                   provided to the agency for administrative fees  
8                   under subsection (i) is sufficient to provide for  
9                   the filling of 1 full-time family self-sufficiency  
10                  coordinator position, not less than 25 assisted  
11                  families.

12                  “(B) For any fiscal year that the amount  
13                  provided to the agency for administrative fees  
14                  under subsection (i) exceeds the amount speci-  
15                  fied in subparagraph (A), in addition to the as-  
16                  sisted families required under subsection (a),  
17                  not less than 50 additional assisted families for  
18                  each additional full-time family self-sufficiency  
19                  coordinator position that such additional  
20                  amount provides sufficient amounts for filling.

21                  “(6) DETERMINATION OF PHA SIZE.—For pur-  
22                  poses of this subsection, the number of units admin-  
23                  istered by a public housing agency shall be the sum  
24                  of—

1           “(A) the number of vouchers for rental  
2           housing assistance under section 8 administered  
3           by the agency; and

4           “(B) the number of public housing dwell-  
5           ing units administered by the agency that are  
6           not specifically designated pursuant to section 7  
7           for occupancy by only elderly families, only dis-  
8           abled families, or elderly and disabled fami-  
9           lies.”;

10          (3) by striking subsections (h) and (i);

11          (4) by redesignating subsections (c), (d), (e),  
12          (f), and (g) as subsections (d), (e), (f), (g), and (h)  
13          respectively;

14          (5) by inserting after subsection (b), as pre-  
15          viously amended, the following:

16          “(c) ELIGIBILITY.—

17                 “(1) ELIGIBLE FAMILIES.—A family shall be el-  
18                 igible to participate in a local Family Self-Suffi-  
19                 ciency program under this section if—

20                         “(A) at least 1 adult family member seeks  
21                         to become and remain employed in suitable em-  
22                         ployment or to increase earnings; and

23                         “(B) the family resides in a unit assisted  
24                         under section 8 or 9.

1           “(2) ELIGIBLE ENTITIES.—The following enti-  
2           ties shall be eligible to administer a local Family  
3           Self-Sufficiency program under this section:

4                   “(A) A public housing agency admin-  
5                   istering housing assistance to an eligible family  
6                   under section 8 or 9.

7                   “(B) The owner or sponsor of a multi-  
8                   family property receiving rental assistance  
9                   under section 8, in accordance with the require-  
10                  ments under subsection (l).

11                  “(C) Any other eligible entity approved to  
12                  administer a local Family Self-Sufficiency pro-  
13                  gram, as determined by the Secretary.”;

14                  (6) in subsection (d), as so redesignated by  
15                  paragraph (4) of this subsection—

16                   (A) in paragraph (1)—

17                           (i) by striking “public housing agen-  
18                           cy” the first place such term appears and  
19                           inserting “eligible entity”;

20                           (ii) in the first sentence, by striking  
21                           “the certificate and voucher programs of  
22                           the public housing agency under section 8  
23                           or residing in public housing administered  
24                           by the agency” and inserting “section 8 or  
25                           9”; and

- 1 (iii) by striking the second and third  
2 sentences and inserting the following:  
3 “Housing assistance may not be termi-  
4 nated as a consequence of either successful  
5 completion of the contract of participation  
6 or failure to complete such contract.”;
- 7 (B) in paragraph (2)—
- 8 (i) in the matter preceding subpara-  
9 graph (A)—
- 10 (I) in the first sentence, by strik-  
11 ing “provide” and inserting “coordi-  
12 nate the provision of”; and
- 13 (II) in the second sentence—
- 14 (aa) by striking “provided  
15 during” and inserting “for”;
- 16 (bb) by striking “section 8  
17 or residing in public housing”  
18 and inserting “section 8 or 9”;  
19 and
- 20 (cc) by inserting “, but is  
21 not limited to” after “may in-  
22 clude”;
- 23 (ii) in subparagraph (D), by inserting  
24 “or attainment of a graduate equivalency  
25 diploma” after “high school”;

- 1 (iii) by striking subparagraph (G);
- 2 (iv) by redesignating subparagraphs
- 3 (E), (F), and (J) as subparagraphs (F),
- 4 (G), and (K) respectively;
- 5 (v) by inserting after subparagraph
- 6 (D) the following new subparagraph:
- 7 “(E) education in pursuit of a post-sec-
- 8 ondary degree or certification;”;
- 9 (vi) in subparagraph (H), by inserting
- 10 “financial literacy and” after “training
- 11 in”;
- 12 (vii) in subparagraph (I), by striking
- 13 “and” at the end; and
- 14 (viii) by inserting after subparagraph
- 15 (I) the following new subparagraph:
- 16 “(J) homeownership education and assist-
- 17 ance; and”;
- 18 (C) in paragraph (3), in the second sen-
- 19 tence—
- 20 (i) by striking “public housing agen-
- 21 cy” and inserting “eligible entity”; and
- 22 (ii) by striking “of the agency”;
- 23 (D) by striking paragraph (4) and insert-
- 24 ing the following new paragraph:

1           “(4) EMPLOYMENT.—The contract of participa-  
2           tion shall require participants to seek and maintain  
3           suitable employment.”; and

4           (E) by adding at the end the following:

5           “(5) NONPARTICIPATION.—Assistance under  
6           section 8 or 9 for a family that elects not to partici-  
7           pate in a local program shall not be delayed by rea-  
8           son of such election.”;

9           (7) in subsection (e), as so redesignated by  
10          paragraph (4) of this subsection—

11          (A) in paragraph (1), by striking “whose  
12          monthly adjusted income does not exceed 50  
13          percent” and all that follows through the period  
14          at the end of the third sentence, and inserting  
15          “shall be calculated under the rental provisions  
16          of section 3 or section 8(o), as applicable.”;

17          (B) by striking paragraphs (2) and (3) and  
18          inserting the following new paragraph:

19          “(2) ESCROW SAVINGS ACCOUNTS.—

20          “(A) ESTABLISHMENT.—Each eligible en-  
21          tity administering a local Family Self-Suffi-  
22          ciency program under this section shall estab-  
23          lish an interest-bearing escrow account on be-  
24          half of each family participating in the local  
25          program. For each participating family, any in-

1           crease in the amount of rent paid by the family  
2           in accordance with the provisions of section 3 or  
3           section 8(o), as applicable, that is attributable  
4           to increases in earned income by the partici-  
5           pating family, shall be placed in the escrow ac-  
6           count established by the eligible entity on behalf  
7           of the participating family. The Secretary shall  
8           not escrow any amounts for any family whose  
9           adjusted income exceeds 80 percent of the area  
10          median income.

11                   “(B) WITHDRAWAL OF AMOUNTS.—

12                           “(i) IN GENERAL.—Amounts in the  
13                           escrow account for a participating family  
14                           may be withdrawn by the participating  
15                           family—

16                                   “(I) after the family ceases to re-  
17                                   ceive income assistance under Federal  
18                                   or State welfare programs;

19   “(II) upon successful perform-  
20   ance of the obligations of the family  
21   under the contract of participation en-  
22   tered into by the family under sub-  
23   section (d), as determined according  
24   to the specific goals and terms in-  
25   cluded in the contract, and

1                   “(III) under other circumstances  
2                   in which the Secretary determines an  
3                   exception for good cause is warranted.

4                   “(ii) DURING PARTICIPATION.— An  
5                   eligible entity establishing such escrow ac-  
6                   counts may make certain amounts in the  
7                   accounts available to the participating fam-  
8                   ilies before full performance of the contract  
9                   obligations based on compliance with, and  
10                  completion of, specific interim goals in-  
11                  cluded in the contract; except that any  
12                  such amounts shall be used by the partici-  
13                  pating families for purposes consistent  
14                  with the contracts of participation, as de-  
15                  termined by such eligible entity.

16                  “(C) USE OF AMOUNTS.—Amounts in the  
17                  escrow account for a family who has success-  
18                  fully performed the obligations of the family  
19                  under its contract of participation may be used  
20                  as follows:

21                  “(i) RESIDENTS OF ASSISTED HOUS-  
22                  ING.—If the family resides in housing as-  
23                  sisted under section 8 or 9, only for the  
24                  following activities:

1                   “(I) Purchasing a home through  
2                   a homeownership program of a public  
3                   housing agency.

4                   “(II) Paying for formal education  
5                   or job training.

6                   “(III) Starting or investing in a  
7                   small business.

8                   “(IV) Buying or repairing an  
9                   automobile.

10                  “(V) Paying down debt as part of  
11                  a credit repair program.

12                  “(VI) Investing in a retirement  
13                  savings vehicle.

14                  “(VII) Investing in a qualified  
15                  tuition program under section 529 of  
16                  the Internal Revenue Code of 1986.

17                  “(VIII) Purchasing a computer.

18                  “(IX) For any other uses as the  
19                  Secretary may specify.

20                  “(ii) NOT RESIDENTS OF ASSISTED  
21                  HOUSING .—If the family does not reside  
22                  in housing assisted under section 8 or 9,  
23                  as determined by the family without re-  
24                  striction.

1           “(iii) RESERVING AMOUNTS.—A fam-  
2           ily who has successfully performed the obli-  
3           gations of the family under its contract of  
4           participation may use a portion of the  
5           amounts in their escrow account while re-  
6           siding in housing assisted under section 8  
7           or 9 in accordance with clause (i) and re-  
8           serve a portion of such amounts for use (in  
9           accordance with clause (ii) after leaving  
10          such assisted housing.

11          “(D) FORFEIT OF ESCROW.—Any amount  
12          placed in an escrow account established by an  
13          eligible entity for a participating family as re-  
14          quired under subparagraph (A), that exists  
15          after the end of a contract of participation by  
16          a participant that does not qualify to receive  
17          the escrow, shall be used for the purposes of  
18          this section in accordance with the regulations  
19          promulgated by the Secretary.”;

20          (8) in subsection (f), as so redesignated by  
21          paragraph (4) of this subsection, by striking “, un-  
22          less the income of the family equals or exceeds 80  
23          percent of the median income of the area (as deter-  
24          mined by the Secretary with adjustments for smaller  
25          and larger families)”;

1           (9) in subsection (g), as so redesignated by  
2 paragraph (4) of this subsection—

3           (A) in paragraph (1)—

4                 (i) by striking “public housing agen-  
5 cy” and inserting “eligible entity”;

6                 (ii) by striking “the public housing  
7 agency” and inserting “such eligible enti-  
8 ty”; and

9                 (iii) by striking “subsection (g)” and  
10 inserting “subsection (h)”; and

11           (B) in paragraph (2)—

12                 (i) by striking “public housing agen-  
13 cy” and inserting “eligible entity” each  
14 place such term appears;

15                 (ii) by striking “or the Job Opportu-  
16 nities and Basic Skills Training Program  
17 under part F of title IV of the Social Secu-  
18 rity Act”;

19                 (iii) by inserting “primary, secondary,  
20 and post-secondary” after “public and pri-  
21 vate”; and

22                 (iv) by inserting “tenants served by  
23 the program,” after “the unit of general  
24 local government,”;

1           (10) in subsection (h), as so redesignated by  
2 paragraph (4) of this subsection—

3           (A) in paragraph (1)—

4                 (i) by striking “public housing agen-  
5 cy” and inserting “eligible entity”;

6                 (ii) by striking “to the Secretary, for  
7 approval by the Secretary,”; and

8                 (iii) by striking “participating” and  
9 inserting “carrying out a local”;

10          (B) in paragraph (2)—

11                 (i) by striking “public housing agen-  
12 cy” and inserting “eligible entity”;

13                 (ii) by striking “subsection (f)” and  
14 inserting “subsection (g)”;

15                 (iii) by striking “residents of the pub-  
16 lic housing” and inserting “the current  
17 and prospective participants of the pro-  
18 gram”; and

19                 (iv) by striking “or the Job Opportu-  
20 nities and Basic Skills Training Program  
21 under part F of title IV of the Social Secu-  
22 rity Act”; and

23          (C) in paragraph (3)—

24                 (i) in subparagraph (C)—

1 (I) by striking “subsection  
2 (e)(2)” and inserting “subsection  
3 (d)(2)”;

4 (II) by striking “provided to”  
5 and inserting “coordinated on behalf  
6 of participating”; and

7 (III) by striking “the section 8  
8 and public housing programs” and in-  
9 serting “sections 8 and 9”;

10 (ii) in subparagraph (D)—

11 (I) by striking “subsection (d)”  
12 and inserting “subsection (e)”; and

13 (II) by striking “public housing  
14 agency” and inserting “eligible enti-  
15 ty”;

16 (iii) in subparagraph (E), by striking  
17 “deliver” and inserting “coordinate”;

18 (iv) in subparagraph (H), by striking  
19 “the Job Opportunities and Basic Skills  
20 Training Program under part F of title IV  
21 of the Social Security Act and”; and

22 (v) in subparagraph (I), by striking  
23 “public housing or section 8” and inserting  
24 “sections 8 or 9”;

1           (11) by inserting after subsection (h), as so re-  
2           designated by paragraph (4) of this subsection, the  
3           following new subsection:

4           “(i) FAMILY SELF-SUFFICIENCY FEES.—

5           “(1) IN GENERAL.—The Secretary shall estab-  
6           lish a fee to be awarded by formula or as otherwise  
7           determined by the Secretary, for the costs incurred  
8           by an eligible entity in administering a local Family  
9           Self-Sufficiency program under this section, which  
10          fee shall be provided to eligible entities to the extent  
11          amounts for such fees are made available in appro-  
12          priation Acts.

13          “(2) ELIGIBILITY FOR FEE.—The fee estab-  
14          lished under paragraph (1) shall provide funding for  
15          family self-sufficiency coordinators as follows:

16                 “(A) BASE FEE.—An eligible entity serv-  
17                 ing 25 or more participants in the Family Self-  
18                 Sufficiency program under this section shall be  
19                 eligible to receive a fee equal to the costs, as de-  
20                 termined by the Secretary, of one full-time fam-  
21                 ily self-sufficiency coordinator position. The  
22                 Secretary may, by regulation or notice, deter-  
23                 mine the policy concerning the fee for an eligi-  
24                 ble entity serving fewer than 25 such partici-  
25                 pants, including allowing such entities to com-

1           bine their programs under this section for pur-  
2           poses of employing a coordinator.

3           “(B) ADDITIONAL FEE.—An eligible entity  
4           that meets performance standards set by the  
5           Secretary shall be eligible to receive an addi-  
6           tional fee sufficient to cover the costs of filling  
7           a second family self-sufficiency coordinator po-  
8           sition if such entity has 75 or more partici-  
9           pating families, and an additional coordinator  
10          for each additional 50 participating families, or  
11          such other ratio as may be established by the  
12          Secretary based on the fee allocation evaluation  
13          under subparagraph (G).

14          “(C) PREVIOUSLY FUNDED SELECT FSS  
15          PROGRAMS.—A public housing agency that re-  
16          ceived funding from the Department of Housing  
17          and Urban Development for more than 3 family  
18          self-sufficiency coordinators that was appro-  
19          priated in any of fiscal years 2006 through  
20          2010 shall be eligible for funding for the high-  
21          est number of coordinators funded in a single  
22          fiscal year during that period, provided such  
23          agency meets applicable size and performance  
24          standards set by the Secretary, and subject to  
25          the availability of appropriations for such fees.

1           “(D) INITIAL YEAR.—For the first year in  
2           which an eligible entity implements a Family  
3           Self-Sufficiency program under this section for  
4           its residents, such entity shall be eligible for  
5           funding to cover the costs of up to one family  
6           self-sufficiency coordinator, based on the size  
7           specified in its action plan for such program in  
8           accordance with subparagraph (A).

9           “(E) STATE AND REGIONAL AGENCIES.—  
10          For purposes of calculating the family self-suffi-  
11          ciency portion of the administrative fee under  
12          this paragraph, each administratively distinct  
13          part of a State or regional eligible entity may  
14          be treated as a separate agency.

15          “(F) DETERMINATION OF NUMBER OF CO-  
16          ORDINATORS.—In determining whether an eligi-  
17          ble entity meets a specific threshold for funding  
18          pursuant to this paragraph, the Secretary shall  
19          consider the number of participants enrolled by  
20          the eligible entity in its Family Self-Sufficiency  
21          program as well as other criteria determined by  
22          the Secretary.

23          “(G) FEE ALLOCATION EVALUATION.—The  
24          Secretary shall submit to the Congress a report  
25          evaluating the fee allocation under this sub-

1 section, and make recommendations based on  
2 such evaluation and other related findings to  
3 modify such allocation within 4 years after the  
4 date of enactment of the Assisted Housing and  
5 Self-Sufficiency Improvement Act of 2011, and  
6 not less frequently than every 4 years there-  
7 after. The report requirement under this sub-  
8 paragraph shall terminate after the Secretary  
9 has submitted 2 such reports to the Congress.

10 “(3) ALLOCATION.—Funds allocated by the  
11 Secretary under this subsection shall be allocated in  
12 the following order of priority:

13 “(A) FIRST PRIORITY.—If insufficient  
14 funds exist to provide the full cost of all coordi-  
15 nators in the previous fiscal year at each eligi-  
16 ble entity with an existing local Family Self-  
17 Sufficiency program that meets applicable size  
18 and performance standards set by the Secretary  
19 funding under this subparagraph, the Secretary  
20 may prorate such funding for each eligible coordi-  
21 nator, but only if each eligible entity that has  
22 received funding in the prior fiscal year is pro-  
23 vided sufficient funding for at least 1 coordi-  
24 nator as part of any such proration.

1           “(B) SECOND PRIORITY.—Renewal of the  
2 full cost of all coordinators in the previous year  
3 at each eligible entity with an existing Family  
4 Self-Sufficiency program that meets applicable  
5 size and performance standards set by the Sec-  
6 retary.

7           “(C) THIRD PRIORITY.—New or incre-  
8 mental coordinator funding authorized under  
9 this section, up to 3 coordinators per eligible  
10 entity.

11           “(D) FINAL PRIORITY.—Any other new or  
12 incremental coordinator funding authorized  
13 under this section.

14 As the Secretary determines appropriate, consider-  
15 ation may be given to individual program perform-  
16 ance, and the Secretary may supplement or prorate  
17 fees provided under this subsection accordingly.

18           “(4) USE.—Amounts from fees provided under  
19 this subsection to an eligible entity shall be used as  
20 follows:

21           “(A) ELIGIBLE USES.— Such amounts  
22 may be used only to fund costs of personnel  
23 (which may include staff of a public housing  
24 agency or outside contractors) for time associ-  
25 ated with—

1 “(i) developing, monitoring, and exe-  
2 cuting the procedures for the local Family  
3 Self-Sufficiency program of the eligible en-  
4 tity;

5 “(ii) building and maintaining part-  
6 nerships with outside public and private  
7 organizations to facilitate additional access  
8 to services for participants in the local pro-  
9 gram

10 “(B) LIMIT ON TRAINING.—Not more than  
11 10 percent of the amounts provided to an eligi-  
12 ble entity for any fiscal year for fees under this  
13 subsection may be used for costs of training for  
14 staff or contractors of a local program.

15 “(5) RECAPTURE OR OFFSET.—Any fees allo-  
16 cated under this subsection by the Secretary in a fis-  
17 cal year that have not been expended by the end of  
18 the subsequent fiscal year or such other time period  
19 as determined by the Secretary may be recaptured  
20 by the Secretary and shall be available for providing  
21 additional fees pursuant to paragraph (2)(B), or  
22 may be offset as determined by the Secretary.

23 “(6) PERFORMANCE REPORTING.—The Sec-  
24 retary shall require eligible entities to report the  
25 number of families enrolled and graduated, the num-

1       ber of established escrow accounts and positive es-  
2       crow balances, and any other information that the  
3       Secretary may require. Program performance shall  
4       be reviewed periodically as determined by the Sec-  
5       retary.

6               “(7) INCENTIVES FOR INNOVATION AND HIGH  
7       PERFORMANCE.—The Secretary may reserve up to 5  
8       percent of the amounts made available for adminis-  
9       trative fees under this subsection to provide support  
10      to or reward local Family Self-Sufficiency programs  
11      based on the rate of successful completion, increased  
12      earned income, or other factors as may be estab-  
13      lished by the Secretary.”;

14              (12) in subsection (j)—

15                      (A) by striking “public housing agency”  
16                      and inserting “eligible entity”;

17                      (B) by striking “public housing” before  
18                      “units”;

19                      (C) by striking “in public housing projects  
20                      administered by the agency”;

21                      (D) by inserting “or coordination” before  
22                      “of supportive services”; and

23                      (E) by striking the last sentence;

24              (13) in subsection (k), by striking “public hous-  
25      ing agencies” and inserting “eligible entities”;

1 (14) by striking subsections (n) and (o);

2 (15) by redesignating subsections (l) and (m) as  
3 subsections (n) and (o), respectively;

4 (16) by inserting after subsection (k), the fol-  
5 lowing new subsections:

6 “(1) PROGRAMS FOR TENANTS IN PRIVATELY-OWNED  
7 PROPERTIES WITH PROJECT-BASED ASSISTANCE.—

8 “(1) VOLUNTARY AVAILABILITY OF FSS PRO-  
9 GRAM.—The owner of a privately-owned property  
10 may voluntarily make a local Family Self-Sufficiency  
11 program available to the tenants of such property by  
12 entering into a cooperative agreement with a local  
13 public housing agency that administers a Family  
14 Self-Sufficiency program.

15 “(2) COOPERATIVE AGREEMENT.—Any coopera-  
16 tive agreement entered into pursuant to paragraph  
17 (1) shall require the public housing agency to open  
18 its Family Self-Sufficiency program waiting list to  
19 any eligible family residing in the owner’s property  
20 for which project-based assistance is provided under  
21 section 8.

22 “(3) TREATMENT OF FAMILIES ASSISTED  
23 UNDER THIS SUBSECTION.—A public housing agency  
24 that enters into a cooperative agreement pursuant to  
25 paragraph (1) may count any family participating in

1 its Family Self-Sufficiency program as a result of  
2 such agreement as part of the calculation of the ad-  
3 ministrative fee under subsection (i).

4 “(4) ESCROW.—As part of any cooperative  
5 agreement entered into pursuant to paragraph (1),  
6 the owner of the property shall agree to calculate,  
7 track, and upon request of the public housing agen-  
8 cy, make available escrow for participating residents,  
9 in accordance with subsection (e)(2), residing in  
10 units assisted under section 8.

11 “(5) NO EXISTING LOCAL PROGRAM OPTION.—  
12 If there is no existing local Family Self-Sufficiency  
13 program or public housing agency willing and able  
14 to enter into a cooperative agreement with an owner  
15 pursuant to paragraph (1), such owner may admin-  
16 ister a Family Self-Sufficiency program under this  
17 section without being eligible for funding under sub-  
18 section (i). If such owner administers a program  
19 that serves at least 25 participants, that owner shall  
20 be eligible for funding under subsection (i).

21 “(6) EXCEPTION.—This subsection shall not  
22 apply to properties assisted under section 8(o)(13).

23 “(7) SUSPENSION OF ENROLLMENT.—In any  
24 year, the Secretary may suspend the enrollment of  
25 new families in Family Self-Sufficiency programs

1 under this subsection based on a determination that  
2 insufficient funding is available for this purpose.

3 “(m) TECHNICAL ASSISTANCE.—The Secretary shall,  
4 on an ongoing basis, take such actions as may be nec-  
5 essary to strengthen the quality and size of local Family  
6 Self-Sufficiency programs of public housing agencies  
7 through the provision of technical assistance, capacity  
8 building, training, identification and dissemination of ef-  
9 fective or otherwise promising practices, and such other  
10 actions as may be necessary and appropriate.”; and

11 (17) in subsection (n), as so redesignated by  
12 paragraph (15) of this subsection—

13 (A) in paragraph (1), by striking “The re-  
14 port shall” and inserting “The contents of the  
15 report shall be determined by the Secretary and  
16 may”;

17 (B) by striking paragraph (2) and insert-  
18 ing the following new paragraph:

19 “(2) HUD ANNUAL REPORTS.—The Secretary  
20 shall submit to the Congress annually a report de-  
21 tailing the performance of the Family Self-Suffi-  
22 ciency Program, under this section, which shall in-  
23 clude—

24 “(A) effective and otherwise promising  
25 practices as identified by the Secretary;

1           “(B) any recommendations of the Sec-  
2           retary for improving the effectiveness of the  
3           self-sufficiency program under this section;

4           “(C) identification of any public housing  
5           agencies that have cooperation agreements for  
6           economic self-sufficiency activities in place with  
7           State, local , or other welfare agencies (as de-  
8           scribed in section 12(d)(7) (42 U.S.C.  
9           1437j(d)(7))); and

10           “(D) identification of any agreements be-  
11           tween public housing agencies and workforce  
12           training, educational entities, other supportive  
13           service agencies, and private sector entities.”.

14           (c) PUBLIC HOUSING MANAGEMENT ASSESSMENT  
15           SYSTEM.—The Secretary of Housing and Urban Develop-  
16           ment shall, by regulations issued not later than the expira-  
17           tion of the 12-month period beginning on the date of the  
18           enactment of this Act, modify the public housing manage-  
19           ment assessment program under section 6(j)of the United  
20           States Housing Act of 1937 (42 U.S.C. 1437d(j)) and the  
21           management assessment program for rental assistance  
22           section 8 of such Act (41 U.S.C. 1437f) to provide incen-  
23           tives for public housing agencies to increase the scope and  
24           size of their local Family Self-Sufficiency programs con-

1 ducted pursuant to section 23 of such Act (42 U.S.C.  
2 1437u).

3 (d) EFFECTIVE DATE.—This section, and any  
4 amendments made by this section, shall take effect on  
5 publication in the Federal Register of a notice by the Sec-  
6 retary of Housing and Urban Development to implement  
7 such amendments.

8 **SEC. 302. RESEARCH DEMONSTRATION TO EVALUATE OP-**  
9 **TIONS FOR TAKING ECONOMIC SECURITY INI-**  
10 **TIATIVES TO SCALE IN SUBSIDIZED HOUSING.**

11 (a) ESTABLISHMENT AND GOAL.—The Secretary of  
12 Housing and Urban Development (in this section referred  
13 to as the “Secretary”) shall carry out a demonstration de-  
14 signed to rigorously evaluate options for helping to in-  
15 crease the economic security of families residing in hous-  
16 ing assisted by the Department who are neither elderly  
17 families nor disabled families. The goal of the demonstra-  
18 tion shall be to identify one or more methods that are ef-  
19 fective in increasing the economic security of such families  
20 and could be made available for all families in such sub-  
21 sidized housing in a cost-effective manner.

22 (b) SCOPE.—The Secretary may, at the sole discre-  
23 tion of the Secretary, limit the number of public housing  
24 agencies or families that participate in the demonstration.

1 (c) PERFORMANCE MEASURES.—The demonstration  
2 under this section shall evaluate competing methods of  
3 achieving the goal under subsection (a) according to the  
4 following performance measures:

5 (1) Effectiveness in boosting earnings of par-  
6 ticipating families.

7 (2) Effectiveness in increasing the hours of em-  
8 ployment among participating families.

9 (3) Effectiveness in increasing the assets of  
10 participating families or helping families make stra-  
11 tegic asset purchases that may contribute to their  
12 long-term economic security, or both.

13 (4) Effectiveness in reducing reliance on income  
14 supports under the program for temporary assist-  
15 ance for needy families.

16 (5) Effectiveness in preparing families to pur-  
17 chase homes or afford the rents of housing units  
18 that are not subsidized under section 8 or 9 of the  
19 United States Housing Act of 1937.

20 (6) Effectiveness in families achieving exits  
21 from housing assisted by the Department that lead  
22 to housing situations that are both stable and af-  
23 fordable.

24 (7) Effectiveness in reducing per-unit subsidy  
25 costs for participating families that continue to re-

1           ceive housing assistance under section 8 or 9 of the  
2           United States Housing Act of 1937.

3           (8) Effectiveness in minimizing hardship among  
4           participating families and the children of such fami-  
5           lies.

6           (9) Effectiveness in improving the credit scores  
7           and financial literacy of, and access to affordably  
8           priced financial services for, participating families.

9           (10) Cost-effectiveness in relation to existing  
10          programs and laws and to other options.

11          (11) Ease of implementation and cost of admin-  
12          istration

13          (d) EVALUATION.—For each of the performance  
14          measures specified in subsection (c), the demonstration  
15          under this section shall evaluate impacts and other out-  
16          comes for the entire group of participating families and  
17          for specific subgroups of such families, including the fol-  
18          lowing groups:

19               (1) Families whose heads of household are un-  
20               employed as of the commencement of the demonstra-  
21               tion.

22               (2) Families whose heads of household are em-  
23               ployed as of the commencement of the demonstra-  
24               tion.

1           (3) Families whose participating member or  
2 household resident has a high school diploma as of  
3 the commencement of the demonstration.

4           (4) Families whose participating member or  
5 household resident does not have a high school di-  
6 ploma as of the commencement of the demonstra-  
7 tion.

8           (5) Families residing in markets with high  
9 housing rental costs.

10          (6) Families residing in markets with low hous-  
11 ing rental costs.

12          (e) INTERVENTIONS.—The demonstration under this  
13 section shall analyze and evaluate different clusters of  
14 interventions in a manner that provides results and out-  
15 comes that can be compared across each of the clusters.  
16 Such clusters shall include at least the following:

17           (1) COMPARISON OF DIFFERENT FINANCIAL IN-  
18 CENTIVES FOR INCREASED EARNINGS.—A cluster of  
19 different forms of providing financial incentives for  
20 increased earnings of participating families, which  
21 can be compared against each other and one or more  
22 control groups, including at least the following fi-  
23 nancial incentives:

24                   (A) Flat rents.

25                   (B) Ceiling rents.

1           (C) Conditional cash transfers that imme-  
2           diately reward families for achieving certain  
3           goals, such as full-time work.

4           (2) WORK REQUIREMENTS.—A cluster of dif-  
5           ferent combinations of work requirements, good  
6           cause exceptions, and child care subsidies for partici-  
7           pating families, which shall be evaluated both with  
8           and without the availability of service coordination  
9           and financial coaching.

10          (3) OTHER.—Such other clusters of interven-  
11          tions as the Secretary determines are appropriate to  
12          be analyzed and evaluated taking into consideration  
13          the goals of the demonstration under this section.

14          (f) PUBLIC INPUT.—

15           (1) IN GENERAL.—The Secretary shall solicit  
16           and consider input from public housing agencies,  
17           tenant representatives, policy experts, and others in  
18           designing the demonstration under this section.

19           (2) EVALUATION.—The Secretary shall design  
20           the standards and procedures for evaluating the  
21           methods of achieving the goals of the demonstration  
22           under this section so that public housing agencies  
23           may propose interventions to be considered for eval-  
24           uation under the demonstration, in addition to the

1 interventions identified for evaluation by the Sec-  
2 retary.

3 (g) WAIVER AUTHORITY.—

4 (1) IN GENERAL.—Subject to paragraph (2),  
5 the Secretary may waive, or specify alternative re-  
6 quirements for, any provision of any statute or regu-  
7 lation that the Secretary administers to the extent  
8 determined by the Secretary to be necessary to carry  
9 out the demonstration under this section (except for  
10 requirements related to fair housing, nondiscrimina-  
11 tion, labor standards, and the environment).

12 (2) LIMITATION.—The number of families re-  
13 quired to pay more in rent, or assume additional re-  
14 sponsibilities, than required under the laws in effect  
15 upon the commencement of the demonstration under  
16 this section shall be limited to the number reason-  
17 ably necessary to conduct an effective, rigorous eval-  
18 uation under the demonstration.

## 19 **TITLE IV—REFORM OF MOVING** 20 **TO WORK PROGRAM**

### 21 **SEC. 401. REFORM OF MOVING TO WORK PROGRAM.**

22 (a) PROGRAM REFORMS.—Section 204 of the Depart-  
23 ments of Veterans Affairs and Housing and Urban Devel-  
24 opment, and Independent Agencies Appropriations Act,  
25 1996 (42 U.S.C. 1437f note) is amended—

1 (1) in the section heading, by striking “DEM-  
2 ONSTRATION” and inserting “PROGRAM”; and

3 (2) by striking the section designation and all  
4 that follows through the end of subsection (a) and  
5 inserting the following:

6 “SEC. 204. (a) PURPOSES.—The purposes of the pro-  
7 gram under this section are as follows:

8 “(1) ECONOMIC INDEPENDENCE.—To de-  
9 velop measures to promote economic independ-  
10 ence for families with children whose head of  
11 household is working, seeking work, or pre-  
12 paring for work to obtain employment and be-  
13 come economically independent, by participating  
14 in job training, educational programs, or other  
15 supportive services and programs that assist in  
16 meeting such goal.

17 “(2) FLEXIBILITY AND COST-EFFECTIVE-  
18 NESS.—To give public housing agencies and the  
19 Secretary of Housing and Urban Development  
20 the flexibility to design and implement various  
21 approaches for providing and administering  
22 housing assistance that: reduce cost and achieve  
23 greater cost effectiveness in Federal expendi-  
24 tures.

1                   “(3) HOUSING CHOICE.—To increase hous-  
2                   ing choices for low-income families.”;

3                   (3) in subsection (b)—

4                   (A) by striking “(b) PROGRAM AUTHOR-  
5                   ITY.—The Secretary” and inserting the fol-  
6                   lowing:

7                   “(b) PROGRAM AUTHORITY.—

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

9                   (B) in the first sentence, by striking “con-  
10                  duct a demonstration program under this sec-  
11                  tion beginning in fiscal year 1996 under which  
12                  up to 30” and inserting “carry out a program  
13                  under this section under which”;

14                  (C) by inserting after the first sentence the  
15                  following: “There shall be no limitation on the  
16                  number of public housing agencies that may  
17                  participate in the program under this section.”;

18                  (D) by striking “The Secretary shall” and  
19                  all that follows through “demonstration.” and  
20                  inserting the following:

21                  “(2) IDENTIFICATION OF REPLICABLE MOD-  
22                  ELS.—The Secretary shall provide training and tech-  
23                  nical assistance under the program and conduct de-  
24                  tailed evaluations of various agencies to identify

1 replicable program models promoting the purposes  
2 of the program.”;

3 (E) by striking “Under the demonstration”  
4 and inserting the following:

5 “(3) COMBINATION OF ASSISTANCE.—Under  
6 the program under this section”; and

7 (F) by striking “operating assistance pro-  
8 vided under section 9 of the United States  
9 Housing Act of 1937, modernization assistance  
10 provided under section 14” and inserting  
11 “amounts provided to the agency from the Op-  
12 erating Fund under section 9(e) of the United  
13 States Housing Act of 1937, amounts provided  
14 to the agency from the Capital Fund under sec-  
15 tion 9(d)”.

16 (4) in subsection (c)—

17 (A) in the matter preceding paragraph (1),  
18 by striking “demonstration” and inserting “pro-  
19 gram under this section”;

20 (B) in paragraph (1), by striking “9, and  
21 14” and inserting “9(d), and 9(e)”;

22 (C) in paragraph (3)—

23 (i) in subparagraph (A), by striking  
24 “demonstration”;

25 (ii) in subparagraph (B)—

1 (I) by striking “self-sufficiency”  
2 and inserting “economic independ-  
3 ence”; and

4 (II) by striking “purpose of this  
5 demonstration” and inserting “pur-  
6 pose of the program under subsection  
7 (a)(1)”;

8 (iii) in subparagraph (D), by striking  
9 “demonstration” and inserting “program  
10 under this section;”;

11 (iv) in subparagraph (E), by striking  
12 “demonstration program” and inserting  
13 “program under this section”;

14 (v) by redesignating subparagraphs  
15 (A), (B), (C), (D), and (E) as subpara-  
16 graphs ((B), (C), (D), (F), and (G), re-  
17 spectively;

18 (vi) by inserting before subparagraph  
19 (B) (as so redesignated by clause (v) of  
20 this subparagraph) the following new para-  
21 graph:

22 “(A) actions to be taken under the pro-  
23 posed program to achieve the purposes of the  
24 program under paragraphs (1), (2), and (3) of  
25 subsection (a);” and

1 (vii) by inserting after subparagraph  
2 (D) (as so redesignated by clause (v) of  
3 this subparagraph) the following new sub-  
4 paragraph:

5 “(E) providing assisted families and partici-  
6 pants in the program operated by the agency with  
7 an informal administrative hearing or grievance  
8 process, prior to any eviction or termination of as-  
9 sistance;”; and

10 (D) in paragraph (4), by striking “dem-  
11 onstration” and inserting “proposed program”;  
12 (5) in subsection (d)—

13 (A) by striking “(d) SELECTION.—In se-  
14 lecting among applications, the Secretary shall  
15 take into account the” and inserting the fol-  
16 lowing:

17 “(d) APPLICATIONS FOR PARTICIPATION.—

18 “(1) SUBMISSION.—The Secretary shall provide  
19 for public housing agencies to submit applications  
20 for participation in the program under this section  
21 and shall establish standards and requirements for  
22 such applications.

23 “(2) REVIEW AND DETERMINATION.—Upon re-  
24 ceipt of an application for participation in the pro-

1           gram under this section, the Secretary shall prompt-  
2           ly—

3                       “(A) review such application;

4                       “(B) make a determination of whether to  
5           approve such agency for participation in the  
6           program under this section, based on the cri-  
7           teria under paragraph (3); and

8                       “(C) notify the public housing agency of  
9           such determination.

10                      “(3) CRITERIA.—The Secretary shall establish  
11           criteria for approval of applications of public housing  
12           agencies for participation in the program under this  
13           section, which shall provide for approval of applica-  
14           tions that are reasonably designed to carry out the  
15           purposes of the program under subsection (a). Such  
16           criteria shall take into consideration the capacity  
17           and”;

18                      (B) by striking “each” and inserting  
19           “the”;

20                      (C) by striking “a program under the dem-  
21           onstration” and inserting “the proposed pro-  
22           gram in the application”; and

23                      (D) by striking “an agency” and inserting  
24           “the agency”;

25                      (6) in subsection (e)—

1 (A) in paragraph (1), by striking “this  
2 demonstration” and inserting “the program  
3 under this section”; and

4 (B) in paragraph (2) , by striking “dem-  
5 onstration” and inserting “program under this  
6 section”;

7 (7) in subsection (f), by striking “section 9, or  
8 pursuant to section 14 by a public housing agency  
9 participating in the demonstration under this part”  
10 and inserting “of the United States Housing Act of  
11 1937, or provided from the Operating Fund under  
12 section 9(e) or from the Capital Fund under section  
13 9(d) of such Act, by a public housing agency partici-  
14 pating in the program under this section”;

15 (8) in subsection (g)—

16 (A) in paragraph (1), by inserting “, in-  
17 cluding performance in achieving each of the  
18 purposes of the program specified in subsection  
19 (a)”;

20 (B) in paragraph (2)—

21 (i) in the first sentence, by inserting  
22 “, but not less often than annually” before  
23 the period at the end;

24 (ii) by striking subparagraph (C) and  
25 inserting the following:

1           “(C) describe and analyze the effects of  
2           the program of the agency and the assisted ac-  
3           tivities under such program in addressing and  
4           achieving the objectives of the program under  
5           this section and each of the purposes specified  
6           in subsection (a), including the effects of the  
7           program on—

8                   “(i) the number of families that have  
9                   achieved economic independence from  
10                  housing assistance that is administered by  
11                  the agency, including vouchers for rental  
12                  assistance under section 8(o) of the United  
13                  States Housing Act of 1937 and dwelling  
14                  units in public housing and in housing as-  
15                  sisted with project-based section 8 assist-  
16                  ance;

17                   “(ii) the number of new families the  
18                  agency has been able to assist from the  
19                  waiting lists for housing assistance re-  
20                  ferred to in clause (i) that is administered  
21                  by the agency, as a result of the flexibility  
22                  of funds and achievement of economic  
23                  independence;

24                   “(iii) the cost and annual change, per  
25                  family participating in the program, of

1 providing housing assistance referred to in  
2 clause (i) that is administered by the agen-  
3 cy; and

4 “(iv) the household incomes, and  
5 changes in such incomes, of families par-  
6 ticipating in the program; and

7 “(v) such other factors as the Sec-  
8 retary considers appropriate.”;

9 (9) in subsection (h)—

10 (A) in paragraph (1), by striking “dem-  
11 onstration” and inserting “program under this  
12 section”; and

13 (B) by striking paragraph (2) and insert-  
14 ing the following:

15 “(2) REVIEW.—The Secretary shall annually  
16 review the activities of each public housing agency  
17 participating in the program under this section and,  
18 based on such review and the reports of the agency  
19 submitted pursuant to subsection (g)(2), deter-  
20 mine—

21 “(A) the impact and effectiveness of the  
22 agency’s program and activities in achieving  
23 each of the purposes of the program specified  
24 in subsection (a);

1           “(B) the extent of compliance by the agen-  
2           cy with the requirements of the program under  
3           this section and, in determining such extent of  
4           compliance, shall take into consideration the  
5           unique characteristics of the agency.

6           “(3) CONTINUED PARTICIPATION.—The Sec-  
7           retary shall not terminate the participation of any  
8           public housing agency in the program under this  
9           section unless the Secretary finds that the agency—

10           “(A) is in material default of the condi-  
11           tions and obligations under the agreement en-  
12           tered into between the agency and the Secretary  
13           providing for such participation;

14           “(B) has misused or misappropriated  
15           funds;

16           “(C) has failed to make a good faith effort  
17           to carry out the purposes of the program speci-  
18           fied in subsection (a); or

19           “(D) has failed to cure a material defi-  
20           ciency in performance after notice and an op-  
21           portunity to correct the deficiency.

22           “(4) ANNUAL REPORTS TO CONGRESS.—The  
23           Secretary shall submit a report to the Congress on  
24           an annual basis regarding the program under this  
25           section and the results of the reviews conducted

1 under paragraph (2), which shall evaluate the pro-  
2 grams carried out by public housing agencies partici-  
3 pating in the program, including with respect to  
4 each of the purposes specified in subsection (a), and  
5 shall include findings and recommendations for ap-  
6 propriate legislative changes to the program.”;

7 (10) in subsection (i)—

8 (A) in the matter preceding paragraph (1),  
9 by striking “section 14 of the United States  
10 Housing Act of 1937 for fiscal years 1996,  
11 1997, and 1998” and inserting “the Capital  
12 Fund under section 9(d) of the United States  
13 Housing Act of 1937 in each fiscal year”; and

14 (B) in paragraph (1)(B), by striking “up  
15 to 10”; and

16 (11) by striking subsection (j).

17 (b) TREATMENT OF PARTICIPATING AGENCIES.—

18 (1) CONTINUATION OF PARTICIPATION.—This  
19 title and the amendments made by this title shall  
20 not affect the status of any public housing agency  
21 that, as of the date of the enactment of this Act, is  
22 participating in the Moving to Work Program under  
23 section 204 of the Departments of Veterans Affairs  
24 and Housing and Urban Development, and Inde-

1       pendent Agencies Appropriations Act, 1996, as such  
2       a participating agency.

3           (2) ELECTION.—Any public housing agency re-  
4       ferred to in paragraph (1) may elect—

5           (A) to continue participation in the Pro-  
6       gram under such section 204 under the terms  
7       of the agreement entered into between the  
8       agency and the Secretary providing for such  
9       participation until the date of the expiration of  
10      such agreement; or

11          (B) at any time before date of the expira-  
12      tion of such agreement, to transition to partici-  
13      pation under the program under such section  
14      204, as amended by this title.

15          (3) CONVERSION TO REFORMED PROGRAM.—

16          (A) IN GENERAL.—Except as provided in  
17      subparagraph (B) of this paragraph, any public  
18      housing agency that elects pursuant to para-  
19      graph (2)(A) of this subsection to continue par-  
20      ticipation in the Program under such section  
21      204 shall, upon the expiration of the agreement  
22      referred to in such paragraph, be considered to  
23      have been approved for participation in the Pro-  
24      gram under such section 204, as amended by  
25      this title, and the Secretary of Housing and

1 Urban Development shall provide for the transi-  
2 tion of the agency to participation under the  
3 Program under such section as so amended.

4 (B) INAPPLICABILITY.—Subparagraph (A)  
5 shall not apply to any public housing agency  
6 that is determined by the Secretary to be in  
7 material default, upon the expiration of the  
8 agreement referred to in paragraph (2)(A), of  
9 the conditions and obligations under such  
10 agreement.

11 **TITLE V—ACCESS TO HUD PRO-**  
12 **GRAMS AND MARK-TO-MAR-**  
13 **KET PROGRAM EXTENSION**

14 **SEC. 501. ACCESS TO HUD PROGRAMS FOR PERSONS WITH**  
15 **LIMITED ENGLISH PROFICIENCY.**

16 (a) HUD RESPONSIBILITIES.—To allow the Depart-  
17 ment of Housing and Urban Development to better serve  
18 persons with limited proficiency in the English language  
19 by providing technical assistance to recipients of Federal  
20 funds, the Secretary of Housing and Urban Development  
21 shall take the following actions:

22 (1) TASK FORCE.—Within 90 days after the en-  
23 actment of this Act, convene a task force comprised  
24 of appropriate industry groups, recipients of funds  
25 from the Department of Housing and Urban Devel-

1       opment (in this section referred to as the “Depart-  
2       ment”), community-based organizations that serve  
3       individuals with limited English proficiency, civil  
4       rights groups, and stakeholders, which shall periodi-  
5       cally identify a list of vital documents, including De-  
6       partment and certain property and other documents,  
7       to be competently translated to improve access to  
8       federally conducted and federally assisted programs  
9       and activities for individuals with limited English  
10      proficiency. Such lists shall identify priorities per-  
11      taining to translation of such vital documents, con-  
12      sistent with the Department’s Guidance to Federal  
13      Financial Assistance Recipients Regarding Title VI  
14      Prohibition Against National Origin Discrimination  
15      Affecting Limited English Proficient Persons. The  
16      task force shall meet not less frequently than twice  
17      per year.

18           (2) TRANSLATIONS.—Within 6 months after  
19      identification of documents pursuant to paragraph  
20      (1), produce translations of such documents in lan-  
21      guages identified by the task force, in coordination  
22      with the Department, and make such translations  
23      available as part of the library of forms available on  
24      the website of the Department and as part of the  
25      clearinghouse developed pursuant to paragraph (4).

1           (3) PLAN.—Develop and carry out a plan that  
2 includes providing resources of the Department to  
3 assist recipients of Federal funds to improve access  
4 to programs and activities for individuals with lim-  
5 ited English proficiency, which plan shall include the  
6 elements described in paragraph (4).

7           (4) HOUSING INFORMATION RESOURCE CEN-  
8 TER.—Develop and maintain a housing information  
9 resource center to facilitate the provision of lan-  
10 guage services by recipients of funds of the Depart-  
11 ment to individuals with limited English proficiency.  
12 Information provided by such center shall be made  
13 available in printed form and through the Internet.  
14 The resources provided by the center shall include  
15 the following:

16           (A) TRANSLATION OF WRITTEN MATE-  
17 RIALS.—The center may provide, directly or  
18 through contract, translations of vital docu-  
19 ments from competent translation services for  
20 recipients of funds of the Department.

21           (B) INTERPRETATION SERVICES TELE-  
22 PHONE LINE.—

23           (i) REQUIREMENT.—The center shall  
24 provide a 24-hour interpretation services  
25 telephone line, by which recipients of funds

1 of the Department and individuals with  
2 limited English proficiency can jointly ac-  
3 cess such line in order to receive interpre-  
4 tation services with respect to housing ac-  
5 cess and receipt of assistance under pro-  
6 grams funded by the Department. Such  
7 telephone line shall supplement resources  
8 in the community identified by the plan  
9 pursuant to paragraph (3).

10 (ii) FEE.—The Secretary may estab-  
11 lish and collect a reasonable fee, to the ex-  
12 tent provided in advance in an appropria-  
13 tions Act, to cover the actual cost of the  
14 service provided pursuant to clause (i),  
15 which shall be payable by the recipient of  
16 the Department's funds using the service.  
17 Such fees and other expenses incurred to  
18 provide language services to persons with  
19 limited English proficiency paid by recipi-  
20 ents of the Department's funds shall be  
21 permitted to be payable from funds avail-  
22 able for implementing affirmative mar-  
23 keting strategies and from funds available  
24 for administration of rental assistance, in-  
25 cluding funds under section 9(e) of the

1 United States Housing Act of 1937 (42  
2 U.S.C. 1437g(e)). Recipients of the De-  
3 partment's funds may not seek reimburse-  
4 ment for such fees and other expenses  
5 from families being assisted by or appli-  
6 cants for federal financial assistance from  
7 the Department's funds.

8 (C) DOCUMENT CLEARINGHOUSE.—The  
9 center shall collect and evaluate for accuracy or  
10 develop, and make available, templates and doc-  
11 uments that are necessary for consumers, rel-  
12 evant industry representatives, and other stake-  
13 holders of the Department, to access, make  
14 educated decisions, and communicate effectively  
15 about their housing, including—

16 (i) administrative and property docu-  
17 ments;

18 (ii) legally binding documents;

19 (iii) consumer education and outreach  
20 materials;

21 (iv) documents regarding rights and  
22 responsibilities of any party; and

23 (v) remedies available to consumers.

24 (b) SAVINGS CLAUSE.—Nothing in this section shall  
25 be construed as to limit the meaning or applicability of

1 title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d  
2 et seq.), executive orders, or of lawfully promulgated rules,  
3 regulations, guidance, or orders of general applicability  
4 issued by the Department to effectuate such title VI.

5 **SEC. 502. EXTENSION OF MARK-TO-MARKET PROGRAM.**

6 Section 579 of the Multifamily Assisted Housing Re-  
7 form and Affordability Act of 1997 (42 U.S.C. 1437 note)  
8 is amended by striking “October 1, 2011” each place such  
9 term appears and inserting “October 1, 2015”.