

## Union Calendar No. 300

114TH CONGRESS  
2D SESSION

# H. R. 3700

[Report No. 114-397]

To provide housing opportunities in the United States through modernization of various housing programs, and for other purposes.

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### IN THE HOUSE OF REPRESENTATIVES

OCTOBER 7, 2015

Mr. LUETKEMEYER introduced the following bill; which was referred to the Committee on Financial Services

JANUARY 28, 2016

Additional sponsors: Mr. CLEAVER, Mr. SHERMAN, Mr. PITTENGER, Mr. PEARCE, Mr. ROTHFUS, Mr. CAPUANO, Mr. BARR, Mr. POSEY, Mr. SESSIONS, Mr. RIBBLE, and Mr. MCHENRY

JANUARY 28, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

[For text of introduced bill, see copy of bill as introduced on October 7, 2015]

# **A BILL**

To provide housing opportunities in the United States through modernization of various housing programs, and for other purposes.

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

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

4 (a) *SHORT TITLE.*—*This Act may be cited as the*  
 5 *“Housing Opportunity Through Modernization Act of*  
 6 *2015”.*

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—SECTION 8 RENTAL ASSISTANCE AND PUBLIC HOUSING**

- Sec. 101. Inspection of dwelling units.*
- Sec. 102. Income reviews.*
- Sec. 103. Limitation on public housing tenancy for over-income families.*
- Sec. 104. Limitation on eligibility for assistance based on assets.*
- Sec. 105. Units owned by public housing agencies.*
- Sec. 106. PHA project-based assistance.*
- Sec. 107. Establishment of fair market rent.*
- Sec. 108. Collection of utility data.*
- Sec. 109. Public housing Capital and Operating Funds.*
- Sec. 110. Family unification program for children aging out of foster care.*

**TITLE II—RURAL HOUSING**

- Sec. 201. Delegation of guaranteed rural housing loan approval.*

**TITLE III—FHA MORTGAGE INSURANCE FOR CONDOMINIUMS**

- Sec. 301. Modification of FHA requirements for mortgage insurance for condominiums.*

**TITLE IV—HOUSING REFORMS FOR THE HOMELESS AND FOR VETERANS**

- Sec. 401. Definition of geographic area for Continuum of Care Program.*
- Sec. 402. Inclusion of public housing agencies and local redevelopment authorities in emergency solutions grants.*
- Sec. 403. Special assistant for Veterans Affairs in the Department of Housing and Urban Development.*
- Sec. 404. Annual supplemental report on veterans homelessness.*

**TITLE V—MISCELLANEOUS**

- Sec. 501. Inclusion of Disaster Housing Assistance Program in certain fraud and abuse prevention measures.*

*Sec. 502. Energy efficiency requirements under Self-Help Homeownership Opportunity program.*

*Sec. 503. Data exchange standardization for improved interoperability.*

1 **TITLE I—SECTION 8 RENTAL AS-**  
 2 **SISTANCE AND PUBLIC HOUS-**  
 3 **ING**

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

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

7 *(1) by striking subparagraph (A) and inserting*  
 8 *the following new subparagraph:*

9 *“(A) INITIAL INSPECTION.—*

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

21 *“(ii) CORRECTION OF NON-LIFE-*  
 22 *THREATENING CONDITIONS.—In the case of*  
 23 *any dwelling unit that is determined, pur-*  
 24 *suant to an inspection under clause (i), not*

1           to meet the housing quality standards under  
2           subparagraph (B), assistance payments  
3           may be made for the unit notwithstanding  
4           subparagraph (C) if failure to meet such  
5           standards is a result only of non-life-threat-  
6           ening conditions, as such conditions are es-  
7           tablished by the Secretary. A public housing  
8           agency making assistance payments pursu-  
9           ant to this clause for a dwelling unit shall,  
10          30 days after the beginning of the period for  
11          which such payments are made, withhold  
12          any assistance payments for the unit if any  
13          deficiency resulting in noncompliance with  
14          the housing quality standards has not been  
15          corrected by such time. The public housing  
16          agency shall recommence assistance pay-  
17          ments when such deficiency has been cor-  
18          rected, and may use any payments withheld  
19          to make assistance payments relating to the  
20          period during which payments were with-  
21          held.

22                   “(iii) *USE OF ALTERNATIVE INSPEC-*  
23                   *TION METHOD FOR INTERIM PERIOD.*—*In*  
24                   *the case of any property that within the*  
25                   *previous 24 months has met the require-*

1            *ments of an inspection that qualifies as an*  
2            *alternative inspection method pursuant to*  
3            *subparagraph (E), a public housing agency*  
4            *may authorize occupancy before the inspec-*  
5            *tion under clause (i) has been completed,*  
6            *and may make assistance payments retro-*  
7            *active to the beginning of the lease term*  
8            *after the unit has been determined pursuant*  
9            *to an inspection under clause (i) to meet the*  
10           *housing quality standards under subpara-*  
11           *graph (B). This clause may not be con-*  
12           *strued to exempt any dwelling unit from*  
13           *compliance with the requirements of sub-*  
14           *paragraph (D).”;*

15           (2) *by redesignating subparagraph (G) as sub-*  
16           *paragraph (H); and*

17           (3) *by inserting after subparagraph (F) the fol-*  
18           *lowing new subparagraph:*

19                    *“(G) ENFORCEMENT OF HOUSING QUALITY*  
20                    *STANDARDS.—*

21                            *“(i) DETERMINATION OF NONCOMPLI-*  
22                            *ANCE.—A dwelling unit that is covered by*  
23                            *a housing assistance payments contract*  
24                            *under this subsection shall be considered, for*  
25                            *purposes of subparagraphs (D) and (F), to*

1                    *be in noncompliance with the housing qual-*  
2                    *ity standards under subparagraph (B) if—*

3                    *“(I) the public housing agency or*  
4                    *an inspector authorized by the State or*  
5                    *unit of local government determines*  
6                    *upon inspection of the unit that the*  
7                    *unit fails to comply with such stand-*  
8                    *ards;*

9                    *“(II) the agency or inspector noti-*  
10                    *fies the owner of the unit in writing of*  
11                    *such failure to comply; and*

12                    *“(III) the failure to comply is not*  
13                    *corrected—*

14                    *“(aa) in the case of any such*  
15                    *failure that is a result of life-*  
16                    *threatening conditions, within 24*  
17                    *hours after such notice has been*  
18                    *provided; and*

19                    *“(bb) in the case of any such*  
20                    *failure that is a result of non-life-*  
21                    *threatening conditions, within 30*  
22                    *days after such notice has been*  
23                    *provided or such other reasonable*  
24                    *longer period as the public hous-*  
25                    *ing agency may establish.*

1           “(i) *WITHHOLDING OF ASSISTANCE*  
2           *AMOUNTS DURING CORRECTION.*—*The pub-*  
3           *lic housing agency may withhold assistance*  
4           *amounts under this subsection with respect*  
5           *to a dwelling unit for which a notice pursu-*  
6           *ant to clause (i)(II), of failure to comply*  
7           *with housing quality standards under sub-*  
8           *paragraph (B) as determined pursuant to*  
9           *an inspection conducted under subpara-*  
10           *graph (D) or (F), has been provided. If the*  
11           *unit is brought into compliance with such*  
12           *housing quality standards during the peri-*  
13           *ods referred to in clause (i)(III), the public*  
14           *housing agency shall recommence assistance*  
15           *payments and may use any amounts with-*  
16           *held during the correction period to make*  
17           *assistance payments relating to the period*  
18           *during which payments were withheld.*

19           “(iii) *ABATEMENT OF ASSISTANCE*  
20           *AMOUNTS.*—*The public housing agency shall*  
21           *abate all of the assistance amounts under*  
22           *this subsection with respect to a dwelling*  
23           *unit that is determined, pursuant to clause*  
24           *(i) of this subparagraph, to be in non-*  
25           *compliance with housing quality standards*

1           under subparagraph (B). Upon completion  
2           of repairs by the public housing agency or  
3           the owner sufficient so that the dwelling  
4           unit complies with such housing quality  
5           standards, the agency shall recommence  
6           payments under the housing assistance pay-  
7           ments contract to the owner of the dwelling  
8           unit.

9           “(iv) NOTIFICATION.—If a public hous-  
10          ing agency providing assistance under this  
11          subsection abates rental assistance pay-  
12          ments pursuant to clause (iii) with respect  
13          to a dwelling unit, the agency shall, upon  
14          commencement of such abatement—

15               “(I) notify the tenant and the  
16               owner of the dwelling unit that—

17                       “(aa) such abatement has  
18                       commenced; and

19                       “(bb) if the dwelling unit is  
20                       not brought into compliance with  
21                       housing quality standards within  
22                       60 days after the effective date of  
23                       the determination of noncompli-  
24                       ance under clause (i) or such rea-  
25                       sonable longer period as the agen-

1                    *cy may establish, the tenant will*  
2                    *have to move; and*

3                    *“(II) issue the tenant the nec-*  
4                    *essary forms to allow the tenant to*  
5                    *move to another dwelling unit and*  
6                    *transfer the rental assistance to that*  
7                    *unit.*

8                    *“(v) PROTECTION OF TENANTS.—An*  
9                    *owner of a dwelling unit may not terminate*  
10                    *the tenancy of any tenant because of the*  
11                    *withholding or abatement of assistance pur-*  
12                    *suant to this subparagraph. During the pe-*  
13                    *riod that assistance is abated pursuant to*  
14                    *this subparagraph, the tenant may termi-*  
15                    *nate the tenancy by notifying the owner.*

16                    *“(vi) TERMINATION OF LEASE OR AS-*  
17                    *SISTANCE PAYMENTS CONTRACT.—If assist-*  
18                    *ance amounts under this section for a dwell-*  
19                    *ing unit are abated pursuant to clause (iii)*  
20                    *and the owner does not correct the non-*  
21                    *compliance within 60 days after the effec-*  
22                    *tive date of the determination of noncompli-*  
23                    *ance under clause (i), or such other reason-*  
24                    *able longer period as the public housing*  
25                    *agency may establish, the agency shall ter-*

1            *minate the housing assistance payments*  
2            *contract for the dwelling unit.*

3            “(vii) *RELOCATION.*—

4                       “(I) *LEASE OF NEW UNIT.*—*The*  
5            *agency shall provide the family resid-*  
6            *ing in such a dwelling unit a period of*  
7            *90 days or such longer period as the*  
8            *public housing agency determines is*  
9            *reasonably necessary to lease a new*  
10           *unit, beginning upon termination of*  
11           *the contract, to lease a new residence*  
12           *with tenant-based rental assistance*  
13           *under this section.*

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

1                   “(III) *ASSISTANCE IN FINDING*  
2                   *UNIT.—The public housing agency may*  
3                   *provide assistance to the family in*  
4                   *finding a new residence, including use*  
5                   *of up to two months of any assistance*  
6                   *amounts withheld or abated pursuant*  
7                   *to clause (ii) or (iii), respectively, for*  
8                   *costs directly associated with relocation*  
9                   *of the family to a new residence, which*  
10                   *shall include security deposits as nec-*  
11                   *essary and may include reimburse-*  
12                   *ments for reasonable moving expenses*  
13                   *incurred by the household, as estab-*  
14                   *lished by the Secretary. The agency*  
15                   *may require that a family receiving*  
16                   *assistance for a security deposit shall*  
17                   *remit, to the extent of such assistance,*  
18                   *the amount of any security deposit re-*  
19                   *funds made by the owner of the dwell-*  
20                   *ing unit for which the lease was termi-*  
21                   *nated.*

22                   “(viii) *TENANT-CAUSED DAMAGES.—If*  
23                   *a public housing agency determines that*  
24                   *any damage to a dwelling unit that results*  
25                   *in a failure of the dwelling unit to comply*

1           with housing quality standards under sub-  
2           paragraph (B), other than any damage re-  
3           sulting from ordinary use, was caused by  
4           the tenant, any member of the tenant's  
5           household, or any guest or other person  
6           under the tenant's control, the agency may  
7           waive the applicability of this subpara-  
8           graph, except that this clause shall not ex-  
9           onerate a tenant from any liability other-  
10          wise existing under applicable law for dam-  
11          ages to the premises caused by such tenant.

12                   “(ix) *APPLICABILITY.*—This subpara-  
13          graph shall apply to any dwelling unit for  
14          which a housing assistance payments con-  
15          tract is entered into or renewed after the  
16          date of the effectiveness of the regulations  
17          implementing this subparagraph.”.

18           (b) *EFFECTIVE DATE.*—The Secretary of Housing and  
19          Urban Development shall issue notice or regulations to im-  
20          plement subsection (a) of this section and such subsection  
21          shall take effect upon such issuance.

22          **SEC. 102. INCOME REVIEWS.**

23           (a) *INCOME REVIEWS FOR PUBLIC HOUSING AND SEC-*  
24          *TION 8 PROGRAMS.*—Section 3 of the United States Hous-  
25          ing Act of 1937 (42 U.S.C. 1437a) is amended—

1           (1) *in subsection (a)—*

2                   (A) *in the second sentence of paragraph (1),*  
3 *by striking “at least annually” and inserting*  
4 *“pursuant to paragraph (6)”;* and

5                   (B) *by adding at the end the following new*  
6 *paragraphs:*

7           “(6) *REVIEWS OF FAMILY INCOME.—*

8                   “(A) *FREQUENCY.—Reviews of family in-*  
9 *come for purposes of this section shall be made—*

10                           “(i) *in the case of all families, upon*  
11 *the initial provision of housing assistance*  
12 *for the family;*

13                           “(ii) *annually thereafter, except as*  
14 *provided in paragraph (1) with respect to*  
15 *fixed-income families;*

16                           “(iii) *upon the request of the family, at*  
17 *any time the income or deductions (under*  
18 *subsection (b)(5)) of the family change by*  
19 *an amount that is estimated to result in a*  
20 *decrease of 10 percent (or such lower*  
21 *amount as the Secretary may, by notice, es-*  
22 *tablish, or permit the public housing agency*  
23 *or owner to establish) or more in annual*  
24 *adjusted income; and*

1           “(iv) at any time the income or deduc-  
2           tions (under subsection (b)(5)) of the family  
3           change by an amount that is estimated to  
4           result in an increase of 10 percent or more  
5           in annual adjusted income, or such other  
6           amount as the Secretary may by notice es-  
7           tablish, except that any increase in the  
8           earned income of a family shall not be con-  
9           sidered for purposes of this clause (except  
10          that earned income may be considered if the  
11          increase corresponds to previous decreases  
12          under clause (iii)), except that a public  
13          housing agency or owner may elect not to  
14          conduct such review in the last three months  
15          of a certification period.

16          “(B) *IN GENERAL.*—Reviews of family in-  
17          come for purposes of this section shall be subject  
18          to the provisions of section 904 of the Stewart B.  
19          McKinney Homeless Assistance Amendments Act  
20          of 1988 (42 U.S.C. 3544).

21          “(7) *CALCULATION OF INCOME.*—

22          “(A) *USE OF CURRENT YEAR INCOME.*—In  
23          determining family income for initial occupancy  
24          or provision of housing assistance pursuant to  
25          clause (i) of paragraph (6)(A) or pursuant to re-

1           *views pursuant to clause (iii) or (iv) of such*  
2           *paragraph, a public housing agency or owner*  
3           *shall use the income of the family as estimated*  
4           *by the agency or owner for the upcoming year.*

5           “(B) *USE OF PRIOR YEAR INCOME.*—*In de-*  
6           *termining family income for annual reviews*  
7           *pursuant to paragraph (6)(A)(ii), a public hous-*  
8           *ing agency or owner shall, except as otherwise*  
9           *provided in this paragraph and paragraph (1),*  
10          *use the income of the family as determined by*  
11          *the agency or owner for the preceding year, tak-*  
12          *ing into consideration any redetermination of*  
13          *income during such prior year pursuant to*  
14          *clause (iii) or (iv) of paragraph (6)(A).*

15          “(C) *OTHER INCOME.*—*In determining the*  
16          *income for any family based on the prior year’s*  
17          *income, with respect to prior year calculations of*  
18          *income not subject to subparagraph (B), a public*  
19          *housing agency or owner may make other adjust-*  
20          *ments as it considers appropriate to reflect cur-*  
21          *rent income.*

22          “(D) *SAFE HARBOR.*—*A public housing*  
23          *agency or owner may, to the extent such infor-*  
24          *mation is available to the public housing agency*  
25          *or owner, determine the family’s income prior to*

1           *the application of any deductions based on time-*  
2           *ly income determinations made for purposes of*  
3           *other means-tested Federal public assistance pro-*  
4           *grams (including the program for block grants to*  
5           *States for temporary assistance for needy fami-*  
6           *lies under part A of title IV of the Social Secu-*  
7           *rity Act, a program for Medicaid assistance*  
8           *under a State plan approved under title XIX of*  
9           *the Social Security Act, and the supplemental*  
10          *nutrition assistance program (as such term is*  
11          *defined in section 3 of the Food and Nutrition*  
12          *Act of 2008 (7 U.S.C. 2012))). The Secretary*  
13          *shall, in consultation with other appropriate*  
14          *Federal agencies, develop procedures to enable*  
15          *public housing agencies and owners to have ac-*  
16          *cess to such income determinations made by*  
17          *other means-tested Federal programs that the*  
18          *Secretary determines to have comparable reli-*  
19          *ability. Exchanges of such information shall be*  
20          *subject to the same limitations and tenant pro-*  
21          *tections provided under section 904 of the Stew-*  
22          *art B. McKinney Homeless Assistance Act*  
23          *Amendments of 1988 (42 U.S.C. 3544) with re-*  
24          *spect to information obtained under the require-*

1            *ments of section 303(i) of the Social Security Act*  
2            *(42 U.S.C. 503(i)).*

3            “(E) PHA AND OWNER COMPLIANCE.—A  
4            *public housing agency or owner may not be con-*  
5            *sidered to fail to comply with this paragraph or*  
6            *paragraph (6) due solely to any de minimis er-*  
7            *rors made by the agency or owner in calculating*  
8            *family incomes.”;*  
9            *(2) by striking subsections (d) and (e); and*  
10           *(3) by redesignating subsection (f) as subsection*  
11           *(d).*

12           (b) CERTIFICATION REGARDING HARDSHIP EXCEP-  
13           *TION TO MINIMUM MONTHLY RENT.—Not later than the ex-*  
14           *piration of the 6-month period beginning on the date of the*  
15           *enactment of this Act, the Secretary of Housing and Urban*  
16           *Development shall submit to the Congress a certification*  
17           *that the hardship and tenant protection provisions in clause*  
18           *(i) of section 3(a)(3)(B) of the United States Housing Act*  
19           *of 1937 (42 U.S.C. 1437a(a)(3)(B)(i)) are being enforced*  
20           *at such time and that the Secretary will continue to provide*  
21           *due consideration to the hardship circumstances of persons*  
22           *assisted under relevant programs of this Act.*

23           (c) INCOME; ADJUSTED INCOME.—Section 3(b) of the  
24           *United States Housing Act of 1937 (42 U.S.C. 1437a(b))*

1 *is amended by striking paragraphs (4) and (5) and insert-*  
2 *ing the following new paragraphs:*

3           “(4) *INCOME.*—*The term ‘income’ means, with*  
4 *respect to a family, income received from all sources*  
5 *by each member of the household who is 18 years of*  
6 *age or older or is the head of household or spouse of*  
7 *the head of the household, plus unearned income by*  
8 *or on behalf of each dependent who is less than 18*  
9 *years of age, as determined in accordance with cri-*  
10 *teria prescribed by the Secretary, in consultation with*  
11 *the Secretary of Agriculture, subject to the following*  
12 *requirements:*

13           “(A) *INCLUDED AMOUNTS.*—*Such term in-*  
14 *cludes recurring gifts and receipts, actual income*  
15 *from assets, and profit or loss from a business.*

16           “(B) *EXCLUDED AMOUNTS.*—*Such term*  
17 *does not include—*

18           “(i) *any imputed return on assets, ex-*  
19 *cept to the extent that net family assets ex-*  
20 *ceed \$50,000, except that such amount (as it*  
21 *may have been previously adjusted) shall be*  
22 *adjusted for inflation annually by the Sec-*  
23 *retary in accordance with an inflationary*  
24 *index selected by the Secretary;*

1           “(ii) any amounts that would be eligi-  
2 ble for exclusion under section 1613(a)(7) of  
3 the Social Security Act (42 U.S.C.  
4 1382b(a)(7));

5           “(iii) deferred disability benefits from  
6 the Department of Veterans Affairs that are  
7 received in a lump sum amount or in pro-  
8 spective monthly amounts;

9           “(iv) any expenses related to aid and  
10 attendance under section 1521 of title 38,  
11 United States Code, to veterans who are in  
12 need of regular aid and attendance; and

13           “(v) exclusions from income as estab-  
14 lished by the Secretary by regulation or no-  
15 tice, or any amount required by Federal  
16 law to be excluded from consideration as in-  
17 come.

18           “(C) *EARNED INCOME OF STUDENTS.*—Such  
19 term does not include—

20           “(i) earned income, up to an amount  
21 as the Secretary may by regulation estab-  
22 lish, of any dependent earned during any  
23 period that such dependent is attending  
24 school or vocational training on a full-time  
25 basis; or

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

3                   “(I) for the cost of tuition or  
4                   books; or

5                   “(II) in such amounts as the Sec-  
6                   retary may allow, for the cost of room  
7                   and board.

8                   “(D) *EDUCATIONAL SAVINGS ACCOUNTS.*—  
9                   Income shall be determined without regard to  
10                  any amounts in or from, or any benefits from,  
11                  any Coverdell education savings account under  
12                  section 530 of the Internal Revenue Code of 1986  
13                  or any qualified tuition program under section  
14                  529 of such Code.

15                  “(E) *RECORDKEEPING.*—The Secretary  
16                  may not require a public housing agency or  
17                  owner to maintain records of any amounts ex-  
18                  cluded from income pursuant to this subpara-  
19                  graph.

20                  “(5) *ADJUSTED INCOME.*—The term ‘adjusted in-  
21                  come’ means, with respect to a family, the amount (as  
22                  determined by the public housing agency or owner) of  
23                  the income of the members of the family residing in  
24                  a dwelling unit or the persons on a lease, after any  
25                  deductions from income as follows:

1           “(A) *ELDERLY AND DISABLED FAMILIES.*—  
2           \$525 in the case of any family that is an elderly  
3           family or a disabled family.

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

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

9                   “(ii) is a person who is 18 years of age  
10                  or older, resides in the household, and is  
11                  certified as disabled and unable to work by  
12                  the public housing agency of jurisdiction.

13          “(C) *CHILD CARE.*—The amount, if any,  
14          that exceeds 5 percent of annual family income  
15          that is used to pay for unreimbursed child care  
16          expenses, which shall include child care for pre-  
17          school-age children, for before- and after-care for  
18          children in school, and for other child care nec-  
19          essary to enable a member of the family to be  
20          employed or further his or her education.

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

1           “(i) in the case of any elderly or dis-  
2           abled family, any unreimbursed health and  
3           medical care expenses; and

4           “(ii) any unreimbursed reasonable at-  
5           tendant care and auxiliary apparatus ex-  
6           penses for each handicapped member of the  
7           family, if determined necessary by the pub-  
8           lic housing agency or owner to enable any  
9           member of such family to be employed.

10          *The Secretary shall, by regulation, provide hard-*  
11          *ship exemptions to the requirements of this sub-*  
12          *paragraph and subparagraph (C) for impacted*  
13          *families who demonstrate an inability to pay*  
14          *calculated rents because of financial hardship.*  
15          *Such regulations shall include a requirement to*  
16          *notify tenants regarding any changes to the de-*  
17          *termination of adjusted income pursuant to such*  
18          *subparagraphs based on the determination of the*  
19          *family’s claim of financial hardship exemptions*  
20          *required by the preceding sentence. Such regula-*  
21          *tions shall be promulgated in consultation with*  
22          *tenant organizations, industry participants, and*  
23          *the Secretary of Health and Human Services,*  
24          *with an adequate comment period provided for*  
25          *interested parties.*

1           “(E) *PERMISSIVE DEDUCTIONS.*—Such ad-  
2           ditional deductions as a public housing agency  
3           may, at its discretion, establish, except that the  
4           Secretary shall establish procedures to ensure  
5           that such deductions do not materially increase  
6           Federal expenditures.

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

15          (d) *HOUSING CHOICE VOUCHER PROGRAM.*—Section  
16          8(o) of the United States Housing Act of 1937 (42 U.S.C.  
17          1437f(o)) is amended—

18                 (1) in paragraph (1)(D), by inserting before the  
19                 period at the end the following: “, except that a public  
20                 housing agency may establish a payment standard of  
21                 not more than 120 percent of the fair market rent  
22                 where necessary as a reasonable accommodation for a  
23                 person with a disability, without approval of the Sec-  
24                 retary. A public housing agency may use a payment  
25                 standard that is greater than 120 percent of the fair

1        *market rent as a reasonable accommodation for a per-*  
2        *son with a disability, but only with the approval of*  
3        *the Secretary. In connection with the use of any in-*  
4        *creased payment standard established or approved*  
5        *pursuant to either of the preceding two sentences as*  
6        *a reasonable accommodation for a person with a dis-*  
7        *ability, the Secretary may not establish additional re-*  
8        *quirements regarding the amount of adjusted income*  
9        *paid by such person for rent”; and*

10            (2) *in paragraph (5)—*

11                    (A) *in the paragraph heading, by striking*  
12                    *“ANNUAL REVIEW” and inserting “REVIEWS”;*

13                    (B) *in subparagraph (A)—*

14                            (i) *by striking “the provisions of” and*  
15                            *inserting “paragraphs (1), (6), and (7) of*  
16                            *section 3(a) and to”; and*

17                            (ii) *by striking “and shall be con-*  
18                            *ducted” and all that follows through the end*  
19                            *of the subparagraph and inserting a period;*  
20                            *and*

21                    (C) *in subparagraph (B), by striking the*  
22                    *second sentence.*

23            (e) *ENHANCED VOUCHER PROGRAM.—Section*  
24        *8(t)(1)(D) of the United States Housing Act of 1937 (42*  
25        *U.S.C. 1437f(t)(1)(D)) is amended by striking “income”*

1 *each place such term appears and inserting “annual ad-*  
2 *justed income”.*

3 *(f) PROJECT-BASED HOUSING.—Paragraph (3) of sec-*  
4 *tion 8(c) of the United States Housing Act of 1937 (42*  
5 *U.S.C. 1437f(c)(3)) is amended by striking the last sentence.*

6 *(g) IMPACT ON PUBLIC HOUSING REVENUES.—*

7 *(1) ADJUSTMENTS TO OPERATING FORMULA.—If*  
8 *the Secretary of Housing and Urban Development de-*  
9 *termines that the application of subsections (a)*  
10 *through (e) of this section results in a material and*  
11 *disproportionate reduction in the rental income of*  
12 *certain public housing agencies during the first year*  
13 *in which such subsections are implemented, the Sec-*  
14 *retary may make appropriate adjustments in the for-*  
15 *mula income for such year of those agencies experi-*  
16 *encing such a reduction.*

17 *(2) HUD REPORTS ON REVENUE AND COST IM-*  
18 *PACT.—In each of the first two years after the first*  
19 *year in which subsections (a) through (e) are imple-*  
20 *mented, the Secretary of Housing and Urban Devel-*  
21 *opment shall submit a report to Congress identifying*  
22 *and calculating the impact of changes made by such*  
23 *subsections and section 104 of this Act on the revenues*  
24 *and costs of operating public housing units, the*  
25 *voucher program for rental assistance under section 8*

1       of the United States Housing Act of 1937, and the  
2       program under such section 8 for project-based rental  
3       assistance. If such report identifies a material reduc-  
4       tion in the net income of public housing agencies na-  
5       tionwide or a material increase in the costs of fund-  
6       ing the voucher program or the project-based assist-  
7       ance program, the Secretary shall include in such re-  
8       port recommendations for legislative changes to reduce  
9       or eliminate such a reduction.

10       (h) *EFFECTIVE DATE.*—The Secretary of Housing and  
11       Urban Development shall issue notice or regulations to im-  
12       plement this section and this section shall take effect after  
13       such issuance, except that this section may only take effect  
14       upon the commencement of a calendar year.

15       **SEC. 103. LIMITATION ON PUBLIC HOUSING TENANCY FOR**  
16       **OVER-INCOME FAMILIES.**

17       Subsection (a) of section 16 of the United States Hous-  
18       ing Act of 1937 (42 U.S.C. 1437n(a)) is amended by adding  
19       at the end the following new paragraph:

20               “(5) *LIMITATIONS ON TENANCY FOR OVER-IN-*  
21       *COME FAMILIES.*—

22               “(A) *LIMITATIONS.*—Except as provided in  
23       subparagraph (D), in the case of any family re-  
24       siding in a dwelling unit of public housing  
25       whose income for the most recent two consecutive

1           *years, as determined pursuant to income reviews*  
2           *conducted pursuant to section 3(a)(6), has ex-*  
3           *ceeded the applicable income limitation under*  
4           *subparagraph (C), the public housing agency*  
5           *shall—*

6                     *“(i) notwithstanding any other provi-*  
7                     *sion of this Act, charge such family as*  
8                     *monthly rent for the unit occupied by such*  
9                     *family an amount equal to the greater of—*

10                             *“(I) the applicable fair market*  
11                             *rental established under section 8(c) for*  
12                             *a dwelling unit in the same market*  
13                             *area of the same size; or*

14                             *“(II) the amount of the monthly*  
15                             *subsidy provided under this Act for the*  
16                             *dwelling unit, which shall include any*  
17                             *amounts from the Operating Fund and*  
18                             *Capital Fund under section 9 used for*  
19                             *the unit, as determined by the agency*  
20                             *in accordance with regulations that the*  
21                             *Secretary shall issue to carry out this*  
22                             *subclause; or*

23                             *“(ii) terminate the tenancy of such*  
24                             *family in public housing not later than 6*

1           *months after the income determination de-*  
2           *scribed in subparagraph (A).*

3           “(B) *NOTICE.*—*In the case of any family*  
4           *residing in a dwelling unit of public housing*  
5           *whose income for a year has exceeded the appli-*  
6           *cable income limitation under subparagraph (C),*  
7           *upon the conclusion of such year the public hous-*  
8           *ing agency shall provide written notice to such*  
9           *family of the requirements under subparagraph*  
10          *(A).*

11          “(C) *INCOME LIMITATION.*—*The income*  
12          *limitation under this subparagraph shall be 120*  
13          *percent of the median income for the area, as de-*  
14          *termined by the Secretary with adjustments for*  
15          *smaller and larger families, except that the Sec-*  
16          *retary may establish income limitations higher*  
17          *or lower than 120 percent of such median income*  
18          *on the basis of the Secretary’s findings that such*  
19          *variations are necessary because of prevailing*  
20          *levels of construction costs, or unusually high or*  
21          *low family incomes, vacancy rates, or rental*  
22          *costs.*

23          “(D) *EXCEPTION.*—*Subparagraph (A) shall*  
24          *not apply to a family occupying a dwelling unit*

1           *in public housing pursuant to paragraph (5) of*  
2           *section 3(a) (42 U.S.C. 1437a(a)(5)).*

3           “(E) *REPORTS ON OVER-INCOME FAMILIES*  
4           *AND WAITING LISTS.—The Secretary shall re-*  
5           *quire that each public housing agency shall—*

6                     “(i) *submit a report annually, in a*  
7                     *format required by the Secretary, that*  
8                     *specifies—*

9                             “(I) *the number of families resid-*  
10                            *ing, as of the end of the year for which*  
11                            *the report is submitted, in public hous-*  
12                            *ing administered by the agency who*  
13                            *had incomes exceeding the applicable*  
14                            *income limitation under subparagraph*  
15                            *(C); and*

16                            “(II) *the number of families, as of*  
17                            *the end of such year, on the waiting*  
18                            *lists for admission to public housing*  
19                            *projects of the agency; and*

20                            “(ii) *make the information reported*  
21                            *pursuant to clause (i) publicly available.”.*

1 **SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE**  
2 **BASED ON ASSETS.**

3 *Section 16 of the United States Housing Act of 1937*  
4 *(42 U.S.C. 1437n) is amended by inserting after subsection*  
5 *(d) the following new subsection:*

6 “(e) *ELIGIBILITY FOR ASSISTANCE BASED ON AS-*  
7 *SETS.—*

8 “(1) *LIMITATION ON ASSETS.—Subject to para-*  
9 *graph (3) and notwithstanding any other provision of*  
10 *this Act, a dwelling unit assisted under this Act may*  
11 *not be rented and assistance under this Act may not*  
12 *be provided, either initially or at each recertification*  
13 *of family income, to any family—*

14 “(A) *whose net family assets exceed*  
15 *\$100,000, as such amount is adjusted annually*  
16 *by applying an inflationary factor as the Sec-*  
17 *retary considers appropriate; or*

18 “(B) *who has a present ownership interest*  
19 *in, a legal right to reside in, and the effective*  
20 *legal authority to sell, real property that is suit-*  
21 *able for occupancy by the family as a residence,*  
22 *except that the prohibition under this subpara-*  
23 *graph shall not apply to—*

24 “(i) *any property for which the family*  
25 *is receiving assistance under subsection (y)*  
26 *or (o)(12) of section 8 of this Act;*

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

3                   “(iii) any family that is offering such  
4                   property for sale.

5                   “(2) NET FAMILY ASSETS.—

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

19                  “(B) EXCLUSIONS.—Such term does not in-  
20                  clude—

21                   “(i) the value of personal property, ex-  
22                   cept for items of personal property of sig-  
23                   nificant value, as the Secretary may estab-  
24                   lish or the public housing agency may de-  
25                   termine;

1           “(ii) the value of any retirement ac-  
2           count;

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

6           “(iv) any amounts recovered in any  
7           civil action or settlement based on a claim  
8           of malpractice, negligence, or other breach of  
9           duty owed to a member of the family and  
10          arising out of law, that resulted in a mem-  
11          ber of the family being disabled;

12          “(v) the value of any Coverdell edu-  
13          cation savings account under section 530 of  
14          the Internal Revenue Code of 1986 or any  
15          qualified tuition program under section 529  
16          of such Code; and

17          “(vi) such other exclusions as the Sec-  
18          retary may establish.

19          “(C) *TRUST FUNDS.*—In cases in which a  
20          trust fund has been established and the trust is  
21          not revocable by, or under the control of, any  
22          member of the family or household, the value of  
23          the trust fund shall not be considered an asset of  
24          a family if the fund continues to be held in trust.  
25          Any income distributed from the trust fund shall

1           *be considered income for purposes of section 3(b)*  
2           *and any calculations of annual family income,*  
3           *except in the case of medical expenses for a*  
4           *minor.*

5           “(3) *SELF-CERTIFICATION.*—

6                   “(A) *NET FAMILY ASSETS.*—*A public hous-*  
7                   *ing agency or owner may determine the net as-*  
8                   *sets of a family, for purposes of this section,*  
9                   *based on a certification by the family that the*  
10                   *net assets of such family do not exceed \$50,000,*  
11                   *as such amount is adjusted annually by apply-*  
12                   *ing an inflationary factor as the Secretary con-*  
13                   *siders appropriate.*

14                   “(B) *NO CURRENT REAL PROPERTY OWNER-*  
15                   *SHIP.*—*A public housing agency or owner may*  
16                   *determine compliance with paragraph (1)(B)*  
17                   *based on a certification by the family that such*  
18                   *family does not have any current ownership in-*  
19                   *terest in any real property at the time the agen-*  
20                   *cy or owner reviews the family’s income.*

21                   “(C) *STANDARDIZED FORMS.*—*The Sec-*  
22                   *retary may develop standardized forms for the*  
23                   *certifications referred to in subparagraphs (A)*  
24                   *and (B).*

1           “(4) *COMPLIANCE FOR PUBLIC HOUSING DWELL-*  
2           *ING UNITS.*—When recertifying family income with  
3           respect to families residing in public housing dwelling  
4           units, a public housing agency may, in the discretion  
5           of the agency and only pursuant to a policy that is  
6           set forth in the public housing agency plan under sec-  
7           tion 5A for the agency, choose not to enforce the limi-  
8           tation under paragraph (1).

9           “(5) *ENFORCEMENT.*—When recertifying the in-  
10          come of a family residing in a dwelling unit assisted  
11          under this Act, a public housing agency or owner  
12          may choose not to enforce the limitation under para-  
13          graph (1) or may establish exceptions to such limita-  
14          tion based on eligibility criteria, but only pursuant  
15          to a policy that is set forth in the public housing  
16          agency plan under section 5A for the agency or under  
17          a policy adopted by the owner. Eligibility criteria for  
18          establishing exceptions may provide for separate  
19          treatment based on family type and may be based on  
20          different factors, such as age, disability, income, the  
21          ability of the family to find suitable alternative hous-  
22          ing, and whether supportive services are being pro-  
23          vided.

24          “(6) *AUTHORITY TO DELAY EVICTIONS.*—In the  
25          case of a family residing in a dwelling unit assisted

1        *under this Act who does not comply with the limita-*  
2        *tion under paragraph (1), the public housing agency*  
3        *or project owner may delay eviction or termination of*  
4        *the family based on such noncompliance for a period*  
5        *of not more than 6 months.”.*

6        **SEC. 105. UNITS OWNED BY PUBLIC HOUSING AGENCIES.**

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

10                *(1) by striking “(11) LEASING OF UNITS OWNED*  
11                *BY PHA.—If” and inserting the following:*

12                        *“(11) LEASING OF UNITS OWNED BY PHA.—*

13                                *“(A) INSPECTIONS AND RENT DETERMINA-*  
14                                *TIONS.—If”; and*

15                *(2) by adding at the end the following new sub-*  
16        *paragraph:*

17                        *“(B) UNITS OWNED BY PHA.—For purposes*  
18                        *of this subsection, the term ‘owned by a public*  
19                        *housing agency’ means, with respect to a dwell-*  
20                        *ing unit, that the dwelling unit is in a project*  
21                        *that is owned by such agency, by an entity whol-*  
22                        *ly controlled by such agency, or by a limited li-*  
23                        *ability company or limited partnership in which*  
24                        *such agency (or an entity wholly controlled by*  
25                        *such agency) holds a controlling interest in the*

1           *managing member or general partner. A dwell-*  
2           *ing unit shall not be deemed to be owned by a*  
3           *public housing agency for purposes of this sub-*  
4           *section because the agency holds a fee interest as*  
5           *ground lessor in the property on which the unit*  
6           *is situated, holds a security interest under a*  
7           *mortgage or deed of trust on the unit, or holds*  
8           *a non-controlling interest in an entity which*  
9           *owns the unit or in the managing member or*  
10          *general partner of an entity which owns the*  
11          *unit.”.*

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

13           *(a) IN GENERAL.—Paragraph (13) of section 8(o) of*  
14   *the United States Housing Act of 1937 (42 U.S.C.*  
15   *1437f(o)(13)) is amended—*

16                   *(1) by striking “structure” each place such term*  
17                   *appears and inserting “project”;*

18                   *(2) by striking subparagraph (B) and inserting*  
19                   *the following new subparagraph:*

20                           *“(B) PERCENTAGE LIMITATION.—*

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

1           “(ii) *EXCEPTION.*—A public housing  
2           agency may use up to an additional 10 per-  
3           cent of the authorized units for the agency  
4           for project-based assistance under this para-  
5           graph, to provide units that house individ-  
6           uals and families that meet the definition of  
7           homeless under section 103 of the McKin-  
8           ney-Vento Homeless Assistance Act (42  
9           U.S.C. 11302), that house families with vet-  
10          erans, that provide supportive housing to  
11          persons with disabilities or elderly persons,  
12          or that are located in areas where vouchers  
13          under this subsection are difficult to use, as  
14          specified in subparagraph (D)(ii)(II). Any  
15          units of project-based assistance that are at-  
16          tached to units previously subject to feder-  
17          ally required rent restrictions or receiving  
18          another type of long-term housing subsidy  
19          provided by the Secretary shall not count  
20          toward the percentage limitation under  
21          clause (i) of this subparagraph. The Sec-  
22          retary may, by regulation, establish addi-  
23          tional categories for the exception under this  
24          clause.”;

1           (3) *by striking subparagraph (D) and inserting*  
2 *the following new subparagraph:*

3           “(D) *INCOME-MIXING REQUIREMENT.—*

4                   “(i) *IN GENERAL.—Except as provided*  
5 *in clause (ii), not more than the greater of*  
6 *25 dwelling units or 25 percent of the dwell-*  
7 *ing units in any project may be assisted*  
8 *under a housing assistance payment con-*  
9 *tract for project-based assistance pursuant*  
10 *to this paragraph. For purposes of this sub-*  
11 *paragraph, the term ‘project’ means a single*  
12 *building, multiple contiguous buildings, or*  
13 *multiple buildings on contiguous parcels of*  
14 *land.*

15           “(ii) *EXCEPTIONS.—*

16                   “(I) *CERTAIN FAMILIES.—The*  
17 *limitation under clause (i) shall not*  
18 *apply to dwelling units assisted under*  
19 *a contract that are exclusively made*  
20 *available to elderly families or to*  
21 *households eligible for supportive serv-*  
22 *ices that are made available to the as-*  
23 *sisted residents of the project, accord-*  
24 *ing to standards for such services the*  
25 *Secretary may establish.*

1           “(II) *CERTAIN AREAS.*—With re-  
2           spect to areas in which tenant-based  
3           vouchers for assistance under this sub-  
4           section are difficult to use, as deter-  
5           mined by the Secretary, and with re-  
6           spect to census tracts with a poverty  
7           rate of 20 percent or less, clause (i)  
8           shall be applied by substituting ‘40  
9           percent’ for ‘25 percent’, and the Sec-  
10          retary may, by regulation, establish  
11          additional conditions.

12          “(III) *CERTAIN CONTRACTS.*—The  
13          limitation under clause (i) shall not  
14          apply with respect to contracts or re-  
15          newal of contracts under which a  
16          greater percentage of the dwelling units  
17          in a project were assisted under a  
18          housing assistance payment contract  
19          for project-based assistance pursuant to  
20          this paragraph on the date of the en-  
21          actment of the *Housing Opportunity*  
22          *Through Modernization Act of 2015.*

23          “(IV) *CERTAIN PROPERTIES.*—  
24          Any units of project-based assistance  
25          under this paragraph that are attached

1           to units previously subject to federally  
2           required rent restrictions or receiving  
3           other project-based assistance provided  
4           by the Secretary shall not count to-  
5           ward the percentage limitation im-  
6           posed by this subparagraph (D).

7           “(iii) *ADDITIONAL MONITORING AND*  
8           *OVERSIGHT REQUIREMENTS.*—The Sec-  
9           retary may establish additional require-  
10          ments for monitoring and oversight of  
11          projects in which more than 40 percent of  
12          the dwelling units are assisted under a  
13          housing assistance payment contract for  
14          project-based assistance pursuant to this  
15          paragraph.”;

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

18          “(F) *CONTRACT TERM.*—

19                  “(i) *TERM.*—A housing assistance pay-  
20                  ment contract pursuant to this paragraph  
21                  between a public housing agency and the  
22                  owner of a project may have a term of up  
23                  to 20 years, subject to—

24                          “(I) the availability of sufficient  
25                          appropriated funds for the purpose of

1           *renewing expiring contracts for assist-*  
2           *ance payments, as provided in appro-*  
3           *riation Acts and in the agency's an-*  
4           *nuual contributions contract with the*  
5           *Secretary, provided that in the event of*  
6           *insufficient appropriated funds, pay-*  
7           *ments due under contracts under this*  
8           *paragraph shall take priority if other*  
9           *cost-saving measures that do not re-*  
10          *quire the termination of an existing*  
11          *contract are available to the agency;*  
12          *and*

13                    “(II) *compliance with the inspec-*  
14                    *tion requirements under paragraph*  
15                    *(8), except that the agency shall not be*  
16                    *required to make biennial inspections*  
17                    *of each assisted unit in the develop-*  
18                    *ment.*

19                    “(i) *ADDITION OF ELIGIBLE UNITS.—*  
20                    *Subject to the limitations of subparagraphs*  
21                    *(B) and (D), the agency and the owner may*  
22                    *add eligible units within the same project to*  
23                    *a housing assistance payments contract at*  
24                    *any time during the term thereof without*

1           *being subject to any additional competitive*  
2           *selection procedures.*

3           “(iii) *HOUSING UNDER CONSTRUCTION*  
4           *OR RECENTLY CONSTRUCTED.*—*An agency*  
5           *may enter into a housing assistance pay-*  
6           *ments contract with an owner for any unit*  
7           *that does not qualify as existing housing*  
8           *and is under construction or recently has*  
9           *been constructed whether or not the agency*  
10           *has executed an agreement to enter into a*  
11           *contract with the owner, provided that the*  
12           *owner demonstrates compliance with appli-*  
13           *cable requirements prior to execution of the*  
14           *housing assistance payments contract. This*  
15           *clause shall not subject a housing assistance*  
16           *payments contract for existing housing*  
17           *under this paragraph to such requirements*  
18           *or otherwise limit the extent to which a unit*  
19           *may be assisted as existing housing.*

20           “(iv) *ADDITIONAL CONDITIONS.*—*The*  
21           *contract may specify additional conditions,*  
22           *including with respect to continuation, ter-*  
23           *mination, or expiration, and shall specify*  
24           *that upon termination or expiration of the*  
25           *contract without extension, each assisted*

1           *family may elect to use its assistance under*  
2           *this subsection to remain in the same*  
3           *project if its unit complies with the inspec-*  
4           *tion requirements under paragraph (8), the*  
5           *rent for the unit is reasonable as required*  
6           *by paragraph (10)(A), and the family pays*  
7           *its required share of the rent and the*  
8           *amount, if any, by which the unit rent (in-*  
9           *cluding the amount allowed for tenant-based*  
10          *utilities) exceeds the applicable payment*  
11          *standard.”;*

12           *(5) in subparagraph (G), by striking “15 years”*  
13          *and inserting “20 years”;*

14           *(6) by striking subparagraph (I) and inserting*  
15          *the following new subparagraph:*

16                   *“(I) RENT ADJUSTMENTS.—A housing as-*  
17                   *stance payments contract pursuant to this*  
18                   *paragraph entered into after the date of the en-*  
19                   *actment of the Housing Opportunity Through*  
20                   *Modernization Act of 2015 shall provide for an-*  
21                   *ual rent adjustments upon the request of the*  
22                   *owner, except that—*

23                           *“(i) by agreement of the parties, a con-*  
24                           *tract may allow a public housing agency to*  
25                           *adjust the rent for covered units using an*

1            *operating cost adjustment factor established*  
2            *by the Secretary pursuant to section 524(c)*  
3            *of the Multifamily Assisted Housing Reform*  
4            *and Affordability Act of 1997 (which shall*  
5            *not result in a negative adjustment), in*  
6            *which case the contract may require an ad-*  
7            *ditional adjustment, if requested, up to the*  
8            *reasonable rent periodically during the term*  
9            *of the contract, and shall require such an*  
10           *adjustment, if requested, upon extension*  
11           *pursuant to subparagraph (G);*

12           *“(ii) the adjusted rent shall not exceed*  
13           *the maximum rent permitted under sub-*  
14           *paragraph (H);*

15           *“(iii) the contract may provide that*  
16           *the maximum rent permitted for a dwelling*  
17           *unit shall not be less than the initial rent*  
18           *for the dwelling unit under the initial hous-*  
19           *ing assistance payments contract covering*  
20           *the units; and*

21           *“(iv) the provisions of subsection*  
22           *(c)(2)(C) shall not apply.”;*

23           *(7) in subparagraph (J)—*

24           *(A) in the first sentence—*

1                   (i) by striking “shall” and inserting  
2                   “may”; and

3                   (ii) by inserting before the period the  
4                   following: “or may permit owners to select  
5                   applicants from site-based waiting lists as  
6                   specified in this subparagraph”;

7                   (B) by striking the third sentence and in-  
8                   serting the following: “The agency or owner may  
9                   establish preferences or criteria for selection for  
10                  a unit assisted under this paragraph that are  
11                  consistent with the public housing agency plan  
12                  for the agency approved under section 5A and  
13                  that give preference to families who qualify for  
14                  voluntary services, including disability-specific  
15                  services, offered in conjunction with assisted  
16                  units.”; and

17                  (C) by striking the fifth and sixth sentences  
18                  and inserting the following: “A public housing  
19                  agency may establish and utilize procedures for  
20                  owner-maintained site-based waiting lists, under  
21                  which applicants may apply at, or otherwise  
22                  designate to the public housing agency, the  
23                  project or projects in which they seek to reside,  
24                  except that all eligible applicants on the waiting  
25                  list of an agency for assistance under this sub-

1           *section shall be permitted to place their names*  
2           *on such separate list, subject to policies and pro-*  
3           *cedures established by the Secretary. All such*  
4           *procedures shall comply with title VI of the Civil*  
5           *Rights Act of 1964, the Fair Housing Act, sec-*  
6           *tion 504 of the Rehabilitation Act of 1973, and*  
7           *other applicable civil rights laws. The owner or*  
8           *manager of a project assisted under this para-*  
9           *graph shall not admit any family to a dwelling*  
10          *unit assisted under a contract pursuant to this*  
11          *paragraph other than a family referred by the*  
12          *public housing agency from its waiting list, or*  
13          *a family on a site-based waiting list that com-*  
14          *plies with the requirements of this subparagraph.*  
15          *A public housing agency shall disclose to each*  
16          *applicant all other options in the selection of a*  
17          *project in which to reside that are provided by*  
18          *the public housing agency and are available to*  
19          *the applicant.”;*

20           *(8) in subparagraph (M)(ii), by inserting before*  
21          *the period at the end the following: “relating to fund-*  
22          *ing other than housing assistance payments”;* and

23           *(9) by adding at the end the following new sub-*  
24          *paragraphs:*

1           “(N) *STRUCTURE OWNED BY AGENCY.*—A  
2           *public housing agency engaged in an initiative*  
3           *to improve, develop, or replace a public housing*  
4           *property or site may attach assistance to an ex-*  
5           *isting, newly constructed, or rehabilitated struc-*  
6           *ture in which the agency has an ownership in-*  
7           *terest or which the agency has control of without*  
8           *following a competitive process, provided that the*  
9           *agency has notified the public of its intent*  
10          *through its public housing agency plan and sub-*  
11          *ject to the limitations and requirements of this*  
12          *paragraph.*

13           “(O) *SPECIAL PURPOSE VOUCHERS.*—A  
14          *public housing agency that administers vouchers*  
15          *authorized under subsection (o)(19) or (x) of this*  
16          *section may provide such assistance in accord-*  
17          *ance with the limitations and requirements of*  
18          *this paragraph, without additional requirements*  
19          *for approval by the Secretary.”.*

20          (b) *EFFECTIVE DATE.*—*The Secretary of Housing and*  
21          *Urban Development shall issue notice or regulations to im-*  
22          *plement subsection (a) of this section and such subsection*  
23          *shall take effect upon such issuance.*

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

2       (a) *IN GENERAL.*—Paragraph (1) of section 8(c) of the  
3 *United States Housing Act of 1937 (42 U.S.C. 1437f(c)(1))*  
4 *is amended—*

5           (1) *by inserting “(A)” after the paragraph des-*  
6 *ignation;*

7           (2) *by striking the fourth, seventh, eighth, and*  
8 *ninth sentences; and*

9           (3) *by adding at the end the following:*

10       “(B) *Fair market rentals for an area shall be pub-*  
11 *lished not less than annually by the Secretary on the site*  
12 *of the Department on the World Wide Web and in any other*  
13 *manner specified by the Secretary. Notice that such fair*  
14 *market rentals are being published shall be published in the*  
15 *Federal Register, and such fair market rentals shall become*  
16 *effective no earlier than 30 days after the date of such publi-*  
17 *cation. The Secretary shall establish a procedure for public*  
18 *housing agencies and other interested parties to comment*  
19 *on such fair market rentals and to request, within a time*  
20 *specified by the Secretary, reevaluation of the fair market*  
21 *rentals in a jurisdiction before such rentals become effective.*  
22 *The Secretary shall cause to be published for comment in*  
23 *the Federal Register notices of proposed material changes*  
24 *in the methodology for estimating fair market rentals and*  
25 *notices specifying the final decisions regarding such pro-*

1 *posed substantial methodological changes and responses to*  
2 *public comments.”.*

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

15       **(c) EFFECTIVE DATE.**—*The amendments made by this*  
16 *section shall take effect upon the date of the enactment of*  
17 *this Act.*

18 **SEC. 108. COLLECTION OF UTILITY DATA.**

19       *Section 8(o) of the United States Housing Act of 1937*  
20 *(42 U.S.C. 1437f(o)) is amended by adding at the end the*  
21 *following new paragraph:*

22               **“(20) COLLECTION OF UTILITY DATA.**—

23                       **“(A) PUBLICATION.**—*The Secretary shall, to*  
24 *the extent that data can be collected cost effec-*  
25 *tively, regularly publish such data regarding*

1           *utility consumption and costs in local areas as*  
2           *the Secretary determines will be useful for the es-*  
3           *tablishment of allowances for tenant-paid utili-*  
4           *ties for families assisted under this subsection.*

5           “(B) *USE OF DATA.*—*The Secretary shall*  
6           *provide such data in a manner that—*

7                   “(i) *avoids unnecessary administrative*  
8                   *burdens for public housing agencies and*  
9                   *owners; and*

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

14 **SEC. 109. PUBLIC HOUSING CAPITAL AND OPERATING**  
15 **FUNDS.**

16           (a) *CAPITAL FUND REPLACEMENT RESERVES.*—*Sec-*  
17 *tion 9 of the United States Housing Act of 1937 (42 U.S.C.*  
18 *1437g) is amended—*

19                   (1) *in subsection (j), by adding at the end the*  
20 *following new paragraph:*

21                   “(7) *TREATMENT OF REPLACEMENT RESERVE.*—  
22 *The requirements of this subsection shall not apply to*  
23 *funds held in replacement reserves established pursu-*  
24 *ant to subsection (n).”;* and

1           (2) *by adding at the end the following new sub-*  
2           *section:*

3           “(n) *ESTABLISHMENT OF REPLACEMENT RE-*  
4           *SERVES.—*

5           “(1) *IN GENERAL.—Public housing agencies shall*  
6           *be permitted to establish a replacement reserve to*  
7           *fund any of the capital activities listed in subsection*  
8           *(d)(1).*

9           “(2) *SOURCE AND AMOUNT OF FUNDS FOR RE-*  
10           *PLACEMENT RESERVE.—At any time, a public hous-*  
11           *ing agency may deposit funds from such agency’s*  
12           *Capital Fund into a replacement reserve, subject to*  
13           *the following:*

14           “(A) *At the discretion of the Secretary, pub-*  
15           *lic housing agencies may transfer and hold in a*  
16           *replacement reserve funds originating from addi-*  
17           *tional sources.*

18           “(B) *No minimum transfer of funds to a re-*  
19           *placement reserve shall be required.*

20           “(C) *At any time, a public housing agency*  
21           *may not hold in a replacement reserve more than*  
22           *the amount the public housing authority has de-*  
23           *termined necessary to satisfy the anticipated*  
24           *capital needs of properties in its portfolio as-*  
25           *sisted under this section, as outlined in its Cap-*

1            *ital Fund 5-Year Action Plan, or a comparable*  
2            *plan, as determined by the Secretary.*

3            *“(D) The Secretary may establish, by regu-*  
4            *lation, a maximum replacement reserve level or*  
5            *levels that are below amounts determined under*  
6            *subparagraph (C), which may be based upon the*  
7            *size of the portfolio assisted under this section or*  
8            *other factors.*

9            *“(3) TRANSFER OF OPERATING FUNDS.—In first*  
10           *establishing a replacement reserve, the Secretary may*  
11           *allow public housing agencies to transfer more than*  
12           *20 percent of its operating funds into its replacement*  
13           *reserve.*

14           *“(4) EXPENDITURE.—Funds in a replacement*  
15           *reserve may be used for purposes authorized by sub-*  
16           *section (d)(1) and contained in its Capital Fund 5-*  
17           *Year Action Plan.*

18           *“(5) MANAGEMENT AND REPORT.—The Secretary*  
19           *shall establish appropriate accounting and reporting*  
20           *requirements to ensure that public housing agencies*  
21           *are spending funds on eligible projects and that funds*  
22           *in the replacement reserve are connected to capital*  
23           *needs.”.*

1           (b) *FLEXIBILITY OF OPERATING FUND AMOUNTS.*—  
2 *Paragraph (1) of section 9(g) of the United States Housing*  
3 *Act of 1937 (42 U.S.C. 1437g(g)(1)) is amended—*

4           (1) *by striking “(1)” and all that follows through*  
5 *“—Of” and inserting the following:*

6           “(1) *FLEXIBILITY IN USE OF FUNDS.*—

7           “(A) *FLEXIBILITY FOR CAPITAL FUND*  
8 *AMOUNTS.—Of*”; *and*

9           (2) *by adding at the end the following new sub-*  
10 *paragraph:*

11           “(B) *FLEXIBILITY FOR OPERATING FUND*  
12 *AMOUNTS.—Of any amounts appropriated for*  
13 *fiscal year 2016 or any fiscal year thereafter*  
14 *that are allocated for fiscal year 2016 or any fis-*  
15 *cal year thereafter from the Operating Fund for*  
16 *any public housing agency, the agency may use*  
17 *not more than 20 percent for activities that are*  
18 *eligible under subsection (d) for assistance with*  
19 *amounts from the Capital Fund, but only if the*  
20 *public housing plan under section 5A for the*  
21 *agency provides for such use.”.*

22 **SEC. 110. FAMILY UNIFICATION PROGRAM FOR CHILDREN**  
23 **AGING OUT OF FOSTER CARE.**

24           Section 8(x) of the United States Housing Act of 1937  
25 (42 U.S.C. 1437f(x)) is amended—

1           (1) *in paragraph (2)(B)—*

2                   (A) *by striking “18 months” and inserting*  
3           *“36 months”;*

4                   (B) *by striking “21 years of age” and in-*  
5           *serting “24 years of age”; and*

6                   (C) *by inserting after “have left foster care”*  
7           *the following: “, or will leave foster care within*  
8           *90 days, in accordance with a transition plan*  
9           *described in section 475(5)(H) of the Social Se-*  
10           *curity Act, and is homeless or is at risk of be-*  
11           *coming homeless”;*

12           (2) *by redesignating paragraph (4) as para-*  
13           *graph (5); and*

14           (3) *by inserting after paragraph (3) the fol-*  
15           *lowing new paragraph:*

16                   “(4) *COORDINATION BETWEEN PUBLIC HOUSING*  
17           *AGENCIES AND PUBLIC CHILD WELFARE AGENCIES.—*

18           *The Secretary shall, not later than the expiration of*  
19           *the 180-day period beginning on the date of the enact-*  
20           *ment of the Housing Opportunity Through Mod-*  
21           *ernization Act of 2015 and after consultation with*  
22           *other appropriate Federal agencies, issue guidance to*  
23           *improve coordination between public housing agencies*  
24           *and public child welfare agencies in carrying out the*

1        *program under this subsection, which shall provide*  
2        *guidance on—*

3                *“(A) identifying eligible recipients for as-*  
4                *sistance under this subsection;*

5                *“(B) coordinating with other local youth*  
6                *and family providers in the community and*  
7                *participating in the Continuum of Care program*  
8                *established under subtitle C of title IV of the*  
9                *McKinney-Vento Homeless Assistance Act (42*  
10                *U.S.C. 11381 et seq.);*

11                *“(C) implementing housing strategies to as-*  
12                *sist eligible families and youth;*

13                *“(D) aligning system goals to improve out-*  
14                *comes for families and youth and reducing lapses*  
15                *in housing for families and youth; and*

16                *“(E) identifying resources that are available*  
17                *to eligible families and youth to provide sup-*  
18                *portive services available through parts B and E*  
19                *of title IV of the Social Security Act (42 U.S.C.*  
20                *621 et seq.; 670 et seq.) or that the head of house-*  
21                *hold of a family or youth may be entitled to re-*  
22                *ceive under section 477 of the Social Security*  
23                *Act (42 U.S.C. 677).”.*

1           **TITLE II—RURAL HOUSING**

2   **SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING**

3                   **LOAN APPROVAL.**

4           *Subsection (h) of section 502 of the Housing Act of*  
 5 *1949 (42 U.S.C. 1472(h)) is amended by adding at the end*  
 6 *the following new paragraph:*

7                   “(18) *DELEGATION OF APPROVAL.—The Sec-*  
 8 *retary may delegate, in part or in full, the Sec-*  
 9 *retary’s authority to approve and execute binding*  
 10 *Rural Housing Service loan guarantees pursuant to*  
 11 *this subsection to certain preferred lenders, in accord-*  
 12 *ance with standards established by the Secretary.”.*

13           **TITLE III—FHA MORTGAGE IN-**  
 14           **SURANCE FOR CONDOMIN-**  
 15           **IUMS**

16   **SEC. 301. MODIFICATION OF FHA REQUIREMENTS FOR**

17                   **MORTGAGE INSURANCE FOR CONDOMINIUMS.**

18           *Section 203 of the National Housing Act (12 U.S.C.*  
 19 *1709) is amended by adding at the end the following new*  
 20 *subsection:*

21                   “(y) *REQUIREMENTS FOR MORTGAGES FOR CON-*  
 22 *DOMINIUMS.—*

23                   “(1) *PROJECT RECERTIFICATION REQUIRE-*  
 24 *MENTS.—Notwithstanding any other law, regulation,*  
 25 *or guideline of the Secretary, including chapter 2.4 of*

1        *the Condominium Project Approval and Processing*  
2        *Guide of the FHA, the Secretary shall streamline the*  
3        *project certification requirements that are applicable*  
4        *to the insurance under this section for mortgages for*  
5        *condominium projects so that recertifications are sub-*  
6        *stantially less burdensome than certifications. The*  
7        *Secretary shall consider lengthening the time between*  
8        *certifications for approved properties, and allowing*  
9        *updating of information rather than resubmission.*

10            *“(2) COMMERCIAL SPACE REQUIREMENTS.—Not-*  
11            *withstanding any other law, regulation, or guideline*  
12            *of the Secretary, including chapter 2.1.3 of the Condo-*  
13            *minium Project Approval and Processing Guide of*  
14            *the FHA, in providing for exceptions to the require-*  
15            *ment for the insurance of a mortgage on a condo-*  
16            *minium property under this section regarding the*  
17            *percentage of the floor space of a condominium prop-*  
18            *erty that may be used for nonresidential or commer-*  
19            *cial purposes, the Secretary shall provide that—*

20                    *“(A) any request for such an exception and*  
21                    *the determination of the disposition of such re-*  
22                    *quest may be made, at the option of the re-*  
23                    *quester, under the direct endorsement lender re-*  
24                    *view and approval process or under the HUD re-*

1           *view and approval process through the applica-*  
2           *ble field office of the Department; and*

3           “(B) *in determining whether to allow such*  
4           *an exception for a condominium property, fac-*  
5           *tors relating to the economy for the locality in*  
6           *which such project is located or specific to*  
7           *project, including the total number of family*  
8           *units in the project, shall be considered.*

9           *Not later than the expiration of the 90-day period be-*  
10          *ginning on the date of the enactment of this para-*  
11          *graph, the Secretary shall issue regulations to imple-*  
12          *ment this paragraph, which shall include any stand-*  
13          *ards, training requirements, and remedies and pen-*  
14          *alties that the Secretary considers appropriate.*

15          “(3) *TRANSFER FEES.—Notwithstanding any*  
16          *other law, regulation, or guideline of the Secretary,*  
17          *including chapter 1.8.8 of the Condominium Project*  
18          *Approval and Processing Guide of the FHA and sec-*  
19          *tion 203.41 of the Secretary’s regulations (24 C.F.R.*  
20          *203.41), existing standards of the Federal Housing*  
21          *Finance Agency relating to encumbrances under pri-*  
22          *vate transfer fee covenants shall apply to the insur-*  
23          *ance of mortgages by the Secretary under this section*  
24          *to the same extent and in the same manner that such*  
25          *standards apply to the purchasing, investing in, and*

1        *otherwise dealing in mortgages by the Federal Na-*  
2        *tional Mortgage Association and the Federal Home*  
3        *Loan Mortgage Corporation. If the provisions of part*  
4        *1228 of the Director of the Federal Housing Finance*  
5        *Agency's regulations (12 C.F.R. part 1228) are*  
6        *amended or otherwise changed after the date of the en-*  
7        *actment of this paragraph, the Secretary of Housing*  
8        *and Urban Development shall adopt any such amend-*  
9        *ments or changes for purposes of this paragraph, un-*  
10       *less the Secretary causes to be published in the Fed-*  
11       *eral Register a notice explaining why the Secretary*  
12       *will disregard such amendments or changes within 90*  
13       *days after the effective date of such amendments or*  
14       *changes.*

15                *“(4) OWNER-OCCUPANCY REQUIREMENT.—*

16                        *“(A) ESTABLISHMENT OF PERCENTAGE RE-*  
17                        *QUIREMENT.—Not later than the expiration of*  
18                        *the 90-day period beginning on the date of the*  
19                        *enactment of this paragraph, the Secretary shall,*  
20                        *by rule, notice, or mortgagee letter, issue guid-*  
21                        *ance regarding the percentage of units that must*  
22                        *be occupied by the owners as a principal resi-*  
23                        *dence or a secondary residence (as such terms*  
24                        *are defined by the Secretary), or must have been*  
25                        *sold to owners who intend to meet such occu-*

1            *pancy requirements, including justifications for*  
2            *the percentage requirements, in order for a con-*  
3            *dominium project to be acceptable to the Sec-*  
4            *retary for insurance under this section of a*  
5            *mortgage within such condominium property.*

6            *“(B) FAILURE TO ACT.—If the Secretary*  
7            *fails to issue the guidance required under sub-*  
8            *paragraph (A) before the expiration of the 90-*  
9            *day period specified in such clause, the following*  
10           *provisions shall apply:*

11           *“(i) 35 PERCENT REQUIREMENT.—In*  
12           *order for a condominium project to be ac-*  
13           *ceptable to the Secretary for insurance*  
14           *under this section, at least 35 percent of all*  
15           *family units (including units not covered by*  
16           *FHA-insured mortgages) must be occupied*  
17           *by the owners as a principal residence or a*  
18           *secondary residence (as such terms are de-*  
19           *finied by the Secretary), or must have been*  
20           *sold to owners who intend to meet such oc-*  
21           *cupancy requirement.*

22           *“(ii) OTHER CONSIDERATIONS.—The*  
23           *Secretary may increase the percentage ap-*  
24           *plicable pursuant to clause (i) to a condo-*  
25           *minium project on a project-by-project or*

1           *regional basis, and in determining such*  
 2           *percentage for a project shall consider fac-*  
 3           *tors relating to the economy for the locality*  
 4           *in which such project is located or specific*  
 5           *to project, including the total number of*  
 6           *family units in the project.”.*

7   **TITLE IV—HOUSING REFORMS**  
 8       **FOR THE HOMELESS AND FOR**  
 9       **VETERANS**

10 **SEC. 401. DEFINITION OF GEOGRAPHIC AREA FOR CON-**  
 11       **TINUUM OF CARE PROGRAM.**

12       *(a) DEFINITION.—Subtitle C of the McKinney-Vento*  
 13       *Homeless Assistance Act is amended—*

14           *(1) by redesignating sections 432 and 433 (42*  
 15           *U.S.C. 11387, 11388) as sections 433 and 434, respec-*  
 16           *tively; and*

17           *(2) by inserting after section 431 (42 U.S.C.*  
 18           *11386e) the following new section:*

19   **“SEC. 432. GEOGRAPHIC AREAS.**

20       **“(a) REQUIREMENT TO DEFINE.—For purposes of this**  
 21       **subtitle, the term ‘geographic area’ shall have such meaning**  
 22       **as the Secretary shall by notice provide.**

23       **“(b) ISSUANCE OF NOTICE.—Not later than the expira-**  
 24       **tion of the 90-day period beginning on the date of the enact-**  
 25       **ment of the Housing Opportunity Through Modernization**

1 *Act of 2015, the Secretary shall issue a notice setting forth*  
 2 *the definition required by subsection (a).”.*

3 (b) *CLERICAL AMENDMENT.—The table of contents in*  
 4 *section 101(b) of the McKinney-Vento Homeless Assistance*  
 5 *Act (42 U.S.C. 11301 note) is amended by striking the items*  
 6 *relating to sections 432 and 433 and inserting the following*  
 7 *new items:*

“Sec. 432. *Geographic areas.*

“Sec. 433. *Regulations.*

“Sec. 434. *Reports to Congress.”.*

8 **SEC. 402. INCLUSION OF PUBLIC HOUSING AGENCIES AND**  
 9 **LOCAL REDEVELOPMENT AUTHORITIES IN**  
 10 **EMERGENCY SOLUTIONS GRANTS.**

11 *Section 414(c) of the McKinney-Vento Homeless Assist-*  
 12 *ance Act (42 U.S.C. 11373(c)) is amended—*

13 (1) *in the subsection heading, by inserting “,*  
 14 *PUBLIC HOUSING AGENCIES, AND LOCAL REDEVEL-*  
 15 *OPMENT AUTHORITIES” after “ORGANIZATIONS”; and*

16 (2) *in the first sentence, by inserting before the*  
 17 *period at the end the following: “, to public housing*  
 18 *agencies (as defined under section 3(b)(6) of the*  
 19 *United States Housing Act of 1937), or to local rede-*  
 20 *velopment authorities (as defined under State law)”.*

1 **SEC. 403. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN**  
2 **THE DEPARTMENT OF HOUSING AND URBAN**  
3 **DEVELOPMENT.**

4 (a) *TRANSFER OF POSITION TO OFFICE OF THE SEC-*  
5 *RETARY.*—Section 4 of the Department of Housing and  
6 *Urban Development Act (42 U.S.C. 3533) is amended by*  
7 *adding at the end the following new subsection:*

8 “(h) *SPECIAL ASSISTANT FOR VETERANS AFFAIRS.*—

9 “(1) *POSITION.*—*There shall be in the Office of*  
10 *the Secretary a Special Assistant for Veterans Affairs,*  
11 *who shall report directly to the Secretary.*

12 “(2) *APPOINTMENT.*—*The Special Assistant for*  
13 *Veterans Affairs shall be appointed based solely on*  
14 *merit and shall be covered under the provisions of*  
15 *title 5, United States Code, governing appointments*  
16 *in the competitive service.*

17 “(3) *RESPONSIBILITIES.*—*The Special Assistant*  
18 *for Veterans Affairs shall be responsible for—*

19 “(A) *ensuring veterans have fair access to*  
20 *housing and homeless assistance under each pro-*  
21 *gram of the Department providing either such*  
22 *assistance;*

23 “(B) *coordinating all programs and activi-*  
24 *ties of the Department relating to veterans;*

25 “(C) *servicing as a liaison for the Depart-*  
26 *ment with the Department of Veterans Affairs,*

1           *including establishing and maintaining relation-*  
2           *ships with the Secretary of Veterans Affairs;*

3           “(D) *serving as a liaison for the Depart-*  
4           *ment, and establishing and maintaining rela-*  
5           *tionships with the United States Interagency*  
6           *Council on Homelessness and officials of State,*  
7           *local, regional, and nongovernmental organiza-*  
8           *tions concerned with veterans;*

9           “(E) *providing information and advice re-*  
10          *garding—*

11           “(i) *sponsoring housing projects for*  
12           *veterans assisted under programs adminis-*  
13           *tered by the Department; or*

14           “(ii) *assisting veterans in obtaining*  
15           *housing or homeless assistance under pro-*  
16           *grams administered by the Department;*

17          “(F) *coordinating with the Secretary of*  
18          *Housing and Urban Development and the Sec-*  
19          *retary of Veterans Affairs in carrying out section*  
20          *404 of the Housing Opportunity Through Mod-*  
21          *ernization Act of 2015; and*

22          “(G) *carrying out such other duties as may*  
23          *be assigned to the Special Assistant by the Sec-*  
24          *retary or by law.”.*

1           **(b) TRANSFER OF POSITION IN OFFICE OF DEPUTY**  
2 *ASSISTANT SECRETARY FOR SPECIAL NEEDS.*—*On the date*  
3 *that the initial Special Assistant for Veterans Affairs is ap-*  
4 *pointed pursuant to section 4(h)(2) of the Department of*  
5 *Housing and Urban Development Act, as added by sub-*  
6 *section (a) of this section, the position of Special Assistant*  
7 *for Veterans Programs in the Office of the Deputy Assistant*  
8 *Secretary for Special Needs of the Department of Housing*  
9 *and Urban Development shall be terminated.*

10 **SEC. 404. ANNUAL SUPPLEMENTAL REPORT ON VETERANS**  
11 **HOMELESSNESS.**

12           **(a) IN GENERAL.**—*The Secretary of Housing and*  
13 *Urban Development and the Secretary of Veterans Affairs,*  
14 *in coordination with the United States Interagency Council*  
15 *on Homelessness, shall submit annually to the Committees*  
16 *of the Congress specified in subsection (b), together with the*  
17 *annual reports required by such Secretaries under section*  
18 *203(c)(1) of the McKinney-Vento Homeless Assistance Act*  
19 *(42 U.S.C. 11313(c)(1)), a supplemental report that in-*  
20 *cludes the following information with respect to the pre-*  
21 *ceding year:*

22                   **(1)** *The same information, for such preceding*  
23 *year, that was included with respect to 2010 in the*  
24 *report by the Secretary of Housing and Urban Devel-*  
25 *opment and the Secretary of Veterans Affairs entitled*

1       *“Veterans Homelessness: A Supplemental Report to*  
2       *the 2010 Annual Homeless Assessment Report to Con-*  
3       *gress”.*

4               (2) *Information regarding the activities of the*  
5       *Department of Housing and Urban Development re-*  
6       *lating to veterans during such preceding year, as fol-*  
7       *lows:*

8                       (A) *The number of veterans provided assist-*  
9       *ance under the housing choice voucher program*  
10       *for Veterans Affairs supported housing under sec-*  
11       *tion 8(o)(19) of the United States Housing Act*  
12       *of 1937 (42 U.S.C. 1437f(o)(19)), the socio-*  
13       *economic characteristics of such homeless vet-*  
14       *erans, and the number, types, and locations of*  
15       *entities contracted under such section to admin-*  
16       *ister the vouchers.*

17                      (B) *A summary description of the special*  
18       *considerations made for veterans under public*  
19       *housing agency plans submitted pursuant to sec-*  
20       *tion 5A of the United States Housing Act of*  
21       *1937 (42 U.S.C. 1437c-1) and under comprehen-*  
22       *sive housing affordability strategies submitted*  
23       *pursuant to section 105 of the Cranston-Gonzalez*  
24       *National Affordable Housing Act (42 U.S.C.*  
25       *12705).*

1           (C) *A description of the activities of the*  
2           *Special Assistant for Veterans Affairs of the De-*  
3           *partment of Housing and Urban Development.*

4           (D) *A description of the efforts of the De-*  
5           *partment of Housing and Urban Development*  
6           *and the other members of the United States*  
7           *Interagency Council on Homelessness to coordi-*  
8           *nate the delivery of housing and services to vet-*  
9           *erans.*

10          (E) *The cost to the Department of Housing*  
11          *and Urban Development of administering the*  
12          *programs and activities relating to veterans.*

13          (F) *Any other information that the Sec-*  
14          *retary of Housing and Urban Development and*  
15          *the Secretary of Veterans Affairs consider rel-*  
16          *evant in assessing the programs and activities of*  
17          *the Department of Housing and Urban Develop-*  
18          *ment relating to veterans.*

19          (b) *COMMITTEES.—The Committees of the Congress*  
20          *specified in this subsection are as follows:*

21               (1) *The Committee on Banking, Housing, and*  
22               *Urban Affairs of the Senate.*

23               (2) *The Committee on Veterans' Affairs of the*  
24               *Senate.*

1           (3) *The Committee on Appropriations of the*  
2     *Senate.*

3           (4) *The Committee on Financial Services of the*  
4     *House of Representatives.*

5           (5) *The Committee on Veterans' Affairs of the*  
6     *House of Representatives.*

7           (6) *The Committee on Appropriations of the*  
8     *House of Representatives.*

9           **TITLE V—MISCELLANEOUS**

10 **SEC. 501. INCLUSION OF DISASTER HOUSING ASSISTANCE**

11           **PROGRAM IN CERTAIN FRAUD AND ABUSE**

12           **PREVENTION MEASURES.**

13           *The Disaster Housing Assistance Program adminis-*  
14 *tered by the Department of Housing and Urban Develop-*  
15 *ment shall be considered a “program of the Department of*  
16 *Housing and Urban Development” under section 904 of the*  
17 *Stewart B. McKinney Homeless Assistance Amendments*  
18 *Act of 1988 (42 U.S.C. 3544) for the purpose of income*  
19 *verifications.*

20 **SEC. 502. ENERGY EFFICIENCY REQUIREMENTS UNDER**

21           **SELF-HELP HOMEOWNERSHIP OPPORTUNITY**

22           **PROGRAM.**

23           *Section 11 of the Housing Opportunity Program Ex-*  
24 *tension Act of 1996 (42 U.S.C. 12805 note) is amended by*  
25 *inserting after subsection (f) the following new subsection:*

1       “(g) *ENERGY EFFICIENCY REQUIREMENTS.*—The Sec-  
2       retary may not require any dwelling developed using  
3       amounts from a grant made under this section to meet any  
4       energy efficiency standards other than the standards appli-  
5       cable at such time pursuant to section 109 of the Cranston-  
6       Gonzalez National Affordable Housing Act (42 U.S.C.  
7       12709) to housing specified in subsection (a) of such sec-  
8       tion.”.

9       **SEC. 503. DATA EXCHANGE STANDARDIZATION FOR IM-**  
10       **PROVED INTEROPERABILITY.**

11       (a) *DATA EXCHANGE STANDARDIZATION.*—Title I of  
12       the United States Housing Act of 1937 (42 U.S.C. 1437  
13       et seq.) is amended by adding at the end the following new  
14       section:

15       **“SEC. 37. DATA EXCHANGE STANDARDS FOR IMPROVED**  
16       **INTEROPERABILITY.**

17       “(a) *DESIGNATION.*—The Secretary shall, in consulta-  
18       tion with an interagency work group established by the Of-  
19       fice of Management and Budget, and considering State gov-  
20       ernment perspectives, designate data exchange standards to  
21       govern, under this Act—

22               “(1) necessary categories of information that  
23       State agencies operating related programs are re-  
24       quired under applicable law to electronically exchange  
25       with another State agency; and

1           “(2) *Federal reporting and data exchange re-*  
2           *quired under applicable law.*

3           “(b) *REQUIREMENTS.—The data exchange standards*  
4           *required by subsection (a) shall, to the maximum extent*  
5           *practicable—*

6           “*(1) incorporate a widely accepted, nonpropri-*  
7           *etary, searchable, computer-readable format, such as*  
8           *the eXtensible Markup Language;*

9           “*(2) contain interoperable standards developed*  
10           *and maintained by intergovernmental partnerships,*  
11           *such as the National Information Exchange Model;*

12           “*(3) incorporate interoperable standards devel-*  
13           *oped and maintained by Federal entities with author-*  
14           *ity over contracting and financial assistance;*

15           “*(4) be consistent with and implement applica-*  
16           *ble accounting principles;*

17           “*(5) be implemented in a manner that is cost-*  
18           *effective and improves program efficiency and effec-*  
19           *tiveness; and*

20           “*(6) be capable of being continually upgraded as*  
21           *necessary.*

22           “(c) *RULES OF CONSTRUCTION.—Nothing in this sec-*  
23           *tion requires a change to existing data exchange standards*  
24           *for Federal reporting found to be effective and efficient.”.*

25           “(b) *APPLICABILITY.—*

1           (1) *IN GENERAL.*—Not later than 2 years after  
2           the date of the enactment of this Act, the Secretary of  
3           Housing and Urban Development shall issue a pro-  
4           posed rule to carry out the amendments made by sub-  
5           section (a).

6           (2) *REQUIREMENTS.*—The rule shall—

7                   (A) identify federally required data ex-  
8                   changes;

9                   (B) include specification and timing of ex-  
10                  changes to be standardized;

11                  (C) address the factors used in determining  
12                  whether and when to standardize data exchanges;

13                  (D) specify State implementation options;  
14                  and

15                  (E) describe future milestones.



Union Calendar No. 300

114<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

**H. R. 3700**

[Report No. 114-397]

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## **A BILL**

To provide housing opportunities in the United States through modernization of various housing programs, and for other purposes.

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JANUARY 28, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed