#### 117TH CONGRESS 1ST SESSION

# S. 2672

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, and for other purposes.

#### IN THE SENATE OF THE UNITED STATES

August 7, 2021

Mr. Menendez (for himself and Mr. Van Hollen) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

# A BILL

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, 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,

# 1 SECTION 1. SHORT TITLE.

2	This Act may be cited as the "Choice Neighborhoods
3	Initiative Act of 2021".
4	SEC. 2. DEFINITIONS.
5	In this Act:
6	(1) Affordable Housing.—The term "afford-
7	able housing" includes—
8	(A) public housing assisted under section 9
9	of the United States Housing Act of 1937 (42
10	U.S.C. 1437g);
11	(B) assisted housing;
12	(C) housing assisted under an affordable
13	housing program administered by the Secretary
14	of Agriculture through Rural Housing Service;
15	(D) rental housing that utilizes tax credits
16	under section 42 of the Internal Revenue Code
17	of 1986;
18	(E) affordable rental housing owned, devel-
19	oped, or assisted through a State or local gov-
20	ernment or State housing finance agency, in-
21	cluding State-assisted public housing, which is
22	subject to a long-term affordability restriction
23	requiring occupancy by low-income households;
24	and
25	(F) private housing for low- and moderate-
26	income households and for which the Secretary

1	requires the owner or purchaser of the project
2	to maintain affordability for not less than 20
3	years in accordance with use restrictions under
4	regulations issued by the Secretary, which re-
5	strictions shall be—
6	(i) contained in a legally enforceable
7	document recorded in the appropriate
8	records; and
9	(ii) consistent with the long-term via-
10	bility of the project as rental or homeown-
11	ership housing.
12	(2) Applicant.—The term "applicant" means
13	an eligible entity under section 4(a) that submits an
14	application for a grant under this Act pursuant to
15	section 7.
16	(3) Assisted Housing.—The term "assisted
17	housing" means rental housing assisted under—
18	(A) section 8 of the United States Housing
19	Act of 1937 (42 U.S.C. 1437f);
20	(B) section 221(d)(3) or 236 of the Na-
21	tional Housing Act (12 U.S.C. 1715l, 1715z-
22	1);
23	(C) section 202 of the Housing Act of
24	1959 (12 U.S.C. 1701a); or

1	(D) section 811 of Cranston-Gonzalez Na-
2	tional Affordable Housing Act (42 U.S.C.
3	8013).
4	(4) Community Development Corpora-
5	TION.—The term "community development corpora-
6	tion" has the meaning given the term in section
7	204(b) of the Departments of Veterans Affairs and
8	Housing and Urban Development, and Independent
9	Agencies Appropriations Act, 1997 (12 U.S.C.
10	1715z–11a(b)).
11	(5) Critical community improvements.—
12	The term "critical community improvements"
13	means—
14	(A) development or improvement of com-
15	munity facilities to promote upward mobility,
16	self-sufficiency, or improved quality of life for
17	residents of the neighborhood, such as construc-
18	tion or rehabilitation of parks and community
19	gardens, environmental improvements, or site
20	remediation at affected sites; or
21	(B) activities to promote economic develop-
22	ment, such as development or improvement of
23	transit, retail, community financial institutions,
24	public services, facilities, assets, or other com-
25	munity resources.

1	(6) Elementary school; secondary
2	SCHOOL.—The terms "elementary school" and "sec-
3	ondary school" have the meanings given those terms
4	in section 9101 of the Elementary and Secondary
5	Education Act of 1965 (20 U.S.C. 7801).
6	(7) Extreme Poverty.—The term "extreme
7	poverty" means, with respect to a neighborhood,
8	that the neighborhood—
9	(A) has a high percentage of residents who
10	are—
11	(i) estimated to be in poverty; or
12	(ii) have extremely low incomes based
13	on the most recent data collected by the
14	Bureau of the Census; and
15	(B) is experiencing distress related to—
16	(i) per capita crime rates over 3 or
17	more years that are significantly higher
18	than the per capita crime rates of the city
19	or county in which the neighborhood is lo-
20	cated;
21	(ii) high rates of vacant, abandoned,
22	or substandard homes relative to the city
23	or county as a whole;
24	(iii) a low-performing public school; or

1	(iv) other such factors as determined
2	by the Secretary that further the purposes
3	of this Act.
4	(8) Families; public housing; public hous-
5	ING AGENCY.—The terms "families", "public hous-
6	ing", and "public housing agency" have the mean-
7	ings given those terms in section 3(b) of the United
8	States Housing Act of 1937 (42 U.S.C. 1437a(b)).
9	(9) Grantee.—The term "grantee" means an
10	eligible entity under section 4 that is awarded a
11	grant under this Act, pursuant to selection under
12	section 7.
13	(10) Institution of higher education.—
14	The term "institution of higher education" has the
15	meaning given the term in section 102 of the Higher
16	Education Act of 1965 (20 U.S.C. 1002).
17	(11) Local government.—The term "local
18	government" has the meaning given the term "unit
19	of general local government" in section 102(a)(1) of
20	the Housing and Community Development Act of
21	1974 (42 U.S.C. 5302(a)(1)).
22	(12) Long-term viability.—The term "long-
23	term viability" means, with respect to a neighbor-
24	hood, that the neighborhood is sustainable on an

economic, education, and environmental basis.

1	(13) Neighborhood.—The term "neighbor-
2	hood" means an area that—
3	(A) has distinguishing characteristics;
4	(B) represents the geographical distribu-
5	tion of targeted populations; and
6	(C) is not exclusive of areas that are inte-
7	grally related to the composition of the commu-
8	nity.
9	(14) Secretary.—The term "Secretary"
10	means the Secretary of Housing and Urban Develop-
11	ment.
12	(15) SEVERELY DISTRESSED HOUSING.—The
13	term "severely distressed housing" means a public
14	or assisted housing project (or building in a project)
15	that—
16	(A)(i) has been certified, by an engineer or
17	architect licensed by a State licensing board, as
18	meeting criteria for physical distress that indi-
19	cate that the project requires major redesign,
20	reconstruction, or redevelopment, or partial or
21	total demolition, to correct serious deficiencies
22	in the original design (including inappropriately
23	high-population density), deferred maintenance,
24	physical deterioration or obsolescence of major

1	systems, and other deficiencies in the physical
2	plant of the project; and
3	(ii) is a significant contributing factor to
4	the physical decline of and disinvestment by
5	public and private entities in the surrounding
6	neighborhood, as documented by evidence of
7	non-physical distress, such as extreme poverty,
8	including census data and past surveys of
9	neighborhood stability conducted by an appli-
10	cant or co-applicant or their qualified designees
11	or
12	(B) was a project described in subpara-
13	graph (A) that has been legally vacated or de-
14	molished, but for which the Secretary has not
15	yet provided replacement housing assistance
16	other than tenant-based assistance.
17	(16) Significant.—The term "significant"
18	means, with respect to an amendment or change to
19	a transformation plan, that the amendment or
20	change—
21	(A) changes the use of 20 percent or more
22	of the total amount of the grant provided under
23	this Act from use for 1 activity to use for an-

other;

1	(B) eliminates an activity that is a re-
2	quired activity that, notwithstanding the
3	change, would otherwise be carried out under
4	the plan; or
5	(C) significantly changes the scope, loca-
6	tion, or beneficiaries of the project carried out
7	under the plan.
8	(17) Supportive services.—The term "sup-
9	portive services" includes all activities that will pro-
10	mote upward mobility, self-sufficiency, or improved
11	quality of life, including—
12	(A) such activities as literacy training, re-
13	medial and continuing education, job training,
14	financial literacy instruction, daycare, youth
15	services, aging-in-place, physical and mental
16	health services, and other programs for which
17	such residents demonstrate need;
18	(B) case management and service coordi-
19	nation services, including providing coordinators
20	for the Family Self-Sufficiency program under
21	section 23 of the United States Housing Act of
22	1937 (42 U.S.C. 1437u) and the Resident Op-
23	portunity and Supportive Services program
24	under section 34 of such Act (42 U.S.C.

1437z-6); and

1 (C) technical assistance to enable residents 2 to access programs from other key agencies and 3 local service providers in order to help residents 4 be stably housed, improve outcomes for chil-5 dren, and enhance adults' capacity for self-suf-6 ficiency and economic security, and services for 7 the elderly and persons with disabilities to 8 maintain independence.

#### 9 SEC. 3. GRANT AUTHORITY.

The Secretary may make competitive grants to eligilipide entities that submit transformation plans for eligible neighborhoods that will further the purposes of this Act in eligible neighborhoods.

#### 14 SEC. 4. ELIGIBLE ENTITIES.

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### (a) Primary Applicants.—

- (1) IN GENERAL.—A grant under this Act may be made only to a local government, a public housing agency, or a nonprofit entity that owns a major housing project that is proposed to be assisted under a grant under this Act, either as a sole applicant or as a co-applicant with another local government or public housing agency or with an entity specified in subsection (b).
- 24 (2) Nonprofit entity 25 may be a sole applicant under paragraph (1) only if

- the application has the support of a local government.
- 3 (b) Co-Applicants.—

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- (1) COMMUNITY DEVELOPMENT CORPORA-TIONS.—A community development corporation may, at the request of an entity specified in subsection (a), be a co-applicant for a grant under this Act.
  - (2) For-Profit entity that owns a major housing project that is proposed to be assisted under a grant under this Act made in fiscal year 2022 or thereafter and that has an established presence in the community may be a co-applicant for a grant under this Act.
- (3) Required co-applicants.—A grant under this Act may not be made for an application that will involve transformation of a major public housing project unless the public housing agency having jurisdiction with respect to the project is the sole applicant or a co-applicant for the application.
- 20 (c) Partners.—Nothing in this section may be con-21 strued to limit the ability of an applicant to partner with 22 any entity in carrying out activities with a grant under 23 this Act.

# 1 SEC. 5. ELIGIBLE NEIGHBORHOODS.

2	A grant under this Act may be made only for activi-
3	ties to be conducted in neighborhoods that have—
4	(1) a concentration of extreme poverty; and
5	(2) housing that is severely distressed housing.
6	SEC. 6. AUTHORIZED ACTIVITIES.
7	(a) In General.—Amounts from a grant under this
8	Act may be used only for transformational programs and
9	activities in accordance with a transformation plan ap-
10	proved under section 7 that will further the purposes of
11	this Act.
12	(b) Required Activities.—Each transformation
13	plan submitted pursuant to section 7 and implemented by
14	a grantee under this Act shall include the following activi-
15	ties:
16	(1) The transformation of housing through re-
17	habilitation, preservation, or demolition and replace-
18	ment of severely distressed housing projects, expan-
19	sion of affordable housing opportunities, or any com-
20	bination thereof, which may incorporate energy-effi-
21	cient design principles.
22	(2) The one-for-one replacement of any public
23	and assisted housing units demolished or disposed of

in accordance with the requirements under section 9.

- 1 (3) Activities that promote economic self-suffi-2 ciency of residents of the revitalized housing and of 3 the surrounding neighborhood.
  - (4) Activities that preserve affordable housing in the neighborhood and other activities necessary to ensure that existing public and assisted housing residents have access to the benefits of the neighborhood transformation.
  - (5) Activities that demonstrate that each resident of housing assisted by the grant who is displaced by the transformation plan and who wishes to return to the revitalized on-site housing in the neighborhood or to replacement housing outside of the neighborhood, can return, and shall be provided a preference in accordance with the program requirements under section 8.
  - (6) Activities that meet the program requirements for replacement of housing units under section 9.
  - (7) Activities that meet the fair housing program requirements under section 10(a) and the accessibility requirements under section 10(b).
  - (8) Appropriate service coordination and supportive services.

- 1 (9) Resident involvement, as described in sec-2 tion 8, in planning and implementation of the trans-3 formation plan, including reasonable steps to help 4 ensure meaningful participation for residents who, 5 as a result of their national origin, are limited in 6 their English language proficiency.
  - (10) Monitoring, under section 8(g), of residents relocated during redevelopment throughout the term of the grant or until full occupancy of replacement housing, whichever is completed later.
- 11 (11) Relocation assistance, including tenant12 based rental assistance renewable under section 8 of
  13 the United States Housing Act of 1937 (42 U.S.C.
  14 1437f), mobility or relocation counseling over mul15 tiple years, reasonable moving costs, and security de16 posits.
- 17 (12) Establishment of links to local education 18 efforts, as described in subsection (c)(3).
- 19 (13) Activities to comply with section 3 of the 20 Housing and Urban Development Act of 1968 (12 21 U.S.C. 1701u).
- 22 (c) ELIGIBLE ACTIVITIES.—Amounts from a grant 23 under this Act may be used for the following activities:
- 24 (1) Construction, acquisition, or rehabilitation 25 of affordable housing, which may include energy effi-

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- ciency improvements and sustainable design features
   for that housing.
  - (2) Acquisition or disposition of residential properties, including properties subject to a mortgage previously insured, and foreclosed upon, by the Federal Housing Administration, and demolition.
  - (3) Outreach to local educators, and engaging in local community planning, to help increase access to educational opportunities, a continuum of effective community services, and strong family supports, and to improve the educational and life outcomes that have a significant benefit to residents of housing assisted under this Act, including children and youth and, as appropriate, for adult residents, including the elderly or persons with disabilities.
  - (4) Providing supportive services that have a significant benefit to residents of housing assisted under this Act, primarily focused on services described in subparagraphs (B) and (C) of section 2(17).
  - (5) Rehabilitation and physical improvement of community facilities that are primarily intended to facilitate the delivery of community and supportive services that have a significant benefit to residents

- of housing assisted by the grant and residents of offsite replacement housing.
  - (6) Work incentives designed to help low-income residents assisted by the housing under this Act access jobs and move toward self-sufficiency.
    - (7) Partnering with employers and for-profit and nonprofit organizations to create jobs and job training opportunities that have a significant benefit to residents of housing assisted under this Act.
  - (8) Activities that promote sustainable housing by incorporating principles of sustainable design and development, including energy efficiency.
  - (9) Critical community improvements undertaken at sites that are adjacent to, or in the immediate vicinity of, housing assisted under this Act.
  - (10) Loss reserves to protect residents of housing assisted by the grant and continue the project in the case of default, foreclosure, or any other adverse financial event.
- 20 (d) ADDITIONAL PLAN.—The Secretary shall require 21 any grantee under this Act that will provide benefits under 22 paragraph (3), (4), (5), or (7) of subsection (c) to any 23 residents who are not living in housing assisted with a 24 grant under this Act to submit to the Secretary a plan
- 25 identifying how such services will be provided.

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- 1 (e) ELIGIBLE METHODS OF SUPPORT.—Activities 2 carried out with amounts from a grant under this Act may
- 3 be carried out through—
- 4 (1) endowments or revolving loan funds; or
- 5 (2) land assembly, land banking, and other ac-6 tivities, except that no amounts made available for 7 use under this Act may be used to acquire any prop-8 erty by means of the exercise of the power of emi-9 nent domain.

## 10 (f) Funding Limitations.—

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- (1) SCHOOL BUILDINGS.—No amounts from grant under this Act may be used for construction or rehabilitation of an elementary school or secondary school or an institution of higher education, except that such amounts may be used to construct common infrastructure that is shared by such a school or institution and by housing assisted under this Act, or community facilities authorized under subsection (c)(5), but only if costs are shared on a pro rata basis and the grantee certifies, and the Secretary determines, that such use of funds will not promote or further segregation.
- (2) Non-housing activities and supportive services.—For each grant under this Act, the

1	grantee shall comply with each of the following re-
2	quirements:
3	(A) Of the amount of the grant, not more
4	than 25 percent may be used for eligible activi-
5	ties under paragraphs (3) through (9) of sub-
6	section (e).
7	(B) Of the amount of the grant, not more
8	than 5 percent may be used for eligible activi-
9	ties under paragraphs (8) and (9) of subsection
10	(e).
11	(3) Consultation.—With respect to activities
12	assisted pursuant to paragraph (2), the Secretary
13	shall consult with the Secretary of Labor, the Sec-
14	retary of Health and Human Services, the Secretary
15	of Energy, the Secretary of Transportation, the Sec-
16	retary of Education, and the Attorney General in
17	identifying funding resources that may be provided
18	to supplement amounts from grants under this Act.
19	SEC. 7. SUBMISSION AND SELECTION OF TRANS-
20	FORMATION PLANS.
21	(a) Transformation Plan Requirements.—To
22	be eligible for a grant under this Act, an eligible entity
23	shall submit to the Secretary, at such time in accordance
24	with procedures as the Secretary shall prescribe, an appli-
25	cation in the form of a transformation plan that—

- (1) demonstrates how the transformation plan will achieve the desired priority outcomes of transforming a distressed neighborhood of extreme poverty into a mixed-income neighborhood with high quality, safe, and affordable housing (including the one-for-one replacement of any public or assisted housing units demolished or disposed of under the transformation plan), economic opportunities, well-functioning services, public assets, access to jobs, public transportation, and effective education programs and public schools, including charter schools and other autonomous public schools;
  - (2) demonstrates how the required activities under section 6(b) will be carried out, including a detailed description of the housing transformation activities under paragraphs (1) and (2) of such section;
  - (3) describes the other eligible activities under section 6(c) that will be carried out in support of the housing transformation;
  - (4) defines desired outcomes of the strategy, how residents of housing assisted under this Act will benefit, describes the challenges they face, and the evidence base that informs the proposed strategies

- that will result in the desired outcomes for the community and residents;
- 3 (5) includes a long-term affordability plan, developed in collaboration with residents of the public 5 and assisted housing assisted under this Act, that 6 describes how the grantee will maintain affordable 7 housing in the neighborhood over the next 50 years 8 or longer, including affordability provisions relating 9 to dwelling units provided using assistance under the 10 grant under this Act, and an agreement by the ap-11 plicant to update the plan every 5 years during such 12 period; and
  - (6) includes such other information as the Secretary shall, by regulation, prescribe.
- 15 (b) SELECTION CRITERIA.—The Secretary shall es-16 tablish criteria for the award of grants under this Act, 17 with the greatest consideration given to applicant and 18 neighborhood need as identified in section 5, and which 19 shall include the extent to which the transformation 20 plan—
- 21 (1) demonstrates the ability of the plan to fur-22 ther the purposes of this Act;
- 23 (2) demonstrates inclusive local planning with 24 input from local governments, housing owners and 25 providers, educators, residents of housing assisted

- under this Act, local community organizations, public schools, early learning in programs, health service organizations, and community stakeholders in the development and implementation of a sustainable revitalization program;
  - (3) includes efforts to coordinate multiple funding resources, including public, private, and philanthropic funding, and emphasizes collaboration between local governments, early learning programs and public schools, or a public housing agency, or all 3;
  - (4) includes current data showing that the neighborhood targeted for revitalization is in need of and can benefit from the authorized activities described in section 6 and proposed in the transformation plan;
  - (5) demonstrates the capability and record of the applicant and the partners of the applicant for managing housing redevelopment or modernization projects, successfully working with public and assisted housing residents during the planning and redesign process, and meeting performance benchmarks;
  - (6) demonstrates that sustainable building and energy efficient design principles are incorporated or

- will be incorporated in the activities conducted pursuant to the plan;
  - (7) demonstrates that the applicant has plans to have, within a reasonable time, improved access to public transportation in the neighborhood that provides access to economic opportunities and commercial and public services;
    - (8) demonstrates that the residents of revitalized housing developments will have, to the extent possible, improved access to high-quality educational opportunities, including early learning and effective elementary and secondary public schools, in or outside of the neighborhood;
    - (9) demonstrates that the transformation plan includes the provision of appropriate supportive services and activities that promote economic self-sufficiency of residents of housing assisted under the grant, and a plan to sustain those services;
    - (10) demonstrates that the transformation plan provides support for residents displaced as a result of the revitalization of the project, including assistance in obtaining housing in areas with low concentrations of poverty in a manner that does not increase racial segregation;

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- (11) demonstrates that sufficient housing opportunities are available in the neighborhood to be revitalized and in low-poverty areas to accommodate displaced residents, in a manner that does not increase racial segregation;
  - (12) includes a well-documented assessment of the number of households with special needs for ongoing supportive services residing in the public or assisted housing properties that are the target of the grant and an effective plan to address those needs;
  - (13) demonstrates the compliance with the requirements of section 9, regarding one-for-one replacement of public and assisted housing units;
  - (14) demonstrates how the applicant will use indicators of housing redevelopment, neighborhood quality, resident well-being, and other outcomes to measure success, manage program implementation, and engage stakeholders, consistent with requirements established by the Secretary;
  - (15) demonstrates, if feasible, phased redevelopment that provides for demolition and construction of dwelling units in phases, to limit disruptions to residents;
- 24 (16) demonstrates that the neighborhood will 25 improve its long-term viability through the revitaliza-

1	tion of severely distressed housing, improved access
2	to economic opportunities, improved investment and
3	leveraging in well-functioning services, and improved
4	education programs, public assets, public transpor-
5	tation and access to jobs; and
6	(17) demonstrates compliance with any other
7	factors and priorities that further the purposes of
8	this Act, as the Secretary may, by regulation, pre-
9	scribe.
10	SEC. 8. RIGHT OF RESIDENTS TO RETURN; RELOCATION.
11	(a) Determination of Resident Pref-
12	ERENCES.—An applicant shall, not later than 30 days be-
13	fore submitting an application to the Secretary for a grant
14	under this Act—
15	(1) hold a community meeting and provide in-
16	formation to all residents who occupy a dwelling unit
17	in public housing or assisted housing subject to the
18	transformation plan of—
19	(A) the intent of the applicant to submit
20	an application for a grant under this Act;
21	(B) their right to return and relocation
22	housing options; and
23	(C) all planned replacement housing units;
24	and

25 1 (2) solicit from each resident information re-2 garding the desire of the resident to return to the 3 replacement housing units constructed upon the 4 original public or assisted housing location, interest 5 in moving to other neighborhoods or communities, or 6 interest in retaining a voucher for rental assistance. 7 (b) Resident Involvement.— 8 (1) In General.—Each transformation plan 9 assisted under this Act shall provide opportunities 10

- (1) In General.—Each transformation plan assisted under this Act shall provide opportunities for the active involvement and participation of, and consultation with, residents of the public and assisted housing that is subject to the transformation plan during the planning process for the transformation plan, including prior to submission of the application, and during all phases of the planning and implementation, which opportunities—
  - (A) may include participation of members of any resident council or tenant organization, but may not be limited to those members; and

# (B) shall include—

(i) all segments of the population of residents of the public and assisted housing that is subject to the revitalization plan, including single parent-headed households, the elderly, young employed and un-

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1	employed adults, teenage youth, and dis-
2	abled persons; and
3	(ii) a process that provides oppor-
4	tunity for comment on specific proposals
5	for redevelopment, any demolition and dis-
6	position involved, and any proposed signifi-
7	cant amendments or changes to the trans-
8	formation plan.
9	(2) Public Meeting.—The Secretary may not
10	make a grant under this Act to an applicant unless
11	the applicant has convened and conducted a public
12	meeting regarding the transformation plan, includ-
13	ing the one-for-one replacement to occur under the
14	plan, not later than 30 days before submission of the
15	application for the grant under this section for the
16	plan, at a time and location that is convenient for
17	residents of the public and assisted housing subject
18	to the plan.
19	(3) Significant amendments or changes
20	TO PLAN.—An applicant may not carry out any sig-
21	nificant amendment or change to a transformation
22	plan unless—
23	(A) the applicant has convened and con-
24	ducted a public meeting regarding the signifi-

cant amendment or change at a time and loca-

tion that is convenient for residents of the public and assisted housing subject to the plan and
has provided each household occupying a dwelling unit in the public and assisted housing with
written notice of the meeting not less than 10
days before such meeting;

- (B) after the meeting held under subparagraph (A), the applicant consults with the households occupying dwelling units in the public and assisted housing that are subject to, or to be subject to the plan, and the agency submits a report to the Secretary describing the results of the consultation; and
- 14 (C) the Secretary approves the significant 15 amendment or change.
- 16 (c) RIGHT TO RETURN.—The Secretary may not ap17 prove a transformation plan under this Act unless the plan
  18 provides that each resident of public or assisted housing
  19 displaced by activities under the transformation plan who
  20 wishes to return to the on-site or off-site replacement
  21 housing provided under the plan may return if the resi22 dent—
- 23 (1) was in compliance with the lease at the time 24 of departure from the housing subject to rehabilita-25 tion or demolition; and

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- 1 (2) would be eligible, as of the time of the re-
- 2 turn, for occupancy under the eligibility, screening,
- and occupancy standards, policies, or practices appli-
- 4 cable to the housing from which the resident was
- 5 displaced, as in effect at the time of displacement.
- 6 (d) Relocation, Notice, Application for
- 7 Vouchers, and Data.—All relocation activities resulting
- 8 from, or that will result from, demolition, disposition, or
- 9 both demolition and disposition, to be carried out under
- 10 a transformation plan relating to a grant under this Act
- 11 shall be subject to the following requirements:
- 12 (1) Uniform relocation and real prop-
- 13 ERTY ACQUISITION ACT.—The Uniform Relocation
- and Real Property Acquisition Policies Act of 1970
- 15 (42 U.S.C. 4601 et seq.) shall apply. To the extent
- the provisions of this subsection and such Act con-
- 17 flict, the provisions that provide greater protection
- to residents displaced by the demolition, disposition,
- or demolition and disposition, shall apply.
- 20 (2) Relocation plan.—The applicant shall
- submit to the Secretary, together with the applica-
- 22 tion for a grant under this Act, a relocation plan
- providing for the relocation of residents occupying
- the public or assisted housing for which the demoli-
- 25 tion or disposition is proposed, which shall include—

1	(A) a statement of the estimated number
2	of vouchers for rental assistance under section
3	8 that will be needed for such relocation;
4	(B) identification of the location of the re-
5	placement dwelling units that will be made
6	available for permanent occupancy; and
7	(C) a statement of whether any temporary,
8	off-site relocation of any residents is necessary
9	and a description of the plans for such reloca-
10	tion.
11	(3) Notice upon approval of applica-
12	TION.—Within a reasonable time after notice to the
13	applicant of the approval of an application for a
14	grant under this section, the applicant shall provide
15	notice in writing, in plain and non-technical lan-
16	guage, to the residents of the public and assisted
17	housing subject to the approved transformation plan
18	that—
19	(A) states that the application and trans-
20	formation plan has been approved;
21	(B) describes the process involved to relo-
22	cate the residents, including a statement that
23	the residents may not be relocated until the
24	conditions set forth in section 10 have been
25	met;

1	(C) provides information regarding reloca-
2	tion options; and
3	(D) advises residents of the availability of
4	relocation counseling as required in paragraph
5	(7).
6	(4) Notice before relocation.—Except in
7	cases of a substantial and imminent threat to health
8	or safety, not later than 90 days before the date on
9	which residents will be relocated, the grantee shall
10	provide notice in writing, in plain and non-technical
11	language, to each family residing in a public or as-
12	sisted housing project that is subject to an approved
13	transformation plan, and in accordance with such
14	guidelines as the Secretary may issue governing such
15	notifications, that—
16	(A) the public or assisted housing project
17	will be demolished or disposed of;
18	(B) the demolition of the building in which
19	the family resides will not commence until each
20	resident of the building is relocated; and
21	(C) if temporary, off-site relocation is nec-
22	essary, each family displaced by the action shall
23	be offered comparable housing—
24	(i) that meets housing quality stand-
25	ards;

1	(ii) that is located in an area that is
2	generally not less desirable than the loca-
3	tion of the housing of the displaced family,
4	which shall include not less than 1 unit lo-
5	cated in an area of low poverty or 1 unit
6	located within the neighborhood of the
7	original public or assisted housing site;
8	(iii) that is identified and available to
9	the family; and
10	(iv) which shall include—
11	(I) tenant-based assistance, ex-
12	cept that the requirement under this
13	subparagraph regarding offering of
14	comparable housing shall be fulfilled
15	by use of tenant-based assistance only
16	upon the relocation of the family into
17	such housing;
18	(II) project-based assistance;
19	(III) occupancy in a unit oper-
20	ated or assisted by the public housing
21	agency or the owner of the assisted
22	project demolished or disposed of
23	under this section, at a rental rate
24	paid by the family that is comparable
25	to the rental rate applicable to the

1	unit from which the family is relo-
2	cated; or
3	(IV) other comparable housing.
4	(5) Search Period.—
5	(A) In General.—Notwithstanding any
6	other provision of law, in the case of a house-
7	hold that is provided tenant-based assistance
8	for relocation of the household under this sec-
9	tion, the period during which the household
10	may lease a dwelling unit using that assistance
11	shall not be shorter in duration than the 150-
12	day period that begins at the time a comparable
13	replacement unit is made available to the fam-
14	ily.
15	(B) Extension.—If a household is unable
16	to lease a dwelling unit using the assistance de-
17	scribed in subparagraph (A) during the period
18	described in that subparagraph, the grantee
19	shall—
20	(i) extend the period during which the
21	household may lease a dwelling unit using
22	the assistance; or
23	(ii) at the request of the resident, pro-
24	vide the resident with the next available
25	comparable public housing unit or com-

- parable housing unit for which projectbased assistance is provided.
  - (6) Payment of Relocation expenses.—
    The grantee shall provide for the payment of the actual and reasonable relocation expenses, including security deposits, of each resident to be displaced and any other relocation expenses as are required by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (42 U.S.C. 4601 et seq.).
    - (7) Comprehensive relocation counseling for residents who are displaced that shall—
      - (A) fully inform residents to be displaced of all relocation options, which may include relocating to housing in a neighborhood with a lower concentration of poverty than their current residence, a neighborhood where relocation will not increase racial segregation, or remaining in the current neighborhood; and

- 1 (B) include providing school options for 2 children and comprehensive housing search as-3 sistance for households that receive a voucher 4 for tenant-based assistance.
  - (8) Timing of Demolition or Disposition.—
    The grantee shall not commence demolition or complete disposition of a building subject to the approved transformation plan until all residents residing in the building are relocated.
    - (9) TIMING OF RELOCATION.—The applicant shall not commence relocation before approval by the Secretary of the transformation plan providing for the demolition or disposition, unless the applicant generally relocates residents in accordance with this section, as determined by the Secretary, except in the case of a substantial and imminent threat to health or safety.

# (e) Monitoring of Displaced Households.—

(1) Grantee responsibilities.—To facilitate compliance with the requirement under subsection (a) (relating to right of residents to return), the Secretary shall, by regulation, require each grantee of a grant under this section, during the period of the transformation plan assisted with the grant and

- 1 until all funding under the grant has been ex-2 pended—
- (A) to maintain a current address of residence and contact information for each house-hold affected by the transformation plan who was occupying a dwelling unit in the housing that is subject to the plan; and
  - (B) to provide such updated information to the Secretary on at least a quarterly basis.
  - (2) CERTIFICATION.—The Secretary may not close out any grant made under this section before the grantee has certified to the Secretary that the agency has complied with subsection (a) (relating to right of residents to return) with respect to each resident displaced as a result of the transformation plan, including providing occupancy in a replacement dwelling unit for each resident who requested such a unit in accordance with such subsection.
- (f) PREFERENCE.—A returning resident shall be provided a preference for occupancy of on-site or off-site replacement units before those units are made available for occupancy by any other eligible households, or the resident may choose to retain tenant-based voucher assistance provided under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for relocation from the prop-

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- 1 erties revitalized under a transformation plan assisted
- 2 with a grant under this Act.
- 3 (g) Prohibition on Re-Screening.—A public
- 4 housing agency or any other manager of on-site or off-
- 5 site replacement housing shall not, through the application
- 6 of any additional eligibility, screening, occupancy, or other
- 7 policy or practice, prevent any person otherwise eligible
- 8 under subsection (a) from occupying a replacement hous-
- 9 ing unit.
- 10 SEC. 9. ONE-FOR-ONE REPLACEMENT OF PUBLIC AND AS-
- 11 SISTED HOUSING DWELLING UNITS.
- 12 (a) One-for-One Replacement of Public or As-
- 13 SISTED HOUSING UNITS.—The Secretary may not ap-
- 14 prove a transformation plan that provides for dwelling
- 15 units to be demolished or disposed of unless the plan pro-
- 16 vides as follows:
- 17 (1) REQUIREMENT TO REPLACE EACH UNIT.—
- One hundred percent of the public and assisted
- 19 housing dwelling units and units described in section
- 20 2(1)(E) that are demolished or disposed of pursuant
- 21 to the transformation plan shall be replaced with a
- 22 newly constructed, rehabilitated, or purchased public
- or assisted housing unit or with a newly constructed,
- rehabilitated, or purchased unit (including through
- project-based assistance) that is subject to require-

ments regarding eligibility for occupancy, tenant contribution toward rent, and long-term affordability restrictions that are consistent with such requirements for public and assisted housing dwelling units or for State units, as applicable, except that subparagraphs (B) and (D) of section 8(o)(13) of the United States Housing Act of 1936 (relating to percentage limitation and income mixing requirement of project-based assistance) shall not apply with respect to vouchers used to comply with the requirements of this paragraph.

- (2) OTHER REQUIREMENTS.—Admission to, administration of, and eviction from replacement housing units that replaced public housing units, but that are not public housing dwelling units, shall be subject to the following provisions to the same extent as public housing dwelling units:
  - (A) Section 578 of the Quality Housing and Work Responsibility Act of 1998 (42 U.S.C. 13663; relating to ineligibility of dangerous sex offenders).
  - (B) Section 16(f) of the United States
    Housing Act of 1937 (42 U.S.C. 1437n(f); relating to ineligibility of certain drug offenders).

1	(C) Sections 20 and 21 of the United
2	States Housing Act of 1937 (42 U.S.C. 1437r,
3	1437s; relating to resident management).
4	(D) Section 25 of the United States Hous-
5	ing Act of 1937 (42 U.S.C. 1437w; relating to
6	transfer of management at request of resi-
7	dents).
8	(E) Section 6(k) of the United States
9	Housing Act of 1937 (42 U.S.C. 1437d(k); re-
10	lating to administrative grievance procedure).
11	(F) Section 6(f) of the United States
12	Housing Act of 1937 (42 U.S.C. 1437d(f); re-
13	lating to housing quality requirements).
14	(G) Part 964 of title 24, Code of Federal
15	Regulations (relating to tenant participation
16	and opportunities).
17	(3) Retention of rights.—Tenants occu-
18	pying a replacement housing unit shall have all
19	rights provided to tenants of the housing from which
20	the tenants were relocated.
21	(4) Size.—
22	(A) In general.—Replacement units shall
23	be of comparable size, unless a market analysis
24	shows a need for other-sized units, in which
25	case such need shall be addressed.

1	(B) Bedrooms.—The number of bed-
2	rooms within each replacement unit shall be
3	sufficient to serve families displaced as a result
4	of the demolition or disposition.
5	(5) LOCATION ON SITE.—At least one-third of
6	all replacement units for public and assisted housing
7	units demolished shall be public or assisted housing
8	units constructed within the immediate area of the
9	original public or assisted housing location, unless
10	the Secretary determines that—
11	(A) construction on the location would re-
12	sult in the violation of a consent decree; or
13	(B) the land on which the public and as-
14	sisted housing is located is environmentally un-
15	safe or geologically unstable.
16	(6) Location in the neighborhood.—Any
17	replacement housing units provided in addition to
18	dwelling units provided pursuant to paragraph (5)
19	shall—
20	(A) be provided in areas within the neigh-
21	borhood, except that if rebuilding the units
22	within the neighborhood is not feasible, units
23	shall be provided within the jurisdiction of the
24	public housing agency—

1	(i) in a manner that furthers the eco-
2	nomic and educational opportunities for
3	residents; and
4	(ii) in areas offering access to public
5	transportation; and
6	(B) have access to social, recreational, edu-
7	cational, commercial, and health facilities and
8	services, including municipal services and facili-
9	ties, that are comparable to services provided to
10	the revitalized neighborhood from which resi-
11	dents were displaced.
12	(7) Location outside of jurisdiction.—If
13	rebuilding replacement housing units within the ju-
14	risdiction, in a manner that complies with the re-
15	quirements of clauses (i) through (iv) of subpara-
16	graph (A) and subparagraph (B) of paragraph (6)
17	is not feasible, units may be provided outside of the
18	jurisdiction of the public housing agency, but within
19	the metropolitan area of such jurisdiction, pro-
20	vided—
21	(A) the grantee requests, and the public
22	housing agency or local government in which
23	such units shall be located, agrees to such
24	transfer of units; and

1	(B) the units shall comply with the re-
2	quirements of clauses (i) through (iv) of sub-
3	paragraph (A) and subparagraph (B) of para-
4	graph (6).
5	(b) Waiver.—
6	(1) Authority.—Upon the written request of
7	an applicant for a grant under this Act submitted as
8	part of the transformation plan pursuant to section
9	7, the Secretary may reduce the percentage applica-
10	ble under subsection (a)(1) to the transformation
11	plan of the applicant to not less than 90 percent,
12	but only if—
13	(A) a judgment, consent decree, or other
14	order of a court limits the ability of the appli-
15	cant to comply with such requirements; or
16	(B) the applicant demonstrates that there
17	is an excess supply of affordable rental housing
18	in areas of low poverty and provides data show-
19	ing that, in the area surrounding the revitalized
20	neighborhood—
21	(i) not less than 90 percent of vouch-
22	ers issued under section 8(o) of the United
23	States Housing Act of 1937 (42 U.S.C.
24	1437f(o)) over the last 24 months to com-
25	parable families were successfully used to

1	lease a dwelling unit within 120 days of
2	issuance or, if a sufficient number of com-
3	parable families have not received vouch-
4	ers, an alternative measure, as the Sec-
5	retary shall design, is met;
6	(ii) existing voucher holders are widely
7	dispersed geographically in areas of low
8	poverty with access to public transpor-
9	tation, education, and other amenities, as
10	determined by the Secretary, among the
11	available private rental housing stock; and
12	(iii) the applicant provides a market
13	analysis demonstrating that—
14	(I) there is a relatively high va-
15	cancy rate among units that would
16	meet or exceed housing quality stand-
17	ards, as determined by the Secretary,
18	within the market area with rent and
19	utility costs not exceeding the applica-
20	ble payment standard under section
21	8(o) of the United States Housing Act
22	of 1937 (42 U.S.C. 1437f(o)); and
23	(II) the high vacancy rate within
24	the market area is expected to con-
25	tinue for the next 5 years or longer.

## 1 SEC. 10. OTHER PROGRAM REQUIREMENTS.

- 2 (a) Fair Housing.—
- 3 (1) In general.—The demolition or disposi-
- 4 tion, relocation, replacement, and re-occupancy of
- 5 housing units in connection with a grant under this
- 6 Act shall be carried out in a manner that affirma-
- 7 tively furthers fair housing, as required by section
- 8 808(e) of the Civil Rights Act of 1968 (42 U.S.C.
- 9 3608(e)).
- 10 (2) Marketing and Outreach.—Grantees
- shall adopt affirmative marketing procedures, and
- require affirmative marketing activities of project
- owners and managers, which shall be targeted to
- those who are least likely to apply for the housing,
- to ensure that all persons regardless of their race,
- 16 color, national origin, religion, sex, disability, or fa-
- milial status are aware of the housing opportunities
- in each project funded with a grant under this Act.
- 19 (b) Accessibility Requirements.—All new con-
- 20 struction and alterations of existing buildings carried out
- 21 in connection with a grant under this Act shall comply
- 22 with the requirements of the section 504 of Rehabilitation
- 23 Act of 1973 (29 U.S.C. 794), the Accessibility Standards
- 24 for Design, Construction, and Alteration of Publicly
- 25 Owned Residential Structures of the Department of Hous-
- 26 ing and Urban Development under part 40 of title 24,

- 1 Code of Federal Regulations, or any successor regulation,
- 2 the Fair Housing Act (42 U.S.C. 3601 et seq.), and any
- 3 other requirements as determined by the Secretary.
- 4 (c) Affordability Requirement.—Amounts from
- 5 a grant under this Act may not be used for assistance
- 6 for any housing property unless the owner of the property
- 7 assisted agrees to a period of affordability for the property
- 8 which shall be not shorter than the period of affordability
- 9 to which the property is already subject and remains sub-
- 10 ject, or 20 years, whichever is longer.
- 11 (d) Cost Limits.—Subject to the provisions of this
- 12 Act, the Secretary shall establish cost limits on eligible ac-
- 13 tivities under this Act sufficient to provide for effective
- 14 transformation programs.
- 15 (e) Environmental Review.—For purposes of en-
- 16 vironmental review, assistance and projects under this Act
- 17 shall be—
- 18 (1) treated as assistance for special projects
- that are subject to section 305(c) of the Multifamily
- 20 Housing Property Disposition Reform Act of 1994
- 21 (42 U.S.C. 3547(e)); and
- 22 (2) subject to the regulations issued by the Sec-
- retary to implement such section.
- 24 (f) Grantee Reporting.—The Secretary shall re-
- 25 quire grantees under this Act to report the sources and

- 1 uses of all amounts expended and other information for
- 2 transformation plans for the annual report of the Sec-
- 3 retary to Congress or other purposes as determined by the
- 4 Secretary.

## 5 SEC. 11. DEMOLITION AND DISPOSITION.

- 6 (a) Inapplicability of Public Housing Demoli-
- 7 TION AND DISPOSITION REQUIREMENTS TO TRANS-
- 8 FORMATION PLAN.—The demolition or disposition of se-
- 9 verely distressed public housing pursuant to a trans-
- 10 formation plan approved under this Act shall be exempt
- 11 from the provisions of section 18 of the United States
- 12 Housing Act of 1937 (42 U.S.C. 1437p).
- 13 (b) Applicability of Public Housing Demoli-
- 14 TION AND DISPOSITION REQUIREMENTS TO REPLACE-
- 15 MENT PUBLIC HOUSING.—Nothing in this Act may be
- 16 construed to exempt any replacement public housing
- 17 dwelling units provided under a transformation plan in ac-
- 18 cordance with the requirements under section 8 (relating
- 19 to one-for-one replacement of public housing dwelling
- 20 units) from the provisions of section 18 of the United
- 21 States Housing Act of 1937 (42 U.S.C. 1437p).

## 22 SEC. 12. PHASE-SPECIFIC UNDERWRITING.

- To the extent that a transformation plan provides for
- 24 different phases of activities, the Secretary may allow for

1	the various phases of the plan to be underwritten on a
2	separate basis.
3	SEC. 13. ADMINISTRATION BY OTHER ENTITIES.
4	The Secretary may require a grantee under this Act
5	to make arrangements satisfactory to the Secretary for
6	use of an entity other than the original grantee to carry
7	out activities assisted under the transformation plan of the
8	grantee, if—
9	(1) the original grantee has failed to meet per-
10	formance benchmarks relating to implementation of
11	the transformation plan; and
12	(2) the Secretary determines that the action
13	will help to effectuate the purposes of this Act.
14	SEC. 14. WITHDRAWAL OF FUNDING.
15	If a grantee under this Act does not proceed within
16	a reasonable timeframe in implementing the trans-
17	formation plan of the grantee or does not otherwise com-
18	ply with the requirements of this Act and the grant agree-
19	ment, as determined by the Secretary, the Secretary
20	may—
21	(1) withdraw any grant amounts under this Act
22	that have not been obligated by the grantee; and
23	(2) redistribute any withdrawn amounts to 1 or
24	more other eligible entities capable of proceeding ex-

peditiously in the same locality in carrying out the

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1	transformation plan of the original grantee, or as
2	such plan may be modified and approved by the Sec-
3	retary, or, if that is not feasible, to 1 or more other
4	applicants that have already received assistance
5	under this Act.
6	SEC. 15. ANNUAL REPORT; PUBLIC AVAILABILITY OF
7	GRANT INFORMATION.
8	(a) Annual Report.—Not less than 90 days before
9	the conclusion of each fiscal year, the Secretary shall sub-
10	mit to the Committee on Banking, Housing, and Urban
11	Affairs of the Senate and the Committee on Financial
12	Services of the House of Representatives a report on the
13	implementation and status of grants awarded under this
14	Act, which shall include—
15	(1) the number, type, and cost of affordable
16	housing units revitalized pursuant to this Act;
17	(2) the amount and type of financial assistance
18	provided under and in conjunction with this Act, in-
19	cluding a specification of the amount and type of as-
20	sistance provided for educational opportunities, serv-
21	ices, public assets, public transportation, and access
22	to jobs;
23	(3) the impact of grants made under this Act
24	on the original residents, the target neighborhoods,

- 1 and the larger communities within which they are lo-2 cated;
- 4 (4) all information submitted to the Secretary 4 pursuant to section 8(e)(1) by all grantees and sum-5 maries of the extent of compliance by grantees with 6 the requirements under subsections (a) and (g) of 7 section 8; and
  - (5) any information related to grantees implementation of the requirements under section 9 (relating to one-for-one replacement of public housing dwelling units) and the efforts of the Secretary to coordinate funding pursuant to section 6(e)(3).
- 13 (b) Public Availability of Grant Informa-14 tion.—
  - (1) In General.—To the extent not inconsistent with any other provisions of law, the Secretary shall make publicly available through a website of the Department of Housing and Urban Development all documents of, or filed with, the Department relating to the program under this Act, including applications, grant agreements, plans, budgets, reports, and amendments to those documents.
  - (2) Privacy.—In carrying out this subsection, the Secretary shall take such actions as may be necessary to protect the privacy of any residents and

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1	households displaced from public or assisted housing
2	as a result of a transformation plan assisted under
3	a grant under this Act.
4	SEC. 16. FUNDING.
5	There are authorized to be appropriated the following
6	amounts:
7	(1) Grants.—\$1,000,000,000 for fiscal year
8	2022 and such sums as may be necessary in each
9	subsequent fiscal year, for grants under this Act, of
10	which, in any fiscal year—
11	(A) up to 10 percent of such amount au-
12	thorized may be used for planning grants, ex-
13	cept that in awarding planning grants, the Sec-
14	retary may elect to base selection on a subset
15	of the required provisions of this Act;
16	(B) up to 5 percent of the amount author-
17	ized may be used for technical assistance and
18	program evaluation efforts related to grants
19	awarded under this Act, or under predecessor
20	programs; and
21	(C) not less than 80 percent shall be used
22	for, or 80 percent of the number of housing
23	units assisted under this Act shall be, public
24	housing units, subject to de minimis variations

- 1 as may result from the grantee selection proc-2 ess. 3 (2) Rental assistance.—Such sums as may 4 be necessary for fiscal year 2022 and each subse-5 quent fiscal year for providing tenant-based assist-6 ance for relocation and for rental assistance under 7 section 8 of the United States Housing Act of 1937 8 (42 U.S.C. 1437f) for the purposes of complying 9 with section 8(c) of this Act, but not to exceed the 10 amount of assistance for the number of units demol-11 ished or disposed of under section 8(c)(1). 12 SEC. 17. REGULATIONS. 13
- Not later than 180 days after the date of enactment
- 14 of this Act, the Secretary shall issue regulations to carry
- 15 out the following provisions of this Act:
- 16 (1) Paragraphs (5), (7), (12), (13), and (15) of
- 17 section 2.
- 18 (2) Subsections (c) and (f) of section 6.
- 19 (3) Section 9(b).

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