

[DISCUSSION DRAFT]110TH CONGRESS
1ST SESSION**H. R.** _____

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937

IN THE HOUSE OF REPRESENTATIVES

_____ introduced the following bill; which was referred to the Committee on _____

A BILL

To reform the housing choice voucher program under section 8 of the United States Housing Act of 1937

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Section 8 Voucher Re-
5 form Act of 2007”.

6 **SEC. 2. INSPECTION OF DWELLING UNITS.**

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

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

3 “(A) INITIAL INSPECTION.—

4 “(i) IN GENERAL.—For each dwelling
5 unit for which a housing assistance pay-
6 ment contract is established under this
7 subsection, the public housing agency (or
8 other entity pursuant to paragraph (11))
9 shall inspect the unit before any assistance
10 payment is made to determine whether the
11 dwelling unit meets the housing quality
12 standards under subparagraph (B), except
13 as provided in clause (ii) of this subpara-
14 graph.

15 “(ii) CORRECTION OF NON-LIFE
16 THREATENING CONDITIONS.—In the case
17 of any dwelling unit that is determined,
18 pursuant to an inspection under clause (i),
19 not to meet the housing quality standards
20 under subparagraph (B), assistance pay-
21 ments may be made for the unit notwith-
22 standing subparagraph (C) if failure to
23 meet such standards is a result only of
24 non-life threatening conditions. A public
25 housing agency making assistance pay-

1 ments pursuant to this clause for a dwell-
2 ing unit shall, 30 days after the beginning
3 of the period for which such payments are
4 made, suspend any assistance payments
5 for the unit if any deficiency resulting in
6 noncompliance with the housing quality
7 standards has not been corrected by such
8 time, and may not resume such payments
9 until each such deficiency has been cor-
10 rected.”; and

11 (2) by striking subparagraph (D) and inserting
12 the following new subparagraph:

13 “(D) BIENNIAL INSPECTIONS.—

14 “(i) REQUIREMENT.—Each public
15 housing agency providing assistance under
16 this subsection (or other entity, as pro-
17 vided in paragraph (11)) shall, for each as-
18 sisted dwelling unit, make biennial inspec-
19 tions during the term of the housing as-
20 sistance payments contract for the unit to
21 determine whether the unit is maintained
22 in accordance with the requirements under
23 subparagraph (A). The agency (or other
24 entity) shall retain the records of the in-
25 spection for a reasonable time and shall

1 make the records available upon request to
2 the Secretary, the Inspector General for
3 the Department of Housing and Urban
4 Development, and any auditor conducting
5 an audit under section 5(h).

6 “(ii) SUFFICIENT INSPECTION.—An
7 inspection of a dwelling unit shall be suffi-
8 cient to comply with the inspection require-
9 ment under clause (i) if—

10 “(I) the inspection was conducted
11 pursuant to requirements under a
12 Federal, State, or local housing assist-
13 ance program (including the HOME
14 investment partnerships program
15 under title II of the Cranston-Gon-
16 zalez National Affordable Housing
17 Act (42 U.S.C. 12721 et seq.)); and

18 “(II) pursuant to such inspec-
19 tion, the dwelling was determined to
20 meet the standards or requirements
21 regarding housing quality or safety
22 applicable to units assisted under such
23 program, and the public housing
24 agency has certified to the Secretary
25 that such standards or requirements

1 provide the same protection to occu-
2 pants of dwelling units meeting such
3 standards or requirements as, or
4 greater protection than, the housing
5 quality standards under subparagraph
6 (B).”.

7 **SEC. 3. RENT REFORM AND INCOME REVIEWS.**

8 (a) RENT FOR PUBLIC HOUSING AND SECTION 8
9 PROGRAMS.—Section 3 of the United States Housing Act
10 of 1937 (42 U.S.C. 1437a(a)) is amended—

11 (1) in subsection (a)—

12 (A) in paragraph (1) by inserting “LOW-
13 INCOME OCCUPANCY REQUIREMENT AND RENT-
14 AL PAYMENTS.—” after “(1)”; and

15 (B) by adding at the end the following new
16 paragraphs:

17 “(6) REVIEWS OF FAMILY INCOME.—

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

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

24 “(ii) annually thereafter, except as
25 provided in subparagraph (B)(i);

1 “(iii) upon the request of the family,
2 at any time the income or deductions
3 (under subsection (b)(5)) of the family
4 change by an amount that is estimated to
5 result in a decrease of \$1,500 (or such
6 lower amount as the public housing agency
7 may, at the option of the agency, establish)
8 or more in annual adjusted income; and

9 “(iv) at any time the income or deduc-
10 tions (under subsection (b)(5)) of the fam-
11 ily change by an amount that is estimated
12 to result in an increase of \$1,500 or more
13 in annual adjusted income, except that any
14 increase in the earned income of a family
15 shall not be considered for purposes of this
16 clause (except that earned income may be
17 considered if the increase corresponds to
18 previous decreases under clause (iii)).

19 “(B) FIXED-INCOME FAMILIES.—

20 “(i) SELF CERTIFICATION AND 3-YEAR
21 REVIEW.—In the case of any family de-
22 scribed in clause (ii), after the initial re-
23 view of the family’s income pursuant to
24 subparagraph (A)(i), the public housing
25 agency or owner shall not be required to

1 conduct a review of the family’s income
2 pursuant to subparagraph (A)(ii) for any
3 year for which such family certifies, in ac-
4 cordance with such requirements as the
5 Secretary shall establish, that the income
6 of the family meets the requirements of
7 clause (ii) of this subparagraph, except
8 that the public housing agency or owner
9 shall conduct a review of each such fam-
10 ily’s income not less than once every 3
11 years.

12 “(ii) ELIGIBLE FAMILIES.—A family
13 described in this clause is a family who has
14 an income, as of the most recent review
15 pursuant to subparagraph (A) or clause (i)
16 of this subparagraph, of which 90 percent
17 or more consists of fixed income, as such
18 term is defined in clause (iii).

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

22 “(I) the supplemental security in-
23 come program under title XVI of the
24 Social Security Act, including supple-
25 mentary payments pursuant to an

1 agreement for Federal administration
2 under section 1616(a) of the Social
3 Security Act and payments pursuant
4 to an agreement entered into under
5 section 212(b) of Public Law 93-66;

6 “(II) Social Security payments;

7 “(III) Federal, State, local and
8 private pension plans; and

9 “(IV) other periodic payments re-
10 ceived from annuities, insurance poli-
11 cies, retirement funds, disability or
12 death benefits, and other similar types
13 of periodic receipts.

14 “(C) IN GENERAL.—Reviews of family in-
15 come for purposes of this section shall be sub-
16 ject to the provisions of section 904 of the
17 Stewart B. McKinney Homeless Assistance
18 Amendments Act of 1988.

19 “(7) CALCULATION OF INCOME.—

20 “(A) USE OF PRIOR YEAR’S INCOME.—Ex-
21 cept as otherwise provided in this paragraph, in
22 determining the income of a family for a year,
23 a public housing agency or owner may use the
24 income of the family as determined by the agen-
25 cy or owner for the preceding year, taking into

1 consideration any redetermination of income
2 during such prior year pursuant to clause (iii)
3 or (iv) of paragraph (6)(A).

4 “(B) EARNED INCOME.—For purposes of
5 this section, the earned income of a family for
6 a year shall be the amount of earned income by
7 the family in the prior year minus an amount
8 equal to 10 percent of the lesser of such prior
9 year’s earned income or \$10,000, except that
10 the income of a family for purposes of section
11 16 (relating to eligibility for assisted housing
12 and income mix) shall be determined without
13 regard to any reduction under this subpara-
14 graph.

15 “(C) INFLATIONARY ADJUSTMENT FOR
16 FIXED INCOME FAMILIES.—If, for any year, a
17 public housing agency or owner determines the
18 income for any family described in paragraph
19 (6)(B)(ii), or the amount of fixed income of any
20 other family, based on the prior year’s income
21 or fixed income, respectively, pursuant to sub-
22 paragraph (A), such prior year’s income or
23 fixed income, respectively, shall be adjusted by
24 applying an inflationary factor as the Secretary
25 shall, by regulation, establish.

1 “(D) OTHER INCOME.—If, for any year, a
2 public housing agency or owner determines the
3 income for any family based on the prior year’s
4 income, with respect to prior year calculations
5 of types of income not subject to subparagraph
6 (B), a public housing agency or owner may
7 make other adjustments as it considers appro-
8 priate to reflect current income.

9 “(E) SAFE HARBOR.—A public housing
10 agency or owner may, to the extent such infor-
11 mation is available to the public housing agency
12 or owner, determine the family’s income for
13 purposes of this section based on timely income
14 determinations made for purposes of other
15 means-tested Federal public assistance pro-
16 grams (including the program for block grants
17 to States for temporary assistance for needy
18 families under part A of title IV of the Social
19 Security Act, a program for medicaid assistance
20 under a State plan approved under title XIX of
21 the Social Security Act, and the food stamp
22 program as defined in section 3(h) of the Food
23 Stamp Act of 1977).

24 “(F) PHA AND OWNER COMPLIANCE.—A
25 public housing agency or owner may not be con-

1 sidered to fail to comply with this paragraph or
2 paragraph (6) due solely to any de minimus er-
3 rors made by the agency or owner in calculating
4 family incomes.”;

5 (2) by striking subsections (d) and (e); and

6 (3) by redesignating subsection (f) as sub-
7 section (d).

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

10 (1) by striking paragraph (4) and inserting the
11 following new paragraph:

12 “(4) INCOME.—The term ‘income’ means, with
13 respect to a family, income received from all sources
14 by each member of the household who is 18 years
15 of age or older or is the head of household, as deter-
16 mined in accordance with criteria prescribed by the
17 Secretary, in consultation with the Secretary of Ag-
18 riculture, subject to the following requirements:

19 “(A) INCLUDED AMOUNTS.—Such term in-
20 cludes recurring gifts and receipts, actual in-
21 come from assets, and profit or loss from a
22 business.

23 “(B) EXCLUDED AMOUNTS.—Such term
24 does not include—

1 “(i) any imputed return on assets;

2 and

3 “(ii) any amounts that would be eligi-
4 ble for exclusion under section 1613(a)(7)
5 of the Social Security Act (42 U.S.C.
6 1382b(a)(7)).

7 “(C) EARNED INCOME OF STUDENTS.—
8 Such term does not include earned income of
9 any dependent earned during any period that
10 such dependent is attending school on a full-
11 time basis.

12 “(D) OTHER EXCLUSIONS.—Such term
13 shall not include other exclusions from income
14 as are established by the Secretary or any
15 amount required by Federal law to be excluded
16 from consideration as income. The Secretary
17 may not require a public housing agency or
18 owner to maintain records of any amounts ex-
19 cluded from income pursuant to this subpara-
20 graph.”; and

21 (2) by striking paragraph (5) and inserting the
22 following new paragraph:

23 “(5) ADJUSTED INCOME.—The term ‘adjusted
24 income’ means, with respect to a family, the amount
25 (as determined by the public housing agency or

1 owner) of the income of the members of the family
2 residing in a dwelling unit or the persons on a lease,
3 after any deductions from income as follows:

4 “(A) ELDERLY AND DISABLED FAMI-
5 LIES.—\$725 in the case of any family that is
6 an elderly family or a disabled family.

7 “(B) DEPENDENTS.—In the case of any
8 family that includes a member or members
9 who—

10 “(i) are less than 18 years of age or
11 attending school or vocational training on
12 a full-time basis; or

13 “(ii) is a person with disabilities who
14 is 18 years of age or older and resides in
15 the household,

16 \$500 for each such member.

17 “(C) HEALTH AND MEDICAL EXPENSES.—
18 The amount, if any, by which 10 percent of an-
19 nual family income is exceeded by the sum of—

20 “(i) in the case of any elderly or dis-
21 abled family, any unreimbursed health and
22 medical care expenses; and

23 “(ii) any unreimbursed reasonable at-
24 tendant care and auxiliary apparatus ex-
25 penses for each handicapped member of

1 the family, to the extent necessary to en-
2 able any member of such family to be em-
3 ployed.

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

10 The Secretary shall annually adjust the amounts of
11 the exclusions under subparagraphs (A) and (B), as
12 such amounts may have been previously adjusted, by
13 applying an inflationary factor as the Secretary
14 shall, by regulation, establish. If the dollar amount
15 of any such exclusion determined for any year by ap-
16 plying such inflationary factor is not a multiple of
17 \$25, the Secretary shall round such amount to the
18 next lowest multiple of \$25.”.

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

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

24 (2) in subparagraph (A)—

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

4 (B) by striking “and shall be conducted
5 upon the initial provision of housing assistance
6 for the family and thereafter not less than an-
7 nually”; and

8 (3) in subparagraph (B), by striking the second
9 sentence.

10 (d) ENHANCED VOUCHER PROGRAM.—Section
11 8(t)(1)(D) of the United States Housing Act of 1937 (42
12 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”
13 and inserting “annual adjusted income”.

14 (e) EFFECTIVE DATE AND TRANSITION.—The
15 amendments made by this section shall apply with respect
16 to fiscal year 2008 and fiscal years thereafter.

17 **SEC. 4. ELIGIBILITY FOR ASSISTANCE BASED ON ASSETS**
18 **AND INCOME.**

19 (a) ASSETS.—Section 16 of the United States Hous-
20 ing Act of 1937 (42 U.S.C. 1437n) is amended by insert-
21 ing after subsection (d) the following new subsection:

22 “(e) ELIGIBILITY FOR ASSISTANCE BASED ON AS-
23 SETS.—

24 “(1) LIMITATION ON ASSETS.—Subject to para-
25 graph (3) and notwithstanding any other provision

1 of this Act, a dwelling unit assisted under this Act
2 may not be rented and assistance under this Act
3 may not be provided, either initially or at each recer-
4 tification of family income, to any family—

5 “(A) whose net family assets exceed
6 \$100,000, as such amount is adjusted annually
7 by applying an inflationary factor as the Sec-
8 retary considers appropriate; or

9 “(B) who has a present ownership interest
10 in, and a legal right to reside in, real property
11 that is suitable for occupancy as a residence,
12 except that the prohibition under this subpara-
13 graph shall not apply to—

14 “(i) any property for which the family
15 is receiving assistance under this Act;

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

18 “(iii) any family that is making a
19 good faith effort to sell such property.

20 “(2) NET FAMILY ASSETS.—

21 “(A) IN GENERAL.—For purposes of this
22 subsection, the term ‘net family assets’ means,
23 for all members of the household, the net cash
24 value of all assets after deducting reasonable
25 costs that would be incurred in disposing of real

1 property, savings, stocks, bonds, and other
2 forms of capital investment. Such term does not
3 include interests in Indian trust land, equity ac-
4 counts in homeownership programs of the De-
5 partment of Housing and Urban Development,
6 or Family Self Sufficiency accounts.

7 “(B) EXCLUSIONS.—Such term does not
8 include—

9 “(i) the value of personal property, ex-
10 cept for items of personal property of sig-
11 nificant value, as the public housing agen-
12 cy may determine;

13 “(ii) the value of any retirement ac-
14 count; and

15 “(iii) any amounts recovered in any
16 civil action or settlement based on a claim
17 of malpractice, negligence, or other breach
18 of duty owed to a member of the family
19 and arising out of law, that resulted in a
20 member of the family being disabled
21 (under the meaning given such term in
22 section 1614 of the Social Security Act (42
23 U.S.C. 1382c)).

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

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

10 “(D) SELF-CERTIFICATION.—A public
11 housing agency or owner may determine the net
12 assets of a family, for purposes of this section,
13 based on the amounts reported by the family at
14 the time the agency or owner reviews the fam-
15 ily’s income.

16 “(3) COMPLIANCE FOR PUBLIC HOUSING
17 DWELLING UNITS.—When recertifying family income
18 with respect to families residing in public housing
19 dwelling units, a public housing agency may, in the
20 discretion of the agency and only pursuant to a pol-
21 icy that is set forth in the public housing agency
22 plan under section 5A for the agency, choose not to
23 enforce the limitation under paragraph (1).

24 “(4) 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 of the family
4 based on such noncompliance for a period of not
5 more than 6 months.”.

6 (b) INCOME.—The United States Housing Act of
7 1937 is amended—

8 (1) in section 3(a)(1) (42 U.S.C. 1437a(a)(1)),
9 by striking the first sentence and inserting the fol-
10 lowing: “Dwelling units assisted under this Act may
11 be rented, and assistance under this Act may be pro-
12 vided, whether initially or at time of recertification,
13 only to families who are low-income families at the
14 time such initial or continued assistance, respec-
15 tively, is provided. When recertifying family income
16 with respect to families residing in public housing
17 dwelling units, a public housing agency may, in the
18 discretion of the agency and only pursuant to a pol-
19 icy that is set forth in the public housing agency
20 plan under section 5A for the agency, choose not to
21 enforce the prohibition under the preceding sentence.
22 In the case of a family residing in a dwelling unit
23 assisted under this Act who does not comply with
24 the prohibition under the first sentence of this para-
25 graph, the public housing agency or project owner

1 may delay eviction of the family based on such non-
2 compliance for a period of not more than 6
3 months.”; and

4 (2) in section 8(o)(4) (42 U.S.C. 1437f(o)(4)),
5 by striking the matter preceding subparagraph (A)
6 and inserting the following:

7 “(4) ELIGIBLE FAMILIES.—Assistance under
8 this subsection may be provided, whether initially or
9 at each recertification, only pursuant to subsection
10 (t) to a family eligible for assistance under such sub-
11 section or to a family who at the time of such initial
12 or continued assistance, respectively, is a low-income
13 family that is—”.

14 **SEC. 5. TARGETING VOUCHERS TO LOW-INCOME WORKING**
15 **FAMILIES.**

16 Section 16(b)(1) of the United States Housing Act
17 of 1937 (42 U.S.C. 1437n(b)(1)) is amended—

18 (1) by inserting after “do not exceed” the fol-
19 lowing: “the higher of (A) the poverty line (as such
20 term is defined in section 673 of the Omnibus Budg-
21 et Reconciliation Act of 1981 (42 U.S.C. 9902), in-
22 cluding any revision required by such section) appli-
23 cable to a family of the size involved, or (B)”;

24 (2) by inserting before the period at the end the
25 following: “; and except that clause (A) of this sen-

1 tence shall not apply in the case of families residing
2 in Puerto Rico or any other territory or possession
3 of the United States”.

4 **SEC. 6. VOUCHER RENEWAL FUNDING.**

5 (a) IN GENERAL.—Section 8 of the United States
6 Housing Act of 1937 (42 U.S.C. 1437f) is amended by
7 striking subsection (dd) and inserting the following new
8 subsection:

9 “(dd) TENANT-BASED VOUCHERS.—

10 “(1) AUTHORIZATION OF APPROPRIATIONS.—

11 There are authorized to be appropriated, for each of
12 fiscal years 2007 through 2011, such sums as may
13 be necessary for tenant-based assistance under sub-
14 section (o) for the following purposes:

15 “(A) To renew all expiring annual con-
16 tributions contracts for tenant-based rental as-
17 sistance.

18 “(B) To provide tenant-based rental assist-
19 ance for—

20 “(i) relocation and replacement of
21 housing units that are demolished or dis-
22 posed of pursuant to the Omnibus Consoli-
23 dated Rescissions and Appropriations Act
24 of 1996 (Public Law 104-134);

1 “(ii) conversion of section 23 projects
2 to assistance under this section;

3 “(iii) the family unification program
4 under subsection (x) of this section;

5 “(iv) relocation of witnesses in con-
6 nection with efforts to combat crime in
7 public and assisted housing pursuant to a
8 request from a law enforcement or pros-
9 ecution agency;

10 “(v) enhanced vouchers authorized
11 under subsection (t) of this section;

12 “(vi) vouchers in connection with the
13 HOPE VI program under section 24;

14 “(vii) demolition or disposition of pub-
15 lic housing units pursuant to section 18 of
16 the United States Housing Act of 1937
17 (42 U.S.C. 1437p);

18 “(viii) mandatory and voluntary con-
19 versions of public housing to vouchers, pur-
20 suant to sections 33 and 22 of the United
21 States Housing Act of 1937, respectively
22 (42 U.S.C. 1437z–5, 1437t);

23 “(ix) vouchers necessary to comply
24 with a consent decree or court order;

1 “(x) vouchers to replace dwelling units
2 that cease to receive project-based assist-
3 ance under subsection (b), (c), (d), (e), or
4 (v) of this section;

5 “(xi) tenant protection assistance, in-
6 cluding replacement and relocation assist-
7 ance; and

8 “(xii) emergency voucher assistance
9 for the protection of victims of domestic vi-
10 olence, dating violence, sexual assault, or
11 stalking.

12 Subject only to the availability of sufficient
13 amounts provided in appropriation Acts, the
14 Secretary shall provide tenant-based rental
15 assistance to replace all dwelling units that cease
16 to be available as assisted housing as a result
17 of clause (i), (ii), (v), (vi), (vii), (viii), or (x).

18 “(2) ALLOCATION OF RENEWAL FUNDING
19 AMONG PUBLIC HOUSING AGENCIES.—

20 “(A) From amounts appropriated for each
21 year pursuant to paragraph (1)(A), the Sec-
22 retary shall provide renewal funding for each
23 public housing agency—

24 “(i) based on leasing and costs from
25 the preceding calendar year, as adjusted by

1 an annual adjustment factor to be estab-
2 lished by the Secretary;

3 “(ii) by making any adjustments nec-
4 essary to provide for the first-time renewal
5 of vouchers funded under paragraph
6 (1)(B); and

7 “(iii) by making such other adjust-
8 ments as the Secretary considers appro-
9 priate.

10 “(B) LEASING AND COST DATA.—For pur-
11 poses of subparagraph (A)(i), leasing and cost
12 data shall be calculated annually by using the
13 average for the preceding calendar year. Such
14 leasing data shall be adjusted to include vouch-
15 ers that were set aside under a commitment to
16 provide project-based assistance under sub-
17 section (o)(13) and to exclude amounts funded
18 through advances under paragraph (3).

19 “(C) MOVING TO WORK.—Notwithstanding
20 subparagraphs (A) and (B), each public hous-
21 ing agency participating at any time in the
22 moving to work demonstration under section
23 204 of the Departments of Veterans Affairs
24 and Housing and Urban Development, and
25 Independent Agencies Appropriations Act, 1996

1 (42 U.S.C. 1437f note) shall be funded pursu-
2 ant to its agreement under such program and
3 shall be subject to any pro rata adjustment
4 made under subparagraph (D)(i).

5 “(D) PRO RATA ALLOCATION.—

6 “(i) INSUFFICIENT FUNDS.—To the
7 extent that amounts made available for a
8 fiscal year are not sufficient to provide
9 each public housing agency with the full al-
10 location for the agency determined pursu-
11 ant to subparagraphs (A) and (C), the
12 Secretary shall reduce such allocation for
13 each agency on a pro rata basis, except
14 that renewal funding of enhanced vouchers
15 under section 8(t) shall not be subject to
16 such proration.

17 “(ii) EXCESS FUNDS.—To the extent
18 that amounts made available for a fiscal
19 year exceed the amount necessary to pro-
20 vide each housing agency with the full allo-
21 cation for the agency determined pursuant
22 to subparagraphs (A) and (C), such excess
23 amounts shall be used for the purposes
24 specified in subparagraphs (B) and (D) of
25 paragraph (4).

1 “(3) ADVANCES.—

2 “(A) AUTHORITY.—During the last 3
3 months of each calendar year, the Secretary
4 shall provide amounts to any public housing
5 agency, at the request of the agency, in an
6 amount up to two percent of the allocation for
7 the agency for such calendar year, subject to
8 subparagraph (C).

9 “(B) USE.—Amounts advanced under sub-
10 paragraph (A) may be used to pay for addi-
11 tional voucher costs, including costs related to
12 temporary overleasing.

13 “(C) USE OF PRIOR YEAR AMOUNTS.—
14 During the last 3 months of a calendar year, if
15 amounts previously provided to a public housing
16 agency for tenant-based assistance for such
17 year or for previous years remain unobligated
18 and available to the agency—

19 “(i) the agency shall exhaust such
20 amounts to cover any additional voucher
21 costs under subparagraph (B) before
22 amounts advanced under subparagraph (A)
23 may be so used; and

24 “(ii) the amount that may be ad-
25 vanced under subparagraph (A) to the

1 agency shall be reduced by an amount
2 equal to the total of such previously pro-
3 vided and unobligated amounts.

4 “(D) REPAYMENT.—Amounts advanced
5 under subparagraph (A) in a calendar year
6 shall be repaid to the Secretary in the subse-
7 quent calendar year by reducing the amounts
8 made available for such agency for such subse-
9 quent calendar year pursuant to allocation
10 under paragraph (2) by an amount equal to the
11 amount so advanced to the agency.

12 “(4) RECAPTURE.—

13 “(A) IN GENERAL.—The Secretary shall
14 recapture, from amounts provided under the
15 annual contributions contract for a public hous-
16 ing agency for a calendar year, all accumulated
17 amounts allocated under paragraph (2) and
18 from previous years that are unused by the
19 agency at the end of each calendar year ex-
20 cept—

21 “(i) for 2007, an amount equal to one
22 twelfth the amount allocated to the public
23 housing agency for such year pursuant to
24 paragraph (2)(A); and

1 “(ii) for each of 2008, 2009, 2010,
2 and 2011, an amount equal to 2 percent of
3 such amount allocated to the agency for
4 such year.

5 “(B) REALLOCATION.—Not later than May
6 1 of each calendar year, the Secretary shall—

7 “(i) calculate the aggregate unused
8 amounts for the preceding year recaptured
9 pursuant to subparagraph (A);

10 “(ii) set aside and make available
11 such amounts as the Secretary considers
12 appropriate to reimburse public housing
13 agencies for increased costs related to port-
14 ability and family self-sufficiency activities
15 during such year; and

16 “(iii) reallocate all remaining amounts
17 among public housing agencies, with pri-
18 ority given based on the extent to which an
19 agency has utilized the amount allocated
20 under paragraph (2) for the agency to
21 serve eligible families.

22 “(C) USE.—Amounts reallocated to a pub-
23 lic housing agency pursuant to subparagraph
24 (B)(iii) may be used only to increase voucher

1 leasing rates to the level authorized for the
2 agency.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
4 subsection (a) shall take effect on the date of the enact-
5 ment of this Act.

6 **SEC. 7. ADMINISTRATIVE FEES.**

7 (a) **IN GENERAL.**—Section 8(q) of the United States
8 Housing Act of 1937 (42 U.S.C. 1437f(q)) is amended—
9 (1) in paragraph (1), by striking subparagraphs
10 (B) and (C) and inserting the following new sub-
11 paragraphs:

12 “(B) **CALCULATION.**—The fee under this
13 subsection shall—

14 “(i) be payable to each public housing
15 agency for each month for which a dwell-
16 ing unit is covered by an assistance con-
17 tract;

18 “(ii) include an amount for the cost of
19 issuing voucher to new participants; and

20 “(iii) be updated each year using an
21 index of changes in wage data or other ob-
22 jectively measurable data that reflect the
23 costs of administering the program for
24 such assistance, as determined by the Sec-
25 retary.

1 a public housing agency may, in lieu of pro-
2 viding monthly assistance payments under this
3 subsection on behalf of a family eligible for
4 such assistance and at the discretion of the
5 agency, provide a downpayment assistance
6 grant in accordance with subparagraph (B).

7 “(B) GRANT REQUIREMENTS.—A down-
8 payment assistance grant under this para-
9 graph—

10 “(i) shall be used by the family only
11 as a contribution toward the downpayment
12 and reasonable and customary closing
13 costs required in connection with the pur-
14 chase of a home;

15 “(ii) shall be in the form of a single
16 one-time grant; and

17 “(iii) may not exceed \$10,000.

18 “(C) NO EFFECT ON OBTAINING OUTSIDE
19 SOURCES FOR DOWNPAYMENT ASSISTANCE.—
20 This Act may not be construed to prohibit a
21 public housing agency from providing downpay-
22 ment assistance to families from sources other
23 than a grant provided under this Act, or as de-
24 termined by the public housing agency.”.

1 **SEC. 9. PHA REPORTING OF RENT PAYMENTS TO CREDIT**
2 **REPORTING AGENCIES.**

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

6 “(g) PHA REPORTING OF RENT PAYMENTS TO
7 CREDIT REPORTING AGENCIES.—

8 “(1) AUTHORITY.—To the extent that a family
9 receiving tenant-based housing choice vouchers
10 under section 8 by a public housing agency agrees
11 in writing to reporting under this subsection, the
12 public housing agency may submit to consumer re-
13 porting agencies described in section 603(p) of the
14 Fair Credit Reporting Act (15 U.S.C. 1681a) infor-
15 mation regarding the past rent payment history of
16 the family with respect to the dwelling unit for
17 which such assistance is provided.

18 “(2) FORMAT.—The Secretary, after consulta-
19 tion with consumer reporting agencies referred in
20 paragraph (1), shall establish a system and format
21 to be used by public housing agencies for reporting
22 of information under such paragraph that provides
23 such information in a format and manner that is
24 similar to other credit information submitted to such
25 consumer reporting agencies and is usable by such
26 agencies.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 subsection (a) shall take effect on the date of the enact-
3 ment of this Act.

4 **SEC. 10. PERFORMANCE ASSESSMENTS.**

5 Section 8(o) of the United States Housing Act of
6 1937 (42 U.S.C. 1437f(o)) is amended by adding at the
7 end the following new paragraph:

8 “(21) PERFORMANCE ASSESSMENTS.—

9 “(A) ESTABLISHMENT.—The Secretary
10 shall, by regulation, establish standards and
11 procedures for assessing the performance of
12 public housing agencies in carrying out the pro-
13 grams for tenant-based rental assistance under
14 this subsection and for homeownership assist-
15 ance under subsection (y).

16 “(B) CONTENTS.—The standards and pro-
17 cedures under this paragraph shall provide for
18 assessment of the performance of public hous-
19 ing agencies in the following areas:

20 “(i) Quality of dwelling units obtained
21 using such assistance.

22 “(ii) Extent of utilization of assist-
23 ance amounts provided to the agency.

24 “(iii) Financial condition of the agen-
25 cy.

1 “(iv) Timeliness and accuracy of re-
2 porting by the agency to the Secretary.

3 “(v) Such other areas as the Sec-
4 retary considers appropriate.

5 “(C) PERIODIC ASSESSMENT.—Using the
6 standards and procedures established under this
7 paragraph, the Secretary shall conduct an as-
8 sessment of the performance of each public
9 housing agency carrying out a program referred
10 to in subparagraph (A) and shall submit a re-
11 port to the Congress regarding the results of
12 each such assessment.”.

13 **SEC. 11. PHA PROJECT-BASED ASSISTANCE.**

14 Section 8(o)(13) of the United States Housing Act
15 of 1937 (42 U.S.C. 1437f(o)(13)) is amended—

16 (1) in subparagraph (H), by inserting before
17 the period at the end of the first sentence the fol-
18 lowing: “, except that in the case of a contract unit
19 that has been allocated low-income housing tax cred-
20 its and for which the rent limitation pursuant to
21 such section 42 is less than the amount that would
22 otherwise be permitted under this subparagraph, the
23 rent for such unit may, in the sole discretion of a
24 public housing agency, be established at the higher

1 section 8 rent, subject only to paragraph (10)(A)”;
2 and

3 (2) in subparagraph (I)(i), by inserting before
4 the semicolon the following: “, except that the con-
5 tract may provide that the maximum rent permitted
6 for a dwelling unit shall not be less than the initial
7 rent for the dwelling unit under the initial housing
8 assistance payments contract covering the unit”.

9 **SEC. 12. EFFECTIVE DATE.**

10 Except as otherwise specifically provided in this Act,
11 this Act and the amendments made by this Act, shall take
12 effect on January 1, 2008.