[Roll No. 152]

YEAS—225

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blute
Boehlert
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Fowler
Fox
Franks (CT)
Franks (NJ)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gilman
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Laughlin
Lazio
Leach
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martinez
Martini
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Morella
Myers
Myrick
Nethercutt
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Quinn
Radanovich
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Saxton
Schaefer
Schiff
Seastrand
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Solomon
Souder
Spence
Stearns
Stockman
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Torkildsen
Upton
Vucanovich
Walker
Walsh
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—203

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Durbin
Edwards
Engel
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Foley
Forbes
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hall (TX)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
Klug
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Mascara
Matsui
McCarthy
McDermott
McHale
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Neumann
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Rahall
Ramstad
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sanford
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Ward
Waters
Watt (NC)
Waxman
White
Whitfield
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—6

Coburn
de la Garza
Ford
Hostettler
Molinari
Scarborough

□ 1436

Mr. SCHUMER changed his vote from ''yea'' to ''nay.'' Messrs. STOCKMAN, HOEKSTRA, and UPTON changed their vote from ''nay'' to ''yea.''

So the resolution as amended, was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table

U.S. HOUSING ACT OF 1996

Mr. DREIER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 426 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 426

Resolved, That at any time after the adoption of this resolution the Speaker may, pursuant to clause 1(b) of rule XXIII, declare the House resolved into the Committee of the Whole House on the state of the Union for consideration of the bill (H.R. 2406) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes. The first reading of the bill shall be dispensed with. General debate shall be confined to the bill and shall not exceed one hour equally divided and controlled by the chairman and ranking minority member of the Committee on Banking and Financial Services. After general debate the bill shall be considered for amendment under the five-minute rule. It shall be in order to consider as an original bill for the purpose of amendment under the five-minute rule the amendment in the nature of a substitute recommended by the Committee on Banking and Financial Services now printed in the bill. The committee amendment in the nature of a substitute shall be considered by title rather than by section. The first two sections and each title shall be considered as read. Points of order against the committee amendment in the nature of a substitute for failure to comply with clause 5(a) of rule XXI are waived. Before consideration of any other amendment it shall be in order to consider the amendment printed in the Congressional Record of May 7, 1996, pursuant to clause 6 of rule XXIII, if offered by Representative Lazio of New York or his designee. That amendment shall be considered as read, shall be debatable for ten minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question in the House or in the Committee of the Whole. All points of order against that amendment are waived. If that amendment is adopted, the bill, as amended, shall be considered as the original bill for the purpose of further amendment. During further consideration of the bill for amendment, the Chairman of the Committee of the Whole may accord priority in recognition on the basis of whether the Member offering an amendment has caused it to be printed in the portion of the Congressional Record designated for that purpose in clause 6 of rule XXIII. Amendments so printed shall be considered as read. The Chairman of the Committee of the Whole may postpone until a time during further consideration in the Committee of the Whole a request for a recorded vote on any amendment. The Chairman of the Committee of the Whole may reduce to not less than five minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall be not less than fifteen minutes. At the conclusion of consideration of the bill for amendment the Committee shall rise and report the bill to the House with such amendments as may have been adopted. Any Member may demand a separate vote in the House on any amendment adopted in the Committee of the Whole to the bill or to the committee amendment in the nature of a substitute made in order as original text. The previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit with or without instructions.

SEC. 2. After passage of H.R. 2406, it shall be in order to take from the Speaker's table the bill S. 1260 and to consider the Senate bill in the House. It shall be in order to move to strike all after the enacting clause of the Senate bill and to insert in lieu thereof the provisions of H.R. 2406 as passed by the House. All points of order against that motion are waived. If the motion is adopted and the Senate bill, as amended, is passed, then it shall be in order to move that the House insist on its amendments to S. 1260 and request a conference with the Senate thereon.

The SPEAKER pro tempore (Mr. BUNNING of Kentucky). The gentleman from California [Mr. DREIER] is recognized for 1 hour.

Mr. DREIER. Mr. Speaker, for purposes of debate only, I yield the customary 30 minutes to the gentleman from Woodland Hills, CA [Mr. BEILENSON], pending which I yield myself such time as I may consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

(Mr. DREIER asked and was given permission to revise and extend his remarks.)

Mr. DREIER. Mr. Speaker, now I will proceed with giving the same explanation the reading clerk just gave.

Mr. Speaker, in the tradition of past housing rules, this rule provides an open rule for the consideration of H.R. 2406, the U.S. Housing Act of 1996. It provides for 1 hour of general debate equally divided between the chairman and ranking minority member of the Committee on Banking and Financial Services.

The rule makes in order the Banking Committee amendment in the nature of a substitute as an original bill for the purpose of amendment and provides that the substitute be considered as read.

All points of order against the substitute for failure to comply with clause 5(a) of rule 21 are waived. This waiver is necessary because several sections of the substitute relate to the disposition of appropriations due to changes in existing housing law.

The rule provides that the substitute shall be considered by title and the first two sections and each title shall be considered as read. If further makes in order, before consideration of any other amendment, an amendment printed in the CONGRESSIONAL RECORD of May 7, 1996, if offered by Representative LAZIO of New York or his designee.

That amendment shall be considered as read, shall be debatable for 10 minutes equally divided and controlled by the proponent and an opponent, shall not be subject to amendment or to a demand for a division of the question, and all points of order are waived.

□ 1445

If the amendment is adopted, the bill as amended shall be considered as an original bill for this purpose of further amendment. Members who have preprinted their amendments in the RECORD prior to their consideration will be given priority in recognition to offer their amendments if otherwise consistent with House rules.

The rule allows the chairman of the Committee of the Whole to postpone votes during consideration of the bill, and to reduce votes to 5 minutes on a postponed question if the vote follows a 15-minute vote.

The rule also provides for one motion to recommit, with or without instruction. Finally, the rule provides that after passage of the House bill, it will be in order to take up the Senate bill to move to insert the House-passed provisions in the Senate bill, and to move to request a conference with the Senate.

Mr. Speaker, despite all of the parliamentary mumbo-jumbo that I have just gone through, this is a bona fide open rule. Over the years, I had the honor of referring to the former chairman of the Committee on Banking and Financial Services and the Subcommittee on Housing and Community Opportunity, the gentleman from Texas [Mr. GONZALEZ], as Mr. Open Rule, because of his commitment to bring to the floor major housing bills under an open rule. It is a distinction that I look forward to bestowing upon the current chairman of the Subcommittee on Housing and Community Opportunity, the gentleman from New York [Mr. LAZIO].

While an open rule on a bill of this nature will be time-consuming and contentious, 75 amendments were offered in the Committee on Banking and Financial Services alone, it is necessary. Housing policy must be seen in the context of broader welfare policy.

Members have strong feelings about the impact of Federal housing programs on low-income families and how these programs should be reformed. An open rule will allow all issues to be debated and will strengthen public confidence in whatever program changes we collectively decide to move ahead with.

Quite frankly, Mr. Speaker, the changes called for in H.R. 2406 are long overdue. Our public housing programs are a failure, and those failures have been known to us for nearly two decades. Yet, until now, Congress has failed to offer effective solutions to addressing the housing and economic needs of poverty-level families. Instead, we have continued to spend hundreds of billions of dollars on costly and inefficient public housing programs that encourage waste, fraud, and abuse while destroying urban communities and relegating tenants to second-class status in Third World living conditions.

H.R. 2406 will improve housing conditions and economic opportunity for tenants by substantially deregulating public housing and giving authorities the flexibility they need to operate efficiently and effectively.

While 2406 does not fundamentally alter the Federal Government's intrusion into the housing market, nor does it reduce the size of HUD's bureaucracy, it will go a long way toward reforming our failed public housing programs. For that, I applaud Chairman LAZIO for his successful efforts in bringing this bill forward. I look forward to working with him to bring about similar reforms to the remainder of HUD's bureaucracy so we can enhance local control, reduce administrative overhead and cost burdens, maximize the direct flow of housing assistance, and promote our ultimate objective, which is the achievement of economic self-sufficiency for low-income families.

Mr. Speaker, H.R. 2406 is a good bill that deserves our support. More importantly, this rule provides for an open amendment process that will allow all the policy issues to be debated.

Mr. Speaker, I urge support of the rule, and I reserve the balance of my time.

Mr. BEILENSON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, we support this open rule for the consideration of H.R. 2406, the U.S. Housing Act of 1996, and we commend our colleagues for bringing this open rule to the floor. Certainly, the rule for taking up legislation to repeal the housing laws of this Nation, which have been in effect since 1937, should be open and unrestricted. It should permit, as this rule does, every Member to have an opportunity to offer amendments that are germane. We are nonetheless very disturbed, as we know the majority of the Committee on Rules are, too, about the manner in which the manager's amendment made in order under the rule was handled.

The manager's amendment, which changes many portions of the bill, was never presented, Mr. Speaker, to the Committee on Rules. That failure to follow our regular procedure raises serious concerns about this disgregard for the deliberative nature of the legislative process, as well as the effect it could have on millions of Americans who live in public or assisted housing.

But because the Republican leadership insisted on moving the housing bill today, the Committee on Rules was faced with a situation that all of us, I believe, found untenable, having to approve a rule for a major piece of legislation that neither the majority nor the minority on any of the committees had seen.

We trust that we shall not be placed in this situation again, either by the committee appearing before the Committee on Rules or by the leadership. In this case in particular, the legislation is not only momentous in nature, but it is also very complex. The public and all Members interested in our Nation's housing policy should have had the opportunity to see the exact wording of the manager's amendment and to comment on it to Members of the Congress. And for Members wishing to offer amendments, the availability of language that they are seeking to amend is essential in preparing responsible amendments. That language should have been available for a reasonable length of time.

Mr. Speaker, the issues this legislation is addressing are not minor ones. We are dealing with a bill that makes several substantial and significant changes in U.S. housing policy, all of which we believe could hurt people currently living in public and assisted housing. This legislation, by repealing the Housing Act of 1937, will result in a total rewriting of U.S. housing policy. We are dealing with legislation that, by eliminating the caps on rent paid by seniors and working families and eliminating targeted housing assistance,

could have a very negative effect on senior citizens and on families with children who live in public housing. This is legislation that would block grant Federal funding for public housing and low-income rental assistance. We question whether these block grants will, as its proponents believe, save money. Rather, we fear they may end up hurting the very people they are proposing to help.

Mr. Speaker, the bill would also repeal the Brooke amendment, which caps rent for tenants in public and assisted housing at 30 percent of income. The repeal of the Brooke amendment would force many tenants in public housing to make the impossibly difficult decision between shelter and food and medicine. We fear it could lead to greater homelessness in this country.

By eliminating the protection of the Brooke amendment, the bill would permit housing authorities to set rents based on the real estate market, with little regard to how much money people can afford to pay. It is inconceivable that we are denying people an increase in the minimum wage at the same time we are enacting a demonstration project, included in the manager's amendment, to grant the 300 largest housing authorities in the country permission to raise the rents of the working poor.

For that reason, Mr. Speaker, we will move to defeat the previous question, so we may offer an amendment dealing with an increase in the minimum wage.

Mr. Speaker, we are not talking about people who make a great amount of money. We are talking about families who live in public and assisted housing, whose income averages only $6,400 a year. Forty-one percent of these people are seniors or are disabled. The remaining 59 percent are families with children. They are among the most vulnerable people in our society. At a time when one quarter of American children live in poverty, this Congress should be doing everything possible to help take care of them.

Mr. Speaker, this bill, we fear, would only hurt them. Mr. Speaker, although we are not opposed to this open rule, we commend our friends on the other side of the aisle for offering this as an open rule. We are very much opposed to much of the substance of the bill, and we urge our colleagues to give it very careful consideration when it later comes before us.

Mr. Speaker, I reserve the balance of my time.

Mr. DREIER. Mr. Speaker, I am happy to yield 2 minutes to the gentlewoman from Utah [Ms. GREENE], a very able Member and a colleague on the Committee on Rules.

Ms. GREENE of Utah. Mr. Speaker, I rise in support of the rule and the underlying bill, the U.S. Housing Act of 1996. This rule will provide for the open consideration of an extremely important matter, our Federal low-income housing policy.

This is truly historic legislation. I want to commend Chairman LAZIO for his tireless efforts on behalf of this bill.

Mr. Speaker, for decades we have consigned those residing in Federal low-income housing to conditions worse than those found in our Federal prisons. Notorious housing projects across the country have imprisoned families in deplorable and often hopeless conditions.

This legislation will bring real reform to our Federal low-income housing policy. It will pull back the heavy hand of Washington and empower communities to improve their neighborhoods.

In addition, as part of the manager's amendment that will be made in order under the rule, Chairman LAZIO has generously included an amendment I intended to offer elsewhere. This amendment will correct a flaw in the 1990 Housing and Community Development Act that discriminates against cities that participate in the Community Development Block Grant Program.

Under the 1990 act, metropolitan cities and urban counties that qualify for 2 consecutive years are deemed to permanently retain their program status. However, the method in which these grants are awarded, on a 3-year basis for counties but only a 1-year basis for cities, results in an unfair disadvantage for cities. Currently, a county needs to qualify only once, but a city must do so for 2 consecutive years.

Because of this bias against cities, a city in my district, the city of West Jordan, has been denied their status as a metropolitan city since 1993. Under the manager's amendment, metropolitan cities would now receive the same treatment as urban counties. This is a change that is long overdue.

I would like to thank Congressman LAZIO for his generosity in including this correction within the manager's amendment made in order under this rule.

I urge my colleagues to support the rule and the bill so that we can take an important step to improve our Federal low-income housing policy.

Mr. BEILENSON. Mr. Speaker, I yield 5 minutes to the gentleman from Michigan [Mr. BONIOR].

Mr. BONIOR. Mr. Speaker, I thank my colleague for yielding time to me.

Mr. Speaker, I'm urging my colleagues to defeat the previous question and allow us a clean vote on raising the minimum wage.

Mr. Speaker, the longer this minimum wage debate goes on, the more I'm reminded of a story I once heard about a hot dog company.

The company was having trouble selling its hot dogs, so they called a big meeting with all the department heads to find out what was wrong.

The marketing director says, ''it's not the marketing. We've won all kinds of awards.''

The production supervisor says, ''it's not the production line. We're running at full capacity.''

The shipping supervisor says, ''it's not the shipping. All of our trucks are running on time.''

The CEO says, ''I don't understand. If everything is running well, what's the problem?''

From the back of the room a janitor says, ''The problem is, kids don't like your hot dogs.''

Mr. Speaker, it's the same thing with the Republican agenda. Every week we get a new theory about the Republican problems.

One week it's a strategy problem. The next week it's a message problem. This week, the Speaker says it's a media problem. When are Republicans going to learn—it's not just the strategy that keeps failing. It's the ideas.

The American people don't want to cut Medicare to pay for tax breaks for the wealthy.

They don't want to cut education to pay for tax breaks for big oil companies—as the majority leader proposed this weekend.

They don't want to allow CEO's to raid corporate pension funds.

But that's what you've tried to do the past 18 months. The Republican agenda is out of touch with the needs of America's families.

Eighty-five percent of the American people say: ''raise the minimum wage.''

Yet, the majority leader says he'll oppose a minimum wage increase with every fiber of his being. The majority whip says that minimum wage families ''don't really exist.''

And the Republican conference chairman went so far to say that he would commit suicide before voting to raise the minimum wage.

Never mind that that the minimum wage is at a 40-year low. Never mind that the majority of the people working for the minimum wage are mothers trying to raise their kids and stay off welfare.

For 18 months, Republican leaders have blocked us at every single turn.

And now, instead of raising the minimum wage, here we are today considering a bill that will raise rents on people who earn the minimum wage.

Forty-one percent of the people who lived in assisted housing are senior or disabled.

The rest are working families with children.

Many of them make the minimum wage or less.

In fact, the average income of these working families is $6,400 a year—which is less than half the poverty level. And yet, this bill will give landlords a blank check to raise rents through the roof.

This bill operates under the theory that there aren't enough homeless people in America—so we have to create more of them.

Mr. Speaker, if you're wondering why over 60 percent of the American people disapprove of the Republican agenda. This is the reason.

Fortunately, some of our Republican colleagues are beginning to see the light.

Twenty-one brave Republicans have co-sponsored a bill to raise the minimum wage.

Unfortunately, 12 of them have voted ''no'' every single time we've tried to bring the issue to the floor.

So we are giving you another chance here today.

Please help us CHRIS SHAYS, SPENCER BACHUS, FRANK CREMEANS, BOB FRANKS, STEVE HORN, AMO HOUGHTON, NANCY JOHNSON, STEVE LATOURETTE, RICK LAZIO, BILL MARTINI, JACK METCALF, and ILEANA ROS-LEHTINEN.

Help us raise the minimum wage for 12 million working Americans.

All of you had the courage to cosponsor a bill to raise the minimum wage.

Now we're asking you to put your vote where your heart is, help us defeat the previous question, raise the minimum wage, and give over 12 million Americans the dignity and respect they deserve.

They have chosen, they have chosen work over welfare. They ought to be rewarded. We ought to make work pay. Help us defeat the previous question.

□ 1500

PARLIAMENTARY INQUIRY

Mr. DREIER. Mr. Speaker, the eloquence of my friend from Michigan has led me to propound a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BUNNING of Kentucky). The gentleman will state his parliamentary inquiry.

Mr. DREIER. Mr. Speaker, under House rule IX, which requires that a Member must confine himself to the question under debate, is it relevant to the debate on either this rule or the bill it makes in order to engage in a discussion of the merits of the minimum wage?

The SPEAKER pro tempore. As explained on page 529 of the manual and reiterated by the Chair last week, debate on a special order for consideration of a bill may range to the merits of the bill to be made in order but should not range to the merits of a measure not to be considered under that order.

Mr. DREIER. A further parliamentary inquiry, Mr. Speaker. Could the Chair enlighten us as to the subject matter of the question that is under debate at this point?

The SPEAKER pro tempore. House Resolution 426, the rule providing for consideration of the bill H.R. 2406, to repeal the U.S. Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, increase community control over such programs and for other purposes.

Mr. DREIER. I thank the Speaker very much.

Mr. Speaker, I yield 2 minutes to my dear friend and colleague, the gentlewoman from Columbus, OH [Ms. PRYCE].

Ms. PRYCE. Mr. Speaker, I rise today in strong support of the rule and H.R. 2406, the U.S. Housing Act, and to remind my friends this is a rule on a historic housing bill, nothing else. This important legislation sets the Nation's public housing system on a course that will save families and neighborhoods from the grasp of the welfare state.

H.R. 2406 starts by repealing the outdated Housing Act of 1937 and begins sending power back to local communities and away from Washington, where residents, nonprofit organizations, and community leaders will determine which housing policies work best for them and their neighborhoods.

Mr. Speaker, tenants in America's public housing system deserve a break. They deserve a break from overcrowding, crime, and insecurity. This legislation will allow tenants with low and moderate incomes to share neighborhoods, and gives the poorest of American citizens a chance to escape poverty-stricken areas through the use of vouchers.

Mr. Speaker, I also urge my colleagues to support the manager's amendment which strengthens the bill's ability to provide safe and affordable housing. The manager's amendment prevents housing authorities from overcharging the Nation's poorest tenants as well as the elderly and disabled.

This amendment further ensures that adequate housing be available for our Nation's most needy, and taxpayers will benefit from provisions of the amendment which establish criteria to replace costly, ineffective housing projects with private housing vouchers.

Additionally, the manager's amendment addresses the problem of overcrowding, which threatens to undermine even the most successful housing projects by creating unhealthy living conditions that isolate the poorest and most dependent citizens. The manager's amendment remedies this problem by allowing States, not HUD, to set occupancy standards. This provision cures the problems of overcrowding in one simple step.

Mr. Speaker, I commend Chairman LAZIO for his leadership and fine work on this historic legislation and urge my colleagues to support the rule. America's housing system needs a shot in the arm. Chairman LAZIO and the fine work of his committee and the U.S. Housing Act provide that.

Mr. BEILENSON. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from Texas [Mr. GONZALEZ], the ranking member of the policy committee.

Mr. GONZALEZ. Mr. Speaker, the House soon will take up the Housing Act of 1996, a bill that in large part aims to force the residents of public housing to pay more rent.

But this is trying to squeeze blood out of a turnip—75 percent of the people who live in public housing make less than one-third of the median income. Even if the minimum wage were increased by 90 cents an hour, it would not be enough to raise the income of a family to the poverty level.

So it is exceedingly ironic that we are going to raise the rent of the poorest people in America, while denying them an increase in the minimum wage, which the Republicans will not even permit the House to vote on.

Here we are, telling the poor to be self-sufficient, when the House will not even guarantee a poverty-level wage.

It is shameful. I do not know anybody who enjoys being poor. I do not know anybody who likes working for a wage that does not pay the rent and grocery bill. And I do not know anybody who believes that it makes sense to add ever-greater burdens to the elderly, the disabled, and the struggling poor and exhort them to do better—all the while saying that we won't adjust the minimum wage to make up for the buying power it has lost since 1988, the last time it was changed. It is wrong and it is unjust, it is shameful to prevent a vote on the minimum wage while the House is telling the poor to pay more rent, as it is today.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Vineland, NJ [Mr. LOBIONDO], a very able new Member of Congress.

Mr. LOBIONDO. Mr. Speaker, I rise today in strong support of this rule and H.R. 2406, the United States Housing Act of 1996. As a member of the Banking Committee, I have seen the hard work of Chairman LAZIO over the past several months and I believe that he is bringing a very good bill to the floor today.

H.R. 2406 will repeal the long since outdated Housing Act of 1937. This Depression-era legislation has been altered over the years to the point that local governments and local housing authorities have very little flexibility in meeting the housing needs of their own communities. H.R. 2406 will abandon the notion that HUD should micromanage every aspect of public housing through one-size-fits-all regulations. With this legislation we will return the power to local communities.

This bill rewards good housing authorities with less Federal regulation and helps those already good public housing authorities to better serve the needs of low-income families at a lower cost to the taxpayer. Just as we are rewarding good operations, H.R. 2406 inflicts severe punishments on those authorities that have failed the American public year after year. This bill provides the tools to end these embarrassments that have wasted so many taxpayer dollars without helping those of our society who are in need.

Mr. Speaker, I commend Chairman LAZIO for his work on this legislation and for his vision. With these reforms, I believe we will see the creation of neighborhoods and communities of which we all can be proud.

I strongly urge my colleagues to vote in favor of this rule and in favor of H.R. 2406.

Mr. BEILENSON. Mr. Speaker, I yield 4 minutes to the distinguished gentleman from Minnesota [Mr. VENTO].

(Mr. VENTO asked and was given permission to revise and extend his remarks.)

Mr. VENTO. Mr. Speaker, I rise in opposition to this rule. It is an open rule. However, it does include a manager's amendment which was not fully explained. It is in the RECORD today but nevertheless, it makes in order certain nongermane amendments which I think should have complied with the rules of the House, and not be waived by the rule that is before us.

Furthermore, I join others in objecting to the procedure of this House floor, when important matters for the last months have been denied a vote on this House floor by this Committee on Rules and by others. It could have easily made in order legislation that would provide for the consideration of legislation to raise the minimum wage.

That is directly related to the proposition that we have before us, Mr. Chairman, because the fundamental tenet of this bill is public and assisted housing, trying to help those that have to attain sanitary and safe housing. In fact, since 1937 our Nation has championed public and assisted housing to meet that need. Today we have 1.3 million families in public and assisted housing.

The fact is that unfortunately, 13 million families are eligible for such housing today, and that is a direct result of the economic disparities that exist in our American economy and in our society. The fact is that the minimum wage is one of the major means that we have, one of the major tools that we have available to change those disparities.

It is important I think that we have other programs such as housing, that we have other programs such as health care programs that rise to try and meet and set minimum standards for individuals, but I think we need to start with the world of work. We need to make work pay. We need to give people the autonomy of having a stake in our society, that that job would actually give the type of wages that is necessary to sustain them and to meet their basic family needs.

Too often American workers are forced to take jobs that pay substandard wages and have no health benefits, yet my Republican colleagues will say you don't need to raise the minimum wage because it will hurt American workers. Well, it is not quite clear to me how giving 10 million American workers a 90 cents raise over the next 2 years will hurt them? Especially since the real value of the current minimum wage has fallen by one-quarter over the past 15 years.

At a time when U.S. corporations are making record profits and the economy is strong and stable, it is unreasonable that working families receive wages far below the poverty level. This is the unhappy and sad status of our society as we move into the 21st century. Whatever means American workers had to achieve a minimum standard of pay in the past has been broken over the last decades.

This condition—this circumstance must stop and be corrected. Our Nation should be moving beyond even a minimum wage to be a livable wage for workers and their families. Our workers deserve to be paid a fair day's wage for a fair day's work. Employers and corporations must be held accountable to provide a fair shake to American working families.

The annual pay for a full time minimum wage earner is $8,840. This is not an exorbitant wage. Imagine a family trying to live on this amount. It may not seem possible, but it is done every day in this country. There is a serious problem in our society when hard-working families, holding down full-time jobs, cannot earn enough to bring their families out of the poverty cycle, while company executives earn an average of 70 times that of their average employee.

Let's not make America a caste system. We need to raise the minimum wage and ensure workers are paid a fair and livable wage. We need to let this Republican Congress know that we will fight to protect workers and that promoting the special interest of mega-corporations at the expense of working Americans is wrong. We need to return to the days when a worker made for a family, a wage that provides a decent home and a good opportunities for his or her family—the promise of America. We need to give dignity and justice back to American working families which they earn every day on the job.

We as a Congress should do all that we can to try and enhance the wages of those persons so that they can meet their housing needs, so that they can put food on the table, so that they can meet their health needs. But unfortunately today this Congress is demonstrating a refusal to consider raising the minimum wage even 90 cents or a dollar, which in fact would affect nearly 13 million American workers.

These are not teenagers. Half of them are over 25 years of age, and many of them are the very individuals that we are talking about in terms of this assisted and public housing. One individual article pointed out that almost everyone in this country is that available for housing, that needs it, can get public housing.

As I have said, only about 10 percent of the poor actually, there is only that much housing, so 90 percent are out there struggling and sometimes they fail. Sometimes they end up homeless. They are out there trying to get the health care and take care of their basic needs. But the best thing that we could do for them is to provide an opportunity, a minimum wage that would help them meet their own needs, to make work pay.

That is really what this should be about. This Congress should be busy on that track to try and respond, not to create more transfer programs. Even now I see that my colleagues on the other side of the aisle have a new-found affinity for the earned income tax credit. But again, that is a transfer payment. It is a good program. We pushed it, I think, as far as it probably can go.

The fact is we should not be subsidizing the mega corporations and others that are refusing to actually pay a minimum wage, a livable wage. When we stop and think about what a minimum wage is, it is only $8,800 a year. Very few families are going to be able to survive on that.

What is happening here in this particular bill is that we are pulling the rug out from under the public in assisted housing programs so that we are limiting basically the amount of assistance. In fact, we are really repealing the 1949 law. It is not just the repeal of a law that is archaic. It is not archaic. I urge the defeat of this particular rule.

Mr. DREIER. Mr. Speaker, I would say to my friend from Minnesota who raised the issue of waivers on the manager's amendment, the manager's amendment was fashioned after hours and hours of negotiations that took place between the chairman of the Subcommittee on Housing and Community Opportunity and Secretary Cisneros, and while there was not an agreement on every single issue, it was a compromise that was struck with them.

Mr. Speaker, I yield 1 minute to the gentleman from New York [Mr. KING].

Mr. KING. Mr. Speaker, I thank the gentleman for yielding me the time.

Mr. Speaker, I rise in support of the rule for H.R. 2406, and urge my colleagues to support both the rule and this truly historic and revolutionary legislation.

I also must commend my good friend and fellow New Yorker, RICK LAZIO, chairman of the Subcommittee on Housing and Community Opportunity of the Committee on Banking, for the outstanding work and dedication he has shown in addressing the issue of public housing, of introducing this critical legislation.

Mr. Speaker, public housing in this country has been a failed policy but H.R. 2406 will, among other things, reform public housing by putting power back into the hands of local communities and by making public housing authorities accountable to professional standards of management. This is an outstanding bill that is revolutionary legislation, and I urge its adoption.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

□ 1515

Mr. KENNEDY of Massachusetts. Mr. Speaker, I rise in strong opposition to this rule on a number of different fronts. First and foremost, I rise in opposition because of the procedures that we are operating under in terms of what the rule provides.

We ought to recognize that during the last evening, as we were before the Committee on Rules, early in the evening, for the first time I saw the manager's amendment. The Committee on Rules itself indicated to me that this was a highly unusual circumstance. We had no ability to reflect upon or understand what was contained in the manager's amendment.

The staff of the Committee on Banking and Financial Services, which is here on the floor this afternoon, went

through the manager's amendment and found at least three whole new programs that were contained within the manager's amendment, which none of us were ever even made aware of.

While some of these programs might very well end up making some sense somewhere down the line, the fact of the matter is, to have them contained where we have never had a hearing, where we do not understand what all the implications of these provisions might be, we have got the vouchering out of public housing by housing authorities under certain terms and conditions, that none of us are clear upon, we have got another amendment that is contained within that provides for a wholesale exemption of the Brooke amendment, which guarantees the 30-percent ceiling on the amount people are going to pay for rent, regardless of whether or not we pass the Brooke amendment today on the House floor and reinstall it as part of our Nation's commitment to the poor. These demonstration programs, which were 30 in number in the U.S. Senate, are rising to over 300, which are also mandated in the fine print to include New York City, with 108,000 units of public housing.

This is the kind of legislation where we have some sort of self-sufficiency, the PIP program I guess. Somehow each individual that attains public housing is going to have to file a statement with someone, somewhere, to determine what their own personal plans are for improving themselves in the future.

Mr. Speaker, I urge strongly that we defeat this rule and look out for the needs of working class Americans.

Mr. DREIER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I respond to my friend by saying one of the three programs he mentioned was specifically at the request of the Secretary of Housing and Urban Development. It is voluntary vouchering out of public housing, which is a priority item.

Mr. KENNEDY of Massachusetts. Mr. Speaker, will the gentleman yield?

Mr. DREIER. Mr. Speaker, we are very limited on time. I am just responding to the gentleman.

Mr. KENNEDY of Massachusetts. Mr. Speaker, it is very unfair for the gentleman to suggest that, when I talked to the Secretary himself and he disagrees wholeheartedly, very strongly with that statement.

Mr. DREIER. It is a specific request.

Mr. KENNEDY of Massachusetts. Do not lie about it on the House floor, DAVID.

Mr. DREIER. I am simply providing what staff has informed us, that the Secretary of Housing and Development requested that of the Subcommittee on Housing.

Mr. Speaker, I yield 3 minutes to my very good friend, the gentleman from Chicago, IL [Mr. FLANAGAN].

(Mr. FLANAGAN asked and was given permission to revise and extend his remarks.)

Mr. FLANAGAN. Mr. Speaker, I rise today in support of H.R. 2406, the U.S. Housing Act of 1996. I thank Mr. LAZIO, chairman of the Housing and Community Opportunity Subcommittee, and the committee for their efforts on this excellent bill.

Mr. Speaker, this is an important bill to all communities. Passage of H.R. 2406 will ensure that local housing authorities, not Washington bureaucrats, are responsible for the management of local housing plans. Residents of public housing will assume responsibility for the day-to-day operations of the housing project, thus having an active rather than passive role in managing their facilities.

America's housing system is a total disgrace. Manyu families have found themselves trapped in a system that was originally designed as a short-term solution to what has become a long-term problem. Centralizing a housing program, which has become very complex, is not the most constructive way to serve residents of those housing complexes. Washington cannot effectively serve communities across the country who all have different needs. Local authorities are, for obvious reasons, much more specifically concerned with the residents of their community. Local organizations who know and understand the need of the communities will be much more efficient and effective in making the decision that will affect them.

In 1966 in Chicago, a lawsuit—Gautreaux versus the Chicago Housing Authority—was filed. The objective of the suit was to prove that there was an intentional pattern of racial discrimination against tenants of CHA sites. In 1969, the Federal judge—Judge Richard Austin—ruled in favor of the plaintiffs. A new problem emerged. Desegregating public housing complexes in the city was going to be much more difficult than desegregating the city schools. Since the Gautreaux decision, there have been many problems with implementing the court order.

There is no need nor any benefit to forced, instituted social engineering from Washington. Had H.R. 2406 been the law at the time of this suit, there most likely would not be the problems that we have today. Federal judges, appointed for life, were allowed to write laws in the face of congressional inaction. Local communities could have come to some kind of accomodation, if they had been given the opportunity to do so. At longlast, this legislation would so empower localities.

H.R. 2406, the U.S. Housing Act of 1996, is an excellent bill. I commend the committee as a whole, and especially Chairman LAZIO for all the hard work and commitment to America's communities. I only wish that a bill like this had been enacted many years ago. It will certainly benefit local neighborhoods.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from New York [Mr. FLAKE].

Mr. FLAKE. Mr. Speaker, I come this afternoon sharing a fond relationship with the gentleman from New York [Mr. LAZIO] the chairman of the committee, and thank him and his staff for working with my staff in trying to get certain things into the bill. In spite of that, there are some serious concerns that make me juxtaposed to wanting to see this particular rule pass at this time, because some of the concerns that those of us who are not only Members of this body but also providers of housing understand as it relates to what is necessary for people to put a roof over their head, to keep a roof over their head, are not included in this particular piece of legislation.

The best means of trying to get people to that point, where they can be self-sufficient, when they can take care of their own responsibility, is to create for them opportunities for income, rather than creating a bill that takes away from them the means of resources that they already have available in trying to determine whether or not they are going to put food on the table or whether or not they are going to pay other bills.

It is extremely difficult for me to understand how one can argue that this bill, along with welfare, makes sense, and this bill, along with minimum wage, does not make sense. If you are talking about the same people in each class and in each category, it becomes almost impossible to conceive of putting together a bill that raises the amount of money that a person who works every day, yet is beneath the poverty line, is only able to provide for shelter for their family by virtue of the fact that they have access to the public housing, and then say though you will be paying more out of the little bit that you do make, we are not going to give consideration to a minimum wage bill that will allow you to be able to pay the difference between what we are now charging you.

It makes no sense to me for us as a body responsible for making sure that every citizen in this Nation not only has an opportunity to be able to live to the best degree possible, that we do not even have in this an affordable housing provision that allows for people to be able to work their way out of public housing into an affordable housing category, so that they can have the benefit of sharing in the American dream of home ownership.

I would agree with my colleagues, if we could get rid of public housing and put everybody into a home, that would make sense. This bill does not do that.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my very able colleague, the gentleman from Bloomfield, MI [Mr. KNOLLENBERG].

Mr. KNOLLENBERG. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, I strongly support the rule and the underlying bill. This bill repeals an outdated, depression-era law and puts the power and responsibility

where it belongs, in the hands of local communities and residents, not the Washington bureaucrats.

I am especially pleased with the provisions, that reform the Brooke amendment. I salute Chairman LAZIO and the committee. Simply put, our current policy under the Brooke amendment punishes work and rewards welfare dependency. Here is how:

Public housing rent is calculated at 30 percent of a resident's income. Thus, the more you earn, the more you pay. But if you go to work, you pay income and FICA taxes, in addition to higher rent, and also begin to lose welfare, foodstamp, and medicaid payments.

Nine times out of ten, residents who find gainful employment, end up with less disposable income than if they had simply stayed on welfare. In fact the, highest marginal tax rate in the United States is not paid by millionaires or people in boardrooms, it is paid by AFDC-dependent public housing residents who accept a full-time minimum wage job. Understanding this fact is the key to understand public housing. You know why there are people trapped in poverty.

The only way you can change this is to give, as the bill does, more flexibility and decisionmaking ability to local public housing authorities, who frankly have the best interests of public housing residents at heart, and have a much better track record of protecting the resident's concerns than the bureacrats at HUD.

Mr. Speaker, H.R. 2406 is a giant step forward in the debate of real welfare reform.

We must pass this bill and rule, with Brooke fully intact, to provide the reform of Brooke, to provide the much-needed relief for our families and local communities.

Mr. BEILENSON. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Georgia [Ms. MCKINNEY].

Ms. MCKINNEY. Mr. Speaker, a major part of the American dream is to own your own home. Unfortunately, for millions of people in public housing, this dream has little chance of becoming reality, because they don't earn enough to get out of public housing.

As a result, Mr. Speaker, the U.S. taxpayer covers the cost of public housing because millions of working poor don't make enough money to pay rent and put food on the table. A large part of the reason for this is our tragically low minimum wage. We could do a great deal to move people out of public housing by increasing the minimum wage to a level where people can earn enough to move out on their own. Unfortunately, the Republican leadership is so opposed to raising the minimum wage that they would rather kick the working poor into the streets.

Mr. Speaker, this bill misses the point. The way we reduce the need for public housing is to give people a living wage. And today's minimum wage is certainly not a living wage.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to my very thoughtful colleague, the gentleman from Long Beach, CA [Mr. HORN].

Mr. HORN. Mr. Speaker, I rise today in strong support of the rule and the U.S. Housing Act of 1996. It means real reform and it means hope for our neighborhoods. This bill, removing obstacles that have existed in the law for many years, will end the cruel hoax of our outdated, inefficient, ineffective public housing system. It scraps the system that tolerates failure and replaces it with safe, clean, healthy, affordable housing for our most vulnerable citizens. It gives low-income Americans hope and opportunity by removing obstacles to work and insisting on professional management standards in local public housing authorities.

By passing this bill, the House will be saying yes to accountability and to work incentives, and no to bloated bureaucracies and the decay of our neighborhoods.

I would like to thank the gentleman from New York [Mr. LAZIO] for including in his manager's amendment a provision that is very important to the people of the city and county of Los Angeles. The manager's amendment extends the authority of the city and county of Los Angeles to spend up to 25 percent of their community development block grant funding on public service. This desperately needed provision fits well into the Republican effort to return broader decision making authority to state and local government.

Mr. Speaker, I urge all of my colleagues on both sides of the aisle to forget the past, forget the decrepit, rotten housing we have provided for the most vulnerable over the years, and vote for the U.S. Housing Act, which means real reform that will mean better living conditions for low-income Americans.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the gentleman from Indiana [Mr. ROEMER].

Mr. ROEMER. Mr. Speaker, so many Americans are working two jobs, they are making sacrifices for their children, and they still cannot get to the American dream of homeownership. One affordable and quality option for many of these Americans is manufactured housing. We have worked very hard and achieved a delicate balance with Republicans and Democrats, with consumer groups and taxpayer groups, in a bipartisan way, to put together an amendment that will help increase the availability and the access to this very important industry and to this dream.

Republicans, such as the gentlemen from California, Mr. ROHRABACHER and Mr. CALVERT, and the gentleman from Florida, Mr. MCCOLLUM, have supported this, as well as the gentleman from Texas, Mr. GONZALEZ, and the gentleman from Minnesota, Mr. VENTO, We also have strong consumer support for this amendment.

I think that this is the way to go as we downsize HUD, as we get input from the industry, as we get input from consumer groups, as we try to make available to hard working Americans this great dream. Let us try to have as many options as are available to these hard working Americans, and manufactured housing and a better understanding of manufactured housing certainly is that option.

I intend to offer in a bipartisan way this bipartisan amendment, and hope to get the support of this House.

□ 1530

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Appleton, WI [Mr. ROTH], my colleague on the Committee on Banking and Financial Services.

Mr. ROTH. Mr. Speaker, that is a very good bill and it is a good rule. In fact, the gentleman from California in yielding me the time had mentioned Appleton, WI. Well, it was Green Bay, WI, and Fort Wayne, IN, where they initially started this voucher program as a pilot program and it worked out very well.

This is a good bill because the gentleman from New York [Mr. LAZIO] and the people working on that committee had looked at this in depth. Let me point out that this bill now takes some of the power from Washington and puts it in the hands of local communities. But, Mr. Speaker, it does more than that. It gives it to private, nonprofit organizations; it gives it to the people who actually live in those housing units.

It also gives them the vouchers so that the tenant now has freedom of choice. If the tenant does not want to live in this unit, this tenant can find another unit so he or she can vote with their feet. It brings the free market forces into public housing, which is what is so desperately needed.

Mr. Speaker, this legislation also consolidates several programs into block grants, and, of course we debated that issue here for years and years about the block grant program, but the block grants are good especially in this instance because it makes people in public housing more self-sufficient and it streamlines the program. That is why the voucher program is so important.

This bill gives people an incentive to move off of welfare in public housing by cutting the legal link between their income and the rent they have to pay. As has been said here in debate before, there is this 30 percent formula, but this 30 percent formula under this bill is not chiseled into stone so that the people again have more latitude.

Mr. Speaker, I think that is what we want to do. We want to give people who are utilizing public housing some latitude, and give them some other avenues besides just concreting them into one particular formula. That is why this legislation is so good.

Mr. BEILENSON. Mr. Speaker, I yield 1½ minutes to the gentlewoman from California [Ms. WATERS], my fine colleague.

Ms. WATERS. Mr. Speaker, the radical Republicans are playing a cruel

hoax on the American people. They refuse to raise the minimum wage by a lousy 90 cents and the bill before us would raise rent on the poorest and most vulnerable Americans, Americans who are only making minimum wage.

Mr. Speaker, why can we bring a bill to this floor to raise public housing rents for the elderly, single mothers, and the working poor when the overwhelming majority of Americans, 78 percent, believe this Congress should consider a modest 90-cent increase in the minimum wage, but my colleagues on the other side of the aisle say, ''No way.''

This rule on this bill shows clearly this Congress' contorted priorities. We could give 11 million Americans a tiny raise. Six out of 10 workers earning the minimum wage are women, many of whom are single parents. Seventy-two percent of these women are adults 20 years old or over.

So much for Mother's Day. So much for family values, my Republican friends. They have just gone too far, Mr. Speaker. We cannot justify this attack on poor and working families. Let us oppose the previous question and craft a rule that will bring a minimum wage increase to this floor. If the Republicans want to raise the rents on seniors tomorrow, let them try. But let us give 11 million Americans a raise today.

PARLIAMENTARY INQUIRY

Mr. DREIER. Mr. Speaker, I have a parliamentary inquiry.

The SPEAKER pro tempore (Mr. BUNNING). The gentleman will state it.

Mr. DREIER. Mr. Speaker, may I inquire of the Chair what piece of legislation is before us?

The SPEAKER pro tempore. House Resolution 426.

Mr. DREIER. And what is that, Mr. Speaker?

The SPEAKER pro tempore. Would you like the Chair to repeat it again? The Chair has read the title before. House Resolution 426.

Providing for the consideration of the bill, H.R. 2406, to repeal the United State's Housing Act of 1937, deregulate the public housing program, and the program for rental housing assistance for low-income families, increase community control over such programs, and for other purposes.

Mr. DREIER. Thank you very much, Mr. Speaker. And I would say to the gentlewoman from California [Ms. WATERS] that that lousy 90 cents works out to $57,000 for the average small business.

Mr. Speaker, I yield 2 minutes to the gentelman from West Chester, OH, [Mr. BOEHNER].

Mr. BOEHNER. Mr. Speaker, I congratulate the committee and Members on both sides of the aisle for the excellent work that they have done. Especially congratulations to the gentleman from New York [Mr. LAZIO] on a bill that really is reflective of our broader Republican agenda.

The gentlewoman from California who spoke before me referred to this as another radical part of our agenda. What the gentlewoman refers to as ''radical'' most people in America would look at and say, ''Now this is common sense,'' because what we are trying to do is to move this power out of Washington, back to States and local communities, to make decisions for the people who live in their communities that can best help the people in their communities.

One provision that will be in the manager's amendment that I am especially pleased with refers to title V of the McKinney Act that currently sets up a three-agency review process for processing applications by homeless groups for Federal surplus land. The process can take years and really does not reflect any local concerns.

Even if there is a local homeless or low-income housing group that would like some of the land and the local community wants to give it to them, they cannot under existing law. The Federal Government decides here in Washington.

This provision in the amendment cuts through all of this redtape. It says that if the local elected officials consent to the transfer of surplus Federal land to a local homeless or low-income housing group, that the Federal Government can transfer the property immediately. No endless process; no three-agency review. The property goes straight to local groups who have local support.

If the local officials cannot agree, then the process goes on through the regular McKinney Act. I think this is a win-win solution. It gives local leaders the authority and the incentive to work with local groups who are trying to address the housing needs of the poor and the homeless.

Local housing assistance groups will get a more receptive ear at city hall and will have more incentive to build local support within their communities. This is an important provision, and I would urge my colleagues to support the rule, support the manager's amendment and the bill.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentlewoman from Texas [Ms. JACKSON-LEE].

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I really do know what bill this is. This is the turn the local housing authority into your local rental office and to help and to provide economic opportunity for all those vacant apartments. It has nothing to do with housing poor people who, in fact, many of us would say I would not live in that place if I had to.

Mr. Speaker, this forces residents to pay more rent. Of those who live in public housing 75 percent earn less than one-third of minimum wage. What this does, oh, yes, give somebody a voucher. In the segregated South I can tell my colleagues there are many of those in the public housing that will not be allowed to live in certain neighborhoods.

This is a bill that has the right direction, but it is the wrong way to do it. This is a bad rule. The reason is because the bill is a bad bill. Yes, we can do some things to reform our local housing authorities, but not take away total Government direction on the national level to ensure that all of us can have good housing for all of America.

Mr. Speaker, this bill does not represent a cohesion and a coalition of those who would say it is good to have Americans in good housing.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Scottsdale, AZ [Mr. HAYWORTH], our very able new colleague.

Mr. HAYWORTH. Mr. Speaker, I rise today in strong support of this open rule and of H.R. 2406. I believe this legislation signals the end of a public housing system which helps trap people in a cycle of poverty instead of providing a safety net for families who really need short-term assistance.

Enactment of H.R. 2406 will give public housing residents more choices and help those who are able move on to a life of greater self-sufficiency.

Mr. Speaker, I would also like to take this opportunity to publicly thank and commend the gentleman from New York [Mr. LAZIO] for his efforts to improve our Nation's system of Indian housing. H.R. 3219, the Native American Housing Assistance and Self-Determination Act of 1996, which I will offer as an amendment to H.R. 2406, will give tribes the flexibility they need to meet their unique housing needs.

Mr. Speaker, this legislation will provide a block grant that will go directly to the tribes and those tribes in turn can then use the funds to build new housing, renovate existing homes, and revitalize their communities

Mr. Speaker, it is all about local empowerment and empowerment of individuals. ''Yes'' on the rule; ''yes'' on the bill.

Mr. BEILENSON. Mr. Speaker, I yield 1½ minutes to the gentlewoman from Connecticut [Ms. DELAURO].

Ms. DELAURO. Mr. Speaker, I rise to urge my colleagues to vote to defeat the previous question on this rule so that we can offer a clean up-or-down vote to raise the minimum wage.

Mr. Speaker, the minimum wage now stands at a 40-year low in real purchasing power. Working American families go to their jobs every day, they play by the rules, and they provide for their families. It is about time someone gave them a break.

Today the Republican majority wants to increase the rents for those who are on the minimum wage, but they will not give them a wage increase. Democrats in this body support the modest proposal to raise the minimum wage by 90 cents. At least 21 majority Members have had the courage to buck the Republican leadership and sign on to a raise for working folks.

Mr. Speaker, I say to the gentleman from Washington [Mr. METCALF], the gentleman from California [Mr. HORN], and the gentleman from New York [Mr. LAZIO], please vote against the previous question so we can have a vote on the minimum wage.

A majority of this body supports raising the minimum wage. On April 17, Speaker GINGRICH promised hearings on the minimum wage. Anyone who may have believed that promise, it has now been 21 days. Speaker GINGRICH's taxpayer-funded salary has paid him $9,867 since April 17, but a minimum-wage worker takes home only $8,840 in an entire year.

Mr. Speaker, I call on this House, I call on the Speaker, to stop stiffing working Americans. Defeat the previous question so we can get a clean up-or-down vote to raise the minimum wage in this country.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to the gentleman from New Providence, NJ [Mr. FRANKS].

(Mr. FRANKS of New Jersey asked and was given permission to revise and extend his remarks.)

Mr. FRANKS of New Jersey. Mr. Speaker, today I rise in strong support of the rule on H.R. 2406. Further, let me take this opportunity to congratulate the gentleman from New York [Mr. LAZIO] on its innovative effort to bring reform to America's Byzantine housing laws.

Over the past year I have worked with Chairman LAZIO to ensure that public housing residents for the first time have the opportunity to directly elect tenants to their local housing and management authorities. For too long the residents of public housing have been subjected to poor living conditions. Those conditions often go unaddressed because tenants have no elected representation on the very housing authorities that oversee these dwellings. The provision that I have worked to include in the manager's amendment empowers tenants by providing for their direct election on housing boards.

If Members believe that these authorities should be more accountable to the very tenants they exist to serve, I urge all Members to vote ''yes'' on the rule, ''yes'' on the manager's amendment, and ''yes'' on final passage.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Texas, Mr. GENE GREEN.

(Mr. GENE GREEN of Texas asked and was given permission to revise and extend his remarks.)

Mr. GENE GREEN of Texas. Mr. Speaker, I rise to oppose the motion on the previous question to this rule to H.R. 2406. We hear a lot of rhetoric about moving people off of welfare and out of public housing and into work, but the Republican leadership has simply refused an up-or-down vote on a minimum wage increase.

Mr. Speaker, a livable wage would give our constituents and other working Americans the ability to move off of welfare rolls and out of public housing, but the Republicans continue to oppose this minimum wage increase. In fact, all we hear in the Senate is that Senator DOLE wants to call attention to an increase of 4.3 cents in the gas tax in 1993, but not an increase in the minimum wage at the same time.

What the Senator fails to inform voters is that he voted for two 5-cent increases from 1982 to 1990, the so-called ''Dole dime.'' Working Americans strongly support an increase in the minimum wage. In fact, the latest national poll shows 83 percent of Americans support an increase.

Mr. Speaker, we have a golden opportunity to give American families what they really need, a decent wage for a decent day's work. Mr. Speaker, it is time for a clean vote on a minimum wage.

□ 1545

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. BUNNING of Kentucky). The Chair reminds Members that are speaking on the floor of the House that reference to individual Members from the other body should be avoided. The Chair reminds Members of that.

Mr. DREIER. Mr. Speaker, I yield 2 minutes to the gentleman from Middletown, NY [Mr. GILMAN], distinguished chairman of the Committee on International Relations.

(Mr. GILMAN asked and was given permission to revise and extend his remarks.

Mr. GILMAN. Mr. Speaker, I rise today in support of the U.S. Housing Act of 1995 and commend its sponsor, the distinguished gentleman from New York [Mr. LAZIO], for all of his diligent work in bringing this important legislation creating a new public housing framework to the floor. In addition, I thank the committee for including language to correct the improper median income calculation for Rockland County.

Currently, Rockland County, New York's median income is calculated by the Department of Housing and Urban Development as a part of the primary metropolitan statistical area which includes the income data from New York City. For this reason, HUD lists Rockland County's median income of a family of four as $40,500. However, the 1990 census shows that the county's true median income to be $60,479, a difference of close to $20,000.

Since HUD's income levels are used in calculating eligibility for almost all State and Federal housing programs, these inaccurate statistics have severely limited the access of Rockland County residents to many needed Federal programs. Income caps for the State of New York mortgage agency, Fanny Mae/Freddie Mac, HUD's section 8, the home program, and a myriad of other beneficial programs are artificially low, thus most of Rockland's residents, financial institutions, realtors, and builders are at a severe disadvantage in relation to their counterparts in neighboring counties.

Mr. Speaker, I thank the committee for their good work in reforming U.S. housing programs and attending to this extremely important local need. Accordingly, I urge my colleagues to support H.R. 2406.

Mr. BEILENSON. Mr. Speaker, I yield 1 minute to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Speaker, this debate centers on two issues. At a time when the gap between the rich and the poor is growing wider, when the real wages of American workers has declined by 16 percent over the last 20 years, when most of the new jobs being created are low wage jobs, part-time jobs, temporary jobs, we must raise the minimum wage so that, if somebody works 40 hours a week, they do not live in poverty.

Second, given the struggle that so many working poor are experiencing today, why would anybody want to raise the rents that low-income people have to pay in public housing? Why would somebody tell the elderly poor, who are barely surviving on Social Security, that they must pay higher rents than they are paying today? This is a bad rule. Let us defeat it.

Mr. DREIER. Mr. Speaker, I yield 1½ minutes to our able new colleague from Gallipolis, OH [Mr. CREMEANS].

(Mr. CREMEANS asked and was given permission to revise and extend his remarks.

Mr. CREMEANS. Mr. Speaker, I rise today in support of H.R. 2406, the United States Housing Act of 1996. This legislation is long overdue.

Years ago, large high rise housing developments were built and widely praised by public housing advocates. Times have changed, and so have these housing projects.

In public housing today, children cower under their beds, as bullets fly through the air right outside their bedroom windows.

Senior citizens live with 10 locks on their doors yet still become victims of predators.

This is not public assistance, this is torture—and it must be stopped. Congress has heard the call for help from public housing residents, and has responded with this legislation.

This new Housing Act will reverse the cycle of poverty that keeps families in public housing developments for generations.

It eliminates those Federal policies that discourage work and self-sufficienty.

And it will close public housing authorities that are beyond repair.

This Housing Act is a significant departure from previous attempts to reform public housing. This bill reflects the realization that local public housing directors know best how to reform

troubled authorities, not a Federal bureaucrat in Washington.

I urge my colleagues to support this long overdue legislation.

Mr. BEILENSON. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Texas [Mr. DOGGETT].

Mr. DOGGETT. Mr. Speaker, America needs a raise. With the minimum wage providing the least purchasing power in almost four decades, America needs a raise. I concluded that our Republican colleagues have finally heard this call for a raise. They know American working people need a raise, and so they have given us their response this afternoon. They are going to raise rents instead of raising wages.

I say it is time to raise the roof because it is not right and fair to American working people that are out there trying to make ends meet to raise their rents without raising their wages.

We will have an opportunity in the next few seconds to vote on whether the minimum wage rises above its 40-year low. All that stands between American working families and an increase in the minimum wage are eight Republican colleagues; not very many, eight Members.

Ironically, more than eight members of the Republican caucus have already gone out in front of the television cameras and announced that they are for an increase in the minimum wage. Yet, they have not yet mustered the willingness on the last two votes to raise the minimum wage in the last 2 weeks in this Congress to vote to do just that.

I know the gentleman from California, my friend, says that it is not germane to this debate to talk about the minimum wage. It may not be germane to the elites, but let me tell you, it is mighty germane to the people that are out there scrubbing the floors, folding the linens in the motel rooms, serving the fast foods, picking the peas. These are the kinds of people that are doing the hard dirty work in our society.

It was only on April 17 that the Speaker of the House, and he was out here on the floor earlier, front page story, headlines, ''Republicans Told To Brace for Vote on Minimum Wage, Gingrich Warns Caucus,'' April 17.

But only a few days later, after all the special interest lobbyists had worked their way, they changed their tune. Let us vote to raise the minimum wage.

Mr. DREIER. Mr. Speaker, I yield 1 minute to the gentleman from Stamford, CT [Mr. SHAYS].

Mr. SHAYS. Mr. Speaker, I thank the gentleman for yielding time to me.

The bottom line to this is, this is a vote on the housing bill, on the minimum wage. I urge my colleagues to vote for the previous question so we can reform public housing, which I have overseen for 9 years.

I can tell my colleagues it is in need of tremendous reform. To those who say it is a vote on minimum wage, I will say to them, my colleagues, I am absolutely convinced we will have a vote on this issue. I happen to be one of the eight that the gentleman has made reference to. To me, it is not lost that Democrats had 2 years when they controlled the White House and Congress. It is kind of embarrassing that they make it an issue today, when they could have done it when they controlled both the White House and Congress.

I see this vote on the minimum wage today as a political vote, not a substantive vote. I urge my colleagues to vote for the previous question. Get on with our job, and we are going to do it. And we are going to do it the right way.

Mr. BEILENSON. Mr. Speaker, I yield myself the balance of my time.

Mr. Speaker, in closing let me simply say again that we do support the rule. But we urge a no vote on the previous question. If the previous question is defeated, I shall offer an amendment to the rule which would make in order a new section in the rule. The provision would direct the Committee on Rules, as the Speaker knows, to report a resolution immediately that would provide for consideration of a bill to incrementally increase the minimum wage from its current $4.25 an hour to $5.15 an hour beginning on July 4, 1997.

That would provide for a separate vote on the minimum wage. Let me make it clear to my colleagues both Democrats and Republicans that defeating the previous question will in fact allow the House to vote on the minimum wage increase. That is what 80 percent of the Americans want us to do. So let us do it.

I include the text of this amendment and accompanying documents for the RECORD at this point in the debate:

At the end of the resolution add the following new section:

''SEC. . The House of Representatives directs the Committee on Rules to report immediately a resolution providing for the consideration of a measure to increase the minimum wage to not less than $4.70 an hour during the year beginning July 4, 1996, and not less than $5.15 an hour after July 3, 1997.''

THE VOTE ON THE PREVIOUS QUESTION: WHAT IT REALLY MEANS

This vote, the vote on whether to order the previous question on a special rule, is not merely a procedural vote. A vote against ordering the previous question is a vote against the Republican majority agenda and a vote to allow the opposition, at least for the moment, to offer an alternative plan. It is a vote about what the House should be debating.

Mr. Clarence Cannon's *Precedents of the House of Representatives*, (VI, 308–311) describes the vote on the previous question on the rule as ''a motion to direct or control the consideration of the subject before the House being made by the Member in charge.'' To defeat the previous question is to give the opposition a chance to decide the subject before the House. Cannon cites the Speaker's ruling of January 13, 1920, to the effect that ''the refusal of the House to sustain the demand for the previous question passes the control of the resolution to the opposition'' in order to offer an amendment. On March 15, 1909, a member of the majority party offered a rule resolution. The House defeated the previous question and a member of the opposition rose to a parliamentary inquiry, asking who was entitled to recognition. Speaker Joseph G. Cannon (R-Illinois) said: ''The previous question having been refused, the gentleman from New York, Mr. Fitzgerald, who had asked the gentleman to yield to him for an amendment, is entitled to the first recognition.''

Because the vote today may look bad for the Republican majority they will say ''the vote on the previous question is simply a vote on whether to proceed to an immediate vote on adopting the resolution * * * [and] has no substantive legislative or policy implications whatsoever.'' But that is not what they have always said. Listen to the Republican Leadership *Manual on the Legislative Process in the United States House of Representatives*, (6th edition, page 135). Here's how the Republicans describe the previous question vote in their own manual:

Although it is generally not possible to amend the rule because the majority Member controlling the time will not yield for the purpose of offering an amendment, the same result may be achieved by voting down the previous question on the rule * * * When the motion for the previous question is defeated, control of the time passes to the Member who led the opposition to ordering the previous question. That Member, because he then controls the time, may offer an amendment to the rule, or yield for the purpose of amendment.''

Deschler's Procedure in the U.S. House of Representatives, the subchapter titled ''Amending Special Rules'' states: ''a refusal to order the previous question on such a rule [a special rule reported from the Committee on Rules] opens the resolution to amendment and further debate.'' (Chapter 21, section 21.2) Section 21.3 continues:

Upon rejection of the motion for the previous question on a resolution reported from the Committee on Rules, control shifts to the Member leading the opposition to the previous question, who may offer a proper amendment or motion and who controls the time for debate thereon.''

The vote on the previous question on a rule does have substantive policy implications. It is the one of the only available tools for those who oppose the Republican majority's agenda to offer an alternative plan.

Mr. Speaker, I urge a ''no'' vote on the previous question and ''yes'' on the rule itself.

Mr. DREIER. Mr. Speaker, I yield myself the balance of my time.

I do so to say that those who are attempting to defeat the previous question here are in fact going to block our effort here which this subcommittee has put together to clean up the corrupt and horrible public housing that we have in this country. Let me conclude by reminding my colleagues that defeating the previous question is an exercise in futility because the minority wants to offer an amendment that will be ruled out of order as nongermane to this rule. That is the rules of this House. The fact of the matter is this is a vote without substance.

The previous-question vote itself is simply a procedural vote to close debate on this rule and proceed to a vote on its adoption. The vote has no substantive or policy implications whatsoever.

Mr. Speaker, I insert in the RECORD an explanation of the previous question:

HOUSE RULES COMMITTEE

THE PREVIOUS QUESTION VOTE: WHAT IT MEANS

House Rule XVII (''Previous Question'') provides in part that: There shall be a motion for the previous question, which, being ordered by a majority of the Members voting, if a quorum is present, shall have the effect to cut off all debate and bring the House to a direct vote upon the immediate question or questions on which it has been asked or ordered.

In the case of a special rule or order of business resolution reported from the House Rules Committee, providing for the consideration of a specified legislative measure, the previous question is moved following the one hour of debate allowed for under House Rules.

The vote on the previous question is simply a procedural vote on whether to proceed to an immediate vote on adopting the resolution that sets the ground rules for debate and amendment on the legislation it would make in order. Therefore, the vote on the previous question has no substantive legislative or policy implications whatsoever.

Mr. Speaker, I yield back the balance of my time, and I move the previous question on the resolution.

The SPEAKER pro tempore. The question is on ordering the previous question.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. BEILENSON. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

Pursuant to the provisions of clause 5 of rule XV, the Chair announces that he will reduce to a minimum of 5 minutes the period of time within which a vote by electronic device, if ordered, will be taken on the question of agreeing to the resolution.

The vote was taken by electronic device, and there were—yeas 218, nays 208, not voting 8, as follows:

[Roll No. 153]

YEAS—218

Allard
Archer
Armey
Bachus
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehner
Bonilla
Bono
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Cox
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Dreier
Dunn
Ehlers
Ehrlich
Emerson
Ensign
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Fowler
Fox
Franks (CT)
Frelinghuysen
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Gingrich
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hancock
Hansen
Hastert
Hastings (WA)
Hayes
Hayworth
Hefley
Heineman
Herger
Hilleary
Hobson
Hoekstra
Hoke
Horn
Houghton
Hunter
Hutchinson
Hyde
Inglis
Istook
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King
Kingston
Klug
Knollenberg
Kolbe
LaHood
Latham
LaTourette
Laughlin
Lazio
Lewis (CA)
Lewis (KY)
Lightfoot
Linder
Livingston
LoBiondo
Longley
Lucas
Manzullo
Martinez
McCollum
McCrery
McDade
McInnis
McIntosh
McKeon
Metcalf
Meyers
Mica
Miller (FL)
Moorhead
Morella
Myers
Myrick
Nethercutt
Neumann
Ney
Norwood
Nussle
Oxley
Packard
Parker
Paxon
Petri
Pombo
Porter
Portman
Pryce
Quillen
Radanovich
Ramstad
Regula
Riggs
Roberts
Rogers
Rohrabacher
Ros-Lehtinen
Roth
Roukema
Royce
Salmon
Sanford
Saxton
Scarborough
Schaefer
Schiff
Sensenbrenner
Shadegg
Shaw
Shays
Shuster
Skeen
Smith (MI)
Smith (NJ)
Smith (TX)
Solomon
Souder
Spence
Stearns
Stump
Talent
Tate
Tauzin
Taylor (NC)
Thomas
Thornberry
Tiahrt
Upton
Vucanovich
Walker
Wamp
Watts (OK)
Weldon (FL)
Weldon (PA)
Weller
White
Whitfield
Wicker
Wolf
Young (AK)
Young (FL)
Zeliff
Zimmer

NAYS—208

Abercrombie
Ackerman
Andrews
Baesler
Baldacci
Barcia
Barrett (WI)
Becerra
Beilenson
Bentsen
Berman
Bevill
Bishop
Blute
Boehlert
Bonior
Borski
Boucher
Brewster
Browder
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Chapman
Clay
Clayton
Clement
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Costello
Coyne
Cramer
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Dooley
Doyle
Duncan
Durbin
Edwards
Engel
English
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Forbes
Frank (MA)
Frisa
Frost
Furse
Gejdenson
Gephardt
Geren
Gibbons
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Hamilton
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Holden
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson (SD)
Johnson, E. B.
Johnston
Kanjorski
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
Klink
LaFalce
Lantos
Leach
Levin
Lewis (GA)
Lincoln
Lipinski
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Mascara
Matsui
McCarthy
McDermott
McHale
McHugh
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Minge
Mink
Moakley
Mollohan
Montgomery
Moran
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Orton
Owens
Pallone
Pastor
Payne (NJ)
Payne (VA)
Pelosi
Peterson (FL)
Peterson (MN)
Pickett
Pomeroy
Poshard
Quinn
Rahall
Rangel
Reed
Richardson
Rivers
Roemer
Rose
Roybal-Allard
Rush
Sabo
Sanders
Sawyer
Schroeder
Schumer
Scott
Serrano
Sisisky
Skaggs
Skelton
Slaughter
Spratt
Stark
Stenholm
Stockman
Stokes
Studds
Stupak
Tanner
Taylor (MS)
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Visclosky
Volkmer
Walsh
Ward
Waters
Watt (NC)
Waxman
Williams
Wilson
Wise
Woolsey
Wynn
Yates

NOT VOTING—8

de la Garza
Ford
Franks (NJ)
Hostettler
Largent
Molinari
Seastrand
Smith (WA)

☐ 1614

Mr. MORAN changed his vote from ''yea'' to ''nay.''

Mr. CASTLE changed his vote from ''nay'' to ''yea.''

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER pro tempore (Mr. BUNNING of Kentucky). The question is on the resolution.

The resolution was agreed to.

A motion to reconsider was laid on the table.

PERSONAL EXPLANATION

Mr. HOSTETTLER. Mr. Speaker, on rollcall No. 153, I was unavoidably detained. Had I been present, I would have voted ''aye.''

PERSONAL EXPLANATION

Mrs. SEASTRAND. Mr. Speaker, on rollcall No. 153, I was unavoidably late. Had I been present, I would have voted ''aye.''

The SPEAKER pro tempore. Pursuant to House Resolution 426 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 2406.

☐ 1615

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2406) to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes; with Mr. GUNDERSON in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the bill is considered as having been read the first time.

Under the rule, the gentleman from New York [Mr. LAZIO] and the gentleman from Massachusetts [Mr. KENNEDY] will each be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, we are at the precipice of an important moment in terms of our Nation's communities. Before we begin our debate today on the Housing

Act of 1996, I would like to paint a picture for my colleagues. Imagine a city block of tall buildings, formed concrete stained and crumbling from decades of neglect. The buildings have no working elevators, no lights in the hallways. The stairwells reek of human waste, and drug paraphernalia can be found in the corners under stairs. No one stands near the windows because they are afraid of stray bullets. Children's playgrounds are nothing more than empty dirt and trash. Mothers do not want their children to play out in the open.

There are no malls, no shopping malls, near this block, no banks, no businesses, except for a few check cashing stores and an overpriced convenience mart. Adults spend weekdays around the complex, because they do not have jobs to go to. The police drive around the perimeter of the block but will not go inside the complex at night without more than one car.

We all recognize this image, Mr. Chairman. It is public housing. It is in America. It is not just public housing in one city, it is public housing in the cities and towns in which we live and throughout this country.

Today we are about ending the charade that we are helping poor people by condemning them to a life in some of the worst public housing in the world. We begin the process of ending this failure and giving families who live in these neighborhoods a chance, an opportunity, a chance to leave public housing, to be self-sufficient, even to own a home.

Where did public housing go wrong for so many American families? Much of the blame lies with policies that were meant to help people, originating from this very Chamber. Decisions that seemed logical when they were proposed years ago turned out to have far-reaching negative consequences when they were enacted into law.

The Brooke amendment, which was originally meant to protect vulnerable Americans from paying too much in rent, now perversely has proven to be a barrier to get a job, because as it is now structured, the Brooke amendment means that the same day you go to work your rent goes up. It is a tax on work.

One-for-one replacement. These statutes were statutes that were placed by the minority party over the last years which were originally instituted to ensure that public housing would not be demolished without having built new housing to accommodate the tenants. What is the result? The result is that one-for-one replacement rules guarantee that huge empty, vacant shells will remain standing in our Nation's communities.

Rules governing Federal tenant preferences were designed to protect tenants, but the practical effect of these far-reaching HUD-mandated requirements has been to load up waiting lists with the poorest of the poor and people whose social needs outweigh the ability of modern welfare structures to accommodate them.

Income targeting provisions ensure that no one is well served by the gigantic hulks of despair all too often associated with public housing. Families and taxpayers have suffered. The costs associated with public housing have risen dramatically over the last 10 or 15 years, at the same time median incomes have fallen, a direct result of these policies.

More of the very poor were being sheltered, but taxpayers are being asked to pay more for decaying, often crime-ridden properties that trap those very same poor people in perpetual poverty. But as I say, this is not a financial equation. The real cost is not to the taxpayers, but to the families and the children who are forced to live in squalor.

Mr. Chairman, we have a chance to make housing assistance work again, and 2406 is the vehicle for this kind of change. The Housing Act of 1996 requires that the hulks of failure that characterize high-rise public housing be vouchered out. The chronically failed and mismanaged housing authorities that have wasted taxpayers' money will be cut off completely, and local management groups, even tenants or nonprofits, will be brought in to do the work that housing authorities have failed to do.

This legislation starts moving these communities back to environments where families are not trapped, where they have a hope and an expectation of being self-sufficient again. It makes public housing transitional, not by punishing long stays, but by establishing a contract between a housing authority and the residents that clearly lays out the rights and responsibilities of each.

It encourages entrepreneurship on the part of housing authorities and tenants, letting them put money back into their community and encouraging the kind of initiative that can turn around a neighborhood, a family, and even a person's life.

This bill realizes that to be successful, we have to end the Washington-based model that enforces inappropriate one-size-fits-all policies that have represented the policies of the last 30 years in our local communities. It repeals Federal tenant preferences and replaces them with local preferences. It ends overly restrictive targeting and gives local communities the power to set rents based on real needs, rents that will help people return to the work force.

This legislation changes the whole way the Government looks at housing assistance and is a step toward forging a new partnership, a new relationship between citizens and Government, one where Government can truly be a partner.

I am very proud to be here today before this Congress, Mr. Chairman, to present the United States Housing Act of 1996, because I believe, Mr. Chairman, this is a step toward hope for many of the people about whom we care most. I look forward to this debate because here in this House, the house of the American people, we have to face the reality of the 20th century and the challenges of the 21st century. Here today is where we define the future, Mr. Chairman.

Mr. Chairman, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself 5 minutes.

Mr. Chairman, this bill really for the first time enacts into law the fundamental and un—American principle of blaming the victim. That is what this bill is all about.

We essentially have seen over the course of the last several years, politician after politician walk before every housing monstrosity in the United States, point to public housing, time and time again, and say, ''This is an example of liberal Democratic politics at its worst. This is an eyesore, an acute demonstration of why the Johnson era of liberal Democratic spending on Government programs simply has been outmoded.''

The truth of the matter is that public housing policy in this country is the greatest unfulfilled dream that has ever been encompassed by this body. What we have said is that we are going to house poor people. But then we never gave the housing authorities anything close to the resources that were necessary to provide the housing they were asked to give to the people that are of such low income.

Then what we do is, after we starve those public housing authorities and the individual public housing projects, we come along, take a picture of ourselves in front of them, and say, ''This is a terrible example of Government spending.'' What do we do? What is our solution to this problem? It is to cut the funding.

Last year without a single hearing we cut, in order to solve the problem of public housing, 25 percent of the budget of public housing. Now what we are doing in this bill is coming back and saying, ''Look, public housing does not work, so what we are going to do is essentially allow and enact into law provisions which allow us to jack up the rents on the people that exist in public housing, thereby throwing a lot of poor people out of public housing, and, I might add, working families out of public housing.''

This bill, more than anything else, hurts working families, the working poor. People that earn the minimum wage are going to be displaced by the actions taken in this bill.

What we are saying is that when you are in public housing, we are going to knock you out; if you are in assisted housing, we are going to knock you out; if you are elderly or disabled, you are at risk. Those are the provisions that are hidden in the sneaky language that we are not going to hear by the other side of the aisle.

What is important for us to recognize, Mr. Chairman, is yes, there need

to be changes in how we handle public housing. I think Secretary Cisneros and President Clinton deserve credit, as I want to provide credit to Chairman LAZIO, for the portions of this bill that allow us to cut out badly run public housing authorities, to cut out badly run public housing agencies, to get rid of the one-for-one public housing criteria that was included in past bills, to deal with the Federal preferences which have gotten us far too concentrated on serving just the very, very poor.

□ 1630

Maintaining the drug elimination grants, maintaining the Hope 6 program, these are all the positive aspects which I think Chairman LAZIO should be proud of and that I am proud to associate myself with.

But the trouble is that the bill goes too far. We end up eliminating the Brooke amendment, which has been the most fundamental protection for poor people in this country. We say as a protection to the poor that we will not ask them to pay anything more than 30 percent of their income in rent. Thirty percent of their income in rent is a lot of money for ordinary families. So by eliminating that, certainly it protects the housing authorities because they can jack up the rent.

So the poor people in the housing authorities have no place to go, so we send them out on the street. Then what do we do? We turn around and say that we are going to cut the homeless programs in this country by another 25 percent. So not only do we go about actually creating homelessness in this program, we then go and cut the very program that is supposed to take care of them.

The people that we do not hear from in this bill are the people that are going to be displaced by this bill. We have two amendments that we need, that if we can see this body pass them today, I will recommend that we vote in support of this bill.

First and foremost is BARNEY FRANK's amendment to protect the Brooke amendment. If we protect the Brooke amendment and do that with the necessary targeting, so that we do not just throw out the poor and that we do not throw out the working families, the working poor of this country, then I tell Chairman LAZIO right now that I would recommend that the Democrats of this House of Representatives support the bill.

Without those fundamental protections, this is essentially flawed and bad legislation. It will hurt working families. It will hurt the poor. It will hurt senior citizens, and it will hurt the disabled.

Let us stand up for principle in this body. Let us stand up for what is right in terms of not only public housing policy but the moral fiber and the moral value that is associated with the United States of America.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield myself time as I may consume.

Mr. Chairman, I want to make one comment here. In terms of this bill, there is some rhetoric involving the raising of rents. There is nothing in this bill that raises the rents on a single person now in public or assisted housing. Seniors are protected. The disabled are protected, and the poorest of the poor are protected. What we are trying to do is remove obstacles to work.

I also want to thank my colleague, the gentleman from Massachusetts [Mr. KENNEDY], for his cooperation throughout the process. Thank you very much, JOE KENNEDY.

Mr. Chairman, I yield 3 minutes to my friend and colleague, the gentleman from Iowa [Mr. LEACH], the distinguished chairman of the Committee on Banking and Financial Services.

Mr. LEACH. Mr. Chairman, I rise in support of H.R. 2406 and want to thank Mr. LAZIO for his leadership on this bill. The Banking Committee, the House, and indeed the American people, are indebted to the gentleman from New York for the hard work and intellect he has put into this major reform legislation.

Let me speak to several aspects of the bill.

The chief goal of the legislation is to expand housing choices for low and moderate income people and to devolve power from Washington to local communities.

The legislative intent is to move away from reliance on highrise public housing projects and encourage the use of housing vouchers. It is the assumption of the committee that it is cost effective, as well as compassionate, to give low and moderate income people the ability to get away from projects which too often are infested with crime and drugs and move into communities where they can raise their families in safer, cleaner environments and where they will have an enhanced ability to improve their lives.

It is further the assumption of the committee that the people of the Bostons and Indianapolises and Davenports of the Nation can be trusted to more effectively and efficiently operate housing programs for the people of these communities than can those in Washington who the current law favors. Hence, the bill puts more power in the hands of those who know their localities best—the residents and local leaders who live in the communities affected.

H.R. 2406 is a prime example of commonsense reform. There is nothing radical or extreme here. The committee has simply recognized that government-built slums serve nobody's interest. What is needed is decent support for decent people who can make their own choices and control their own destinies.

I again congratulate Mr. LAZIO for his leadership on this important legislation, and the staff of the Housing and Community Opportunity Subcommittee for the many hours they have put into this effort.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Texas [Mr. GONZALEZ], the former chairman of the Committee on Banking and Financial Services.

Mr. GONZALEZ. Mr. Chairman, H.R. 2406 in part follows bipartisan reforms adopted by the House in the last Congress, however, in part it profoundly departs from what had been a bipartisan policy of assuring that scarce Federal housing resources are used to help those who are in the greatest need. The basic assumption of H.R. 2406 is that local housing authorities should have the greatest possible leeway to spend Federal dollars. I am skeptical of a bill that provides precious few standards and guideposts to agencies that are dealing with the most complex and vexing of economic and social problems.

The bill is designed to encourage housing authorities to raise rents and to deny housing to people who cannot pay significant amounts of money for housing. This would have two effects: It would make housing authorities richer, and poor people poorer. It would increase the number of homeless people, and it would add to the distress of people who are already unable to meet their most basic needs. There is a better way to deal with the financial problems of housing authorities.

H.R. 2406 contains some sensible reforms, most of which the House has previously passed with overwhelming support. Unhappily, the bill also contains many simplistic and ultimately unworkable provisions, which I hope the amendment process will improve.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Florida [Mr. MCCOLLUM].

Mr. MCCOLLUM. Mr. Chairman, I thank the gentleman for yielding me the time.

Mr. Chairman, this legislation returns decisionmaking authority to the local level instead of a Washington bureaucracy, allowing public housing authorities to provide clean, safe, healthy, and affordable housing to needy persons and families in a more cost effective and managerially sound manner. It is imperative, in my judgment, that we reform the Nation's public housing programs to weed out those that have chronic problems and to encourage local housing authorities to tailor their programs to the specialized needs of their community.

I am particularly pleased that Chairman LAZIO has included provisions in the manager's amendment that deal with housing occupancy standards. Last week I introduced a bill which has been included in the amendment that would clarify that States should be able to set occupancy standards and not HUD.

There is a national consensus that the maximum number of occupants

most housing can accommodate without triggering the negative effects of crowding is two people per bedroom. The provision in the bill is a necessary clarification to stop attempts by HUD to adopt unrealistic occupancy policies. In recent years, HUD has pushed housing providers to accept beyond two people per bedroom, a policy that would lead to overcrowding, and take control of the apartment properties away from their owners and managers.

The manager's amendment provision clarifies it in three ways: First, HUD may not micromanage this issue by setting Federal occupancy standards; second, that State occupancy standards are authoritative; and third, that in the absence of the State standards, a two-person-per-bedroom policy is assumed reasonable.

This provision is supported by a remarkably wide range of housing provider groups, including all of the public housing associations as well as homebuilders, private apartment owners, seniors housing, section 8, and manufactured housing groups.

The bill overall will encourage mixed income populations instead of segregating the poorest of the poor, will help end the cycle which has perpetuated dependence on Federal support and disincentives to work.

Additionally, this bill imposes a death penalty on poorly run public housing authorities with longstanding records of failure. The time is overdue to change the Washington-knows-best attitude toward public housing. Who else should know best how to serve residents in communities than local housing providers who live and work in these areas? Chairman LAZIO and his staff have drafted a commendable bill, and I encourage its support.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to my good friend, the gentleman from New York [Mr. FLAKE], who is himself an innovator, developer of low-income housing in New York City.

Mr. FLAKE. Mr. Chairman, I rise in opposition to H.R. 2406, the United States Housing Act. I would, however, like to commend my friend, Mr. LAZIO, and his staff on their leadership and outstanding efforts to produce a housing bill that Members on both sides of the aisle could support. Unfortunately, Mr. LAZIO'S bill has good intentions, but falls short in its efforts to protect public housing's poorest families.

Mr. Chairman, the United States Housing Act, essentially closes the door on poor public housing residents. The bill makes small efforts to accommodate the poor by reserving 30 percent of public housing units for families of four who are living on approximately $15,000 a year in a city with high living standards like New York. Statistics show that the average income of residents in public housing is $6,400 a year. Simple math tells us that this type of housing policy does not provide for dire housing needs of the poorest housing residents. In the absence of such a policy, we will find more people on the streets.

Mr. Chairman, I am truly concerned that this bill will have a drastic effect on the housing of the poor in New York. According to the provisions included as a part of the manager's amendment to this bill, the New York City Housing Authority, as a well-performing local housing authority, would not be subject to any rent caps or targeting. Without these rent caps and targeting provisions, there is no assurance that a public housing authority will provide poor families who are unable to pay higher rents with housing. Public housing was not designed to accommodate those who can pay the most. Private rental housing is designed for that. In a country with such a wealth of resources, poor families should not have to go without shelter.

Mr. Chairman, there are 225,000 people currently on the waiting list for public housing in New York. The housing need is great and the opportunities are few. This bill provides us with no assurance that poor and individuals like seniors and the disabled who have limited income will be treated equitably in this process. Let's protect the interests of these individuals. The Kennedy and the Frank/Gutierrez amendment attempts to protect these individuals and I urge support for each.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Oklahoma [Mr. WATTS].

Mr. WATTS of Oklahoma. Mr. Chairman, the time is right for us to replace an outdated Depression-era law that was written in 1937. Instead of being rewritten to reflect modern housing needs and the challenges associated with public housing entities, the 1937 Housing Act had only been given quick legislative fixes which have resulted in regulation based on regulation placing local housing authorities in a stranglehold, unable to address problems at the community level.

The Great Society programs of the last 30 years, although well intentioned, only exacerbate the downward spiral of our low-income communities. By allowing government to replace the institutions that give structure and order to our neighborhoods, the Great Society programs have fractured these communities and placed unnecessary obstacles in the way of faith, family, work, and community.

Big government is part of the problem—not the solution. We need to promote an infrastructure where solutions to these prolems can come from epople who have the same zip code as the people they are helping. H.R. 2406, the United States Housing Act of 1996, does this.

This bill eliminates the existing 3,400 public housing authorities and replaces each with a new local management housing authority [LMHA]. These local management housing authoriies will be allowed to make decisions, within broad parameters, tailored to the specialized needs of local communities.

H.R. 2406 puts power in the hands of local communities, residents, and nonprofits, not Washington bureaucrats, by ending monopolies some public housing authorities have over housing for low-income American families. This bill ends the reliance on the flawed bureaucratic views and policies of housing assistance: that more boutique programs and more money means better living conditions. This bill addresses the fundamental needs of people and communities.

This bill offers Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy, and in particular, assist responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control.

I encourage my colleagues to support this bill.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentlewoman from California [Ms. WATERS].

□ 1645

Ms. WATERS. Mr. Chairman, I rise first to thank my friend, the gentleman from Massachusetts [Mr. KENNEDY], for all of the work that he is doing in this Nation on behalf of poor people and working people, particularly paying attention to their housing needs. Really I thank the gentleman from new York, Mr. LAZIO, for the job he is doing, and I agree with my friend, Mr. KENNEDY, we could clean up this legislation and, with the Kennedy-Gutierrez amendment, perhaps we could all support this bill.

Mr. Chairman, for now I must rise in strong opposition to this bill. H.R. 2406 completely restructures public and tenant-based housing in ways that will have detrimental consequences for the very families they are intended to serve. We all recognize there is a need for reform, but this bill, H.R. 2406, goes too far. This bill will put poor families in jeopardy of losing their housing because they will be unable to pay higher rents. Applicants who have been on waiting lists for years, may never get housing assistance under this bill because they are not in the desired income range.

I am most concerned with the provisions in this bill that give housing authorities broad authority to set minimum and maximum rent without the protection of the Brooke amendment. Under H.R. 2406, residents, regardless of their income or circumstances, can be charged whatever rent housing authorities set. At a minimum, all residents will pay $25 to $50 in rent. This will apply to residents with income as well as those with no income at all.

For many families, this will mean choosing between shelter and food or clothing or medicine. About two-thirds of those affected will be families with children. These are families with the worst-case housing needs. These are families with very little income, and in

many cases no income at all. These are the families that programs like public and assisted housing are designed to help.

How can we bring this bill to the floor when we know that worst-case housing needs reached an all-time high of 5.3 million in 1993, and that number has remained high? Almost 2 million of those with worst-case needs are working households, including many working-poor families with children.

Are we going to just turn our backs on these families? That is exactly what this bill does, and this is exactly why I cannot support it, unless we have these amendments.

Mr. Chairman, I am not just here because I want to preserve something that does not work. I am here because I know first hand about the needs of poor people. I am here because I know first hand about the families that live in these housing authorities. I did not visit them just 1 day. Every time I go home I make sure I spend time in public housing authorities.

Certainly we have problems, but these problems are not created by the people who need this housing. The problems sometimes are in management. We do not need to kick them out of housing by charging them higher rents. We need to support the ability for them to have a decent and safe place to live.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to note on the issue of minimum rents, the gentlewoman from California had noted that issue. Minimum rents are set in this bill at $25 to $50 at the discretion of the local housing authority, but there is a hardship exemption—safety valve—for those people with a particular hardship or need.

Mr. Chairman, I yield 2 minutes to the gentleman from the great State of Delaware [Mr. CASTLE], the former Governor of that great State, and a member of the Committee on Banking and Financial Services.

Mr. CASTLE. Mr. Chairman, I thank Chairman LAZIO for yielding me this time.

Mr. Chairman, I would like to thank Chairman LAZIO and his staff for their hard work, and for their commitment to improving public housing. I would also like to thank the chairman for recognizing that public housing authorities and programs should be evaluated on their performance.

Mr. Chairman, I believe our Government has a responsibility to ensure vulnerable populations have access to safe, affordable housing, but HUD needs serious reform. H.R. 2406, the U.S. Housing Act, reforms and streamlines HUD from the top down. It empowers local authorities, benefits public housing residents, and saves taxpayers' money.

Local authorities know their community's needs far better than a Washington bureaucrat, which is why H.R. 2406 replaces the current tangle of Federal strings with two funding grants for public housing. If we are going to hold local officials responsible for the quality of their community's public housing, they should have the power to implement the solutions that fit their community's needs.

Delaware runs its public housing programs exceptionally well, and I believe Delaware and other successful States should be rewarded. Under H.R. 2406, 100 of the most successful local housing authorities will be empowered to develop innovative programs to help move residents out of public housing and into their own homes. This creates incentives for housing authorities to ensure their facilities are fiscally sound, physically safe, and efficiently run.

H.R. 2406 continues to help us achieve these worthy goals, and I am proud to support it.

Mr. Chairman, I would like to engage Chairman LAZIO in a colloquy.

Well-run housing authorities, such as we have in Delaware, should be rewarded for their success. With the help of the chairman, during the markup of H.R. 2406, I successfully added an amendment requiring that the performance of a housing authority should be taken into account under the block grant allocation formula.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield, that is correct.

Mr. CASTLE. I want to ensure that well-run housing authorities are rewarded for running fiscally sound and physically safe housing facilities. Mr. Chairman, will changes made in the funding process reflect this goal?

Mr. LAZIO of New York. Yes. The intent of this legislation is to ensure that well-run housing authorities are not penalized for their success. Rather, they are rewarded for operating efficiently, and they are given appropriate levels of flexibility to reward that proven success in delivering housing services to their constituency.

Mr. CASTLE. Mr. Chairman, I am proud to support this much-needed legislation.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would like to point out that one of the rewards, the so-called rewards being referred to here, is in fact, the elimination of the Brooke amendment. So what we are saying is if you run a housing authority well, we are going to allow you to in fact turn your back on some of the poorer people in this country. We are going to allow you to turn your back on the amount of rent that those individuals that you are going to bring into the housing authority are going to be charged.

I do not think that that is the kind of reward system that we ought to be putting into place. I think we ought to hold these housing authorities to standards of performance that they in fact take care of those individuals, and when they do not take care of these, we ought to provide the power to the Secretary to usurp the local authority's power and to take that and be able to get the authority back on its feet through the appointment of an individual that has the power and authority to make the proper decisions.

That is the kind of system that the gentleman from New York [Mr. LAZIO], and myself and I am sure the gentleman from Delaware [Mr. CASTLE], can agree on. It is this additional benefit of eliminating the targeting to the poor, of eliminating the Brooke amendment, that rewards these housing authorities in a way that perversely allows them to turn their back on the very people that they are designed to serve.

Mr. Chairman, I yield 2 minutes to my good friend, the gentlewoman from New York [Ms. VELÁZQUEZ], who speaks eloquently on behalf of our Nation's poor in the Subcommittee on Housing.

Ms. VELÁZQUEZ. Mr. Chairman, before I give my opening statement, I would like to remind Chairman LAZIO that the minimum rent is not $25, to $50. That is what the gentleman is proposing in his manager's amendment.

Mr. Chairman, as the representative of one of this country's largest public housing populations, I rise today to express my outrage to this bill. Many of the provisions in this legislation threaten poor families, the disabled, and seniors' most basic and human needs—safe affordable housing.

Public housing in America began very differently than what it has evolved into. During the 1930's, America made the commitment that adequate housing was right, not just a privilege. To fulfill this pledge, we undertook a program that aimed to provide affordable housing for everyone who needed it.

Times have changed and over the years, the Housing Act of 1937 has become antiquated and unresponsive. To address this Secretary Cisneros has undertaken changes that now allow HUD to respond to public housing's unique challenges.

Mr. Chairman, repealing the Housing Act of 1937 is not that sort of change! H.R. 2406 represents a significant departure from our national commitment to the poor and needy. Gone are such safety nets as income targeting, and the Brooke amendment.

Even the majority leader from the other body and the Speaker of this House have joined the bandwagon by calling public housing the last bastion of socialism and that it should be abolished. What an outrage. They should be ashamed, posturing simply for political gains at the expense of this Nation's needy is disgraceful.

Decent and affordable housing is already out of reach for more than the 5 million neediest households. Let's end this charade! Housing legislation should ensure that poor people have a roof over their heads, not push seniors, children, and poor families into the street. I urge my colleagues to oppose this cruel and shameful legislation.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I agree that we should end this charade, the charade that we measure compassion by sheltering or warehousing poor people in some of the worst slums in America that have been built by the Federal Government. In State Street, Chicago, there are 10,000 people with an unemployment rate that is virtually universal. If that is now we measure compassion, then I am out of touch. If that is how some people in this body measure compassion, that is why we are trying to break out of this mold. That is why we are trying to end the Brooke amendment, which penalizes work and is a disincentive to work.

Mr. Chairman, I yield 1½ minutes to my distinguished colleague, the gentleman from Washington [Mr. METCALF].

(Mr. METCALF asked and was given permission to revise and extend his remarks.)

Mr. METCALF. Mr. Chairman, I thank Subcommittee Chairman LAZIO and Chairman LEACH for bringing commonsense housing reform to the floor today. For too long, housing authorities have been burdened by excessive Federal regulations, bureaucracy, and paperwork. H.R. 2406 will deregulate public housing and given greater flexibility to well-run housing agencies. We must no longer tolerate chronically bad public housing authorities that have used taxpayers' dollars irresponsibly.

I also commend Mr. LAZIO for his efforts to protect the most vulnerable populations. Under the manager's amendment, we cap rents at 30 percent of income for the elderly, disabled, and the very poor. This provision will protect a majority of current and prospective public housing residents.

The U.S. Housing Act is not just a quick fix or an extreme solution. It is a real solution which will end public housing as we know it and take a step toward welfare reform.

I am fortunate to live in a district with good public housing agencies which will continue to serve those who need affordable housing. Whether it is the Everett Housing Authority or the Housing Authority of Island County, they express the same message: give us greater flexibility and less Federal interference. This is what Americans are asking for—eliminate unneeded Federal bureaucracy and transfer power and authority to State and local levels.

I ask my colleagues to support this commonsense legislation.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I want to point out the fact that in the case of the Chicago Housing Authority, which does have over 50,000 residents and where we do see enormous problems, it was Secretary Cisneros that went out there and took the bull by the horns and began to make changes in that housing authority. We do not need anything in this legislation to fix what is wrong with the Chicago Housing Authority. The fact of the matter is, the changes that we could make together and have agreement on are very easy. The ones that repeal Brooke and repeal the targeting are the ones that we have a problem with, and those portions of this legislation are what are going to unhinge the promise of public housing.

Mr. Chairman, I yield 2 minutes to my good friend, the gentlewoman from California [Ms. ROYBAL-ALLARD].

Ms. ROYBAL-ALLARD. Mr. Chairman, I want to thank Chairman LAZIO and Mr. KENNEDY for addressing the issues facing our Nation's housing providers and public and assisted housing residents.

I would also like to acknowledge Secretary Henry Cisneros for his leadership and successful efforts to improve our Nation's public housing programs.

The deregulation of the housing industry and the more efficient use of scarce housing resources are important goals. This bill, however, simply goes to far.

The repeal of the Brooke amendment and changes to current income targeting laws in this bill will eliminate important safety nets, causing the devastation of millions of families across the country.

With the repeal of the Brooke amendment, in my Los Angeles district alone over 10,000 residents will no longer be protected from rents that exceed 30 percent of their monthly income.

Furthermore, drastic cuts to income targeting in public and assisted housing will drastically reduce the availability of housing for thousands of families, many of whom are currently homeless or living far below the poverty line.

Although the bill contains provisions that authorize HUD to review the rent structure of large housing authorities if certain income targets are not met or if a significant percent of tenants are paying over 30 percent of their incomes in rent, the bill does not have the guarantees of affordable and available housing that the Brooke amendment and current targeting laws provide.

Mr. Chairman, today we have the opportunity to preserve the Brooke and income targeting laws by voting for the amendments offered by Mr. FRANK, Mr. GUTIERREZ, and Mr. KENNEDY.

It is crucial that these amendments pass, if this bill is to successfully meet the challenge of public housing: To prevent homelessness and provide public and assisted housing to those in greatest need.

□ 1700

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland [Mr. EHRLICH].

Mr. EHRLICH. Mr. Chairman, I would first like to compliment the gentleman from New York [Mr. LAZIO] for his thoughtful approach to housing issues. The gentleman well knows housing issues are a major issue in my district.

Mr. Chairman, I also want to compliment the gentleman from Massachusetts [Mr. KENNEDY], the ranking member. We have very great philosophical differences, as the ranking member knows, but I know he believes what he says and I respect that.

Mr. Chairman, the Brooke amendment, a tax on work, corrupt and inept public housing authorities, no rights and responsibilities for tenants, mixing of the elderly poor with drug addicts and alcoholics, the consistent waste of taxpayer money, all in the name of compassion.

Well, what I am here to say today is that compassion is not always a function of more Federal money, nor is compassion always a function of more Federal control.

Mr. Chairman, this bill represents a first positive step in what I hope will be a new era in Federal housing policy. I know we are going to have lots of debate and lots of amendments on the floor this evening, and I look forward to that very substantive debate.

I also look forward to a colloquy with the gentleman from New York [Mr. LAZIO], the chairman of my subcommittee. I look forward to that colloquy because the chairman knows my concern about the extreme, ill-advised, unprecedented, and dangerous policies being promulgated by the Department of Housing and Urban Development on the folks in the Baltimore metropolitan area these days.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentlewoman from New York [Mrs. MALONEY], my good friend and an active member of the Subcommittee on Housing and Community Opportunity.

(Mrs. MALONEY asked and was given permission to revise and extend her remarks.)

Mrs. MALONEY. Mr. Chairman, in 1937 we made a commitment to provide decent, affordable housing to our Nation's lower income citizens. That is a commitment I am not willing to scrap.

Public housing can work. It has been a tremendous success in New York City, where more than 225,000 New Yorkers are on the waiting list to get into public housing. Not all public housing in this country is as successful, and we need change. HUD is already taking steps to make needed changes.

Mr. Chairman, I want to take this opportunity to thank the members on both sides of the aisle for supporting the amendment I offered in committee with my colleague, the gentleman from Louisiana [Mr. BAKER], to allow HUD to review the long-term viability of the local housing management plans. Taxpayers are entitled to meaningful review. This amendment ensures it, and I thank Chairman LAZIO from the great State of New York for accepting my amendment.

But while we work to improve public housing, we must not abdicate our commitment to our poorest public housing residents. The bill does just that.

A 30-percent cap would be maintained for the elderly, disabled, and the very poor, but would only apply to current residents. What about the future residents who need housing? Even worse, within 3 years, the 300 best performing authorities would be completely exempt from even these minimal requirements.

The current Brooke provision provides renters, landlords, and appropriators with a standard. By abolishing the standard, I believe we abolish the mission. The bottom line is we can fix the problems in public housing without penalizing seniors and our poorest residents.

Let us make sure we stay focused on reforming the parts that do not work, not throwing out the parts that do.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I just want to respond to the comments of the gentlewoman from New York with respect to so-called Brooke protection which is still in place as a ceiling for current tenants and prospectively for those poorest of the poor, the people at 30 percent or below median income, which is almost 76 percent of the population.

But Brooke, for those people that are trying to get themselves up the ladder and trying to work, has been a huge work disincentive. It is a job killer and a disincentive for people to transition back into the marketplace.

Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Nebraska [Mr. BEREUTER], the vice chairman of the Subcommittee on Housing and Community Opportunity.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Mr. Chairman, I rise in strong support of the legislation before us today, House Resolution 2406. I wanted to mention three or four specific items that I think thus far have not been enumerated. They are very important provisions.

Mr. Chairman, we have one which creates home ownership opportunities, that would clarify the home ownership opportunities offered under the legislation and the ability of the housing authority and other low-income housing providers to undertake the process of preparation and sale of units to residents who are eligible for home ownership.

Second, we have a provision in here which clarifies and provides guidance on the factors necessary to require conversion of public housing assistance to vouchers, including some conditions and certain situations that are specified under the law. I think that is very important.

The financial assistance for severely distressed buildings with no eventual useful life will be terminated and, therefore, converted to housing voucher assistance.

There is a section here which is directed to voluntary vouchering out of public housing. That should be important to local housing and management authorities.

Mr. Chairman, let me move to two other items. We have one which we might refer to as shopping incentives for assisted families. This provision allows for shopping incentives for assisted families under a choice-based housing which rewards the market-rate selection of rental units that fall below the payment standard for that community.

Finally, a section which relates to homeless and surplus property community participation and self-help housing. This will amend section 203 of the Federal Property Administrative Services Act by providing communities with an opportunity to participate in the disposition of significant surplus property.

Mr. Chairman, these are a few of the important provisions that perhaps have not been mentioned, but they are important provisions that make an advance in housing for people across the country.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2½ minutes to the gentleman from Illinois [Mr. JACKSON], my friend and our newest member of the subcommittee.

(Mr. JACKSON of Illinois asked and was given permission to revise and extend his remarks.)

Mr. JACKSON of Illinois. Mr. Chairman, I rise today to emphatically oppose the United States Housing Act of 1996 as it is currently drafted. In its present form, H.R. unravels 60 years of Federal housing policy by pulling the safety net out from under our Nation's most vulnerable and, despite the rhetoric to the contrary, hits our working poor particularly hard. Adequate and safe housing is a human right and should not be considered by this body as a privilege.

Left completely on its own, contrary to what the other side of the aisle would lead us to believe, the market has not and will not provide safe, sanitary, and affordable housing for all Americans. The market has a role which I respect and it plays that role well, but its role does not under all circumstances represent the interests of all Americans, especially the poor and low-income Americans.

As we consider this critical piece of legislation, we must be mindful of some very dangerous implications implicit in this bill. First, we must maintain the 30-percent income cap imposed by the Brooke amendment for all public housing and rental-assisted tenants. This includes poor and the working poor.

Second, we must continue to target housing assistance primarily for the most vulnerable.

Third, we cannot impose minimum rents without any kind of hardship exemption upon those without the resources to provide for their families. This includes protecting innocent children and some 750,000 elderly who currently rely upon government assistance for their survival.

Fourth, we must work to protect the role of those affected, the residents themselves, in the development of the policies and procedures which govern their day-to-day lives.

By leaving the cap on the poorest of the poor those below 30 percent of median income and thus those below the poverty line, as provided for in the manager's amendment, and lifting the cap for those above 30 percent, H.R. 2406 essentially increases the concentration of the poorest of Americans in public housing and abandons the working poor, allowing their rents to be lifted to compensate for dwindling Federal support. The working poor will now be forced to disproportionately spend their meager take-home pay on rent at the expense of other household necessities.

While the objective of mixed-income communities is a laudable one, for many reasons this legislation will further exacerbate the affordable housing gap existing in our Nation. Without adequately targeting low and very low-income Americans for assistance, this legislation will drive the poor out of public assisted housing and into overcrowded and unsafe housing, or force people onto the streets.

Mr. Chairman, the overriding problem with this and past legislative efforts is that we never have ever provided sufficient funding and resources to allow public housing residents to move beyond public housing. We must be about the business of providing job training and retraining, education, child care, and true opportunities to allow public housing residents to move into private housing and private life.

Mr. Chairman, I urge my colleagues to oppose this legislation if we do not rectify the very serious issues before us.

Mr. Chairman, I rise today to emphatically oppose the U.S. Housing Act of 1995 as it is currently drafted. In its present form, H.R. 2406 unravels 60 years of Federal housing policy by pulling the safety net out from under our Nation's most vulnerable and despite rhetoric to the contrary, hits our working poor particularly hard. Adequate and safe housing as a human right, it should not be considered a privilege.

As civilization and economies develop, certain basics of the material life—health care, education, food and shelter—should not be turned over completely to market forces, to a ''survival of the fittest'' situation. In such a system, the few always wind up on top with the best and most of everything, while the many end up on the bottom with the least and worst of everything—in this case, housing.

Left completely on its own, the market will not provide safe, sanitary, and affordable housing for all Americans. The market has a role, which I respect, and it plays its role well. But its role does not under all circumstances, represent the interests of all Americans, especially poor and low-income Americans.

The government of, by, and for the people has an important role to play in assuring that every American has safe, sanitary, and affordable housing. This is why we initially passed public housing legislation in 1937, to provide affordable housing for all Americans—housing for those that the market did not serve. Public housing was later expanded to specifically include the poor, the elderly, and the disabled.

We should not treat housing like we do peanuts, soybeans, beer, and cars—commodities to be produced, distributed, and sold privately in the market place for profit. Need—the need for adequate and affordable housing, is the basis for the Government's role in housing.

If the market addressed the need, then our dilemma would be of a different nature, but it hasn't and it doesn't. Thus, as representatives of all of the American people—not just those that can survive in a private, ''survival of the fittest'' housing market—we must assume our responsibility.

In the late 1960's a White House Conference on Housing recommended 26 million new housing starts over the decade of the 1970's, 6 million in public housing and government-assisted housing—2.6 million housing starts per year for 10 years, 600,000 in public or subsidized housing. We have never reached the 2.6 million annual goal. Thus, after two-and-one-half decades of failing to meet that goal, our Nation's people are even more ill-housed than they were 25 years ago. And now some Members of this Congress want to remove the Government's role in requiring that tenants not pay disproportionate portions of their income to provide their families housing above substandard conditions.

Mr. Chairman, H.R. 2406 will deny many of our Nation's neediest parents the opportunity to raise their children in a climate where their rental contributions do not preclude the provision of household essentials—clothing, medicine, food, and other necessities we take for granted.

As we consider this critical legislation, we must be mindful of some very dangerous implications implicit in this bill. First, we must maintain the 30 percent income cap imposed by the Brooke amendment of 1969 for all public housing and rental-assisted tenants, this including the poor and the working poor. Second, we must continue to target housing assistance primarily for our most vulnerable. Third, we cannot impose minimum rents without any kind of hardship exemption upon those without the resources to provide for their families—this includes protecting innocent children and the some 750,000 elderly who currently rely upon governmental assistance for their survival. And fourth, we must work to protect the role of those most affected—the residents themselves, in the development of the policies and procedures which govern their day to day lives.

Named for its sponsor, Senator Edward Brooke, the Brooke amendment was enacted into law in 1969 to guarantee that residents of public and assisted housing would pay no more than 25 percent of their income for rent. In 1981, the cap was lifted to 30 percent. The policies represented in H.R. 2406 are going in the exact opposite direction. By leaving the cap on the poorest of the poor—those below 30 percent of median income and thus below the poverty line—as provided for in the managers amendment—and lifting the cap for those above 30 percent—H.R. 2406 essentially increases concentration of the poorest of Americans in public housing and abandons the working poor—allowing their rents to be lifted to compensate for dwindling federal support. The working poor will now be forced to disproportionately spend their meager take-home pay on rent at the expense of other household necessities.

While the objective of mixed-income communities is a laudable one for many reasons, this legislation will further exacerbate the affordable housing gap existing in our Nation. Without adequately targeting low- and very low-income Americans for assistance, this legislation will, in effect, drive the poor out of public and assisted housing, and into overcrowded and unsafe housing, or force people onto the streets.

Despite the reality that these provisions do not, on their own merit, adequately provide for affordable housing, to make matters worse, the 300 best-managed authorities will be completely exempted from rent caps and targeting protections.

Mr. Chairman, the overriding problem with this and past legislative efforts is that we never provide sufficient funding and resources to allow public housing residents to move beyond public housing. We must be about the business of providing job training and retraining, education, childcare, and true opportunities to allow public housing residents to move into private housing and private life. I encourage my colleagues to enact these kinds of empowerment initiatives to effectuate this kind of societal transformation.

Faced with dwindling Federal resources, owners of tenant-assisted housing and public housing authorities will be forced by market realities to prefer tenants who are better able to pay higher rents to make ends meet. After all, where does one go for housing if he or she is making $7,800 a year on average—which is the case for those living in public housing. In most communities, 30 percent of Area Median Income is roughly equivalent to the poverty line. According to HUD studies, it is these families that have the worst case housing needs—meaning that they are most likely to pay 50 percent or more of their income in rent each month or live in substandard housing. Over 70 percent—71.3 percent—of poor renter households living below the Federal poverty line pay more than 30 percent of their income for rent, whereas only 41 percent of all renter households have excessive rent burdens.

I oppose the idea of minimum rent for those who cannot afford it. HUD Secretary Henry Cisneros has already indicated that the recently implemented $25 minimum rents are already causing hardships for roughly 175,000 families in public and assisted housing nationwide. In Illinois, 2,338 families living in public housing; 1,377 households that receive certificates and vouchers; and 749 families living in section 8 housing; for a total of 4,464 families have already been negatively effected with the addition of the $25 minimum. These are people who are already straining to meet their families needs and who are already sometimes choosing between food, medicine, and housing.

H.R. 2406 contains minimum rents of up to $50. In my State of Illinois, that would mean an average yearly rental increase of $569, a 32-percent increase which would affect 19,100 public housing families. It would mean an average yearly increase of $584, or a 23-percent increase for the 5,100 elderly in Illinois.

It would mean an average yearly increase of $569 or a 19-percent increase for 1,100 disabled people. It also would mean an average yearly increase of $525, a 57-percent increase for 3,200 other poor families. Finally, a $50 increase in the rent means an increase of $575, or a 38-percent increase for 9,700 families with children.

Mr. Chairman, the legacy of this Congress need not be enshrined in a nation which has given up on the least among us. I urge my colleagues to oppose this legislation if we do not rectify these serious issues before us.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Illinois [Mr. WELLER], a member of the Subcommittee on Housing and Community Opportunity.

(Mr. WELLER asked and was given permission to revise and extend his remarks.)

Mr. WELLER. Mr. Chairman, I of course want to begin by commending the chairman of the subcommittee for his leadership and sincerity to bring about changes in bad policy and public housing. I also want to commend the gentleman from Massachusetts [Mr. KENNEDY] the ranking Democrat who, as the gentleman from Maryland pointed out, though we sometimes disagree, we know he is sincere and appreciate that.

Mr. Chairman, when we look at public housing today, we want to look at it frankly and be honest about who suffers the most in public housing today, and that is the little children. It is the children who reside in public housing who are the victims of today's current policy.

Fortunately, under Chairman LAZIO's leadership, we have legislation now before us which brings about real solutions. I grew up in the shadows of the Chicago Housing Authority, growing up in the suburbs in a rural area to the southwest of Chicago. On the nightly news we saw tragedy after tragedy that occurred as a result of current public housing policies.

Thousands if not millions of dollars bled from the system by politicians, lawyers, and consultants. Politicians wanting to keep people concentrated for political purposes in certain neighborhoods. And, of course, the State street corridor is the best example of a problem where we have 10,000 residents, miles long, one block wide, living in an area with 99 percent unemployment.

Mr. Chairman, current public housing policy is a failure. This legislation provides real hope and real opportunity to those who are living in public housing, opportunities for home ownership, and also addresses the issue of section 8, an issue of great concern to the south suburbs.

There is real accountability and, of course, real reform in section 8 in this bill. One problem we have in the south suburbs is, we have seen a concentration of poverty moving from high-rise public housing projects to section 8

residences, where 70 percent of all the section 8 users in Cooke County area are in the south suburbs.

Mr. Chairman, it is not fair to poor people because they do not have the opportunity to move up the economic ladder because there are no jobs in this area. This legislation directs HUD to come up with a solution that Congress can adopt.

Mr. Chairman, this legislation protects senior citizens. Current law requires rent equal to 30 percent of income. This bill caps rent at no more than 30 percent of income and provides the opportunity for senior citizens to see their rent lowered. It is good legislation, it is real reform and provides hope and opportunity, looks out for the poor, and looks out for taxpayers. It is a good bill.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from Vermont [Mr. SANDERS].

Mr. SANDERS. Mr. Chairman, everybody agrees that the government cannot do everything. But some of us believe that in a civilized society the government, which is all of us, has the responsibility to make certain that every American enjoys a minimal level of decency. Yes; the government should make certain that no child goes hungry. Yes; the government should make certain that all children have access to education.

And yes; relevant to today's debate, the government should make certain that all people can live in adequate and decent housing. Yes; we should be doing that.

Mr. Chairman, today throughout this country millions of working people are spending 40, 50, 60 percent of their limited incomes on housing. That means they have barely enough money to feed their families, put aside a few dollars for education or health care needs.

This legislation would simply add to that problem. There are elderly people today living on fixed incomes from Social Security who should not be asked to pay 50 or 60 percent of their limited incomes on public housing. This legislation would allow that to happen.

There are millions of working people today who are earning $6 or $7 an hour. They are trying to improve the lives of their kids. They are trying to make it into the middle class. They should not be asked to pay 50 or 6 percent of their limited incomes for public housing, which is what this legislation would allow to happen.

Mr. Chairman, we have a housing crisis in America today and this bill only takes a step backward.

□ 1715

Mr. LAZIO of New York. Mr. Chairman, I yield 1 minute to the distinguished gentleman from Michigan [Mr. CHRYSLER], a member of the Subcommittee on Housing and Community Opportunity.

Mr. CHRYSLER. Mr. Chairman, I rise today in support of the manager's amendment to H.R. 2406, the U.S. Housing Act of 1996. I would first like to thank Chairman LAZIO for incorporating this bipartisan measure into the bill. I would also like to thank my colleague from Virginia, Mr. MORAN, for his dedication to this issue.

After meeting with neighborhood groups in Lansing, MI, and listening to their concerns and suggestions, I believe this provision will take another step forward in getting criminals out of Federal and federally assisted housing.

This amendment builds on the ''One Strike and You're Out'' proposal incorprated into the recently enacted Housing Opportunity Program extension law. My amendment extends one strike to residents in federally assisted housing, permitting the eviction of tenants from Federal housing for criminal activity, including drug dealing and violent gang activities, whether the criminal activity is done on or off the premises.

This provision ensures that no activity engaged in by a tenant, member of the tenant's household, guest, or other person under the tenant's control, threatens the health, safety, or right to peaceful enjoyment of the premises by other tenants in the immediate vicinity. Simply put, my amendment will rightfully kick criminal tenants out of Federal housing, safeguarding the livelihood of law-abiding tenants.

With my amendment, local housing authorities and owners of federally assisted housing are given the ability to require each adult member of a federally assisted household to provide the owner with written authorization to obtain their criminal records. Safeguards have been placed in the language to ensure that the information remains confidential, not misused or improperly disseminated, and destroyed upon completion of the application. We have included civil recourse and criminal penalties to be brought upon those who breach these agreements.

Our Federal dollars in housing assistance are too valuable and too scarce to go to criminals. The waiting list for housing assistance is getting longer and longer. We should not allow criminals the privilege of living in taxpayer-funded housing.

Mr. Chairman, most of these housing communities have playgrounds for children to play on, but because of drug dealing and gang violence, parents are too scared to allow their children to play outdoors. Residents are scared to leave their apartments in fear of getting caught in the crossfire. This is no way to live. This amendment, with the backing of housing groups and HUD, goes forth in helping to make public housing safer. Families living in public housing should be able to feel safe in their homes and in their communities.

This bill accomplishes a great deal in making Federal and federally assisted housing a safer, more pleasant place to live. I commend Chairman LAZIO for all of his hard work on this bill.

I encourage my colleagues to help make Federal housing and federally assisted housing safer by voting "yes" on the manager's amendment, and voting "yes" on final passage of this legislation.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. HINCHEY].

(Mr. HINCHEY asked and was given permission to revise and extend his remarks.)

Mr. HINCHEY. Mr. Chairman, we heard a few minutes ago a catalog of special interest groups who support this legislation. I am much more concerned with the people who oppose it. They are the people who are affected by public and subsidized housing across this country.

There will be hundreds of thousands of them that will be affected by the provisions of this legislation, particularly that which abandons the Brooke amendment and also the basic principle of this legislation, which abandons something that has been very basic in our society now for almost 50 years: A commitment to decent housing to all Americans, no matter what their particular economic circumstances might be at any given moment.

The Brooke amendment specifically capped rents at 30 percent of a person's income. The bill as it currently stands abandons that principle, although it will be corrected to some extent by the manager's amendment, if the manager's amendment is adopted in just a few moments. But even if the manager's amendment is adopted, that correction, although partial and in response to pleas from the minority in this House and in conformance with an amendment that I introduced, will not deal with the problems of people who come into subsidized housing and public housing subsequently.

Over the course of the next several years, if this bill is adopted, 135,000 frail elderly people could be put out of their housing circumstances; 17,000 disabled people could be put out of their housing circumstances; they will suffer, their families will suffer. The children of the frail, elderly, grandparents will suffer and their grandchildren will suffer.

This is, Mr. Chairman, a very poor piece of legislation because it turns its back on those among us who are most needy and most deserving, people in their golden years who will be put out of the housing circumstances that they depend upon to hold their lives together.

This is a very bad bill. We should defeat this bill and protect that which was put here by a Republican Senator, Senator Brooke, passed by a Republican Senate, and signed into law by a Republican President, President Nixon.

This is no time to turn our backs upon poor elderly people and people who are disabled.

Mr. LAZIO of New York. Mr. Chairman, would the Chair advise us of the time remaining on both sides?

The CHAIRMAN. The gentleman from New York [Mr. LAZIO] has 6 minutes remaining, and the gentleman from Massachusetts [Mr. KENNEDY] has 4 minutes remaining.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Let me just correct some misperceptions laying out here on the floor with respect to the so-called Brooke amendment, which is a job killer. There is a presumption here that, if we maintain the tie between salary and rent as a percentage, that that is fine for working people. The opposite is true. It is a job killer.

As long as the Federal Government continues to mandate the one-size-fits-all rule that every community in the country must follow, so that some person who is in an apartment, the day they go to work they immediately pay more rent the day they go to work. Now, some people are suggesting that we take care of that by making Brooke a ceiling. In fact, the ceiling will become a floor, given the financial situation that many housing authorities are in right now.

So people will go, instead of knowing that they have to pay $25 for a particular unit, $50 for a particular unit, regardless of whether they go to work and make more money, they will do, under the suggestion by my friends from the minority, they will go back in time to where we were before, which is a disincentive to work, where a person who wants to go to work has to pay this additional tax on employment. That is what we oppose, Mr. Chairman. That is why we urge adoption and support for this bill, which is a prowork, profamily, procommunity bill.

Mr. Chairman, I reserve the balance of my time.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield 3 minutes to the gentleman from Massachusetts [Mr. FRANK], the sponsor of the Brooke amendment.

Mr. FRANK of Massachusetts. Mr. Chairman, I sympathize with the gentleman from New York. He had an argument all set to make. There is no amendment to make it against. So he is going to make it anyway.

We agree that requiring housing authorities to set a minimum rent of 30 percent is a mistake. Let me be fair to a man I voted for a couple of times, Ed Brooke. Ed Brooke did not do that. Ronald Reagan did it and Gramm-Latta did it. The Brooke amendment was never a floor on rents. The Brooke amendment set a cap on rents, 25 percent. Ronald Reagan came along and said, no, no, 25 percent is too low; we will make it 30 percent, and we will make it both a floor and a ceiling.

Yes; if you say automatically that, if your income goes up, your rent goes up, there is some disincentive. Our amendment does away with that. We put a cap on of 30 percent but no minimum. And what does the gentleman from New York say? I am astonished that he could not come up with a better argument. He says, do not have a cap without a floor. Because if you have a cap without a floor, here is what he just said, the housing authorities hurting for money will go to the absolute limit.

Well, if in fact the gentleman believes that the housing authorities will raise the rents as high as they legally can, he has got the problem, because at least in our case they are at a cap of 30 percent. The gentleman from New York on the one hand says take the cap off what housing authorities can charge working people. And then he says, because if you give them a cap, housing authorities will go up to the cap.

So he, astonishingly, argues that, if you put no limit on the housing authorities, they will charge people less rent presumably than if you limit them to 30 percent. As a matter of fact, it is the gentleman from New York's amendment which has an absolute disincentive to work in there. His manager's amendment is some manager's amendment. That is a manager's amendment that is more comprehensive than most bills. It does not say much for the bill they wrote.

His manager's amendment says, if you are making less than 30 percent of the median, then your rent is capped at 30 percent. If you make more than 30 percent of the median income, you are subject to no cap. In other words, it is under the amendment of the gentleman from New York that those who work as opposed to those who are on welfare are legally disadvantaged. If you are on welfare and getting 30 percent of the median or less, your rent is capped at 30 percent. If you go to work, if you go off welfare and you are now making 50 or 60 percent of the median income, there is no protective cap.

So in the gentleman's effort to preserve the right of housing authorities to charge more money, he is the one who has created a disincentive. Let us be very clear about this. The amendment we will be offering will say, no, there is no minimum amount. The gentleman from New York says, no, but there will be a ceiling and they will go up to the ceiling, and the way to keep them from going up to the ceiling is to move the ceiling to the sky. It is illogical.

Mr. Chairman, let me close by summarizing. As someone has noted, if Congress truly wants to remove barriers that discourage public housing residents from obtaining employment, the solution is to give housing authorities the flexibility to set rents below 30 percent in certain instances. Congress should not withhold operating subsidies from public housing authorities and try to balance the budget by reaching deeper into the pockets of our poorest people.

That is what Ed Brooke said. That is what Ed Brooke said today. Ed Brooke is as right today as a compassionate Republican, the endangered species, as he was 30 years ago.

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Connecticut [Mr. SHAYS], a member of the Committee on the Budget.

Mr. SHAYS. Mr. Chairman, we have to take the context of this bill compared to what exists, not the fantasy of what we think exists. We go into public housing areas all around the country. They are in devastating shape.

One of the things I find most troubling, the most troubling thing is that we have basically warehoused the poorest of the poor in one particular area. And all in the name of doing God's work, all in the name of good.

I happen to believe that one of the most serious problems that we have in public housing is we do not have firemen and policemen living in public housing. We do not have the kind of role models that you used to have. And I just hope and pray that others realize there is another side to the Brooke amendment, at least the ones that I am most interested in.

I want a family that truly wants to stay in public housing to stay in a little longer and not end up paying more than the market rent. Thirty percent of income can sometimes be more than what someone would logically pay for the kind of facility that they are living in. I want kids to be able to say that their next door neighbor may be a fireman or a polceman, may have a job, may be somebody that they really look up to and aspire to be like.

And I just hope and pray that in terms of this debate that we do not talk about the fantasy world of what we think exists but what truly exists.

I have spent 9 years now in this Chamber investigating the Department of HUD, both at the Federal level and on the local level. The area that concerns me the most is that we simply have got to have a mixture of income, again in public housing.

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] has 1 minute remaining, and the gentleman from New York [Mr. LAZIO] has 2½ minutes remaining.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself the balance of my time.

Let me close by reiterating that the reason why we oppose this bill has nothing to do with the reasons that my friend from Connecticut mentioned. Nobody wants to warehouse the poor. Nobody wants to prevent the Secretary of any administration from breaking up these large monstrosities. Nobody wants to.

In fact, there are many changes that are contained, and I have complimented Mr. LAZIO on many of the provisions that are contained in this bill that allow the Secretary and allow greater flexibility by local housing authorities. That is not what the issue is.

The issues are two. The issues are, No. 1, the Brooke amendment, which in no way can be interpreted as preventing, as Mr. FRANK has rewritten it, to create some disincentive for work. The existing Brooke amendment does create a small disincentive for work, but the kinds of protections against the poor and against the elderly and against the disabled which are con-

tained in the Lazio bill end up forcing us to recognize that the only people left that we are going to have in public housing whose rents can be jacked up are the working poor. The net result of the legislation that we are looking at is going to hurt working people more than anyone else that is contained in our public protections of the poor.

Mr. LAZIO of New York. Mr. Chairman, I yield myself the balance of my time.

Nobody wants a situation of a State Street, of a New Orleans or a Detroit. I remember getting this small document from the Department of Housing and Urban Development about the 40 largest public housing authorities, places like Atlanta, Pittsburgh, Chicago, Detroit, New Orleans.

Mr. Chairman, if your child went to school and came back with the grades that these housing authorities have been coming back with for not 1 year or 2 years or 5 years but for 17 straight years, you would say, we are wasting our money in that school.

New Orleans scores 27 out of 100, Mr. Chairman, 27. Can you imagine if your child came back and said, I got a 27 on my test scores of 17 years? Atlanta, 49; Pittsburgh 47; Chicago 44 out of 100. What we have when we tolerate that failure year after year, when we sink hundreds of millions, in many cases billions of taxpayer dollars into housing authorities that are chronically mismanaged, chronically troubled and, in many cases, corrupt, is to say to Americans in those projects, we do not care about you. We do not care about the people living in that housing authority.

□ 1730

Mr. Chairman, we would rather protect the bureaucracy, we would rather ignore the reality, we would rather say that politics is better keeping it just the way it is so we can get past one last election.

This bill rejects that, Mr. Chairman. It is time that this body rejects that same mentality. We are saying that work ethic is important. We are saying, remove these disincentives to work. The Brooke amendment, Mr. Chairman, is a job killer. People do not want to pay 30 percent of their income in rent. They do not want to have a tax on employment. They want to have rent that is place-based. They want to be able to know when they go to a place that that rent is $15 a month, or $20 a month, or $25 a month regardless of whether they get a job, regardless of whether they have overtime and they make extra money, so that they do not get that penalty because one bureaucrat in Washington feels that one size fits all and everybody ought to be living under that same rule.

This bill begins the process of communities deciding their own fate. And what is wrong with that? What is extreme about that? Is it extreme, Mr. Chairman, to give people the ability to use vouchers for home ownership so that poor people can make their own choices? Is it extreme to allow people in public housing developments to pull together and encourage entrepreneurship by allowing them to sell some of their services to residents in the area? I think not, Mr. Chairman.

I urge a ''yes'' vote on this.

Mrs. COLLINS of Illinois. Mr. Chairman, anytime there is legislation underfoot affecting housing, it gets my attention. The U.S. Housing Act (H.R. 2406) block grants Federal funding for public housing and low income rental assistance. The bill repeals the Housing Act of 1937; eliminated caps on rent paid by seniors and working families; and eliminates targeted housing assistance.

The bill repeals the Brooke amendment which caps rent for tenants in public and assisted housing at 30 percent of income. Mr. Speaker, 41 percent of residents in public and assisted housing are seniors or are disabled, and the remainder are working families with children. We are talking about severe impacts upon poor, hard working families who are already paying too great of a percentage of their meager incomes for rent.

Repeal of the Brooke amendment will force tenants in public housing—whose income averages only $6,400 per year—to choose between shelter and food, medicine and clothing, and could lead to greater homelessness. In my district, the Seventh District of Chicago, this is the last thing we need.

It is extremely important to me to provide more residents of the Sevenh District with the social and economic opportunities and incentives that will help strengthen all our neighborhoods and communities.

It is of great concern to me that the needs and concerns of the residents of Chicago Housing Authority developments are attended to by HUD and by the Congress. I intend to work long and hard to facilitate effective communication among all parties involved in this important endeavor to make certain that they fully understand one another's views.

To this end, I strongly support public housing enhancements. Not a kick in the teeth. I encourage my colleagues to show a strong commitment to fundamental renewal of our Nation's public housing developments shown by both President Clinton and the Secretary of the Department of Housing and Urban Development [HUD], Henry Cisneros.

However, I am troubled that this same commitment is not embraced by my colleagues on the other side of the aisle. Instead, this bill smacks of negative, mean-spirited, insensitive determination to deny our Nation's neediest citizens, decent affordable public housing.

In clear, plain English, let me state unequivocally that this Member of Congress, representing all citizens in the Seventh District, that I shall standfast in my determination to fight all efforts in the Congress to decimate affordable public housing in the United States, and I will continue working with my colleagues to protect the interests of the undeserved in this regard.

It is outrageous that any Member of Congress would support attempts to balance the Federal budget on the very poorest Americans. I ask my colleagues to defeat H.R. 2406.

Mr. FRANKS of New Jersey. Mr. Chairman, today I rise in strong support of H.R. 2406, the United States Housing Act of 1996. Let me take this opportunity to congratulate Mr. LAZIO on his innovative effort to bring much needed reform to America's byzantine public housing laws.

For too long, America's public housing residents have been forced to live under a cumbersome system of rules that often fail to improve their living standards or provide a better quality of life. Indeed, many of America's public housing developments are rampant with crime and unsafe for residents.

One of the results of this arcane system is that tenants are not adequately represented on many large public housing authorities. In fact, much of the public housing management throughout the country has no tenant representation. Instead, these positions are often doled out as political patronage positions, which further thwart the accountability of these boards.

In an effort to remediate this chronic problem, I have worked closely with Housing Subcommittee Chairman RICK LAZIO to develop a legislative proposal which ensures elected resident participation on public housing boards.

My tenant empowerment provision forces these boards to be accountable to its residents by enabling, for the first time, at least one tenant to be democratically elected to any large local housing and management board.

In order to ensure that public housing tenants are represented by responsible individuals, my legislation establishes strict qualifications for residents to be eligible to be elected to local housing and management authorities. First, elected residents must maintain their principal residence in a governed housing authority. Second, they cannot have been convicted of any felony, and they cannot reside in a house in which a convicted felon lives. Finally, eligible individuals cannot have been convicted of a misdemeanor within 5 years of the date of a public housing residents election.

To further ensure responsible governance of public housing by local housing management authorities, my legislation requires the Secretary of Housing and Urban Development to develop guidelines which would prevent conflicts of interest on the part of members of the board of directors. Until board members are recused from decisions which may otherwise create a conflict of interest, tenants will never be fairly represented on the authorities.

I am confident that the provisions I have worked to secure, along with the others found in H.R. 2406, will improve the living conditions in many of today's public housing developments.

If you believe that America's public housing authorities should be more accountable to the very tenants they exist to serve, I urge all Members to vote ''aye'' on the manager's amendment and ''aye'' on final passage of H.R. 2406.

Mr. NADLER. Mr. Chairman, I rise in opposition to this housing bill, which would force thousands of Americans out on the street. This bill signals the end to our Nation's commitment to providing housing security for those in our communities, who are most in need. But now, all of that is changing under the Republican leadership. This leadership would rather put an end to housing security for our most vulnerable. They would rather see these Americans, the elderly, families, and children, out on the streets, in the subways, in the

parks, homeless. Big tax cuts for their wealthy friends are fine, but ensuring affordable housing for the working poor is something our colleagues on the other side just can't abide.

This bill repeals the Brooke amendment. The Brooke amendment, for the past 25 years, has ensured that low-income families would have to pay no more than 30 percent of their income on rent. This bill also eliminates income targeting, which provides that the poorest Americans are ensured housing assistance and are afforded decent housing along with those of moderate income levels. Without this protection the poorest Americans could be segregated away from healthy mixed income neighborhoods where opportunities for advancement are greater. This bill reneges on our Nation's promise that Americans who are most in need of housing assistance can afford to receive it.

These protections have provided a critical safety net for those in desperate need and have saved so many from homelessness and destitution.

Mr. Chairman, even with the current protections of the Brooke amendment homelessness and unacceptable living conditions continue to plague America. There are more than 5 million American renter households, not including the homeless, who have worst case housing needs, paying more than half of their income for rent, living in substandard housing, or in the most unfortunate cases, both.

This problem afflicts the elderly, working poor families, and others who strive to make ends meet on the minimum wage—a minimum wage, if I might add, which has not kept up with inflation, and has not been raised since 1991, because of staunch Republican opposition.

Securing safe, affordable housing for those who remain poor despite hard work, for children or for those who might be unable to make a living on their own due to health or other reasons, is crucial to the positive development of today's youth and families, the safety and well-being of our elderly, and for our Nation's communities as a whole.

I have many constituents who have contacted me about their fears of what this bill could mean to them. One constituent, who happens to be a quadriplegic, informed me that should the Brooke amendment be repealed, he surely would be out on the street, and I am further saddened to say that there are many more who would be put in the same situation.

We need to ensure that affordable housing remains available. It is the right thing to do and it is the smart thing to do.

Mr. Chairman, I urge the defeat of this very damaging bill.

Ms. MILLENDER-McDONALD. Mr. Chairman, first, I would like to thank Mr. KENNEDY of Massachusetts for allowing me the opportunity to speak on this most important issue. In listening to the debate on this issue, it is clear to me that my colleagues in the majority truly believe in their views on this issue. To some extent, I would agree with the spirit of their views but not with the methods. In our efforts to reform public housing we must be careful not to hurt the very people that we are trying to help, the residents of public housing.

Under current law, the Brooke amendment was enacted in 1969 to protect the most vulnerable residents of public housing from paying too high a percentage of their income for rent. The amendment made public and assisted housing affordable for very low-income families. Typically, poor families who are not in public housing pay more than 30 percent of their income in rent. Currently, more than 5.3 million families, who are not in public or assisted housing pay more than 50 percent of their income for rent. The limits set by the Brooke amendment have made public and assisted housing more affordable for very low-income families by preventing dramatic increases in rent.

Current law also addresses the earned income adjustments that allow public housing authorities to encourage work through more flexible rent structures. Further, rent ceilings allow public housing authorities to price units competitively with the market and allow retention for mixed occupancy. The Brooke amendment is a good amendment. It is sound public policy.

But let's talk turkey. H.R. 2406 repeals the Brooke amendment and hurts the people we are trying to help, by removing the limits placed on rent charges. This is dichotomous at best. We are going to remove the caps on rent and in the same breath deny them an increase in the minimum wage. That equates to a back hand and a forehand slap to the faces of the residents of public housing. I hear some of my colleagues say that they value home ownership and that residents of public housing will be allowed to purchase their units. Tell me: How will those residents be able to afford the mortgages on those units without being able to earn a decent livable wage.

Let's talk about this managers amendment. It seems to me that this amendment undermines itself. While it attempts to maintain the spirit of the Brooke amendment, it seeks to deregulate 300 of the best performing local housing authorities over the next 3 years, for which the rent is capped and resident targeting would no longer apply. That provision would severely impact my constituency. I have nine, count them, nine public housing projects in my district. Ujima Village in the city of Compton happens to be one of the best run housing complexes this Congresswoman has ever seen. To blanketly deregulate a housing authority for performing well is poor public policy. Mr. WATT's amendment is good public policy, Mr. KENNEDY's amendment is good public policy. This bill removes the goal of providing decent affordable housing for our working poor. I urge my colleagues to oppose the manager's amendment and oppose this draconian, extreme bill.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise to express my concern about what I see this bill is being used for. It has become a vehicle for a major amendment to the Federal Property and Administrative Services Act of 1949. This act is within the jurisdiction of the Committee on Government Reform and Oversight, of which I am the ranking minority member.

That amendment, as section 506, is designed to modify title V of the Stewart B. McKinney Homeless Assistance Act. Title V allows homeless assistance providers a priority of consideration in applying to obtain Federal surplus property for the homeless. And title V, too, is part of the legislative jurisdiction of the Committee on Government Reform and Oversight. Moreover, as chair of the Government Activities and Transportation Subcommittee of the Committee on Government Operations I was a principal author of title V.

Mr. Chairman, the provision, which will be offered as part of the managers' amendment to H.R. 2406 was drafted without prior consultation with GSA or the Department of Health and Human Services, which administer property use for the homeless. Nor was there prior consultation with the majority or minority staff of the Committee on Government Reform and Oversight.

The result, Mr. Chairman, is that we will be dealing today with language that not only contains major ambiguities, loopholes, and omissions, but will reduce to arbitrary fractions the amount of vacant Federal property that GSA may transfer and still realize compliance with title V of McKinney.

We must ask, for example, why the language does not provide for input from the Departments of Housing and Urban Development of Health and Human Services. In other public-purpose transfer provisions of the Federal Property Act, review and approval of proposals by other affected agencies, such as Interior, Health and Human Services or Treasury, are required.

We must ask why nonprofit organizations are the only entities eligible for property under proposal? Surely local government entities with responsibilities for housing and the homeless should be able to become transferees, too.

Finally, we must anticipate that GSA may exercise its broad authority under this amendment by taking all surplus land out of title V availability while seeking a substitute transfer in the form of one of the amendment's alternatives.

Mr. Chairman, if this provision becomes part of the House-passed bill, I intend to take every opportunity I can to assure that both the substantive and technical deficiencies of this provision are carefully and fairly addressed by the committee of conference.

The CHAIRMAN. All time for general debate has expired.

Pursuant to the rule, the committee amendment in the nature of a substitute printed in the bill shall be considered under the 5-minute rule by titles, and the first two sections and each title shall be considered read.

Before consideration of any other amendment, it shall be in order to consider the amendment printed in the designated place in the CONGRESSIONAL RECORD of May 7, 1996, if offered by the gentleman from New York [Mr. LAZIO] or his designee. That amendment shall be considered read, shall be debatable for 10 minutes, equally divided and controlled by the proponent and an opponent, shall not be subject to amendment, and shall not be subject to a demand for division of the question.

If that amendment is adopted, the bill, as amended, shall be considered as an original bill for the purpose of further amendment.

During consideration of the bill for amendment, the chair may accord priority in recognition to a Member offering an amendment that he has printed in the designated place in the CONGRESSIONAL RECORD. Those amendments will be considered as read.

The Chairman of the Committee of the Whole may postpone until a time during further consideration in the

Committee of the Whole a request for a recorded vote on any amendment and may reduce to not less than 5 minutes the time for voting by electronic device on any postponed question that immediately follows another vote by electronic device without intervening business, provided that the time for voting by electronic device on the first in any series of questions shall not be less than 15 minutes.

AMENDMENT OFFERED BY MR. LAZIO OF NEW YORK

Mr. LAZIO of New York. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. LAZIO of New York:

Page 7, lines 9 and 10, strike ''and become self-sufficient; and'' and insert the following: '', become self-sufficient, and transition out of public housing and federally assisted dwelling units;''.

Page 7, line 15, strike the period and insert ''; and''.

Page 7, after line 15, insert the following:

(7) remedying troubled local housing and management authorities and replacing or revitalizing severely distressed public housing developments.

Page 10, line 23, after the comma insert ''as determined by the Secretary with adjustments for smaller and larger families,''.

Page 13, line 7, after the comma insert ''as determined by the Secretary with adjustments for smaller and larger families,''.

Page 14, line 3, strike ''or''.

Page 14, strike line 4 and insert the following:

(C) an entity authorized by State law to administer choice-based housing assistance under title III; or

(D) an entity selected by the Secretary, pur-

Page 14, strike line 23 and all that follows through page 15, line 5, and insert the following:

ber who is an elected public housing resident member (as such term is defined in paragraph (5)). If the board includes 2 or more resident members, at least 1 such member shall be a member of an assisted family under title III.

Page 15, line 7, strike ''a resident member'' and insert ''elected public housing resident members and resident members''

Page 16, strike lines 3 through 6.

Page 16, line 7, strike ''(iv)'' and insert ''(iii)''.

Page 16, line 13, strike ''(v)'' and insert ''(iv)''.

Page 17, strike lines 4 through 10, and insert the following new paragraph:

(5) DEFINITIONS.—For purposes of this subsection, the following definitions shall apply:

(A) ELECTED PUBLIC HOUSING RESIDENT MEMBER.—The term ''elected public housing resident member'' means, with respect to the local housing and management authority involved, an individual who is a resident member of the board of directors (or other similar governing body of the authority) by reason of election to such position pursuant to an election—

(i) in which eligibility for candidacy in such election is limited to individuals who—

(I) maintain their principal residence in a dwelling unit of public housing administered or assisted by the authority;

(II) have not been convicted of a felony and do not reside in a household that includes an individual convicted of a felony; and

(III) have not, during the 5-year period ending upon the date of such election, been convicted of a misdemeanor;

(ii) in which only residents of dwelling units of public housing administered by the authority may vote; and

(iii) that is conducted in accordance with standards and procedures for such election, which shall be established by the Secretary.

(B) RESIDENT MEMBER.—The term ''resident member'' means a member of the board of directors or other similar governing body of a local housing and management authority who is a resident of a public housing dwelling unit owned, administered, or assisted by the authority or is a member of an assisted family (as such term is defined in section 371) assisted by the authority.

Page 17, line 18, insert ''**AND MEDIAN INCOME**'' before the last period.

Page 17, line 19, strike ''IN GENERAL'' and insert ''ADJUSTED INCOME''.

Page 19, line 1, after ''MINORS'' insert '', STUDENTS, AND PERSONS WITH DISABILITIES''.

Page 19, line 5, before the period insert the following: '', or who is 18 years of age or older and is a person with disabilities''.

Page 20, after line 10, insert the following new subsection:

(d) MEDIAN INCOME.—In determining median incomes (of persons, families, or households) for an area or establishing any ceilings or limits based on income under this Act, the Secretary shall determine or establish area median incomes and income ceilings and limits for Westchester and Rockland Counties, in the State of New York, as if each such county were an area not contained within the metropolitan statistical area in which it is located. In determining such area median incomes or establishing such income ceilings or limits for the portion of such metropolitan statistical area that does not include Westchester or Rockland Counties, the Secretary shall determine or establish area median incomes and income ceilings and limits as if such portion included Westchester and Rockland Counties.

Page 20, strike line 11 and all that follows through page 21, line 22, and insert the following new section:

SEC. 105. OCCUPANCY LIMITATIONS BASED ON ILLEGAL DRUG ACTIVITY AND ALCOHOL ABUSE.

(a) INELIGIBILITY BECAUSE OF EVICTION FOR DRUG-RELATED CRIMINAL ACTIVITY.—Any tenant evicted from housing assisted under title II or title III by reason of drug-related criminal activity (as such term is defined in section 102) shall not be eligible for any housing assistance under title II or title III during the 3-year period beginning on the date of such eviction, unless the evicted tenant successfully completes a rehabilitation program approved by the local housing and management authority (which shall include a waiver of this subsection if the circumstances leading to eviction no longer exist).

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a local housing and management authority shall establish standards for occupancy in public housing dwelling units and housing assistance under title II—

(A) that prohibit occupancy in any public housing dwelling unit by, and housing assistance under title II for, any person—

(i) who the local housing and management authority determines is illegally using a controlled substance; or

(ii) if the local housing and management authority determines that it has reasonable cause to believe that such person's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol, may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project; and

(B) that allow the local housing and management authority to terminate the tenancy in any public housing unit of, and the housing assistance under title II for, any person—

(i) who the local housing and management authority determines is illegally using a controlled substance; or

(ii) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the local housing and management authority to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents of the project.

(2) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to paragraph (1), to deny occupancy or assistance to any person based on a pattern of use of a controlled substance or a pattern of abuse of alcohol, a local housing and management authority may consider whether such person—

(A) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable);

(B) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(C) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(c) OTHER SCREENING.—A local housing and management authority may deny occupancy as provided in section 642 of the Housing and Community Development Act of 1992.

Page 22, line 4, strike ''(b)'' and insert ''(c)''.

Page 22, strike line 8 and all that follows through line 13, and insert the following:

member of the family shall contribute not less than 8 hours of work per month within the community in which the family resides. The requirement under this subsection shall be incorporated in the terms of the tenant self-sufficiency contract under subsection (b).

(b) TENANT SELF-SUFFICIENCY CONTRACT.—

(1) REQUIREMENT.—Except as provided in subsection (c), each local housing and management authority shall require, as a condition of occupancy of a public housing dwelling unit by a family and of providing housing assistance under title III on behalf of a family, that each adult member of the family who has custody of, or is responsible for, a minor living in his or her care shall enter into a legally enforceable self-sufficiency contract under this section with the authority.

(2) CONTRACT TERMS.—The terms of a self-sufficiency contract under this subsection shall be established pursuant to consultation between the authority and the family and shall include a plan for the resident's or family's residency in housing assisted under this Act that provides—

(A) a date specific by which the resident or family will graduate from or terminate tenancy in such housing;

(B) specific interim and final performance targets and deadlines relating to self-sufficiency, which may relate to education, school participation, substance and alcohol abuse counseling, mental health support, jobs and skills training, and any other factors the authority considers appropriate; and

(C) any resources, services, and assistance relating to self-sufficiency to be made available to the resident or family.

(3) INCORPORATION INTO LEASE.—A self-sufficiency contract under this subsection shall be incorporated by reference into a lease under section 226 or 324, as applicable, and the terms of such contract shall be terms of the lease for which violation may result in—

(A) termination of tenancy, pursuant to section 226(4) or 325(a)(1), as applicable; or

(B) withholding of assistance under this Act.

The contract shall provide that the local housing and management authority or the resident who is a party to the contract may enforce the contract through an administrative grievance procedure under section 110.

(4) PARTNERSHIPS FOR SELF-SUFFICIENCY ACTIVITIES.—A local housing and management authority may enter into such agreements and form such partnerships as may be necessary, with State and local agencies, nonprofit organizations, academic institutions, and other entities who have experience or expertise in providing services, activities, training, and other assistance designed to facilitate low- and very-low income families achieving self-sufficiency.

(5) CHANGED CIRCUMSTANCES.—A self-sufficiency contract under this subsection shall provide for modification in writing and that the local housing and management authority may for good cause or changed circumstances waive conditions under the contract.

(6) MODEL CONTRACTS.—The Secretary shall, in consultation with organizations and groups representing resident councils and residents of housing assisted under this Act, develop a model self-sufficiency contract for use under this subsection. The Secretary shall provide local housing and management authorities with technical assistance and advice regarding such contracts.

Page 22, line 16, strike ''requirement under subsection (a)'' and insert ''requirements under subsections (a) and (b)(1)''.

Page 27, lines 19 and 20, strike ''section 110'' and insert ''section 111''.

Page 29, line 18, after ''WELFARE'' insert ''AND OTHER APPROPRIATE''.

Page 29, line 20, after ''welfare agencies'' insert the following: ''and other appropriate Federal, State, or local government agencies or nongovernment agencies or entities''.

Page 29, line 25, strike ''requirements'' and all that follows through ''ensure'' on page 30, line 1, and insert the following: ''policies established by the authority that increase or maintain''.

Page 30, line 7, strike ''local law'' and insert the following: ''Federal, State, and local law''.

Page 34, line 8, strike ''or''.

Page 30, after line 8, insert the following new paragraph:

(13) POLICIES FOR LOSS OF HOUSING ASSISTANCE.—A description of policies of the authority requiring the loss of housing assistance and tenancy under titles II and III, pursuant to sections 222(e) and 321(g).

Page 34, line 12, strike the period and insert a semicolon.

Page 34, after line 12, insert the following new paragraphs:

(4) the plan plainly fails to adequately identify the needs of low-income families for housing assistance in the jurisdiction of the authority;

(5) the plan plainly fails to adequately identify the capital improvement needs for public housing developments in the jurisdiction of the authority;

(6) the activities identified in the plan are plainly inappropriate to address the needs identified in the plan; or

(7) the plan is inconsistent with the requirements of this Act.

Page 36, line 24, after the semicolon insert ''or''.

Page 37, after line 17, insert the following new section:

SEC. 109. REPORTING REQUIREMENTS.

(a) PERFORMANCE AND EVALUATION REPORT.—Each local housing and management authority shall annually submit to the Accreditation Board established under section 401, on a date determined by such Board, a performance and evaluation report concerning the use of funds made available under this Act. The report of the local housing and management authority shall include an assessment by the authority of the relationship of such use of funds made available under this Act, as well as the use of other funds, to the needs identified in the local housing management plan and to the purposes of this Act. The local housing and management authority shall certify that the report was available for review and comment by affected tenants prior to its submission to the Board.

(b) REVIEW OF LHMA'S.—The Accreditation Board established under section 401 shall, at least on an annual basis, make such reviews as may be necessary or appropriate to determine whether each local housing and management authority receiving assistance under this section—

(1) has carried out its activities under this Act in a timely manner and in accordance with its local housing management plan;

(2) has a continuing capacity to carry out its local housing management plan in a timely manner; and

(3) has satisfied, or has made reasonable progress towards satisfying, such performance standards as shall be prescribed by the Board.

(c) RECORDS.—Each local housing and management authority shall collect, maintain, and submit to the Accreditation Board established under section 401 such data and other program records as the Board may require, in such form and in accordance with such schedule as the Board may establish.

Page 37, line 18, strike ''**SEC. 109.**'' and insert ''**SEC. 110.**''.

Page 38, line 6, strike ''**SEC. 110.**'' and insert ''**SEC. 111.**''.

Page 38, lines 10 and 11, strike ''and assisted families under title III''.

Page 38, line 16, after ''impartial party'' insert ''(including appropriate employees of the local housing and management authority)''.

Page 39, strike lines 13 through 17 and insert the following new subsection:

(c) INAPPLICABILITY TO CHOICE-BASED RENTAL HOUSING ASSISTANCE.—This section may not be construed to require any local housing and management authority to establish or implement an administrative grievance procedure with respect to assisted families under title III.

Page 39, line 18, strike ''**SEC. 111.**'' and insert ''**SEC. 112.**''.

Page 40, line 18, strike ''**SEC. 112.**'' and insert ''**SEC. 113.**''.

Page 39, lines 22 and 23, strike ''to provide incremental housing assistance under title III'' and insert ''for use''.

Page 40, line 2, after ''subsection (a)'' insert ''or appropriated or otherwise made available for use under this section''.

Page 40, strike lines 12 through 17 and insert the following:

(4) providing technical assistance, training, and electronic information systems for the Department of Housing and Urban Development, local housing and management authorities, residents, resident councils, and resident management corporations to improve management of such authorities, except that the provision of assistance under this paragraph may not involve expenditure of amounts retained under subsection (a) for travel;

(5)(A) providing technical assistance, directly or indirectly, for local housing and management authorities, residents, resident councils, resident management corporations, and nonprofit and other entities in connection with implementation of a homeownership program under section 251, except that grants under this paragraph may not exceed $100,000; and (B) establishing a public housing homeownership program data base; and

(6) needs related to the Secretary's actions regarding troubled local housing and management authorities under this Act.

Housing needs under this subsection may be met through the provision of assistance in accordance with title II or title III, or both.

Page 42, line 4, after ''who'' insert ''(A)''.

Page 42, line 6, strike ''and'' and insert a comma.

Page 42, line 7, strike ''or production''.

Page 42, line 8, before the period insert the following: '', and (C) is not a member of a bargaining unit represented by a union that has a collective bargaining agreement with the local housing and management authority''.

Page 42, after line 8, insert the following:

(3) RESIDENTS IN TRAINING PROGRAMS.—Any individuals participating in a job training program or other program designed to promote economic self-sufficiency.

(c) DEFINITION.—For purposes of this section, the terms ''operation'' and ''production'' have the meanings given the term in section 273.

Page 42, line 9, strike ''**SEC. 113.**'' and insert ''**SEC. 114.**''.

Page 43, after line 4, insert the following new section:

SEC. 114. PROHIBITION ON USE OF FUNDS.

None of the funds made available to the Department of Housing and Urban Development to carry out this Act, which are obligated to State or local governments, local housing and management authorities, housing finance agencies, or other public or quasi-public housing agencies, shall be used to indemnify contractors or subcontractors of the government or agency against costs associated with judgments of infringement of intellectual property rights.

Page 43, line 5, strike ''**SEC. 114.**'' and insert ''**SEC. 115.**''.

Page 45, strike line 22 and insert the following:

SEC. 202. GRANT AUTHORITY, AMOUNT, AND ELIGIBILITY.

Page 46, after line 2, insert the following new subsection:

(b) PERFORMANCE FUNDS.—

(1) IN GENERAL.—The Secretary shall establish 2 funds for the provision of grants to eligible local housing and management authorities under this title, as follows:

(A) CAPITAL FUND.—A capital fund to provide capital and management improvements to public housing developments.

(B) OPERATING FUND.—An operating fund for public housing operations.

(2) FLEXIBILITY OF FUNDING.—A local housing and management authority may use up to 10 percent of the amounts from a grant under this title that are allocated and provided from the capital fund for activities that are eligible under section 203(a)(2) to be funded with amounts from the operating fund.

(c) AMOUNT OF GRANTS.—The amount of the grant under this title for a local housing and management authority for a fiscal year shall be the amount of the allocation for the authority determined under section 204, except as otherwise provided in this title and subtitle B of title IV.

Page 46, line 3, strike ''(b)'' and insert ''(d)''.

Page 46, line 19, strike ''(d)'' and insert ''(e)''.

Page 47, line 3, strike ''(e)'' and insert ''(f)''.

Page 47, strike lines 7 through 11.

Page 47, line 12, strike ''(d)'' and insert ''(e)''.

Page 48, line 22, strike ''not''.

Page 49, line 12, strike ''(e)'' and insert ''(f)''.

Page 49, line 20, strike ''(f)'' and insert ''(g)''.

Page 50, strike line 4 and all that follows through page 54, line 5, and insert the following new subsection:

(a) ELIGIBLE ACTIVITIES.—Except as provided in subsection (b) and in section 202(b)(2), grant amounts allocated and provided from the capital fund and grant amounts allocated and provided from the operating fund may only be used only for the following activities:

(1) CAPITAL FUND ACTIVITIES.—Grant amounts from the capital fund may be used for—

(A) the production and modernization of public housing developments, including the redesign, reconstruction, and reconfiguration of public housing sites and buildings and the production of mixed-income developments;

(B) vacancy reduction;

(C) addressing deferred maintenance needs and the replacement of dwelling equipment;

(D) planned code compliance;

(E) management improvements;

(F) demolition and replacement under section 261;

(G) tenant relocation;

(H) capital expenditures to facilitate programs to improve the economic empowerment and self-sufficiency of public housing tenants; and

(I) capital expenditures to improve the security and safety of residents.

(2) OPERATING FUND ACTIVITIES.—Grant amounts from the operating fund may be used for—

(A) procedures and systems to maintain and ensure the efficient management and operation of public housing units;

(B) activities to ensure a program of routine preventative maintenance;

(C) anti-crime and anti-drug activities, including the costs of providing adequate security for public housing tenants;

(D) activities related to the provision of services, including service coordinators for elderly persons or persons with disabilities;

(E) activities to provide for management and participation in the management of public housing by public housing tenants;

(F) the costs associated with the operation and management of mixed-income developments;

(G) the costs of insurance;

(H) the energy costs associated with public housing units, with an emphasis on energy conservation;

(I) the costs of administering a public housing work program under section 106, including the costs of any related insurance needs; and

(J) activities in connection with a homeownership program for public housing residents under subtitle D, including providing financing or assistance for purchasing housing, or the provision of financial assistance to resident management corporations or resident councils to obtain training, technical assistance, and educational assistance to promote homeownership opportunities.

Page 54, line 11, after ''title III'' insert a comma.

Page 54, strike lines 16 through 25 and insert the following:

sufficient evidence to the Secretary that the building or buildings—

(A) are on the same or contiguous sites;

(B) consist of more than 300 dwelling units;

(C) have a vacancy rate of at least 10 percent for dwelling units not in funded, on-schedule modernization programs;

(D) are identified as distressed housing for which the local housing and management authority cannot assure the long-term viability as public housing through reasonable revitalization, density reduction, or achievement of a broader range of household income; and

(E) have an estimate cost of continued operation and modernization as public housing that exceeds the cost of providing choice-based rental assistance under title III for all families in occupancy, based on appropriate indicators of cost (such as the percentage of the total development cost required for modernization).

Local housing and management agencies shall identify properties that meet the definition of subparagraphs (A) through (E).

Page 55, line 3, strike ''formula'' and insert ''formulas''.

Page 55, line 6, strike ''incremental''.

Page 55, strike line 7 and all that follows through ''assistance'' on line 10.

Page 56, line 14, after ''and'' insert ''take''.

Page 58, line 10, strike ''formula'' and insert ''formulas''.

Page 58, line 12, strike ''formula'' and insert ''formulas''.

Page 58, strike line 15 and all that follows through line 22, and insert the following new subsection:

(c) EXTENSION OF DEADLINES.—The Secretary may, for a local housing and management authority, extend any deadline established pursuant to this section or a local housing management plan for up to an additional 5 years if the Secretary makes a determination that the deadline is impracticable.

Page 59, line 11, strike ''**BLOCK**''.

Page 59, line 13, strike ''section 111'' and insert ''section 112''.

Page 59, line 24, strike ''a formula described in'' and insert ''the formulas described in paragraphs (1) and (2) of''.;

Page 60, lines 1 and 2, strike ''formula'' and insert ''formulas''.

Page 60, strike line 10 and all that follows through line 23 and insert the following:

(c) PERMANENT ALLOCATION FORMULAS FOR CAPITAL AND OPERATING FUNDS.—

(1) ESTABLISHMENT OF CAPITAL FUND FORMULA.—The formula under this paragraph shall provide for allocating assistance under the capital fund for a fiscal year. The formula may take into account such factors as—

(A) the number of public housing dwelling units owned or operated by the local housing and management authority, the characteristics and locations of the developments, and the characteristics of the families served and to be served (including the incomes of the families);

(B) the need of the local housing and management authority to carry out rehabilitation and modernization activities, and reconstruction, production, and demolition activities related to public housing dwelling units owned or operated by the local housing and management authority, including backlog and projected future needs of the authority;

(C) the cost of constructing and rehabilitating property in the area; and

(D) the need of the local housing and management authority to carry out activities that provide a safe and secure environment in public housing units owned or operated by the local housing and management authority.

(2) ESTABLISHMENT OF OPERATING FUND FORMULA.—The formula under this paragraph shall provide for allocating assistance under the operating fund for a fiscal year. The formula may take into account such factors as—

(A) standards for the costs of operating and reasonable projections of income, taking into account the characteristics and locations of the public housing developments and characteristics of the families served and to be served (including the incomes of the families), or the costs of providing comparable services as determined in accordance with criteria or a formula representing the operations of a prototype well-managed public housing development;

(B) the number of public housing dwelling units owned or operated by the local housing and management authority; and

(C) the need of the local housing and management authority to carry out anti-crime and anti-drug activities, including providing adequate security for public housing residents.

Page 60, line 24, strike ''(2)'' and insert ''(3)''.

Page 60, line 25, strike ''formula'', and insert ''formulas''.

Page 61, line 4, strike ''formula'', and insert ''formulas''.

Page 61, line 6, strike ''(3)'' and insert ''(4)''.

Page 61, line 9, strike ''formula'', and insert ''formulas''.

Page 61, line 10, strike ''(2)'' and insert ''(3)''.

Page 62, line 10, after ''costs'' insert the following: ''and other necessary costs (such as costs necessary for the protection of persons and property)''.

Page 62, after line 16, insert the following new subparagraph:

(D) INCREASES IN INCOME.—The Secretary may revise the formula referred to in subparagraph (B) to provide an incentive to encourage local housing and management authorities to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families with a broad range of incomes, including families whose incomes have increased while in occupancy and newly admitted families. Any such incentive shall provide that the local housing and management authority shall derive the full benefit of an increase in nonrental income, and such increase shall not directly result in a decrease in amounts provided to the authority under this title.

Page 63, after line 13, insert the following new subsection:

(e) ELIGIBILITY OF UNITS ACQUIRED FROM PROCEEDS OF SALES UNDER DEMOLITION OR DISPOSITION PLAN.—If a local housing and management authority uses proceeds from the sale of units under a homeownership program in accordance with section 251 to acquire additional units to be sold to low-income families, the additional units shall be counted as public housing for purposes of determining the amount of the allocation to the authority under this section until sale by the authority, but in any case no longer than 5 years.

Page 69, line 21, strike ''25 percent'' and insert ''30 percent''.

Page 69, line 23, strike the period insert the following: '', as determined by the Secretary with adjustments for smaller and larger families. The Secretary may establish income ceiling higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.''.

Page 71, after line 11, insert the following new subsection:

(e) LOSS OF ASSISTANCE FOR TERMINATION OF TENANCY.—A local housing and management authority shall, consistent with policies described in the local housing management plan of the authority, establish policies

providing that a family residing in a public housing dwelling unit whose tenancy is terminated for serious violations of the terms or conditions of the lease shall—

(1) lose any right to continued occupancy in public housing under this title; and

(2) immediately become ineligible for admission to public housing under this title or for housing assistance under title III—

(A) in the case of a termination due to drug-related criminal activity, for a period of not less than 3 years from the date of the termination; or

(B) for other terminations, for a reasonable period of time as determined period of time as determined by the local housing and management authority.

Page 71, line 22, strike the period and all that follows through ''sources'' in line 24.

Page 72, strike line 11 and all that follows through page 74, line 20, and insert the following new subsection:

(b) AVAILABILITY OF CRIMINAL RECORDS.—A local housing and management authority may request and obtain records regarding the criminal convictions of applicants for, or tenants of, public housing as provided in section 646 of the Housing and Community Development Act of 1992.

Page 76, strike line 2 and all that follows through page 77, line 14, and insert the following:

(a) RENTAL CONTRIBUTION BY RESIDENT.—

(1) IN GENERAL.—A family shall pay as monthly rent for a dwelling unit in public housing the amount that the local housing and management authority determines is appropriate with respect to the family and the unit, which shall be—

(A) based upon factors determined by the authority, which may include the adjusted income of the resident, type and size of dwelling unit, operating and other expenses of the authority, or any other factors that the authority considers appropriate; and

(B) an amount that is not less than the minimum monthly rental amount under subsection (b)(1) nor more than any maximum monthly rental amount established for the dwelling unit pursuant to subsection (b)(2).

In determining the amount of the rent charged under this paragraph for a dwelling unit, a local housing and management authority shall take into consideration the characteristics of the population served by the authority, the goals of the local housing management plan for the authority, and the goals under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy) for the applicable jurisdiction.

(2) EXCEPTIONS.—Notwithstanding any other provision of this section, the amount paid for monthly rent for a dwelling unit in public housing may not exceed 30 percent of the family's adjusted monthly income for any family who—

(A) upon the date of the enactment of this Act, is residing in any dwelling unit in public housing and—

(i) is an elderly family; or

(ii) is a disabled family; or

(B) whose income does not exceed 30 percent of the median income for the area (as determined by the Secretary with adjustments for smaller and larger families).

(b) ALLOWABLE RENTS.—

(1) MINIMUM RENTAL.—Each local housing and management authority shall establish, for each dwelling unit in public housing owned or administered by the authority, a minimum monthly rental contribution toward the rent (which rent shall include any amount allowed for utilities), which—

(A) may not be less than $25, nor more than $50; and

(B) may be increased annually by the authority, except that no such annual increase may exceed 10 percent of the amount of the minimum monthly rental contribution in effect for the preceding year.

Notwithstanding the preceding sentence, a local housing and management authority may, in its sole discretion, grant an exemption in whole or in part from payment of the minimum monthly rental contribution established under this paragraph to any family unable to pay such amount because of severe financial hardships. Severe financial hardships may include situations where the family is awaiting an eligibility determination for a Federal, State, or local assistance program, where the family would be evicted as a result of imposition of the minimum rent, and other situations as may be determined by the authority.

Page 82, line 14, before the semicolon, insert ''on or off such premises''.

Page 83, strike line 1 and all that follows through page 89, line 15, and insert the following new section:

SEC. 227. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES

(a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

(1) IN GENERAL.—Subject only to provisions of this section and notwithstanding any other provision of law, a local housing and management authority for which the information required under subsection (d) is in effect may provide public housing developments (or portions of developments) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing developments (or portions of developments) that are designated for occupancy as provided in paragraph (1), the local housing and management authority may make units in such developments (or portions) available only to the types of families for whom the development is designated.

(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a local housing and management authority determines that there are insufficient numbers of elderly families to fill all the units in a development (or portion of a development) designated under paragraph (1) for occupancy by only elderly families, the authority may provide that near-elderly families may occupy dwelling units in the development (or portion).

(b) STANDARDS REGARDING EVICTIONS.—Except as provided in section 105(b)(1)(B), any tenant who is lawfully residing in a dwelling unit in a public housing development may not be evicted or otherwise required to vacate such unit because of the designation of the development (or portion of a development) pursuant to this section or because of any action taken by the Secretary or any local housing and management authority pursuant to this section.

(c) RELOCATION ASSISTANCE.—A local housing and management authority that designates any existing development or building, or portion thereof, for occupancy as provided under subsection (a)(1) shall provide, to each person and family who agrees to be relocated in connection with such designation—

(1) notice of the designation and an explanation of available relocation benefits, as soon as is practicable for the authority and the person or family;

(2) access to comparable housing (including appropriate services and design features), which may include choice-based rental housing assistance under title III, at a rental rate paid by the tenant that is comparable to that applicable to the unit from which the person or family has vacated; and

(3) payment of actual, reasonable moving expenses.

(d) REQUIRED INCLUSIONS IN LOCAL HOUSING MANAGEMENT PLAN.—A local housing and management authority may designate a development (or portion of a development) for occupancy under subsection (a)(1) only if the authority, as part of the authority's local housing management plan—

(1) establishes that the designation of the development is necessary—

(A) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act; and

(B) to meet the housing needs of the low-income population of the jurisdiction; and

(2) includes a description of—

(A) the development (or portion of a development) to be designated;

(B) the types of tenants for which the development is to be designated;

(C) any supportive services to be provided to tenants of the designated development (or portion);

(D) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the development accommodate the special environmental needs of the intended occupants; and

(E) any plans to secure additional resources or housing assistance to provide assistance to families that may have been housed if occupancy in the development were not restricted pursuant to this section.

For purposes of this subsection, the term 'supportive services' means services designed to meet the special needs of residents. Notwithstanding section 108, the Secretary may approve a local housing management plan without approving the portion of the plan covering designation of a development pursuant to this section.

(e) EFFECTIVENESS.—

(1) Initial 5-year effectiveness.—The information required under subsection (d) shall be in effect for purposes of this section during the 5-year period that begins upon notification under section 108(a) of the local housing and management authority that the information complies with the requirements under section 107 and this section.

(2) RENEWAL.—Upon the expiration of the 5-year period under paragraph (1) or any 2-year period under this paragraph, an authority may extend the effectiveness of the designation and information for an additional 2-year period (that begins upon such expiration) by submitting to the Secretary any information needed to update the information. The Secretary may not limit the number of times a local housing and management authority extends the effectiveness of a designation and information under this paragraph.

(3) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a local housing and management authority shall be considered to have submitted the information required under this section if the authority has submitted to the Secretary an application and allocation plan under section 7 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) that has not been approved or disapproved before such date of enactment.

(4) TRANSITION PROVISION.—Any application and allocation plan approved under section 7 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) before such date of enactment shall be considered to be the information required to be submitted under this section and that is in effect for purposes of this section for the 5-year period beginning upon such approval.

(g) INAPPLICABILITY OF UNIFORM RELOCATION ASSISTANCE AND REAL PROPERTY ACQUISITIONS POLICY ACT OF 1970.—No resident of a public housing development shall be considered to be displaced for purposes of the Uniform Relocation Assistance and Real Property Acquisitions Policy Act of 1970 because of the designation of any existing development or building, or portion thereof, for occupancy as provided under subsection (a) of this section.

(h) USE OF AMOUNTS.—Any amounts appropriated pursuant to section 10(b) of the Housing Opportunity Program Extension Act of 1996 (Public Law 104–120) may also be used for choice-based rental housing assistance under title III for local housing and management authorities to implement this section.

Page 89, after line 23, insert the following new subsection:

(b) ACCOUNTING SYSTEM FOR RENTAL COLLECTIONS AND COSTS.—

(1) ESTABLISHMENT.—Each local housing and management authority that receives grant amounts under this title shall establish and maintain a system of accounting for rental collections and costs (including administrative, utility, maintenance, repair, and other operating costs) for each project and operating cost center (as determined by the Secretary).

(2) ACCESS TO RECORDS.—Each local housing and management authority shall make available to the general public the information required pursuant to paragraph (1) regarding collections and costs.

(3) EXEMPTION.—The Secretary may permit authorities owning or operating fewer than 500 dwelling units to comply with the requirements of this subsection by accounting on an authority-wide basis.

Page 89, line 24, strike ''(b)'' and insert ''(c)''.

Page 90, strike lines 13 through 16 and insert the following:

dwellings, with such applicable

Page 90, lines 20 and 21, strike the period ''subparagraph (A)'' and insert ''paragraph (1)''.

Page 91, strike ''and'' in line 12 and all that follows through line 16 and insert a period.

Page 92, strike lines 4 through 11, and insert the following:

Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) is amended—

(1) in subsection (c)(1)—

(A) in subparagraph (A)—

(i) by striking ''public and Indian housing agencies'' and inserting ''local housing and management authorities and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996''; and

(ii) by striking ''development assistance'' and all that follows through the end and inserting ''assistance provided under title II of the United States Housing Act of 1996 and used for the housing production, operation, or capital needs.''; and

(B) in subparagraph (B)(ii), by striking ''managed by the public or Indian housing agency'' and inserting ''assisted by the local housing and management authority or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996''; and

(2) in subsection (d)(1)—

(A) in subparagraph (A)—

(i) by striking ''public and Indian housing agencies'' and inserting ''local housing and management authorities and recipients of grants under the Native American Housing Assistance and Self-Determination Act of 1996''; and

(ii) by striking ''development assistance'' and all that follows through ''section 14 of that Act'' and inserting ''assistance provided under title II of the United States Housing Act of 1996 and used for the housing production, operation, or capital needs''; and

(B) in subparagraph (B)(ii), by striking ''operated by the public or Indian housing agency'' and inserting ''assisted by the local housing and management authority or the recipient of a grant under the Native American Housing Assistance and Self-Determination Act of 1996''.

Page 93, line 3, insert ''on a regular basis'' before the period.

Page 97, line 8, strike ''is''.

Page 108, line 16, after the period insert the following: ''In addition, the Secretary may provide financial assistance to resident management corporations or resident councils for activities sponsored by resident organizations for economic uplift, such as job training, economic development, security, and other self-sufficiency activities beyond those related to the management of public housing. The Secretary may require resident councils or resident management corporations to utilize local housing and management authorities or other qualified organizations as contract administrators with respect to financial assistance provided under this paragraph.

Page 109, after line 17, insert the following new paragraph:

(6) TECHNICAL ASSISTANCE AND CLEARINGHOUSE.—The Secretary may use up to 10 percent of the amount made available pursuant to paragraph (4)—

(A) to provide technical assistance, directly or by grant or contract, and

(B) to receive, collect, process, assemble, and disseminate information,

in connection with activities under this subsection.

Page 110, line 19, after the period the following:

An authority may transfer a unit only pursuant to a homeownership program approved by the Secretary. Notwithstanding section 108, the Secretary may approve a local housing management plan without approving the portion of the plan regarding a homeownership program pursuant to this section.

Page 111, line 5, insert after ''sales'' the following: ''by purchasing units for resale to low-income families''.

Page 111, line 16, after the period insert the following:

In the case of purchase by an entity for resale to low-income families, the entity shall sell the units to low-income families within 5 years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.

Page 113, line 9, after ''propriate'' insert ''(whether the family purchases directly from the authority or from another entity)''.

Page 115, line 4, after the period insert the following new sentence:

Notwithstanding section 108, the Secretary may approve a local housing management plan without approving the portion of the plan covering demolition or disposition pursuant to this section.

Page 127, line 19, insert ''and'' after the semicolon.

Page 127, line 21, strike ''; and'' and insert a period.

Page 127, strike line 22 and all that follows through page 128, line 2, and insert the following:

The Secretary shall give preference in selection to any local housing and management authority that has been awarded a planning grant under section 24(c) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act).

Page 129, line 4, before the period insert the following: ''or to one or more other entities capable of proceeding expeditiously in the same locality in carrying out the revitalization plan of the original grantee''.

Page 129, line 9, after ''troubled'' insert ''or dysfunctional''.

Page 133, line 5, strike lines 4 and 5 and insert the following:

under this section $480,000,000 for each of fiscal years 1996, 1997, and 1998''.

Page 133, line 17, strike ''1996'' and insert ''1998''.

Page 133, after line 17, insert the following new section:

SEC. 263. VOLUNTARY VOUCHER SYSTEM FOR PUBLIC HOUSING.

(a) IN GENERAL.—A local housing and management authority may convert any public housing development (or portion thereof) owned and operated by the authority to a system of choice-based rental housing assistance under title III, in accordance with this section.

(b) ASSESSMENT AND PLAN REQUIREMENT.—In converting under this section to a choice-based rental housing assistance system, the local housing and management authority shall develop a conversion assessment and plan under this subsection, in consultation with the appropriate public officials and with significant participation by the residents of the development (or portion thereof), which assessment and plan shall—

(1) be consistent with and part of the local housing management plan for the authority;

(2) describe the conversion and future use or disposition of the public housing development, including an impact analysis on the affected community;

(3) include a cost analysis that demonstrates whether or not the cost (both on a net present value basis and in terms of new budget authority requirements) of providing choice-based rental housing assistance under title III for the same families in substantially similar dwellings over the same period of time is less expensive than continuing public housing assistance in the public housing development proposed for conversion for the remaining useful life of the development; and

(4) identify the actions, if any, that the local housing and management authority will take with regard to converting any public housing development or developments (or portions thereof) of the authority to a system of choice-based rental housing assistance under title III.

(c) STREAMLINED ASSESSMENT AND PLAN.—At the discretion of the Secretary or at the request of a local housing and management authority, the Secretary may waive any or all of the requirements of subsection (b) or otherwise require a streamlined assessment with respect to any public housing development or class of public housing developments.

(d) IMPLEMENTATION OF CONVERSION PLAN.—

(1) IN GENERAL.—A local housing and management authority may implement a conversion plan only if the conversion assessment under this section demonstrates that the conversion—

(A) will not be more expensive than continuing to operate the public housing development (or portion thereof) as public housing; and

(B) will principally benefit the residents of the public housing development (or portion thereof) to be converted, the local housing and management authority, and the community.

(2) DISAPPROVAL.—The Secretary shall disapprove a conversion plan only if the plan is

plainly inconsistent with the conversion assessment under subsection (b) or there is reliable information and data available to the Secretary that contradicts that conversion assessment.

(e) OTHER REQUIREMENTS.—To the extent approved by the Secretary, the funds used by the local housing and management authority to provide choice-based rental housing assistance under title III shall be added to the housing assistance payment contract administered by the local housing and management authority or any entity administering the contract on behalf of the local housing and management authority.

(f) SAVINGS PROVISION.—This section does not affect any contract or other agreement entered into under section 22 of the United States Housing Act of 1937 (as such section existed immediately before the enactment of this Act).

Page 135, line 18, strike ''section 202(b)'' and insert ''section 202(d)''.

Page 138, strike line 5 and all that follows through line 7 and insert the following:

There are authorized to be appropriated for grants under this title, the following amounts:

(1) CAPITAL FUND.—For the allocations from the capital fund for grants, $2,500,000,000 for each of fiscal years 1997, 1998, 1999, and 2000; and

(2) OPERATING FUND.—For the allocations from the operating fund for grants, $2,800,000,000 for each of fiscal years 1997, 1998, 1999, and 2000.

Page 141, line 7, strike ''(5)'' and insert ''(4)''.

Page 141, line 10, strike ''(6)'' and insert ''(5)''.

Page 140, line 21, after ''title'' insert the following: ''pursuant to the formula established under section 304(a)''.

Page 141, lines 16 and 17, strike ''subsection (c) and section 109'' and insert ''subsections (b)(3) and (c), and section 112''.

Page 143, line 19, after ''including'' insert the following: ''funding for the headquarters reserve fund under section 112,''.

Page 143, line 25, after ''displacement'' insert ''from public or assisted housing''.

Page 144, line 9, strike ''loan'' and insert ''portfolio''.

Page 148, line 22, strike ''the Secretary'' and all that follows through page 149, line 21, and insert the following: ''the Secretary shall take such steps as may be necessary to ensure that the local housing and management authority that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).''.

Page 152, after line 2, insert the following new subsection:

(b) INCOME TARGETING.—Of the families initially assisted under this title by a local housing and management authority in any year, not less than 50 percent shall be families whose incomes do not exceed 60 percent of the area median income, as determined by the Secretary with adjustments for smaller and larger families. The Secretary may establish income ceiling higher or lower than 30 percent of the area median income on the basis of the Secretary's findings that such variations are necessary because of unusually high or low family incomes.

Page 152, line 3, strike ''(b)'' and insert ''(c)''.

Page 152, line 18, strike ''(c)'' and insert ''(d)''.

Page 153, strike line 11 and all that follows through line 25 on page 155, and insert the following new subsection:

(d) PORTABILITY OF HOUSING ASSISTANCE.—

(1) NATIONAL PORTABILITY.—An eligible family that is selected to receive or is receiving assistance under this title may rent any eligible dwelling unit in any area where a program is being administered under this title. Notwithstanding the preceding sentence, a local housing and management authority may require that any family not living within the jurisdiction of the local housing and management authority at the time the family applies for assistance from the authority shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from that authority, lease and occupy an eligible dwelling unit located within the jurisdiction served by the authority. The authority for the jurisdiction into which the family moves shall have the responsibility for administering assistance for the family.

(2) SOURCE OF FUNDING FOR A FAMILY THAT MOVES.—For a family that has moved into the jurisdiction of a local housing and management authority and that, at the time of the move, has been selected to receive, or is receiving, assistance provided by another authority, the authority for the jurisdiction into which the family has moved may, in its discretion, cover the cost of assisting the family under its contract with the Secretary or through reimbursement from the other authority under that authority's contract.

(3) AUTHORITY TO DENY ASSISTANCE TO CERTAIN FAMILIES WHO MOVE.—A family may not receive housing assistance as provided under this subsection if the family has moved from a dwelling unit in violation of the lease for the dwelling unit.

(4) FUNDING ALLOCATIONS.—In providing assistance amounts under this title for local housing and management authorities for any fiscal year, the Secretary may give consideration to any reduction or increase in the number of resident families under the program of an authority in the preceding fiscal year as a result of this subsection.

Page 156, line 3, strike ''may, to the extent such policies are'' and insert ''shall, consistent with the policies''.

Page 156, lines 4 and 5, strike ''and included in the lease for a dwelling unit''.

Page 156, strike lines 11 through 14 and insert the following new paragraph:

(2) immediately become ineligible for housing assistance under this title or for admission to public housing under title II—

(A) in the case of a termination due to drug-related criminal activity, for a period of not less than 3 years from the date of the termination; and

(B) for other terminations, for a reasonable period of time as determined by the local housing and management authority.

Page 156, line 15, strike ''(h)'' and insert ''(f)''.

Page 156, after line 24, insert the following new subsections:

(i) DENIAL OF ASSISTANCE TO CRIMINAL OFFENDERS.—In making assistance under this title available on behalf of eligible families, a local housing and management authority may deny the provision of such assistance in the same manner, for the same period, and subject to the same conditions that an owner of federally assisted housing may deny occupancy in such housing under subsections (b) and (c) of section 642 of the Housing and Community Development Act of 1992.

(j) AVAILABILITY OF CRIMINAL RECORDS.—A local housing and management authority may request and obtain records regarding the criminal convictions of applicants for housing assistance under this title and assisted families under this title to the same extent an owner of federally assisted housing may obtain such records regarding an applicant for or tenant of federally assisted housing under section 646 of the Housing and Community Development Act of 1992.

Page 157, strike line 2 and all that follows through page 158, line 8, and insert the following new subsections:

(a) AMOUNT.—

(1) IN GENERAL.—An assisted family shall contribute on a monthly basis for the rental of an assisted dwelling unit an amount that the local housing and management authority determines is appropriate with respect to the family and the unit, but shall not be less than the minimum monthly rental contribution determined under subsection (b).

(2) EXCEPTIONS FOR CERTAIN CURRENT RESIDENTS.—Notwithstanding paragraph (1), the amount paid by an assisted family for monthly rent for an assisted dwelling unit, may not exceed 30 percent of the family's adjusted monthly income for any family who—

(A) upon the date of the enactment of this Act, is an assisted family and—

(i) is an elderly family; or

(ii) is a disabled family; or

(B) whose income does not exceed 30 percent of the median income for the area (as determined by the Secretary with adjustments for smaller and larger families).

Any amount payable under paragraph (3) shall be in addition to the amount payable under this paragraph.

(3) EXCESS RENTAL AMOUNT.—In any case in which the monthly rent charged for a dwelling unit pursuant to the housing assistance payments contract exceeds the applicable payment standard (established under section 353) for the dwelling unit, the assisted family residing in the unit shall contribute (in addition to the amount of the monthly rent contribution otherwise determined under paragraph (1) or (2) of this subsection for such family) such entire excess rental amount.

(b) MINIMUM MONTHLY RENTAL CONTRIBUTION.—

(1) IN GENERAL.—The local housing and management authority shall determine the amount of the minimum monthly rental contribution of an assisted family (which rent shall include any amount allowed for utilities), which—

(A) shall be based upon factors including the adjusted income of the family and any other factors that the authority considers appropriate;

(B) shall be not less than $25, nor more than $50; and

(C) may be increased annually by the authority, except that no such annual increase may exceed 10 percent of the amount of the minimum monthly contribution in effect for the preceding year.

(2) HARDSHIP EXCEPTION.—Notwithstanding paragraph (1), a local housing and management authority may, in its sole discretion, grant an exemption in whole or in part from payment of the minimum monthly rental contribution established under this paragraph to any assisted family unable to pay such amount because of severe financial hardships. Severe financial hardships may include situations where the family is awaiting an eligibility determination for a Federal, State, or local assistance program, where the family would be evicted as a result of imposition of the minimum rent, and other situations as may be determined by the authority.

Page 161, line 21, strike ''section 325'' and insert ''this title''.

Page 162, line 19, before the period, insert ''on or off such premises''.

Page 163, strike lines 9 through 16 and insert the following new paragraph:

(1) IN GENERAL.—Notwithstanding subsection (a), a local housing and management authority—

(A) may not enter into a housing assistance payments contract (or renew an existing contract) covering a dwelling unit that is

owned by an owner who is debarred, suspended, or subject to limited denial of participation under part 24 of title 24, Code of Federal Regulations;

(B) may prohibit, or authorize the termination or suspension of, payment of housing assistance under a housing assistance payments contract in effect at the time such debarment, suspension, or limited denial of participation takes effect.

If the local housing and management authority takes action under subparagraph (B), the authority shall take such actions as may be necessary to protect assisted families who are affected by the action, which may include the provision of additional assistance under this title to such families.

Page 163, strike line 23 and all that follows through page 164, line 2.

Page 164, line 8, before the period insert ''and any applicable law''.

Page 165, line 17, strike ''subsection (b)'' and insert ''subsection (c)''.

Page 166, strike lines 9 through 22 and insert the following new paragraph:

(2) EXPEDITIOUS INSPECTION.—Inspections of dwelling units under this subsection shall be made before the expiration of the 15-day period beginning upon a request by the resident or landlord to the local housing and management authority. The performance of the authority in meeting the 15-day inspection deadline shall be taken into account in assessing the performance of the authority.

Page 167, line 14, strike ''The authority'' and all that follows through line 19 and insert the following new sentence: ''The authority shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary and the Inspector General for the Department of Housing and Urban Development, the Housing Foundation and Accreditation Board established under title IV, and any auditor conducting an audit under section 432.''.

Page 168, line 18, before ''income'' insert ''sufficient''.

Page 170, line 18, after ''dwelling units'' insert the ''(other than public housing)''.

Page 170, line 22, strike ''or the owner''.

Page 171, strike line 15 and all that follows through page 172, line 11, and insert the following new section:

SEC. 352. AMOUNT OF MONTHLY ASSISTANCE PAYMENT.

(a) UNITS HAVING GROSS RENT EXCEEDING PAYMENT STANDARD.—In the case of a dwelling unit bearing a gross rent that exceeds the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located—

(1) the amount by which such payment standard exceeds the amount of the resident contribution determined in accordance with section 322(a)(1); or

(2) in the case only of families described in paragraph (2) of section 322(a), the amount by which such payment standard exceeds the lesser of (i) the resident contribution determined in accordance with section 322(a)(1), or (ii) 30 percent of the family's adjusted monthly income.

(b) SHOPPING INCENTIVE FOR UNITS HAVING GROSS RENT NOT EXCEEDING PAYMENT STANDARD.—In the case of an assisted family renting an eligible dwelling unit bearing a gross rent that does not exceed the payment standard established under section 353 for a dwelling unit of the applicable size and located in the market area in which such assisted dwelling unit is located, the following requirements shall apply:

(1) AMOUNT OF MONTHLY ASSISTANCE PAYMENT.—The amount of the monthly assistance payment for housing assistance under this title on behalf of the assisted family shall be the amount by which the gross rent for the dwelling unit exceeds the amount of the resident contribution.

(2) ESCROW OF SHOPPING INCENTIVE SAVINGS.—An amount equal to 50 percent of the difference between payment standard and the gross rent for the dwelling unit shall be placed in an interest bearing escrow account on behalf of such family on a monthly basis by the local housing and management authority. Amounts in the escrow account shall be made available to the assisted family on an annual basis.

(3) DEFICIT REDUCTION.—The local housing and management authority making housing assistance payments on behalf of such assisted family in a fiscal year shall reserve from amounts made available to the authority for assistance payments for such fiscal year an amount equal to the amount described in paragraph (2). At the end of each fiscal year, the Secretary shall recapture any such amounts reserved by local housing and management authorities and such amounts shall be covered into the General Fund of the Treasury of the United States.

For purposes of this section, in the case of a family receiving homeownership assistance under section 329, the term ''gross rent'' shall mean the homeownership costs to the family as determined in accordance with guidelines of the Secretary.

Page 173, line 3, strike ''large''.

Page 173, strike ''For purposes'' in line 15 and all that follows through line 19.

Page 174, line 5, after ''unit'' insert ''(with respect to initial contract rents and any rent revisions)''.

Page 179, line 25, strike ''section 110'' and insert ''section 111''.

Page 182, line 17, strike ''2'' and insert ''at least 2, but not more than 4''.

Page 183, after line 15, insert the following new subparagraph:

(E) At least 1 individual who has extensive experience in auditing participants in government programs.

Page 186, after line 2, insert the following new paragraph:

(3) IMPROVEMENT OF INDEPENDENT AUDITS.—Providing for the development of effective means for conducting comprehensive financial and performance audits of local housing and management authorities under section 432 and, to the extent provided in such section, providing for the conducting of such audits.

Page 186, line 3, strike ''(3)'' and insert ''(4)''.

Page 186, strike lines 6 through 8 and insert the following:

grants under title II for the operation, maintenance, and production of public housing and amounts for housing assistance under title III, ensuring that financial and performance audits under section 432

Page 186, line 12, strike ''(4)'' and insert ''(5)''.

Page 187, after line 13, insert the following new subsection:

(c) ASSISTANCE FROM NATIONAL CENTER FOR HOUSING MANAGEMENT.—

(1) IN GENERAL.—During the period referred to in subsection (a), the National Center for Housing Management established by Executive Order 11668 (42 U.S.C. 3531 note) shall, to the extent agreed to by the Center, provide the Board with ongoing assistance and advice relating to the following matters:

(A) Organizing the structure of the Board and its operations.

(B) Establishing performance standards and guidelines under section 431(a).

Such Center may, at the request of the Board, provide assistance and advice with respect to matters not described in paragraphs (1) and (2) and after the expiration of the period referred to in subsection (a).

(2) ASSISTANCE.—The assistance provided by such Center shall include staff and logistical support for the Board and such operational and managerial activities as are necessary to assist the Board to carry out its functions during the period referred to in subsection (a).

Page 188, after line 22, insert the following new paragraph:

(4) HUD INSPECTOR GENERAL.—The Inspector General of the Department of Housing and Urban Development shall serve the Board as a principal adviser with respect to all aspects of annual financial and performance audits of local housing and management authorities under section 432. The Inspector General may advise the Board with respect to other activities and functions of the Board.

Page 189, line 4 and 5, strike ''research or surveys'' and insert ''evaluations under section 404(b), audits of local housing and management authorities as provided under section 432, research, and surveys''.

Page 189, line 6, before the period insert the following: '', and may enter into contracts with the National Center for Housing Management to conduct the functions assigned to the Center under this title''.

Page 190, line 5, strike ''and'' and insert a comma.

Page 190, line 6, before the period insert '', and conducting audits of authorities under section 432''.

Page 190, after line 13, insert the following new subsection:

(a) REPORT ON COORDINATION WITH HUD FUNCTIONS.—Not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act, the Board shall submit a report to the Congress that—

(1) identifies and describes the processes, procedures, and activities of the Department of Housing and Urban Development which may duplicate functions of the Board, and makes recommendations regarding activities of the Department that may no longer be necessary as a result of improved auditing of authorities pursuant to this title;

(2) makes recommendations for any changes to Federal law necessary to improve auditing of local housing and management authorities; and

(3) makes recommendations regarding the review and evaluation functions currently performed by the Department of Housing and Urban Development that may be more efficiently performed by the Board and should be performed by the Board, and those that should continue to be performed by the Department.

Page 190, line 14, before ''The'' insert ''(b) ANNUAL REPORTS.—''.

Page 190, after line 23, insert the following new section:

SEC. 408. GAO AUDIT.

The activities and transactions of the Board shall be subject to audit by the Comptroller General of the United States under such rules and regulations as may be prescribed by the Comptroller General. The representatives of the General Accounting Office shall have access for the purpose of audit and examination to any books, documents, papers, and records of the Board that are necessary to facilitate an audit.

Page 196, strike line 10 and all that follows through page 198, line 25, and insert the following new section:

SEC. 432. FINANCIAL AND PERFORMANCE AUDITS.

(a) REQUIREMENT.—A financial and performance audit under this section shall be conducted for each local housing and management authority for each fiscal year that

the authority receives grant amounts under this Act, as provided under one of the following paragraphs:

(1) LHMA PROVIDES FOR AUDIT.—If neither the Secretary nor the Board takes action under paragraph (2) or (3), the Secretary shall require the local housing and management authority to have the audit conducted. The Secretary may prescribe that such audits be conducted pursuant to guidelines set forth by the Department.

(2) SECRETARY REQUESTS BOARD TO PROVIDE FOR AUDIT.—The Secretary may request the Board to contract directly with an auditor to have the audit conducted for the authority.

(3) BOARD PROVIDES FOR AUDIT.—The Board may notify the Secretary that it will contract directly with an auditor to have the audit conducted for the authority.

(b) OTHER AUDITS.—Pursuant to risk assessment strategies designed to ensure the integrity of the programs for assistance under this Act, which shall be established by the Inspector General for the Department of Housing and Urban Development in consultation with the Board, the Inspector General may request the Board to conduct audits under this subsection of local housing and management authorities. Such audits may be in addition to, or in place of, audits under subsection (a), as the Board shall provide.

(c) SUBMISSION OF RESULTS.—

(1) SUBMISSION TO SECRETARY AND BOARD.—The results of any audit conducted under this subsection shall be submitted to the local housing and management authority, the Secretary, and the Board.

(2) SUBMISSION TO LOCAL OFFICIALS.—

(A) REQUIREMENT.—A local housing and management authority shall submit each audit conducted under this section to any local elected official or officials responsible for appointing the members of the board of directors (or other similar governing body) of the local housing and management authority for review and comment. Any such comments shall be submitted, together with the audit, to the Secretary and the Board and the Secretary and the Board shall consider such comments in reviewing the audit.

(B) TIMING.—An audit shall be submitted to local officials as provided in subparagraph (A)—

(i) in the case of an audit conducted under subsection (a)(1), not later than 60 days before the local housing and management authority submits the audit to the Secretary and the Board; or

(ii) in the case of an audit under paragraph (2) or (3) of subsection (a) or under subsection (b), not later than 60 days after the authority receives the audit.

(d) PROCEDURES.— The requirements for financial and performance audits under this section shall—

(1) be established by the Board, in consultation with the Inspector General of the Department of Housing and Urban Development;

(2) provide for the audit to be conducted by an independent auditor selected—

(A) in the case of an audit under subsection (a)(1), by the authority; and

(B) in the case of an audit under paragraph (2) or (3) of subsection (a) or under subsection (b), by the Board;

(3) authorize the auditor to obtain information from a local housing and management authority, to access any books, documents, papers, and records of an authority that are pertinent to this Act and assistance received pursuant to this Act, and to review any reports of an authority to the Secretary;

(4) impose sufficient requirements for obtaining information so that the audits are useful to the Board in evaluating local housing and management authorities; and

(5) include procedures for testing the reliability of internal financial controls of local housing and management authorities.

(e) PURPOSE.—Audits under this section shall be designed to—

(1) evaluate the financial performance and soundness and management performance of the local housing and management authority board of directors (or other similar governing body) and the authority management officials and staff;

(2) assess the compliance of an authority with all aspects of the standards and guidelines established under section 431(a)(1);

(3) provide information to the Secretary and the Board regarding the financial performance and management of the authority and to determine whether a review under section 225(d) or 353(c) is required; and

(4) identify potential problems in the operations, management, functioning of a local housing and management authority at a time before such problems result in serious and complicated deficiencies.

(f) INAPPLICABILITY OF SINGLE AUDIT ACT.—Notwithstanding the first sentence of section 7503(a) of title 31, United States Code, an audit conducted in accordance with chapter 75 of such title shall not exempt any local housing and management authority from conducting an audit under this section. Audits under this section shall not be subject to the requirements for audits under such chapter. An audit under this section for a local housing and management authority for a fiscal year shall be considered to satisfy any requirements under such chapter for such fiscal year.

(g) WITHHOLDING OF AMOUNTS FOR COSTS OF AUDIT.—

(1) LHMA RESPONSIBLE FOR AUDIT.—If the Secretary requires a local housing and management authority to have an audit under this section conducted pursuant to subsection (a)(1) and determines that the authority has failed to take the actions required to submit an audit under this section for a fiscal year, the Secretary may—

(A) arrange for, and pay the costs of, the audit and withhold, from the total allocation for any fiscal year otherwise payable to the authority under this Act, amounts sufficient to pay for the reasonable costs of conducting an acceptable audit (including, if appropriate, the reasonable costs of accounting services necessary to place the authority's books and records in condition that permits an audit); or

(B) request the Board to conduct the audit pursuant to subsection (a)(2) and withhold amounts pursuant to paragraph (2) of this subsection.

(2) BOARD RESPONSIBLE FOR AUDIT.—If the Board is responsible for an audit for a local housing and management authority pursuant to paragraph (2) or (3) of subsection (a), subsection (b), or paragraph (1)(B) of this subsection, the Secretary shall—

(A) withhold, from the total allocation for any fiscal year otherwise payable to the authority under this Act, amounts sufficient to pay for the audit, but in no case more than the reasonable cost of conducting an acceptable audit (including, if appropriate, the reasonable costs of accounting services necessary to place the authority's books and records in condition that permits an audit); and

(B) transfer such amounts to the Board.

Page 201, line 21, strike ''to prepare''.

Page 201, line 23, after ''housing'' insert ''or functions''.

Page 202, lines 1 and 2, strike ''to prepare''.

Page 203, lines 17 and 18, strike ''the expiration'' and all that follows through ''437(b)(2)'' on line 19, and insert the following: ''such period, the Secretary shall take the action authorized under subsection (b)(2) or (b)(5) of section 438''.

Page 203, line 19, strike ''437(b)(2)'' and insert ''438(b)(2) or (b)(5)''.

Page 207, line 16, strike ''section 435'' and insert ''section 436''.

Page 209, line 9, strike ''if'' and all that follows through the comma on line 12.

Page 210, line 9, before the semicolon insert '', but only after efforts to renegotiate such contracts have failed''.

Page 210, line 19, after ''laws'' insert the following: ''relating to civil service requirements, employee rights, procurement, or financial or administrative controls''.

Page 210, line 20, strike ''receiver'' and insert ''Secretary''.

Page 212, line 24, strike ''(D'' and insert ''(D)''.

Page 212, line 25, after ''laws'' insert the following: ''relating to civil service requirements, employee rights, procurement, or financial or administrative controls''.

Page 213, after line 23, insert the following new subsection:

(g) EFFECTIVENESS.—The provisions of this section shall apply with respect to actions taken before, on, or after the effective date of this Act and shall apply to any receivers appointed for a public housing agency before the date of enactment of this Act.

Page 215, line 7, strike ''for the first year beginning after the date of enactment of this Act''.

Page 216, line 2, strike ''section 438(b)'' and insert ''section 439(b)''.

Page 217, line 7, strike ''section 432'' and insert ''section 433''.

Page 217, line 9, strike ''and 436'' and insert ''436, and 438''.

Page 218, strike lines 19 through 22 (and redesignate subsequent paragraphs accordingly).

Page 226, after line 9, insert the following new subsection:

(f) CONVERSION OF PROJECT-BASED ASSISTANCE TO CHOICE-BASED RENTAL ASSISTANCE.—

(1) SECTION 8 PROJECT-BASED CONTRACTS.—Upon the request of the owner of a multifamily housing project for which project-based assistance is provided under a contract entered into under section 8 of the United States Housing Act of 1937 (as in effect before the enactment of this Act), notwithstanding the termination date of such contract the Secretary shall provide for a reduction in the number of dwelling units assisted under the contract, which may not exceed 40 percent of the units in the project and shall be subject to the requirements in paragraphs (3) and (4) of this subsection.

(2) SECTION 236 CONTRACTS.—Upon the request of the owner of a multifamily housing project for which assistance is provided under a contract for interest reduction payments under section 236 of the National Housing Act, notwithstanding the termination date of such contract the Secretary shall provide for a reduction in the number of dwelling units assisted under the contract, which may not exceed 40 percent of the units in the project. The amount of the interest reduction payments made on behalf of the owner shall be reduced by a fraction for which the numerator is the aggregate basic rent for the units which are no longer assisted under the contract for interest reduction payments and the denominator is the aggregate basic rents for all units in the project. The requirements of section 236(g) of the National Housing Act shall not apply to rental charges collected with respect to dwelling units for which assistance in terminated under this paragraph. Such reduction shall be subject to the requirements in paragraphs (3) and (4) of this subsection.

(3) ELIGIBLE UNITS.—A unit may be removed from coverage by a contract pursuant to paragraph (1) or (2) only—

(A) upon the vacancy of the unit; and

(B) in the case of—

(i) units assisted under section 8 of the United States Housing Act of 1937, if the contract rent for the unit is not less than the applicable fair market rental established pursuant to section 8(c) of such Act for the area in which the unit is located; or

(ii) units assisted under an interest reduction contract under section 236 of the National Housing Act, if the reduction in the amount of interest reduction payments on a monthly basis is less than the aggregate amount of fair market rents established pursuant to section 8(c) of such Act for the number and type of units which are removed from coverage by the contract.

(4) RECAPTURE.—Any budget authority that becomes available to a local housing and management authority or the Secretary pursuant to this section shall be used to provide choice-based rental assistance under title III, during the term covered by such contract.

Page 231, line 24, after the period insert the following new sentence: ''The plan shall be developed with the participation of residents and appropriate law enforcement officials.''.

Page 240, after the matter following line 17, insert the following new subsection:

(i) TREATMENT OF NOFA.—The cap limiting assistance under the Notice of Funding Availability issued by the Department of Housing and Urban Development in the Federal Register of April 8, 1996, shall not apply to a local housing and management authority within an area designated as a high intensity drug trafficking area under section 1005(c) of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504(c).

At the end of title V of the bill, insert the following new sections:

SEC. 504. TREATMENT OF CERTAIN PROJECTS.

Rehabilitation activities undertaken by Pennrose Properties in connection with 40 dwelling units for senior citizens in the Providence Square development located in New Brunswick, New Jersey, are hereby deemed to have been conducted pursuant to the approval of and an agreement with the Secretary of Housing and Urban Development under clauses (i) and (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act).

SEC. 505. AMENDMENTS RELATING TO COMMUNITY DEVELOPMENT ASSISTANCE.

(a) ELIGIBILITY OF METROPOLITAN CITIES.—Section 102(a)(4) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(4)) is amended—

(1) by striking the second sentence and inserting the following new sentence: ''Any city that was classified as a metropolitan city for at least 1 year after September 30, 1989, pursuant to the first sentence of this paragraph, shall remain classified as a metropolitan city by reason of this sentence until the first year for which data from the 2000 Decennial Census is available for use for purposes of allocating amounts this title.''; and

(2) by striking the fifth sentence and inserting the following new sentence: ''Notwithstanding that the population of a unit of general local government was included, after September 30, 1989, with the population of an urban county for purposes of qualifying for assistance under section 106, the unit of general local government may apply for assistance under section 106 as a metropolitan city if the unit meets the requirements of the second sentence of this paragraph.''.

(b) PUBLIC SERVICES LIMITATION.—Section 105(a)(8) of the Housing and Community Development Act of 1974 (42 U.S.C. 5305(a)(8)) is amended by striking ''through 1997'' and inserting ''through 1998''.

SEC. 506. AUTHORITY TO TRANSFER SURPLUS REAL PROPERTY FOR HOUSING USE.

Section 203 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 484) is amended by adding at the end the following new subsection:

''(r)(1) Under such regulations as the Administrator may prescribe, and with the written consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for homeless individuals or families, such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

''(2) Under such regulations as the Administrator may prescribe, and with the written consent of appropriate local governmental authorities, the Administrator may transfer to any nonprofit organization which exists for the primary purpose of providing housing or housing assistance for low-income individuals or families such surplus real property, including buildings, fixtures, and equipment situated thereon, as is needed for housing use.

''(3) In making transfers under this subsection, the Administrator shall take such action, which shall include grant agreements with an organization receiving a grant, as may be necessary to ensure that—

''(A) assistance provided under this subsection is used to facilitate and encourage homeownership opportunities through the construction of self-help housing, under terms which require that the person receiving the assistance contribute a significant amount of labor toward the construction; and

''(B) the dwellings constructed with property transferred under this subsection shall be quality dwellings that comply with local building and safety codes and standards and shall be available at prices below the prevailing market prices.

''(4)(A) Where the Administrator has transferred a significant portion of a surplus real property, including buildings, fixtures, and equipment situated thereon, under paragraph (1) or (2) of this subsection, the transfer of the entire property shall be deemed to be in compliance with title V of the Stewart B. McKinney Homeless Assistance Act (42 U.S.C. 11411 et seq.).

''(B) For the purpose of this paragraph, the term 'a significant portion of a surplus real property' means a portion of surplus real property—

''(i) which constitutes at least 5 acres of total acreage;

''(ii) whose fair market value exceeds $100,000; or

''(iii) whose fair market value exceeds 15 percent of the surplus property's fair market value.

''(5) The provisions of this section shall not apply to buildings and property at military installations that are approved for closure under the Defense Base Closure and Realignment Act of 1990 (part A of title XXIX of Public Law 101–510; 10 U.S.C. 2687 note) and shall not supersede the provisions of section 2(e) of the Base Closure Community Redevelopment and Homeless Assistance Act of 1994 (10 U.S.C. 2687 note).''.

SEC. 507. RURAL HOUSING ASSISTANCE.

The last sentence of section 520 of the Housing Act of 1949 (42 U.S.C. 1490) is amended by inserting before the period the following: '', and the city of Altus, Oklahoma, shall be considered a rural area for purposes of this title until the receipt of data from the decennial census in the year 2000''.

SEC. 508. TREATMENT OF OCCUPANCY STANDARDS.

(a) NATIONAL STANDARD PROHIBITED.—The Secretary of Housing and Urban Development shall not directly or indirectly establish a national occupancy standard.

(b) STATE STANDARD.—If a State establishes an occupancy standard—

(1) such standard shall be presumed reasonable for purposes of any laws administered by the Secretary; and

(2) the Secretary shall not suspend, withdraw, or deny certification of any State or local public agency based in whole or in part on that State occupancy standard or its operation.

(c) ABSENCE OF STATE STANDARD.—If a State fails to establish an occupancy standard, an occupancy standard of 2 persons per bedroom established by a housing provider shall be presumed reasonable for the purposes of any laws administered by the Secretary.

(d) DEFINITION.—

(1) GENERAL RULE.—Except as provided in paragraph (2), the term ''occupancy standard'' means a law, regulation, or housing provider policy that establishes a limit on the number of residents a housing provider can properly manage in a dwelling for any 1 or more of the following purposes—

(A) providing a decent home and services for each resident;

(B) enhancing the livability of a dwelling for all residents, including the dwelling for each particular resident; and

(C) avoiding undue physical deterioration of the dwelling and property.

(2) EXCEPTION.—The term ''occupancy standard'' does not include a Federal, State, or local restriction regarding the maximum number of persons permitted to occupy a dwelling for the sole purpose of protecting the health and safety of the residents of a dwelling, including building and housing code provisions.

(e) EFFECTIVE DATE.—This section shall take effect January 1, 1996.

SEC. 509. IMPLEMENTATION OF PLAN.

(a) IMPLEMENTATION.—Within 120 days after the enactment of this Act, the Secretary of Housing and Urban Development shall implement the Ida Barbour Revitalization Plan of the City of Portsmouth, Virginia, in a manner consistent with existing limitations under law. The Secretary shall consider and make any waivers to existing regulations consistent with such plan to enable timely implementation of such plan.

(b) REPORT.—Such city shall submit a report to the Secretary on progress in implementing the plan not later than 1 year after the date of the enactment of this Act and annually thereafter through the year 2000. The report shall include quantifiable measures revealing the increase in homeowners, employment, tax base, voucher allocation, leverage ratio of funds, impact on and compliance with the city's consolidated plan, identification of regulatory and statutory obstacles which have or are causing unnecessary delays in the plan's successful implementation or are contributing to unnecessary costs associated with the revitalization, and any other information as the Secretary considers appropriate.

SEC. 510. INCOME ELIGIBILITY FOR HOME AND CDBG PROGRAMS.

(a) HOME INVESTMENT PARTNERSHIPS.—The Cranston-Gonzalez National Affordable Housing Act is amended as follows:

(1) DEFINITIONS.—In section 104(10) (42 U.S.C. 12704(10))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(2) INCOME TARGETING.—In section 214(1)(A) (42 U.S.C. 12744(1)(A))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(3) RENT LIMITS.—In section 215(a)(1)(A) (42 U.S.C. 12745(a)(1)(A))—

(A) by striking ''income ceilings higher or lower'' and inserting ''an income ceiling higher'';

(B) by striking ''variations are'' and inserting ''variation is''; and

(C) by striking ''high or''.

(b) CDBG.—Section 102(a)(20) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(20)) is amended by striking subparagraph (B) and inserting the following new subparagraph:

''(B) The Secretary may—

''(i) with respect to any reference in subparagraph (A) to 50 percent of the median income of the area involved, establish percentages of median income for any area that are higher or lower than 50 percent if the Secretary finds such variations to be necessary because of unusually high or low family incomes in such area; and

''(ii) with respect to any reference in subparagraph (A) to 80 percent of the median income of the area involved, establish a percentage of median income for any area that is higher than 80 percent if the Secretary finds such variation to be necessary because of unusually low family incomes in such area.''.

SEC. 511. AMENDMENTS RELATING TO SECTION 236 PROGRAM.

Section 236(f)(1) of the National Housing Act (12 U.S.C. 1715z–1) (as amended by section 405(d)(1) of The Balanced Budget Downpayment Act, I, and by section 228(a) of The Balanced Budget Downpayment Act, II) is amended—

(1) in the second sentence, by striking ''the lower of (i)'';

(2) in the second sentence, by striking ''(ii) the fair market rental established under section 8(c) of the United States Housing Act of 1937 for the market area in which the housing is located, or (iii) the actual rent (as determined by the Secretary) paid for a comparable unit in comparable unassisted housing in the market area in which the housing assisted under this section is located,''; and

(3) by inserting after the second sentence the following: ''However, in the case of a project which contains more than 5,000 units, is subject to an interest reduction payments contract, and is financed under a State or local program, the Secretary may reduce the rental charge ceiling, but in no case shall the rent be below basic rent. For plans of action approved for capital grants under the Low-Income Housing Preservation and Resident Homeownership Act of 1990 or the provisions of the Emergency Low Income Housing Preservation Act of 1987, the rental charge for each dwelling unit shall be at the basic rental charge or such greater amount, not exceeding the lower of (i) the fair market rental charge determined pursuant to this paragraph, or (ii) the actual rent paid for a comparable unit in comparable unassisted housing in the market area in which the housing is located, as represents 30 percent of the tenant's adjusted income, but in no case shall the rent be below basic rent.''.

SEC. 512. PROSPECTIVE APPLICATION OF GOLD CLAUSES.

Section 5118(d)(2) of title 31, United States Code, is amended by adding at the end the following new sentence: ''This paragraph shall continue to apply to any obligations issued on or before October 27, 1977, notwithstanding any assignment and/or novation of such obligations after such date, unless all parties to the assignment and/or novation specifically agree to include a gold clause in the new agreement.''.

SEC. 513. MOVING TO WORK DEMONSTRATION FOR THE 21ST CENTURY.

(a) PURPOSE.—The purpose of this demonstration under this section is to give local housing and management authorities and the Secretary of Housing and Urban Development the flexibility to design and test various approaches for providing and administering housing assistance that—

(1) reduce cost and achieve greater cost effectiveness in Federal expenditures;

(2) give incentives to families with children where the head of household is working, seeking work, or preparing for work by participating in job training, educational programs, or programs that assist people to obtain employment and become economically self-sufficient; and

(3) increase housing choices for low-income families.

(b) PROGRAM AUTHORITY.—

(1) SELECTION OF PARTICIPANTS.—The Secretary of Housing and Urban Development shall conduct a demonstration program under this section beginning in fiscal year 1997 under which local housing and management authorities (including Indian housing authorities) administering the public or Indian housing program and the choice-based rental assistance program under title III of this Act shall be selected by the Secretary to participate. In first year of the demonstration, the Secretary shall select 100 local housing and management authorities to participate. In each of the next 2 year of the demonstration, the Secretary shall select 100 additional local housing and management authorities per year to participate. During the first year of the demonstration, the Secretary shall select for participation any authority that complies with the requirement under subsection (d) and owns or administers more than 99,999 dwelling units of public housing.

(2) TRAINING.—The Secretary, in consultation with representatives of public housing interests, shall provide training and technical assistance during the demonstration and conduct detailed evaluations of up to 30 such agencies in an effort to identify replicable program models promoting the purpose of the demonstration.

(3) USE OF HOUSING ASSISTANCE.—Under the demonstration, notwithstanding any provision of this Act, an authority may combine operating assistance provided under section 9 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), modernization assistance provided under section 14 of such Act, assistance provided under section 8 of such Act for the certificate and voucher programs, assistance for pubic housing provided under title II of this Act, and choice-based rental assistance provided under title III of this Act, to provide housing assistance for low-income families and services to facilitate the transition to work on such terms and conditions as the authority may propose.

(c) APPLICATION.—An application to participate in the demonstration—

(1) shall request authority to combine assistance refereed to in subsection (b)(3);

(2) shall be submitted only after the local housing and management authority provides for citizen participation through a public hearing and, if appropriate, other means;

(3) shall include a plan developed by the authority that takes into account comments from the public hearing and any other public comments on the proposed program, and comments from current and prospective residents who would be affected, and that includes criteria for—

(A) establishing a reasonable rent policy, which shall be designed to encourage employment and self-sufficiency by participating families, consistent with the purpose of this demonstration, such as by excluding some or all of a family's earned income for purposes of determining rent; and

(B) assuring that housing assisted under the demonstration program meets housing quality standards established or approved by the Secretary; and

(4) may request assistance for training and technical assistance to assist with design of the demonstration and to participate in a detailed evaluation.

(d) SELECTION CRITERIA.—In selecting among applications, the Secretary shall take into account the potential of each authority to plan and carry out a program under the demonstration and other appropriate factors as reasonably determined by the Secretary. An authority shall be eligible to participate in any fiscal year only if the most recent score for the authority under the public housing management assessment program under section 6(j) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) is 90 or greater.

(e) APPLICABILITY OF CERTAIN PROVISIONS.—

(1) Section 261 of this Act shall continue to apply to public housing notwithstanding any use of the housing under this demonstration.

(2) Section 113 of this Act shall apply to housing assisted under the demonstration, other than housing assisted solely due to occupancy by families receiving tenant-based assistance.

(f) EFFECT ON PROGRAM ALLOCATIONS.—The amount of assistance received under titles II and III by a local housing and management authority participating in the demonstration under this section shall not be diminished by its participation.

(g) RECORDS, REPORTS, AND AUDITS.—

(1) KEEPING OF RECORDS.—Each authority shall keep such records as the Secretary may prescribe as reasonably necessary to disclose the amounts and the disposition of amounts under this demonstration, to ensure compliance with the requirements of this section, and to measure performance.

(2) REPORTS.—Each authority shall submit to the Secretary a report, or series of reports, in a form and at a time specified by the Secretary. Each report shall—

(A) document the use of funds made available under this section;

(B) provide such data as the Secretary may request to assist the Secretary in assessing the demonstration; and

(C) describe and analyze the effect of assisted activities in addressing the objectives of this part.

(3) ACCESS TO DOCUMENTS BY THE SECRETARY.—The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.

(4) ACCESS TO DOCUMENTS BY THE COMPTROLLER GENERAL.—The Comptroller General of the United States, or any of the duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records that are pertinent to assistance in connection with, and the requirements of, this section.

(h) EVALUATION AND REPORT.—

(1) CONSULTATION WITH LHMA AND FAMILY REPRESENTATIVES.—In making assessments throughout the demonstration, the Secretary shall consult with representatives of local housing and management authorities and residents.

(2) REPORT TO CONGRESS.—Not later than 180 days after the end of the third year of the

demonstration, the Secretary shall submit to the Congress a report evaluating the programs carried out under the demonstration. The report shall also include findings and recommendations for any appropriate legislative action.

SEC. 514. OCCUPANCY SCREENING AND EVICTIONS FROM FEDERALLY ASSISTED HOUSING.

(a) OCCUPANCY SCREENING.—Section 642 of the Housing and Community Development Act of 1992 (42 U.S.C. 13602)—

(1) by inserting ''(a) GENERAL CRITERIA.—'' before ''In''; and

(2) by adding at the end the following new subsections:

''(b) AUTHORITY TO DENY OCCUPANCY FOR CRIMINAL OFFENDERS.—In selecting tenants for occupancy of dwelling units in federally assisted housing, if the owner of such housing determines that an applicant for occupancy in the housing or any member of the applicant's household is or was, during the preceding 3 years, engaged in any activity described in paragraph (2)(C) of section 645, the owner may—

''(1) deny such applicant occupancy and consider the applicant (for purposes of any waiting list) as not having applied for such occupancy ; and

''(2) after the expiration of the 3-year period beginning upon such activity, require the applicant, as a condition of occupancy in the housing or application for occupancy in the housing, to submit to the owner evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in criminal activity for which denial was made under paragraph (1) have not engaged in any criminal activity during such 3-year period.

''(c) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.—An owner of federally assisted housing may require, as a condition of providing occupancy in a dwelling unit in such housing to an applicant for occupancy and the members of the applicant's household, that each adult member of the household provide the owner with a signed, written authorization for the owner to obtain records described in section 646(a) regarding such member of the household from the National Crime Information Center, police departments, and other law enforcement agencies.

''(d) DEFINITION.—For purposes of subsections (b) and (c), the term 'federally assisted housing' has the meaning given the term by this title, except that the term does not include housing that only meets the requirements of section 683(2)(E).''.

(b) TERMINATION OF TENANCY.—Subtitle C of title VI of the Housing and Community Development Act of 1992 (42 U.S.C. 13601 et seq.) is amended by adding at the end the following new section:

''SEC. 645. TERMINATION OF TENANCY.

''Each lease for a dwelling unit in federally assisted housing (as such term is defined in section 642(d)) shall provide that—

''(1) the owner may not terminate the tenancy except for violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause; and

''(2) any activity, engaged in by the tenant, any member of the tenant's household, or any guest or other person under the tenant's control, that—

''(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the owner or other manager of the housing,

''(B) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises, or

''(C) is criminal activity (including drug-related criminal activity) on or off the premises, shall be cause for termination of tenancy.''.

(c) AVAILABILITY OF CRIMINAL RECORDS FOR TENANT SCREENING AND EVICTION.—Subtitle C of title VI of the Housing and Community Development Act of 1992 (42 U.S.C. 13601 et seq.) is amended adding after section 645 (as added by subsection (b) of this section) the following new section:

''SEC. 646. AVAILABILITY OF RECORDS.

''(a) IN GENERAL.—

''(1) PROVISION OF INFORMATION.—Notwithstanding any other provision of law other than paragraph (2), upon the request of an owner of federally assisted housing, the National Crime Information Center, a police department, and any other law enforcement agency shall provide to the owner of federally assisted housing information regarding the criminal conviction records of an adult applicant for, or tenants of, the federally assisted housing for purposes of applicant screening, lease enforcement, and eviction, but only if the owner requests such information and presents to such Center, department, or agency with a written authorization, signed by such applicant, for the release of such information to such owner.

''(2) EXCEPTION.—The information provided under paragraph (1) may not include any information regarding any criminal conviction of an applicant or resident for any act (or failure to act) for which the applicant or resident was not treated as an adult under the laws of the convicting jurisdiction.

''(b) CONFIDENTIALITY.—An owner receiving information under this section may use such information only for the purposes provided in this section and such information may not be disclosed to any person who is not an officer or employee of the owner. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this section to an owner is used, and confidentiality of such information is maintained, as required under this section.

''(c) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance for federally assisted housing on the basis of a criminal record, the owner shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

''(d) FEE.—An owner of federally assisted housing may be charged a reasonable fee for information provided under subsection (a).

''(e) RECORDS MANAGEMENT.—Each owner of federally assisted housing that receives criminal record information under this section shall establish and implement a system of records management that ensures that any criminal record received by the owner is—

''(1) maintained confidentially;

''(2) not misused or improperly disseminated; and

''(3) destroyed, once the purpose for which the record was requested has been accomplished.

''(f) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or resident of, federally assisted housing pursuant to the authority under this section under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term 'person' as used in this subsection shall include an officer or employee of any local housing and management authority.

''(g) CIVIL ACTION.—Any applicant for, or resident of, federally assisted housing affected by (1) a negligent or knowing disclosure of information referred to in this section about such person by an officer or employee of any owner, which disclosure is not authorized by this section, or (2) any other negligent or knowing action that is inconsistent with this section, may bring a civil action for damages and such other relief as may be appropriate against any owner responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or resident resides, in which such unauthorized action occurred, or in which the officer or employee alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

''(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) ADULT.—The term 'adult' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

''(2) FEDERALLY ASSISTED HOUSING.—The term 'federally assisted housing' has the meaning given the term by this title, except that the term does not include housing that only meets the requirements of section 683(2)(E).''.

(d) DEFINITIONS.—Section 683 of the Housing and Community Development Act of 1992 (42 U.S.C. 13643) is amended—

(1) in paragraph (2)—

(A) in subparagraph (A), by striking ''section 3(b) of the United States Housing Act of 1937'' and inserting ''section 102 of the United States Housing Act of 1996'';

(B) in subparagraph (B), by inserting before the semicolon at the end the following; ''(as in effect before the enactment of the United States Housing Act of 1996)'';

(C) in subparagraph (F), by striking ''and'' at the end;

(D) in subparagraph (G), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following new subparagraph:

''(H) for purposes only of subsections (b) and (c) of sections 642, and section 645 and 646, housing assisted under section 515 of the Housing Act of 1949.'';

(2) in paragraph (4), by striking ''public housing agency'' and inserting ''local housing and management authority''; and

(3) by adding at the end the following new paragraph:

''(6) DRUG-RELATED CRIMINAL ACTIVITY.—The term 'drug-related criminal activity' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act).''.

At the end of the bill, insert the following new title:

TITLE VI—NATIONAL COMMISSION ON HOUSING ASSISTANCE PROGRAMS COST

SEC. 601. ESTABLISHMENT.

There is established a commission to be known as the National Commission on Housing Assistance Programs Cost (in this title referred to as the ''Commission'').

SEC. 602. MEMBERSHIP.

(a) APPOINTMENT.—The Commission shall be composed of 9 members, who shall be appointed not later than 90 days after the date of the enactment of this Act. The members shall be as follows:

(1) 3 members to be appointed by the Secretary of Housing and Urban Development;

(2) 3 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing Opportunity and Community Development of the Committee

on Banking, Housing, and Urban Affairs of the Senate and the Chairman and Ranking Minority Member of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations of the Senate; and

(3) 3 members appointed by the Chairman and Ranking Minority Member of the Subcommittee on Housing and Community Opportunity of the Committee on Banking and Financial Services of the House of Representatives and the Chairman and Ranking Minority Member of the Subcommittee on VA, HUD, and Independent Agencies of the Committee on Appropriations of the House of Representatives.

(b) QUALIFICATIONS.—The 3 members of the Commission appointed under each of paragraphs (1), (2), and (3) of subsection (a)—

(1) shall all be experts in the field of accounting, economics, cost analysis, finance, or management; and

(2) shall include—

(A) 1 individual who is an elected public official at the State or local level;

(B) 1 individual who is a distinguished academic engaged in teaching or research;

(C) 1 individual who is a business leader, financial officer, management or accounting expert.

In selecting members of the Commission for appointment, the individuals appointing shall ensure that the members selected can analyze the Federal assisted housing programs (as such term is defined in section 604(a)) on an objective basis and that no member of the Commission has a personal financial or business interest in any such program.

SEC. 603. ORGANIZATION.

(a) CHAIRPERSON.—The Commission shall elect a chairperson from among members of the Commission.

(b) QUORUM.—A majority of the members of the Commission shall constitute a quorum for the transaction of business, but a lesser number may hold hearings.

(c) VOTING.—Each member of the Commission shall be entitled to 1 vote, which shall be equal to the vote of every other member of the Commission.

(d) VACANCIES.—Any vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made.

(e) PROHIBITION ON ADDITIONAL PAY.—Members of the Commission shall serve without compensation.

(f) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with sections 5702 and 5703 of title 5, United States Code.

SEC. 604. FUNCTIONS.

(a) IN GENERAL.—The Commission shall —

(1) analyze the full cost to the Federal Government, public housing agencies, State and local governments, and other parties, per assisted household, of the Federal assisted housing programs, and shall conduct the analysis on a nationwide and regional basis and in a manner such that accurate per unit cost comparisons may be made between Federal assisted housing programs; and

(2) estimate the future liability that will be borne by taxpayers as a result of activities under the Federal assisted housing programs before the date of the enactment of this Act.

(b) DEFINITION.—For purposes of this section, the term ''Federal assisted housing programs'' means—

(1) the public housing program under the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(2) the public housing program under title II of this Act;

(3) the certificate program for rental assistance under section 8(b)(1) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(4) the voucher program for rental assistance under section 8(o) of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(5) the programs for project-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act);

(6) the rental assistance payments program under section 521(a)(2)(A) of the Housing Act of 1949;

(7) the program for housing for the elderly under section 202 of the Housing Act of 1959;

(8) the program for housing for persons with disabilities under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(9) the program for financing housing by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(10) the program under section 236 of the National Housing Act;

(11) the program for constructed or substantial rehabilitation under section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983; and

(12) any other program for housing assistance administered by the Secretary of Housing and Urban Development or the Secretary of Agriculture, under which occupancy in the housing assisted or housing assistance provided is based on income, as the Commission may determine.

(c) FINAL REPORT.—Not later than 18 months after the Commission is established pursuant to section 602(a), the Commission shall submit to the Secretary and to the Congress a final report which shall contain the results of the analysis and estimates required under subsection (a).

(c) LIMITATION.—The Commission may not make any recommendations regarding Federal housing policy.

SEC. 605. POWERS.

(a) HEARINGS.—The Commission may, for the purpose of carrying out this title, hold such hearings and sit and act at such times and places as the Commission may find advisable.

(b) RULES AND REGULATIONS.—The Commission may adopt such rules and regulations as may be necessary to establish its procedures and to govern the manner of its operations, organization and personnel.

(c) ASSISTANCE FROM FEDERAL AGENCIES.—

(1) INFORMATION.—The Commission may request from any department or agency of the United States, and such department or agency shall provide to the Commission in a timely fashion, such data and information as the Commission may require for carrying out this title, including—

(A) local housing management plans submitted to the Secretary of Housing and Urban Development under section 107;

(B) block grant contracts under title II;

(C) contracts under section 302 for assistance amounts under title III; and

(D) audits submitted to the Secretary of Housing and Urban Development under section 403.

(2) ADMINISTRATIVE SUPPORT.—The General Services Administration shall provide to the Commission, on a reimbursable basis, such administrative support services as the Commission may request.

(3) PERSONNEL DETAILS AND TECHNICAL ASSISTANCE.—Upon the request of the chairperson of the Commission, the Secretary of Housing and Urban Development shall, to the extent possible and subject to the discretion of the Secretary—

(A) detail any of the personnel of the Department of Housing and Urban Development, on a nonreimbursable basis, to assist the Commission in carrying out its duties under this title; and

(B) provide the Commission with technical assistance in carrying out its duties under this title.

(d) INFORMATION FROM LOCAL HOUSING AND MANAGEMENT AUTHORITIES.—The Commission shall have access, for the purpose of carrying out its functions under this title, to any books, documents, papers, and records of a local housing and management authority that are pertinent to this Act and assistance received pursuant to this Act.

(e) MAILS.—The Commission may use the United States mails in the same manner and under the same conditions as other Federal agencies.

(f) CONTRACTING.—The Commission may, to the extent and in such amounts as are provided in appropriations Acts, enter into contracts necessary to carry out its duties under this title.

(g) STAFF.—

(1) EXECUTIVE DIRECTOR.—The Commission shall appoint an executive director of the Commission who shall be compensated at a rate fixed by the Commission, but which shall not exceed the rate established for level V of the Executive Schedule under title 5, United States Code.

(2) PERSONNEL.—In addition to the executive director, the Commission may appoint and fix the compensation of such personnel as it deems advisable, in accordance with the provisions of title 5, United States Code, governing appointments to the competitive service, and the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates.

(3) LIMITATION.—Paragraphs (1) and (2) shall be effective only to the extent and in such amounts as are provided in appropriations Acts.

(4) SELECTION CRITERIA.—In appointing an executive director and staff, the Commission shall ensure that the individuals appointed can conduct any functions they may have regarding the Federal assisted housing programs (as such term is defined in section 604(a)) on an objective basis and that no such individual has a personal financial or business interest in any such program.

(h) ADVISORY COMMITTEE.—The Commission shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

SEC. 606. FUNDING.

Of any amounts made available for policy, research, and development activities of the Department of Housing and Urban Development, there shall be available for carrying out this title $750,000, for fiscal year 1997. Any such amounts so appropriated shall remain available until expended.

SEC. 607. SUNSET.

The Commission shall terminate upon the expiration of the 18-month period beginning upon the date that the Commission is established pursuant to section 602(a).

The CHAIRMAN. Pursuant to the rule, the gentleman from New York [Mr. LAZIO] and a Member opposed will each be recognized for 5 minutes.

Does the gentleman from Massachusetts [Mr. KENNEDY] rise in opposition?

Mr. KENNEDY of Massachusetts. Yes, Mr. Chairman, I rise in opposition.

The CHAIRMAN. The gentleman from Massachusetts will be recognized for 5 minutes.

The Chair recognizes the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, I yield 2 minutes to the gentleman from Virginia [Mr. MORAN], who has been exceptionally important, a great advocate for people in need in public assisted housing.

Mr. MORAN. I thank the gentleman from New York very much for including my bill in the manager's amendment.

We call it ''one strike and you are out, part two,'' because what it does is to extend the provisions that were cast earlier and President Clinton signed into law with a great deal of support from the White House to enable us to evict drug and alcohol abusers and those that are engaged in criminal activity from all types of federally subsidized housing.

Fot too long, drug dealers and other criminals have found a haven in low-income housing projects, and although the 1990 act makes some progress in the public housing area, it did not apply to all subsidized housing.

This manager's amendment closes the most egregious loophole in public housing. It grants public housing authorities and private owners of Section 8 properties new powers to screen and evict problem tenants.

As my colleagues know, there are 1.4 million public housing units, while there are 2.1 million section 8 publicly assisted housing units, and the fact is that residents of project 8, section 8 and FHA-insured multifamily housing have had virtually no protection from drug dealers that live next door and threaten their health and safety on a daily basis. They deserve equal protection under the law.

Mr. Chairman, what we are going to do with this legislation is to see to it that drug dealers will be subject to eviction from public housing whenever they deal their drugs and wherever they deal their drugs, but it will also enable managers of section 8 properties to effectively screen prospective tenants before those tenants are involved in drug dealing or criminal activity. It is a lot easier if we can keep them out of subsidized housing than waiting until they commit crimes.

Section 8 managers will be able to conduct criminal background checks and match an applicant's name against information from the National Crime Information Center.

We have got a long waiting list of people that deserve subsidized housing and very much need it. We cannot afford to be giving housing units to people who terrorize their neighbors. This manager's amendment will put an end to that practice.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in strong opposition to the manager's amendment.

Mr. Chairman, it is not that I oppose everything in the manager's amendment, and there are a number of provisions within it that I would support. I do believe, however, there are provisions that are contained in the amendment which simply are wholesale changes in existing law which I was unaware were even included in this as of 9 o'clock last evening. Those range from an exemption to the Brooke amendment for over 300 public housing authorities, including the specifically mentioned, for some reason, which the gentleman from New York [Mr. NADLER] has informed me from New York City that the mayor of New York was completely unaware of providing for, regardless of whether or not the amendment offered by the gentleman from Massachusetts [Mr. FRANK] which would maintain the Brooke amendment as it is currently constituted into current law, regardless of whether or not the Frank of Massachusetts amendment passes.

This would exempt 300 public housing authorities that meet certain criteria that I do not know. Those public housing authorities would be able to wholesale throw out tremendous numbers of poor people simply because they have attained some standard by which the gentleman from New York [Mr. LAZIO] believes means they are doing a good job.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, as I understand the manager's amendment, which we did not get much time to look at, instead did an excellent job of analyzing it, the manager's amendment does two things. First of all, it does a revised version of the Brooke amendment, and then it exempts people from its own revised version. So the amendment, in fact, contains both the revision and an exemption from its own revision as I understand it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, it is always good to have the gentleman from Massachusetts around to explain things.

But the truth of the matter is that, in addition to the Brooke amendment changes that I think are very detrimental to the vulnerable people, and particularly to the working poor of this country, the bill also contains some kind of self-sufficiency contract which I have come to know as the PIP, the personal improvement program.

Now, that personal improvement plan is evidently supposed to be filed by every resident of public housing to be then; I guess maybe the gentleman from New York [Mr. LAZIO] is going to review each one of these PIP's, and once those PIP's are reviewed and they pass whatever standard Mr. LAZIO has in mind, then we are going to determine whether or not the individual in public housing has actually achieved the goals that they have set out. If they have not achieved those goals, then they can be thrown out of public housing.

Mr. Chairman, I have not heard anything so patently ridiculous in all the years that I have served in the Congress of the United States. What are we doing? We are turning ourselves into some sort of big-brother organization which determines whether or not, and I would like to see every Member of this House submit a PIP and see whether or not they could adhere to all the standards that we set for ourselves, I would like to see every member of the Housing Committee set those standards for themselves, before we start asking people in public housing to set those standards.

Third, there is some provision that got in here. Evidently somebody in the Congress has a particular interest in some GSA surplus property. Evidently that particular individual is concerned about having homeless people come next door because of a provision which says that when there is excess GSA property, that should go to homeless organizations as a first choice. That is going to be changed without ever having a hearing about it, without ever deciding what is good for it. That is going to be changed to allow this particular individual to have some kind of other organizations move in next to his particular home.

Now, I do not know that this is an appropriate place for us to be providing specific provisions like that for particular Members of Congress. I personally am outraged that those kinds of provisions are snuck into a manager's amendment, never discussed with me. As I understand the way the manager's amendment is supposed to work, is these are supposed to be technical and conforming changes that the two of us negotiate and agree upon that create a consensus as to where we can improve the bill. That was not done in this case.

And I recognize that the gentleman from New York [Mr. LAZIO] has had a very difficult job, and I once again want to compliment him on a number of provisions that are contained in this bill. I say to the gentleman, RICK, there are many provisions that I think are important changes that give local housing authorities the kind of flexibility that both of us believe that they need in order to get rid of some of these terrible housing projects and to allow the Secretary to get rid of very badly run public housing authorities. But we go too far in eliminating Brooke, we go too far in vouchering out, we go too far in these PIP programs, and we go too far in providing for individual Member of Congress' own backyard.

Mr. Chairman, I reserve the balance of my time.

Mr. LAZIO of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I know we all want the same things, but we all have not done the same things to help people who are the poorest of the poor who are living in public housing. It was not this majority that imposed the one-for-one requirement which said that we cannot demolish the most dilapidated buildings in public housing, and we force

communities to live in the shadows of crime, many cases crime-ridden structures with broken windows that are falling apart. It was not this majority who said frankly that there should be no home ownership opportunities for people that will have vouchers, but we are beginning the process of moving in the other direction, and this amendment does it.

Mr. Chairman, there cannot be any larger philosophical divide between the gentleman from Massachusetts and the other side of the aisle than the self-sufficiency, the tenant self-sufficiency contract.

In our amendment, Mr. Chairman, we say that somebody who comes into public housing enters into a contract with those people who are supervising that housing authority. Now, that may, in fact, be a not-for-profit, it may be for a for-profit, it may be the housing authority, but we say the tenant enters into a contract which says these are the things that I will do to transition myself back into the marketplace, these are the things that I will take advantage of, be it worker training or educational possibilities.

We can no longer say that it is a one-way street, that we are going to give people the opportunity to live in public assisted housing and expect them to do nothing in return, including improving their own lot when there are opportunities for that to happen.

This is not punitive, and, in fact, there is an escape valve here to say if someone has changed circumstances, contrary to what the gentleman would say, that that would be taken into consideration. Nobody would be thrown out because of this, but it begins the process of having people think about what they need to do to transition back into the marketplace.

We create a number of home ownership opportunities in this legislation, Mr. Chairman, including the possibility that a resident in public housing can purchase their own unit. Yes, we give that person the opportunity to do that. We value home ownership.

PARLIAMENTARY INQUIRY

Mr. KENNEDY of Massachusetts. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I understood that we had 5 minutes per side. When I heard the gentleman from Virginia [Mr. MORAN], I just assumed that we have gone over, well over, the 5-minute allocation if we take into account Mr. MORAN.

The CHAIRMAN. The gentleman from Virginia utilized 2 minutes. There were 3 minutes remaining. The gentleman from New York is utilizing his 3 minutes at this point.

Mr. KENNEDY of Massachusetts. I hope the gentleman is as generous with the 3 minutes with our side.

The CHAIRMAN. All indications are that they are being totally fair.

Mr. LAZIO of New York. In this amendment Mr. Chairman, we protect seniors, we protect the disabled, we protect the poorest of the poor, and we remove the job-killing Brooke amendment. We allow an out for minimum rents for people who have hardship exemptions, but we believe that everybody should pay something, whether it is $25 or $30 or $35.

We target our resources so that people who use vouchers, half of all the people who use vouchers, will be people who make under 60 percent of median income, again the poorest of the poor. We say that 30 percent of the units in public housing must go to people who have incomes below 30 percent of median income. Again, we insure that there are units for the poorest of the poor, but we also say, Mr. Chairman, that we need to create an environment of hope with role models where people can transition back to the marketplace where they can make their own choices for housing.

I ask for support for this amendment.

□ 1745

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. LAZIO].

The amendment was agreed to.

The CHAIRMAN. The Clerk will designate section 1.

The text of section 1 is as follows:

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''United States Housing Act of 1996''.

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

Sec. 1. Short title and table of contents.
Sec. 2. Declaration of policy to renew American neighborhoods.

TITLE I—GENERAL PROVISIONS

Sec. 101. Statement of purpose.
Sec. 102. Definitions.
Sec. 103. Organization of local housing and management authorities.
Sec. 104. Determination of adjusted income.
Sec. 105. Limitation on admission of drug or alcohol abusers to assisted housing.
Sec. 106. Community work and family self-sufficiency requirement.
Sec. 107. Local housing management plans.
Sec. 108. Review of plans.
Sec. 109. Pet ownership.
Sec. 110. Administrative grievance procedure.
Sec. 111. Headquarters reserve fund.
Sec. 112. Labor standards.
Sec. 113. Nondiscrimination.
Sec. 114. Effective date and regulations.

TITLE II—PUBLIC HOUSING

Subtitle A—Block Grants

Sec. 201. Block grant contracts.
Sec. 202. Block grant authority and amount.
Sec. 203. Eligible and required activities.
Sec. 204. Determination of block grant allocation.
Sec. 205. Sanctions for improper use of amounts.

Subtitle B—Admissions and Occupancy Requirements

Sec. 221. Low-income housing requirement.
Sec. 222. Family eligibility.
Sec. 223. Preferences for occupancy.
Sec. 224. Admission procedures.
Sec. 225. Family rental payment.
Sec. 226. Lease requirements.
Sec. 227. Designated housing for elderly and disabled families.

Subtitle C—Management

Sec. 231. Management procedures.
Sec. 232. Housing quality requirements.
Sec. 233. Employment of residents.
Sec. 234. Resident councils and resident management corporations.
Sec. 235. Management by resident management corporation.
Sec. 236. Transfer of management of certain housing to independent manager at request of residents.
Sec. 237. Resident opportunity program.

Subtitle D—Homeownership

Sec. 251. Resident homeownership programs.

Subtitle E—Disposition, Demolition, and Revitalization of Developments

Sec. 261. Requirements for demolition and disposition of developments.
Sec. 262. Demolition, site revitalization, replacement housing, and choice-based assistance grants for developments.

Subtitle F—General Provisions

Sec. 271. Conversion to block grant assistance.
Sec. 272. Payment of non-Federal share.
Sec. 273. Definitions.
Sec. 274. Authorization of appropriations for block grants.
Sec. 275. Authorization of appropriations for operation safe home.

TITLE III—CHOICE-BASED RENTAL HOUSING AND HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Subtitle A—Allocation

Sec. 301. Authority to provide housing assistance amounts.
Sec. 302. Contracts with LHMA's.
Sec. 303. Eligibility of LHMA's for assistance amounts.
Sec. 304. Allocation of amounts.
Sec. 305. Administrative fees.
Sec. 306. Authorizations of appropriations.
Sec. 307. Conversion of section 8 assistance.

Subtitle B—Choice-Based Housing Assistance for Eligible Families

Sec. 321. Eligible families and preferences for assistance.
Sec. 322. Resident contribution.
Sec. 323. Rental indicators.
Sec. 324. Lease terms.
Sec. 325. Termination of tenancy.
Sec. 326. Eligible owners.
Sec. 327. Selection of dwelling units.
Sec. 328. Eligible dwelling units.
Sec. 329. Homeownership option.

Subtitle C—Payment of Housing Assistance on Behalf of Assisted Families

Sec. 351. Housing assistance payments contracts.
Sec. 352. Amount of monthly assistance payment.
Sec. 353. Payment standards.
Sec. 354. Reasonable rents.
Sec. 355. Prohibition of assistance for vacant rental units.

Subtitle D—General and Miscellaneous Provisions

Sec. 372. Definitions.
Sec. 372. Rental assistance fraud recoveries.
Sec. 373. Study regarding geographic concentration of assisted families.

TITLE IV—ACCREDITATION AND OVERSIGHT OF LOCAL HOUSING AND MANAGEMENT AUTHORITIES

Subtitle A—Housing Foundation and Accreditation Board

Sec. 401. Establishment.
Sec. 402. Membership.

Sec. 403. Functions.
Sec. 404. Initial establishment of standards and procedures for LHMA compliance.
Sec. 405. Powers.
Sec. 406. Fees.
Sec. Reports.
Subtitle B—Accreditation and Oversight Standards and Procedures.
Sec. 431. Establishment of performance benchmarks and accreditation procedures.
Sec. 432. Annual financial and performance audit.
Sec. 433. Accreditation.
Sec. 434. Classification by performance category.
Sec. 435. Performance agreements for authorities at risk of becoming troubled.
Sec. 436. Performance agreements and CDBG sanctions for troubled LHMA's.
Sec. 437. Option to demand conveyance of title to, or possession of, public housing.
Sec. 438. Removal of ineffective LHMA's.
Sec. 439. Mandatory takeover of chronically troubled PHA's.
Sec. 440. Treatment of troubled PHA's
Sec. 441. Maintenance of and access to records.
Sec. 442. Annual reports regarding troubled LHMA's.
Sec. 443. Applicability to resident management corporations.
Sec. 444. Inapplicability to Indian housing.
TITLE V—REPEALS AND CONFORMING AMENDMENTS
Sec. 501. Repeals.
Sec. 502. Conforming and technical provisions.
Sec. 503. Amendments to Public and Assisted Housing Drug Elimination Act of 1990.

The CHAIRMAN. Are there any amendments to section 1?

If not, the Clerk will designate section 2.

The text of section 2 is as follows:

SEC. 2. DECLARATION OF POLICY TO RENEW AMERICAN NEIGHBORHOODS.

The Congress hereby declares that—

(1) the Federal Government has a responsibility to promote the general welfare of the Nation—

(A) by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy and, in particular, assisting responsible, deserving citizens who cannot provide fully for themselves because of temporary circumstances or factors beyond their control;

(B) by working to ensure a thriving national economy and a strong private housing market; and

(C) by developing effective partnerships among the Federal Government, State and local governments, and private entities that allow government to accept responsibility for fostering the development of a healthy marketplace and allow families to prosper without government involvement in their day-to-day activities;

(2) the Federal Government cannot through its direct action or involvement provide for the housing of every American citizen, or even a majority of its citizens, but it is the responsibility of the Government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;

(3) the Federal Government should act only where there is a serious need that private citizens or groups cannot or are not addressing responsibly; and

(4) housing is a fundamental and necessary component of bringing true opportunity to people and communities in need, but providing physical structures to house low-income families will not be itself pull generations up from poverty.

The CHAIRMAN. Are there any amendments to section 2?

AMENDMENT NO. 43 OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 43 offered by Mr. WATT of North Carolina: Page 5, strike line 20 and all that follows through page 6, line 2, and insert the following new paragraphs:

(2) it is a goal of our Nation that all citizens have decent and affordable housing;

(3) our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments and by promoting and protecting the independent and collective actions of private citizens, organizations, and the private sector to develop housing and strengthen their own neighborhoods;

Page 6, line 3, strike ''(3)'' and insert ''(4)''.

Page 6, line 3, strike ''should act only'' and insert ''has a responsibility to act''.

Page 6, line 6, strike ''(4)'' and insert ''(5)''.

Mr. WATT of North Carolina. Mr. Chairman, I want to try to frame what this debate is about through the process of this amendment.

Mr. Chairman, I was interested in the characterization that the chairman of the subcommittee, the gentleman from New York [Mr. LAZIO], made about this bill being a dramatic change in housing policy in this country. I want to make sure that my colleagues understand just how dramatic that change is. I want to spend a minute or two talking about the historical housing policy of this country.

Mr. Chairman, the Housing Act that we are repealing under this bill today is the Housing Act of 1937. It started with a declaration of policy which says that it will be our policy as a government to try to remedy the unsafe and unsanitary housing conditions and the acute shortage of decent, safe, and sanitary dwellings for families of lower income. That statement of Federal housing policy was changed in 1949, almost 50 years ago.

In 1949, the housing policy was changed to state that it would be the policy of our Government to try to assure the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family. From that goal statement has come the term that has controlled the Federal housing policy of our country to provide decent and affordable housing to every American citizen for the last 50 years.

Mr. Chairman, my colleagues are going to say the gentleman from North Carolina [Mr. WATT], is making much ado about nothing. But I want everybody to understand what his bill says the policy of the Federal Government for housing should be. This is what the bill says in the very beginning of the bill: ''The Federal Government cannot, through its direct action or involvement, provide for the housing of every American citizen, or even a majority of its citizens;'' a dramatic departure, a dramatic departure from the goal of providing decent and affordable housing for every American citizen.

When we talk about this being a dramatic change in policy, it says it from the very beginning of this bill, it is a dramatic change in policy, because we are conceding as a Nation that we no longer even have as a goal providing decent housing for our citizens. The bill itself says we do not even have that as a goal anymore.

My amendment, Mr. Chairman, simply changes that policy statement. It does not do anything to the substance of the bill, but it is an abomination. We should be ashamed of ourselves as a Congress to say to the American people that we are abandoning the goal, the dream of providing decent and affordable housing to every American citizen in our country.

Mr. Chairman, if my colleagues are willing to support that, what it says to me is that they are the extreme that everybody has worried about. They are defining as a policy, do anything that is okay. Mr. Chairman, this is serious, serious business, because we are about making a major reversal in the goals and objectives and desires of our Nation.

Mr. Chairman, I ask my colleagues to support this simple amendment. It simply restores the objective in this bill.

The CHAIRMAN. The time of the gentleman from North Carolina [Mr. WATT] has expired.

(By unanimous consent, Mr. WATT of North Carolina was allowed to proceed for 30 additional seconds.)

Mr. WATT of North Carolina. Mr. Chairman, it simply says our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments, and by promoting and protecting the independent and collective actions of private citizens, organizations, and the private sector to develop housing and strengthen their own neighborhoods, a simple goal statement.

Mr. Chairman, that is what this Government should be about. Please support this simple amendment.

Mr. LAZIO of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the gentleman just mentioned that we ought to be ashamed. He is right. Some of us ought to be ashamed. We ought to be ashamed for tolerating this failure, not for the last year or two, but for 20 years. That is something to be ashamed of.

Mr. Chairman, this is the state of public housing in this Nation. Are we proud of that, or is that something we are ashamed of? This body under the last majority did nothing about it.

They did not take this building down. It could not even take this building down, because the last majority said you cannot take this building down because of the fact that you have no money, unless you build another one in its place. These are buildings. So this hulk has scarred this neighborhood for years in New Orleans. This is New Orleans. The one I was referring to, they received a 27 score out of 100, the bottom of the barrel of the top 40 housing authorities in the Nation. That is the failure we have been tolerating.

Part of the reason we have been tolerating that is because we have deluded ourselves that this is somehow compassionate. Is that compassionate, I ask the Chairman? Is that compassionate? I would say, Mr. Chairman, it is compassionate when we begin to form partnerships, when people in communities understand what is going on; not when HUD comes in and throws a couple million dollars into an area and says, gee, we have done something important.

They have not done something important, Mr. Chairman, when they have not addressed issues like the other problems the neighborhood has, including economic development and job creation, having mixed incomes, ensuring that you have an environment where people can transition back into the marketplace. This is what we ought to be ashamed of, not the language that is in this bill, that we ought to be proud of.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I want the gentleman to explain to me, if this is the kind of housing that we have with a goal of providing decent and affordable housing, what kind of housing does the gentleman think we will have if we have no goal, and we do not even have a policy statement on the issue?

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, under this bill we will not have buildings and hulks like that in neighborhoods anymore, scarring our communities. They will come down, and the people in those places that we purport to have compassion for will be given vouchers so they can make choices on their own and move to a decent place, so children can be raised in a decent place, not being raised in an area where children cannot play outside because there is nowhere for them to play. That is how certain people in this Chamber measure compassion. I reject that, and this bill rejects that.

Mr. WATT of North Carolina. If the gentleman will continue to yield, I would ask the gentleman, is my statement of purposes and goal as an American inconsistent with what you are saying? Why would the gentleman not incorporate my amendment into his manager's amendment as a statement of goal?

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, I would first of all not suggest that the gentleman in any of his ideas or opinions on the floor of this House, who I have a great deal of respect for, is un-American in any way. I want to make that clear.

Second of all, I respectfully disagree with the gentleman. I think we have hit the mark on this. This is the right statement of purpose. We do talk about the fact that the Federal Government cannot do it alone. I would tell the gentleman, we cannot do it alone. We are meeting the needs of only one out of every four people who are otherwise eligible for affordable housing in this country. Let me tell the Members, of the one in four who are lucky enough to be in the lottery to get public housing, they are living in conditions where they cannot get themselves out, they cannot revert back to a good environment, their children cannot be raised in an environment where they can get a good quality of education and get a good job.

Mr. WATT of North Carolina. Mr. Chairman, if the gentleman will continue to yield, I see no statement of that objective in this bill anywhere, Mr. Chairman. When the gentleman says that the Federal Government will not provide for the housing of every American citizen or even a majority of its citizens, the gentleman is abandoning the goal that we have set for 50 years in this country, and that is an extreme measure on the gentleman's part, just like the rest of his party.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, the only thing that is extreme is some of the things that are being said and the way some people here are measuring compassion, which is to concentrate poverty and condemn people to another 40 years of terrible circumstances.

In the statement of purpose, I would say to the gentleman, it says, and I read from page 5:

> The Federal Government has a responsibility to promote the general welfare of the Nation by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy.

What is radical or extreme about that? I know that is the mantra from the other side of the aisle, when analysis will not do, but I will tell the Chairman that in fact we have hit the mark on this. We are going to break the mold. We are not going to tolerate failure anymore. We are going to give people a decent place to live.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I want to deal with some of the rhetoric that we have just heard from the other side and the picture that the gentleman from New York [Mr. LAZIO] held up. The truth of the matter is that if we look at what has actually occurred in terms of housing legislation, a change in the one-for-one rule, which is what Chairman LAZIO identified in his earlier remarks, prevents the demolition of the very housing project that he was identifying, was passed by a Democratic Congress in 1994. I served on the committee that passed that legislation. It passed the House of Representatives. It was defeated by PHIL GRAMM in the U.S. Senate in the last dying days of the Congress, because he did not want to give a victory to the Democrats running the House of Representatives in the Senate of the United States. That is the truth of how one-for-one died.

Mr. Chairman, if we look at what has already been provided the Secretary, the Secretary of Housing and Urban Development has, by the end of this year, demolished 24,000 units of public housing. It was Jack Kemp that stood up and said that he did not want to be the Secretary of Demolition. The truth of the matter is that there is flexibility built into the law.

I support and many of my friends, a lot of others here, the gentleman from Massachusetts, BARNEY FRANK, and a lot of us, support the ability of getting rid of the really badly run housing and taking authority away from the really bad housing authorities.

□ 1800

What we are talking about is the language of the Watt amendment, which says that we should have a goal of providing affordable housing for the people of this country.

It is amazing to me to sit here in the Congress of the United States and say to one another that we believe that we cannot accomplish those goals. Of course this is a Nation of goals. That is how we built ourselves up. We are not going to attain it next year, but we can certainly lay ourselves out goals that we can all fight for and have the drive and the energy to try and hope one day that we can accomplish.

Mr. Chairman, I yield to my friend from North Carolina, Mr. WATT.

Mr. WATT of North Carolina. Mr. Chairman, I thank the gentleman for yielding.

I just want to make it absolutely clear that the statement of purpose, the goals for which I am substituting in this amendment contemplate partnerships, public and private. It contemplates everything that the gentleman from New York [Mr. LAZIO] has said is important to him. But it makes explicit also that we are not abandoning the goal that we have had for housing in this country, not even public housing, just housing in general, decent and affordable housing.

We have had that goal for 50 years, and all of a sudden these new breed come in here and they think there is something magic about their new philosophy and we ought to abandon everything, which is just extreme.

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I support the amendment of the gentleman from North Carolina [Mr. WATT]. I think it is fundamentally a good amendment. I think that in 1949 and in 1996 we obviously agree that the Federal Government has

never made the commitment to provide all of the housing for low-income Americans, and the fact is that we should not abandon that goal.

I would say that the difficulty in reaching that goal today has been greatly increased by the disparities of incomes that exist in our society. Today we simply have more economic casualties than we have had before, in terms of people not making it in terms of affordable housing. We need to do something about that.

I think that the idea that the gentleman from New York has expressed with regard to partnerships and communities working together is good, and I think that the changes we talked about, one-to-one replacement, one-to-one replacement was a good idea, but what has failed here is that local communities did not have the resources.

Once we built public housing or assisted housing and put it in place, we wanted local communities to keep that commitment. That is what that was all about. I do not think that anyone ever intended that we would have buildings standing that basically were vacant, that were causing and attracting problems. But the fact is that some years ago that issue was recognized as a problem. It has been addressed, and so I do not think it is a bad thing.

I would certainly concur with the amendment of the gentleman from North Carolina [Mr. WATT] to keep in place the goal of safe and sanitary housing, to keep in place the 1937 and 1949 goals that have been consistently a part of every commitment made by this Congress in terms of safe and affordable housing for people.

I might just add that in the context of this authorization and housing preamble debate, very often it was referred to that local housing management authorities that are designated under this bill for significant responsibilities were somehow going to solve all the problems. Well, it is local housing authorities, frankly, Mr. Chairman, that have indeed been the problem, the failure or inability of some local housing and redevelopment authorities.

In this bill, with the accreditation and the troubled projects, what happened with the troubled projects—the local housing authorities that cannot make it, that do not get accredited, that in fact are not being operated properly—is that HUD has to take them over. That is basically and fundamentally what this bill does. It passes those problems back to HUD.

The issue that somehow the change here, if we have capable and local housing authorities, they are going to operate correctly, they are going to be able to accept these responsibilities, in fact, Mr. Chairman and the chairman of our subcommittee, I wanted to just point out to my colleagues that St. Paul, the district I represent, has just been recognized as having the No. 1 housing authority in the Nation, St. Paul, MN.

So the fact is that very often I think we are painting a picture here of the 3,400 housing authorities that do not function very well. Well, I would invite any of my colleagues to come to my district in St. Paul, MN and take a look at the thousands of people that are being housed in real quality public housing and in quality senior citizen high-rises that are serving people well.

The problem in my community is not the public housing. It is the private housing, the overcrowding that is associated with the private multifamily dwellings in my area.

So I would just point out to you that the effect of what this bill does in your proposal is that it does not necessarily take that problem away from HUD. In fact, it specifically directs and gives them tremendous responsibility as they have today to try to deal with those problems where we have troubled housing projects, and we have many of them in the country.

I would suggest that many of the changes made to the bill have some value, but some of them are very, very problematic in the sense that we are talking about income levels and the rent changes and the concentration of poverty that has occurred in public housing.

After all, it was the early 1980's under then-President Reagan when there was an insistence upon focusing in public housing the poorest of the poor. Up until that particular point we did not have that serry a concentration, but it was exactly that particular point in time and that came about for a variety of reasons.

One of them was the increase in the incidence of homelessness, deinstitutionalization. Others were the insistence that we only ought to be serving the lowest income persons in public housing because, as I said earlier in my statements on the floor, there are 1.3 million families in public housing but there are 13 million that qualify for it in 1996. We are only dealing with 10 percent.

So naturally anyone who would suggest that the Federal Government can take of the entire problem is out of touch with the numbers and where the responsibility lies. But the Federal Government has a key role, an important role. I think maintaining and embracing the goals of the 1937 or 1949 law are simply a core value of what the American people believe in terms of the Federal Government. Not that we can do it alone, but we certainly should not abandon that particular goal expressed in the basic public housing charter for this and other concerns.

Mr. Chairman, I continue to express my deep concern regarding the direction in which the public and assisted housing policy and legislation before the House is going. At a time when 5.3 million American renters have worst case housing needs, the very purpose of H.R. 2406 alters a long-standing goal of housing policy in this Nation—section 2 of the Housing Act of 1949 states:

> The Congress hereby declares that the general welfare and security of the Nation and the health and living standards of its people require housing production and related community development sufficient to remedy the serious housing shortage, the elimination of substandard and other inadequate housing through the clearance of slums and blighted areas, and the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family.

Several laws since 1949 have reaffirmed the national goal that every American be able to afford a decent home in a suitable environment. The measure we consider today proposes to change that goal, that commitment.

While this bill does state that the Federal Government has a responsibility to promote the general welfare and to use its resources to aid families seeking affordable homes, section 2 goes on to state clearly that the Federal Government ''cannot * * * provide for the housing of every American citizen, or even a majority of its citizens''. Is this a stroke of candor—a ''can't do'' statement, or is it a lack of will—a ''won't do'' policy?

This legislation does make some positive changes to public housing and federally assisted housing programs. And I would hasten to point out I'm in favor of fixing what is broken in public housing policy. I hear and understand the concerns that public housing authorities have that inadequate subsidies and rigid policies cause them to seek more flexibility; that we need more of an income mix of families in public housing; that we must encourage, not discourage, work. However, on the main this measure takes a theme and frankly makes it extreme. It weakens the basic safety net that the Federal Government has provided through the conduit of public and private Federally assisted housing to a point that I think is critically wrong.

In the late 1970's and the early 1980's, our laws and policies turned a trickle of housing and social problems into a waterfall in terms of homelessness in this country the with deinstitutionalization of disabled persons without the promised funding and support—and homelessness that has occurred because of the housing cost increases in almost every area of our Nation.

Unless the policy path in this bill changes, unless we limit the percentage of income that tenants—families, seniors, and the disabled—pay to no more than 30 percent, unless we restore meaningful income targeting to low and very-low income people along with adequate Federal subsidies that make that possible, I believe that in ten years or so, we will look back at the U.S. Housing Act of 1996 as another policy which drove American families onto the streets and byways across this Nation. These small changes in rent and targeting have a significant impact on people and families in public housing and on section 8. People will be vulnerable and will be pushed into an indefensible situation of homelessness. We can and should do better than this measure.

Mr. Chairman, today amendments will be offered by several Members to improve this bill—and I urge my colleague to give careful consideration and support the Frank-Gutierrez amendment restoring the Brooke protections and the Kennedy amendments on targeting. I will offer an amendment myself that will halt the termination of the current successful drug elimination program in public and assisted housing by extending the program as revised to address all criminal prevention activities in

and around public and assisted housing—a good amendment which helps retain existing public housing's livability.

Mr. Chairman, unless this bill is modified to reflect the reality of housing needs and the undeniable necessity of a strong Federal commitment to housing, I would have to urge my colleagues to oppose H.R. 2406.

Mr. CASTLE. Mr. Chairman I move to strike the requisite number of words.

Mr. Chairman, this is an interesting argument, but I think we would all agree that the public housing situation in the United States needs to be addressed, and I hope before it is done we can sort through these amendments and make sure that we are indeed addressing those things which are good and agreeing upon that so we can come up with a good piece of legislation.

With that, I yield to the gentleman from New York [Mr. LAZIO], the chairman of the subcommittee.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman for yielding.

Let me just say, Mr. Chairman, that there are some people who want to hang on to a failed past and who are unwilling to admit that the policies that have largely been promulgated in this body have led to that failure.

Mr. Chairman, it was not, as I say, this majority who imposed the one-for-one requirement which has assured over the many years that hulks of buildings, in many cases completely vacant, drug-infested and crime-infested, cannot come down.

There were 40 years in which the Democratic Party was in control of this House, Mr. Chairman, 40 years. Part of those years, back 15 years ago, the one-for-one provision was inserted. In none of those years afterward was it repealed, even though we knew it was a failure.

It was the last majority, to correct the record, Mr. Chairman, that imposed Federal preferences that have led to the concentration of the poorest of the poor, that have trapped people in poverty, that have denied them the ability to have role models, that have eliminated the possibility of mixed income, and that in fact have created an environment where it is impossible to transition back into the marketplace.

It was the last majority, Mr. Chairman, not this majority, in sum, that helped create the mess that we are in now. We are now in the process of moving past the past and reclaiming our heritage, at the same time moving toward the 21st century.

We are moving forward because we believe in giving hope and we believe in giving opportunity to people and we believe in giving choices to people. We believe in giving them the opportunity to buy their own home. We believe in the opportunity for them to have entrepreneurial activity and keep the fruits of their labor. We believe in that element of freedom. We believe in local control. We believe in partnerships.

We are here to say that the day in which the Federal Government can do it all is over. We are here to say that we are not going to turn our back on millions of Americans who are trapped in these public and subsidized housing projects because it is politically feasible to do that.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. CASTLE. Mr. Chairman, I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I just want to know whether the gentleman has read my amendment or not.

Mr. LAZIO of New York. I have.

Mr. WATT of North Carolina. Because this amendment acknowledges everything the gentleman has said. I do not understand why he is fighting this amendment. This amendment should have been in the manager's amendment. Surely you are not saying that setting a goal of providing decent and affordable housing to the American people should not be something that ought to be in every housing bill that we have.

Mr. CASTLE. Mr. Chairman, I reclaim my time and I yield to the gentleman from New York [Mr. LAZIO], so that he may respond.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman for yielding. What I am saying is that the gentleman's attempt to strike out language which basically deletes the fact that the Federal Government cannot do it all, which is exactly the language that you are striking out, goes to the heart of this mission. The mission is to build community partnerships, not for HUD, not for this Congress to impose this one-size-fits-all, centralized Washington-based model so that somebody in Albuquerque has to live by the same rules as somebody in Babylon, NY, some resident in New York City has to live by the same rules of some people down in Louisiana or Florida.

Mr. WATT of North Carolina. Mr. Chairman, would the gentleman yield?

Mr. CASTLE. Mr. Chairman, I will yield, yes.

Mr. WATT of North Carolina. Mr. Chairman, the gentleman is focusing on what I struck out of the bill, but he needs to focus on what I put back in the bill, because I put a lot of his very language back in the bill. We are encouraging the obtaining of this goal by encouragement of the Federal, State and local governments, by promoting and protecting the independent and collective actions of private citizens, organizations and the private sector, the very same things the gentleman has said.

I did not take these things out and not put them back in. They are in this amendment, and I am encouraging the gentleman to read my amendment and agree to it.

Mr. SANDERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think the gentleman from New York [Mr. LAZIO] dug himself a hole he did not have to dig. His speech was a great speech, but it had nothing to do with the amendment of the gentleman from North Carolina [Mr. WATT].

As I understand the Watt amendment, it says very simply, ''It is a goal of our Nation that all citizens have decent and affordable housing.'' Am I correct?

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, that is correct.

Mr. SANDERS. The gentleman from New York [Mr. LAZIO] spoke of demolition of housing, the role of the private sector. He spoke about a lot of things, but he did not speak about the Watt amendment. The gentleman from North Carolina [Mr. WATT] did not tell us how we can achieve the goal. He did not explicitly tell us the role of the private sector or the public sector. All that he said is that ''It is a goal of our Nation that all citizens have decent and affordable housing.''

It seems to me, Mr. Chairman, that increasingly we are becoming a divided nation. On one hand, we have CEO's of major corporations who are making 200 times what their workers are making. We have people at the top who are seeing incomes that have never been seen in the history of this country. We are seeing a growing divide between the rich and the poor.

We can have a whole lot of differences regarding the role of government, but I would hope that every Member of this body agrees that all Americans should have decent and affordable housing. That is not a radical statement. It does not say how that housing should be built.

Mr. Chairman, there is something wrong in this country when we are building more jail units than we are building affordable housing units. There is something wrong when hundreds and hundreds of thousands of people are sleeping out in the streets. There is something wrong when millions of Americans are spending 50 or 60 or 70 percent of their limited incomes on housing and, therefore, not having enough money to provide food or clothing or educational opportunity for their children.

□ 1815

All that the Watt amendment says is, ''It is a goal of our Nation that all citizens have decent and affordable housing.''

Mr. Chairman, I would yield to the gentleman from New York [Mr. LAZIO] to tell us not about demolition, not about how we should build housing, what is your objection to the sentence, ''It is a goal of our Nation that all citizens have decent and affordable housing''?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would tell the gentleman that we have in our statement of purpose almost the same language that says by using Federal resources to aid families and individuals seeking affordable homes that are safe, clean, and healthy. My objection is with what is stricken, which basically says that the Federal Government cannot through its direct action or involvement provide for the housing of every American citizen. We cannot. We need partnership. It is not what is inserted, it is stricken.

Mr. SANDERS. Mr. Chairman, reclaiming my time, will the gentleman accept the words that have been inserted?

Mr. LAZIO of New York. Not if the point is that we are going to strike the lines that are stricken in the Watt amendment, 6, 7, 8, and 9.

Mr. SANDERS. Mr. Chairman, I would simply conclude by stating that I think the Watt amendment is simple and straightforward. What it says is that in the United States of America, we should not have children sleeping out on the streets, we should not have people paying 50 or 60 percent of their income for rent. I would strongly support the Watt amendment.

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. SANDERS. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. There is a major inconsistency between my amendment and what is in the bill. I just want to make people aware of that. The bill says the Federal Government cannot through its action provide for the housing of every American citizen or even a majority of the citizens. All I am trying to do is put the goal back in the bill that we have had as national housing policy for 50 years.

So it is that language that I want taken out of the bill. I put all of the rest of the language back in of the gentleman from New York [Mr. LAZIO]. So if you want to agree to this, stand up and tell us, or stand up and tell the American people that you do not support that as a goal of the Federal housing policy of this country.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to commend the chairman of the subcommittee for his honesty in removing the goal of providing affordable and decent housing for Americans as the goal of our housing policy. It is an honest statement of what this bill would do.

This bill guts that purpose, and it is commendably honest that the Republican sponsors of this bill state that they want to abandon that purpose, which we have had since 1937, for the last 60 years, as our goal. We have fallen short of that goal to a large extent because for the last 16 years or so, 20 in fact, we have been putting very little money into the construction of new public housing. We have built, as the gentleman from Vermont mentioned, more jail cells than public housing units in the last 15 years.

So I support the amendment of the gentleman from North Carolina [Mr. WATT] because I do not think we ought to be abandoning as a goal providing affordable and decent housing for Americans, though I do think it is honest, commendably honest, of the Republican leadership to state that that is what they are doing by removing that goal from the Housing Act, because that is what the provisions of the bill do.

Let us look at the provisions of the bill for a moment. The gentleman from New York said, you have to get rid of the one-for-one rule which does not permit us to demolish eyesores and terrible housing. It would permit us to demolish that terrible housing if we were building replacement housing, if we were building housing for low income people.

The fact is that under the Republican Presidents of 12 years, you keep talking about Democratic Congresses for 40 years, but do not forget about Republican Presidents for 24 of those 40 years, and Republican Senate for I forget how many of those 40 years. This House is not the House of Commons. We do not rule the country alone. Under the last 16 years of Republican Presidents, or 12 years, for the last 20 years roughly, we have not been putting much money into the construction of low income housing. We should. Of course, if you look at our budget projections for the next seven years, we are not going to. But we should. We should return to our goal of providing decent housing.

But this bill, again, is honest. It recognizes we are not going to do it. What does it do? It recognizes the fact we are going to cut, the appropriators are cutting the subsidies to public housing agencies. That is going to cause a big deficit in their budget. We will solve that problem. And what do we do? Abolish the Brooke amendment. Let us solve the deficits of the housing authorities budgets caused by great reductions in Federal aid by saying triple your rent.

But wait a minute, these people who are earning less than 30 percent of median income cannot afford to pay that, cannot possibly afford to pay the rent increases that would be necessary to balance the housing authorities' budgets after we have cut the aid. That is okay. Remove the targeting requirements. Kick them out on the street and let them be homeless, and we will move in a higher group of people, low income, but higher income than before, that can pay the rents. It is a nice solution. It all melds together, cut the budgets, kick out the people, move in higher income people. Great idea if your only goal is saving some money. But if your goal is to provide safe, affordable, decent housing, it does not work. That is why it is commendably honest to eliminate that goal.

Let me say one other thing. This bill is an insult. It contains a provision in the manager's amendment that insults hard working people, hard working people whose only deficiency, whose only character deficit, whose only crime, is that they are making the minimum wage or perhaps one and a half or two times the minimum wage. We are going to tell them they have to have a personal improvement plan? There is something wrong with them? We are going to judge, maybe the subcommittee is going to judge or the housing authority is going to judge their morals and character?

Simply because they do not make enough money? Even though they may work one or two jobs? I will tell you how to have a personal improvement plan. Double the minimum wage. That will give you personal improvement for a lot of these people. It will improve their living conditions. It will solve the deficit problem to a large extent of our housing authorities. It will not insult working people by telling them there is something wrong with them because they do not make enough money and we have to tell them you have to have a personal improvement plan.

So, again, I rise in strong support of the amendment of the gentleman from North Carolina.

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has expired.

(By unanimous consent, Mr. NADLER was allowed to proceed for 30 additional seconds.)

Mr. NADLER. Mr. Chairman, so again I rise in strong support of the amendment offered by the gentleman from North Carolina [Mr. WATT] because it does not abandon the goal. It would stop the abandonment of the goal, at least as a statement of providing affordable housing for our people. But I commend the honesty of the Republican leadership in stating that that is no longer going to be our goal, because this bill certainly says it will not be.

Mr. LAFALCE. Mr. Chairman, I move to strike the requisite number of words.

(Mr. LAFALCE asked and was given permission to revise and extend his remarks.)

Mr. LAFALCE. Mr. Chairman, I have tremendous professional respect and personal affection for the chairman of the subcommittee from the State of New York, but I think he is simply off base in not accepting and indeed embracing this amendment.

It is a rather simple amendment. It does not prescribe a housing program, it just articulates what ought to be a personal goal of every American, it seems to me, and a national goal too, and that is that somehow we will attempt to provide shelter for the homeless in American society.

The chairman of the subcommittee said he had no difficulty with that, it was simply what he wanted to point out we cannot do it for everybody. He

wanted to take a negative stance, if you will. I do not know if we should be quibbling about that.

I would remind the gentleman that there are certain statements in the Bible, and the Bible says that we should feed the hungry. It does not say even though we cannot feed all the hungry we would like to. And the Bible tells us that we ought to clothe those who are without clothes, even though it does not say we cannot do it for all that we would like to. And it also tells us that we should be sheltering the homeless, and it does not say even though it is impossible to give shelter to every single homeless person. No. it is an articulation of goals, if you will. It establishes a vision.

The amendment of the gentleman from North Carolina [Mr. WATT] is one that should be accepted by acclamation.

Mr. HAYWORTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise tonight to voice my strong opposition to the amendment offered by my colleague from North Carolina, and especially to rise in strong opposition to the remarks of the gentleman who preceded me in the well of this House, for not only has the gentleman chosen to misinterpret the intent of the new majority, I believe perhaps in his own words he has expressed, quite frankly, the alternative to what he purported in standing up in support of the amendment. Because he said, let every American find housing, not empower the government to decree to every American that it shall be the government that will provide that housing; that it shall be the government in a centralized authority that shall provide that housing.

Indeed, my friends on the other side confuse compassion, for it is the opposition of compassion to try and claim that it is the sole domain of government or the basic purpose of government to control the masses, to decree where they live, and thereby somehow the government controls this.

Even to the use of Holy Scriptures, I would remind those who check Holy Scriptures, nowhere in the verses cited is there any mention that it shall be the government which shall stand to take these actions, it shall be the government which will display its compassion through decreeing to citizens what type of structure they should live in, that it shall be the government that shall decree what is charity.

Mr. Chairman, the true measure of compassion is people working with their heads and their hearts to provide not only for themselves, but for others. It is not the mission of government to take on more and more responsibility. In fact, Mr. Chairman, the government that my friends believe should be big enough to give all that they want will then be powerful enough to take away all that they have.

So I stand here in the name of true compassion to say it is by empowerment, to say it is not the goal of government to house every American, but instead it is the goal of government to empower every individual to have the opportunity to live up to the potential each individual has. Yes, with a helping hand that is a safety net, but not with a program that decrees greater and greater and greater and greater dependency. There is nothing compassionate in that equation. It is only enslavement of the working class.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the gentleman from Arizona performed us a service. We may be able to save time for the rest of the evening, because no cliche was left unuttered, and a lot of remarks people might have wanted to make, they will not have to make.

□ 1830

It was an interesting speech; not particularly relevant to the topic which, with the permission of the body, I will return to.

Mr. Chairman, the question is, Should we accept the amendment of the gentleman from North Carolina [Mr. WATT]? Now, in opposition to the gentleman's amendment, and I must say, I wonder who the staff members were that advised the gentleman from New York to fight this amendment rather than take it to committee. I would not put that person in for a bonus next year. But the question we have is: Do we retreat statutorily from even trying to provide housing?

Mr. Chairman, I want to comment on the history offered by the gentleman from New York. I am sorry the gentleman is not here. I asked him to yield and he would not yield. The gentleman talked about all the terrible things that the Democrats did in housing. Well, what thing has he been complaining about the most? The gentleman from New York [Mr. LAZIO] has been denouncing the Brooke amendment as a job killer.

Now, why does the gentleman so vigorously denounce a Republican who had the most distinguished record on housing of any Republican, and even any Member of this body? Why does the gentleman from New York continue denouncing Senator Brooke as a man who forced a job killing amendment? Because he said the Brooke amendment not only put a limit on what could be charged, but it put a floor on there and, therefore, it is a killer.

But, Mr. Chairman, in Ed Brooke's amendment that language did not exist. Senator Brooke did not do that. Do my colleagues know who put the job killing part on the Brooke amendment? Ronald Reagan and everybody who voted for Gramm-Latta. The gentleman is denouncing the Democrats for the Reagan budget of 1981, which many of the Republicans here voted for. That is the job killer.

Mr. Chairman, I cite that as an example of the lack of correspondence between the history, as narrated by the gentleman from New York, and reality. The gentleman simply is making it up. It is creative, it is interesting, but it is not congruent with the facts, which is, I think as clearly as one can say it under the rules of the House.

Let us look at where we are on this. How do they defend the poor? By allowing the housing authorities to raise rents beyond any limit. I believe it is very creative. The Republicans, not all Republicans, not Senator Brooke and not many of my friends on the other side, but here is their problem: They want to build the B–2 bomber and they want to build star wars and a lot of other things, so they have to cut funds for housing.

How Mr. Chairman, do we pretend that cutting the funds to maintain and operate public housing and provide security and combat drugs in the projects, how do we pretend that is in people's interest? Well, we say, ''That rent cap is hurting you, so we are going to take the rent cap off because we do not want your rent to go up when you get a job.''

We say we agree. We agree with Ed Brooke. We disagree with Ronald Reagan. We do not want there to be an automatic escalator. It is simply saying that there is a limit on the amount that a tenant can be charged, but there is no mandate that they a be charged that.

Mr. Chairman, the problem is that that way the Republicans would not be able to cut housing and let the housing authorities increase the rents. Their rationale was ripped away from them, so they now come up with a new one.

What is the new one? The new one is if tenants are making 30 percent of the median income or less, they will get the protection of the 30-percent cap, but not if they are making more. Who, now, is giving the disincentive? They are.

Under the Lazio plan, as opposed to our amendment, if tenants are making 30 percent or less, their rent is capped at 30 percent. But if they go to work, if they get off of welfare, the 30 percent level, and go to work, then there is no cap.

How does the gentleman from New York defend that? If we set a 30-percent cap, the housing authorities, because they need money, because the Republicans have cut it, will drive up to the top 30 percent. How does the gentleman prevent the housing authorities from going to 30 percent on working people? By taking the cap off.

So, miraculously the gentleman tells us if there is a 30-percent cap, the housing authorities will charge 30 percent, but if they can charge whatever they want, they will only charge 28 percent.

Mr. Chairman, here is what the gentleman does to the elderly. Those Members who are nostalgic for debating the Notch Act, be very happy with this because he says to the elderly, if they are in elderly housing, their rent will be grandfathered. We will grandparent the grandparents at 30 percent.

But new elderly people who come in will be allowed to be charged 35 and 40 and 45 percent. So within a few years, we will have a building of elderly people, some of whom will be paying 30 percent, some of whom will be paying 40 percent.

Mr. Chairman, this is inequitable, socially destructive, and indicative of the poor policy choices of this legislation.

Mr. GUTIERREZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I think that, first of all, we should be ready to stay here tonight and to fight for housing for people in the United States of America.

Millions of people depend on the outcome of this debate here tonight. I think it is unfortunate that we would want to change 50 years of housing policy and do it in 1 day, and to say we are all going to wrap this up here today.

Mr. Chairman, I am happy to see Members on the Democratic side of the aisle beginning to fight with the Watt amendment, which I think is a cornerstone of what it is we are going to be debating here tonight and that is: What is the future? And the fact that my colleagues on the other side of the aisle are even refusing to accept what seems to me to be very basically logical language, very fair language about attempting to reach as a goal that all Americans could have affordable housing, and then to turn that into an antigovernment rhetoric as though we are trying to impose Big Brother on somebody, which is totally not the case.

So, Mr. Chairman, I want to thank my Democratic colleagues and I suggest we continue to fight, we continue to struggle, because this is an important struggle that millions of Americans are going to depend upon.

Now, Mr. Chairman, I want to read this. And of course, I was born in the United States of America and English is my first language. It is not my only language, thank God. But I read it and it says, ''It is the goal of our Nation.'' It does not say the goal of the Federal Government. It does not say the goal of the Government. ''The goal of our Nation that all citizens have decent and affordable housing.''

Mr. Chairman, it says ''goal of our Nation.'' And how does it say, and the gentleman from North Carolina [Mr. WATT] put this splendidly, and then he says, ''Our Nation should promote the goal of providing decent, affordable housing for all citizens through the efforts and encouragement of the Federal, State, and local governments and,'' listen up, because sometimes people on that side of the aisle only hear what they want to hear. Read the whole thing. It says, ''and by promoting and protecting the independent and collective actions of private citizens.'' Not the Federal Government. Private citizens.

It says it right here. Maybe that is why some people on that side of the aisle want English only because they cannot read it to begin with. ''Collective actions of private citizens, organizations, and private sector to develop housing and strengthen their neighborhoods.'' That we should help, that we should be a conduit. That we should be facilitators of that goal. That is what is says here.

That is what it says here. So, I do not understand the rhetoric that denounces this side of the aisle, and specifically the gentleman from North Carolina, for wanting to impose the big hand of the Federal Government, because that is just not what it says.

Now, maybe there is another English language that I have not been accustomed to or acknowledged, but I think this is what this says.

Mr. Chairman, let me just say, look, to say to us that we are going to give public housing authorities across this Nation hundreds of millions, billions of dollars less and say we care about those people, I think is a little disingenuous. Then, to come back and say, where our side is saying 30 percent should be the cap.

Mr. Chairman, if I went to a bank, because I know that side wants us to run everything like the private sector, and if I went to a bank today, that bank would say to me, ''Mr. GUTIERREZ, you cannot get a loan for your home that exceeds 28 percent of your income.'' That is banking standards across this country. But this Congress of the United States is going to say we can charge more than 30 percent of that person's salary for housing. I think let us follow the private sector.

Mr. CASTLE. Mr. Chairman, will the gentleman yield?

Mr. GUTIERREZ. I yield to the gentleman from Delaware.

Mr. CASTLE. Mr. Chairman, let me just try to bring this down to the level of what we are dealing with in this amendment, because I think the language has been overlooked here, which I think is fair language.

I am a great believer in the need for public housing and that is what we are doing, but it states, and what is being stricken here, ''The Federal Government cannot through its direct action or involvement provide for the housing of every American citizen.'' I think this is a given. ''Or even a majority of its citizens.'' ''But the responsibility of the government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods.''

I do not have a problem with that language, not as a Republican or Democrat, but just as one reading it. It is preamble language in this bill. It is fair language. I am not sure what we are arguing about.

The CHAIRMAN. The time of the gentleman from Illinois [Mr. GUTIERREZ] has expired.

(By unanimous consent, Mr. GUTIERREZ was allowed to proceed for 30 additional seconds.)

Mr. GUTIERREZ. Mr. Chairman, I think the point is we should be working this out. We should be sitting down with the gentleman so that we can reach a consensus here that there is a role, there is a responsibility for all of us.

Mr. Chairman, we cannot cut earned income tax credit; we cannot say we are not going to give a raise on the minimum wage; we cannot say we are going to cut school lunches; we cannot say we are going to do less and less and less and you are going to do more with less. Let us come together. It should be a goal of this country, a place that we seek to reach that everybody can live in a decent and affordable home.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. TALENT. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Missouri.

Mr. TALENT. Mr. Chairman, a number of the members of the committee have spoken here, and I certainly respect their expertise in the matter as I respect the gentleman who is sponsoring and handling this bill, the gentleman from New York [Mr. LAZIO].

My perspective is broader than that. It is the experience that I have had in my district and in talking to people around the country who are trying to rebuild distressed urban neighborhoods. My experience is one that I think is shared by most of the Members of this body. It simply does not reflect well on HUD.

Mr. Chairman, let me tell a couple of anecdotes that show that. I was on a talk show about a year and a half ago with the man who used to be the mayor of the city of St. Louis. He is a member of the Democratic Party. I said, ''If you were the czar of public housing in this country,'' and he had a lot of experience with it, ''what would you do to provide good public housing for poor people?'' Mr. Chairman, he said, ''I can tell you what I would begin by doing. I would begin by abolishing the Department of Housing and Urban Development,'' and then he went on to explain why HUD was blocking the efforts of local officials and private people to provide decent housing for people.

Mr. Chairman, I visited the Columbia Heights neighborhood here in the District of Columbia and looked at what those neighborhood associations are doing to get good people into decent housing. I asked them, ''What is your big problem with housing?'' They said, ''It is HUD. HUD owns about 40 properties in our neighborhood, but will not do anything with them. Will not give them to me. I cannot rehab them. They are run down.''

HUD has a lot of people locked in a public housing project using dumb rules and it is a source of difficulty and we cannot get control and cannot do anything about it. I can go on and on. I think everybody in this body could.

It seems that there is a whole lot of people in this country, and this is encouraging, a group like Embers Beneath the Ashes of Urban America,

that are rebuilding their neighborhoods, and they keep telling us that HUD is a problem. We keep saying that it is HUD and we cannot do anything about that.

This bill is an attempt to do something about it. What do we need to do? We need to return local control back to the people in these neighborhoods. We need to say: We trust you. You can run some housing projects on your own without detailed supervision.

We need flexibility in Section 8 housing. We need to promote work instead of punishing it. We need to provide for home ownership where we can. That seems to me what is in the preamble here. I do not know that there is a lot of difference. It just seems to me that what we have in the bill with regard to the preamble makes clear that we recognize that the Federal Government is not directly responsible for performing all of those things.

Mr. Chairman, I would like to go on further and say, as it does say, the Federal Government has a responsibility to help and will help, but what we have been doing the last couple of decades is not helping, but blocking the people who really can make a difference. That is what my concern is.

We are fighting over language here. I hope that we can get behind this bill, that we can move forward, and that what we are not seeing here is some rear guard action on behalf of the status quo and that we are going to take this bill up line by line, section by section, and we end up with nothing except HUD oppressing these neighborhoods as they have been doing year after year after year.

There are so many people who see these problems back home and want to know why we do not do something and then they see us up here and nothing ever happens. I hope that is not the result tonight.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I just want to associate myself with the remarks the gentleman from Missouri [Mr. TALENT] made about his analysis of the problem. Most of us who serve on the Subcommittee on Housing and Community Opportunity recognize that there have been many problems with HUD and that there have been, in fact, some terribly run housing projects, some even worse run housing authorities.

There are changes that are contained within this legislation that are bipartisan in nature. The statements that suggest that we have got to get rid of any problems that hold back people from going to work, that we in fact ought to allow greater local control over housing authorities, that we ought to provide tenant management programs and all kinds of innovative and creative ways of getting local control is in fact important.

□ 1845

I can say to the gentleman that I agree with him. I do not understand why a couple of Republicans are digging in their heels about setting a goal on trying to provide housing for the American people. What is the problem? I cannot believe we are having this debate. Why do not we just accept the language?

The CHAIRMAN. The time of the gentleman from Nebraska [Mr. BEREUTER] has expired.

(By unanimous consent, Mr. BEREUTER was allowed to proceed for 1 additional minute.)

Mr. BEREUTER. Mr. Chairman, I yield again to the gentleman from Missouri [Mr. TALENT].

Mr. TALENT. Mr. Chairman, let me say to my friend, the last gentleman who spoke from Massachusetts, that I would hope that that is not the case as well. When I have seen a number of times, I hope that is not the case here, is Members who indicate that they are for change in these areas but keep picking and picking and picking at proposals so that at the end of the day nothing gets done. So they try and have it both ways; say, yes, we are for it, but at the end of the day nothing is being done. I hope that is not happening here.

Mr. Chairman, if there truly is not much difference between the two, what is in the bill and the gentleman's amendment, I do not know why we have to have the amendment, why it was offered and why we are fighting over there for so long.

I would say to the gentleman I hope something gets done tonight. I hope this does not become a referendum over something that does not matter and instead is a referendum over what does matter for the people of this country, which is whether we are going to rein in HUD or not. That is the way that I see this bill.

Mr. BARRETT of Wisconsin. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am somewhat perplexed at the length of this debate tonight. I will try not to extend it too much further. I have to admit that I looked at the language of this amendment and I do not know what is objectionable. I do not see what the problem is.

The first sentence says it is a goal of our Nation that all citizens have decent and affordable housing. What is the objectionable part? Are we opposed to all citizens having decent and affordable housing? Are we opposed to citizens having affordable housing? Are we opposed to citizens having decent housing? I do not see what the problem is. I do not see why this is an objectionable amendment.

It goes on then to say that our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State and local governments and by promoting and protecting the independent and collective actions of private citizens, organizations and the private sector to develop housing and strengthen their neighborhoods. This piece of legislation, this amendment, if handed to most Members in this body and asked them who drafted it, they would say the realtors drafted it. This looks like a statement from the realtors. The realtors believe in affordable housing. The realtors believe in decent housing. But the problem is it has been offered by the gentleman from North Carolina. That seems to be the problem.

Mr. Chairman, the language in the bill itself says that the Federal Government cannot or should not get involved through direct or indirect action but should do so only when there is serious need that private citizens or groups cannot or are not addressing the problem responsibly. Does that mean that the majority is against the deduction for home ownership? The Federal Government is getting involved in housing? The Federal Government is doing the terrible thing that most people say over there, the Federal Government is actually encouraging home ownership in this country by allowing American citizens to deduct their home mortgages.

I do not think that is such a bad thing. I think 99 percent of the people in this country think that home ownership should be encouraged. I fail to see why there is this line being drawn over this amendment. Take a look at the amendment. Read the amendment. It is a good amendment. It is a common sense amendment.

I dare say it is an American amendment. It is apple pie. Let us just take the amendment and go on.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

I have been listening to this debate, and I have had a chance to read this bill and to read the amendment. I want to congratulate our chairman. I have been listening to the debate here and had a chance to take a look at this bill. I want to congratulate the chairman because I think he is the first real leader to bring meaningful change to this issue that we have had and we have been. I have been in this Congress for 18 years, and this is the first time I can honestly say that we have got a housing bill that has some fundamental changes. So I congratulate the chairman for that.

The gentleman from New York [Mr. LAZIO] is for change. I see the opponents of this bill come in with their amendment as fighting for the status quo. This is an honest bill. What this bill says is that the Federal Government cannot, through its direct action or involvement, provide for the housing for every American citizen. It is the first time I have read an honest bill dealing with this subject in a long, long time.

Mr. Chairman, we had one of the previous speakers, my good friend from

Washington, get up and say the realtors could have drafted this amendment from the gentleman from North Carolina. Members can see that that is the point. We are not interested in special interests coming in here drafting our legislation; are we?

The gentleman from New York [Mr. LAZIO] did not have special interests drafting this legislation. It was done for the American people. Now we have got people coming in here debating the issue saying we want the realtors to draft the amendments. I do not want realtors drafting amendments. I love realtors. They are great people. They are hard working people. But I do not want them writing the legislation. I want us here in this Congress writing the legislation.

This is a great bill. I congratulate the chairman for his hard work and the members of the committee. I even congratulated the chairman, I mean the gentleman from North Carolina, for his hard work. But his amendment does not belong on this bill. This is not special interest legislation. We have had too much of that. That is why the people in the last election voted for change because they were voting for this kind of legislation, not for special interest legislation.

Mr. Chairman, for 40 years we have had the special interests come in here and write the legislation. The American people said we do not want any more of that. We want Members of the Congress to draft the legislation. That is precisely what this bill is before us. It is legislation that is drafted by Members of Congress and not by the special interests.

Mr. FLAKE. Mr. Chairman, I move to strike the requisite number of words.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I think that my colleague from Wisconsin mischaracterized the statement of the gentleman from Wisconsin [Mr. BARRETT] that Mr. BARRETT is suggesting that this amendment or this language, which reiterates the 1937 and 1949 housing goal, could have been drafted by groups from the private sector, could have been drafted by others.

It should be noncontroversial, I think, was his point, not that it was drafted. Frankly, I do not know who drafted the 1937 or 1049. All I know is that it serves this Nation well to have that and hold that up as a goal. That we do not accomplish it is very disappointing.

Mr. Chairman, I thank the gentleman from New York for yielding to me.

Mr. FLAKE. Mr. Speaker, one of the great concerns I have is, as I listen to this debate, is that we seem to forget that there have been points in American history when we have found the need to be involved in whatever area we found there to be a problem that in some way made it impossible for us to have the best possible demonstration of what democracy is all about.

One of those was when our soldiers returned from war and we decided that we needed to provide housing. Therefore, we developed the VA program, subsequently the FHA programs and other programs that opened up opportunities for people to be able to move into home ownership. It was felt that the Government had a role in trying to assure that every person who was an American, every person who saluted this flag, who understood its Constitution and understood the responsibility as a citizen of this Nation could expect that there would be some benefits which would derive to them.

It seems to me now we move away from the responsibility of making sure that every American understands that they have a place, every American understands that this country is concerned about them. Particularly those Americans who go to work every day would like to be able to become a homeowner and find it difficult to do so.

I think many of us function under the notion, which I consider a bit naive, that somehow the private sector or some others will take care of the responsibility for assuring that every citizen has an opportunity to become a homeowner. I hate to tell you but that is just not a fact. There is enough data to support the notion that in this country there are reasons that are not given but in fact it is impossible for every American citizen to dare to even believe that they can own a home.

I support this amendment because I think it makes sense. It makes sense for a strong Nation with bountiful resources, with the capability to respond to almost any predicament that it finds necessary, to do so in the midst of a homeless crisis, in the midst of a situation where persons work every day and still are not able to save enough money to be able to buy a house, to at least believe that it has a responsibility to let somebody know that we as a government, we as a Nation believe that we want you to participate. We want you to share in the American dream. We want you to become a homeowner. We will do everything possible to make it real for you.

I am a provider. I know what it means not only to talk about it, the rhetoric of building communities and building homes. I do it. I know what it means when a person has an opportunity to be able to move into their own home. They not only begin to do what is necessary to pay the mortgage. They do whatever is necessary to fix that home up. They work two jobs, if necessary. They do whatever they can to provide for the needs of their family while at the same time providing the best housing opportunity.

I think that when we move away from that responsibility, we are saying to a certain segment of Americans, you do not count; you are really not important. We do not see it as our role to try to assure that you have an opportunity to participate in the American dream.

One speaker before me said, and it is indeed correct, those persons who can afford home ownership in America find that the Government in fact does in many ways pay for them to be home owners. It gives tax credits for their mortgage. It gives tax credits for other taxes that they pay to the county and State. And then we come to this place and say, no, we do not have a responsibility or an obligation.

I would challenge my colleagues. I would hope we can move out of partisanship to deal with this particular issue because I think it supersedes that. I think all of you, Democrat and Republican, black and white, female and male, must understand our obligations to one another as citizens. And when we do that, I think we can come to good legislation.

We stand up and we proudly sing, America, America, God shed his grace on thee, and crown thy good, and crown thy good with brotherhood from sea to shining sea. In between the seas there are a lot of people who are suffering. There are a lot of people who are crying. There are a lot of people who have desires. There are a lot of people who have unmet needs, and we do not meet those needs by virtue to moving away from our responsibility as a people to other people, sharing in a kind of brotherhood that lets us understand that even the poorest of us, the poorest among us have a right to be able to believe that in this society, in this Nation, they will be able to be provided with shelter.

I would hope my colleagues would bury the hatchet of separation and move together. Let us take the Watt amendment. Let us agree to it and let us more forward.

The CHAIRMAN. The time of the gentleman from New York [Mr. FLAKE] has expired.

(On request of Mr. BEREUTER, and by unanimous consent, Mr. FLAKE was allowed to proceed for 2 additional minutes.)

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I wonder if I might be able to engage in a colloquy with the gentleman from North Carolina [Mr. WATT].

I know you are the maker of the amendment. I am just becoming familiar with the amendment and what it attempts to do. My problem, speaking only for myself, is not what you are suggesting and adding in the way of national goals. I think they are entirely appropriate. There is a long history for it.

The problem I have and I suspect that most Members have is what you are deleting. Some Members on this side of the aisle, including myself, feel very strongly that the language which says ''the Federal Government cannot, through direct action or involvement, provide for the housing of every American citizen or even a majority'' is an

important change. But there is absolutely nothing that is contestable, in my judgment, with what you are suggesting in the way of the goal of our Nation that all citizens have decent, affordable housing. Our Nation should promote the goal of providing decent, affordable housing and so on and so forth, through State, local, Federal action and private action which you describe in several ways.

Is it not possible for us to reach an agreement on this subject or do we have an impossible difference of opinion here so that you simply do not strike line 20 on page 5 through line 2 on page 6, but you add back or you add language which we have accepted in this country for a long period of time. Does the gentleman find that as a possible amendment?

Mr. WATT of North Carolina. Mr. Chairman, will the gentleman yield?

Mr. FLAKE. I yield to the gentleman from North Carolina.

Mr. WATT of North Carolina. Mr. Chairman, I would think that there is not a dime's worth of difference between where I think we are and where I hope the gentleman is. If it would facilitate reaching some kind of agreement about this issue, I would be happy, if we could get unanimous consent to withdraw the amendment and reoffer it. But I do not want to lose my place.

□ 1900

Mr. BEREUTER. Mr. Chairman, if the gentleman will continue to yield. I would ask the gentleman a question then. I would make a unanimous consent request at this point, and we will see if the gentleman finds it acceptable.

Mr. Chairman, I would ask unanimous consent that the section in the gentleman's amendment, the amendment offered by Mr. WATT, where he strikes line 20 and all that follows through page 6, on line 2, and insert the following new paragraph:

The striking portion be deleted from the gentleman's amendment and that the appropriate re-numbering follow so that, in fact, we are adding all of the gentleman's new language to the existing language on page 5 and 6.

I would make that unanimous-consent request.

The CHAIRMAN. Is there objection to the request of the gentleman from Nebraska?

Mr. WATT of North Carolina. Mr. Chairman, reserving the right to object, I am wondering if the gentleman might allow the debate to continue while we actually look at the impact of that, and it might have some possibilities if we could just allow whoever else wants to speak on this to speak, and in the meantime we will continue to work on it.

The CHAIRMAN. Does the gentleman from Nebraska withdraw the unanimous-consent request?

Mr. BEREUTER. Mr. Chairman, I withdraw the unanimous-consent request until we have time to deliberate on it.

The CHAIRMAN. Does anyone seek recognition on the amendment?

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Members, I am pleased that I happen to come to the floor at a time where there appears that we can have some agreement about how we can get language back into this legislation that will place us squarely on the frontlines in ensuring that this Nation places priorities where they should be.

As a matter of fact, I am very pleased that the gentleman from Nebraska [Mr. BEREUTER] has offered to the gentleman from North Carolina [Mr. WATT] an opportunity to put this language back in that will ensure that this is a goal that we have in this country, that we have a goal of trying to make sure that there is safe and decent housing for all Americans.

This does not mean, however, that we have to pay for housing for everybody. This does not mean that we have to appropriate money in order to build housing. This simply means that we think it is good, it is right, and it is meaningful to have decent housing for everybody, and I think it would be a wonderful thing for the Congress of the United States, the House of Representatives this evening, to say to America we believe that everybody should have what we have.

Mr. Chairman, everybody in this Congress goes home at night to a wonderful place to sleep. As a matter of fact, most people in this Congress have two or three places to sleep. We have a place here in Washington, we have a place in our district. Some of the more fortunate have summer homes. Some have two or three homes. And I am sure that we would not want to send the message that while we enjoy the comforts of two and three and four homes, that somehow we cannot go on record as saying we think every American deserves a decent, safe, and secure place to live.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. I yield to the gentlewoman from Texas.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent to strike the requisite number of words to enter into a colloquy with the gentleman from New York [Mr. LAZIO].

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. The gentleman from Massachusetts [Mr. KENNEDY] is recognized for 5 minutes.

Mr. KENNEDY of Massachusetts. I was wondering if the chairman of the Committee on Banking and Financial Services would be willing to endorse the process of having the gentleman from Nebraska [Mr. BEREUTER] and the gentleman from North Carolina [Mr. WATT] get together to try to work out some mutually acceptable language.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman was asking whether I would support a unanimous-consent request for the gentleman from North Carolina [Mr. WATT] to withdraw his motion without prejudice with the ability to come back and re-offer his amendment after reflection and negotiation on this particular item, I would have no objection to that.

Mr. KENNEDY of Massachusetts. And, Mr. Chairman, I was wondering if the gentleman could maybe give some encouragement. I would give a great deal of encouragement to the gentleman from North Carolina [Mr. WATT] to try to work the thing out. I was wondering if we might expect the same from the gentleman with respect to the gentleman from Nebraska [Mr. BEREUTER].

Mr. LAZIO of New York. If the gentleman would continue to yield, Mr. Chairman, we have been debating this for over an hour now. The important aspect of this for me is to insure that the language which speaks to what I believe is the Federal role in terms of it being a partner is preserved to the extent that there is additional material that is inserted that is consistent, I believe is consistent, basically, with what the other elements of our purpose is. I think that it would be a rational thing to believe that we can agree on and that we be able to resolve this issue.

I am supportive of the process.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I think that was a yes, and I am going to take it as one.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I am moved by the gentlewoman's statement, and I appreciate the fact that she has come to the floor as I have listened to the debate as well with a very prominent housing authority facility in my district, Allan Parkway Village, that has languished for so many years because there may not have been the kind of spirit where the community would come together and say, yes, we need decent, affordable housing, so we do not have this acrimony; we want to work on affordable housing.

I want to raise with the gentlewoman, since she comes from California and I am from Texas, taking this language out would suggest to me if we want to just take it to the absurd, that if we had a disaster, and we asked FEMA to come in, that maybe in fact FEMA should not go in to recreate affordable housing or housing for people whose housing was destroyed because, we take this language and we say we want no involvement of sorts of the Federal Government.

That seems to be not what this Congress wants to say, and certainly if those who have decent housing destroyed by a natural disaster can then have new housing built, why not poor

people, and have the Federal Government's involvement to do the right thing, which is to create an opportunity for affordable housing?

Ms. WATERS. Mr. Chairman, I think the gentlewoman makes a good point that we certainly could have situations, as we know, in this United States where people lose their homes because there are acts of nature, and we certainly do not want to send the message that we do not somehow want to assume some responsibility in insuring that there is replacement housing.

But beyond that, my colleagues in this House, even with the goals that we have articulated in the preamble to housing legislation in the past, we still have millions of people who are without decent, safe housing in America. We need that goal throughout, not simply the inner cities of America. I am not talking about St. Louis and Philadelphia, and I am not simply talking about Harlem or other cities that people would immediately want to think about. I am talking about rural America also, where people are living in shacks, where people still do not have running water in America. I am talking about down in the delta in Mississippi, where we have people not only without running water, but people who have rags stuffed in the openings in the side of their homes and coverings put on roofs of plastic and other materials in order to keep the rain out.

So I am sure that those who thought about taking out this goal, this wonderful goal that speaks to family values, this goal that talks about insuring that children have a safe and decent place to live. I am sure they did not know what they were saying.

Mr. SANDERS. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. Mr. Chairman, I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, let me pick up on a point. We are not only talking about housing which is slum housing.

The CHAIRMAN. The time of the gentlewoman from California [Ms. WATERS] has expired.

(On request of Mr. SANDERS, and by unanimous consent, Ms. WATERS was allowed to proceed for 30 additional seconds.)

Mr. SANDERS. Mr. Chairman, will the gentlewoman yield?

Ms. WATERS. Mr. Chairman, I yield to the gentleman from Vermont.

Mr. SANDERS. Mr. Chairman, we are not only talking about inadequate housing without running water, with holes in the roof. We are talking about housing that is not affordable. Millions and millions of Americans today are paying 50, 60, 70 percent of their limited income for housing, and they have very little else to live with. And that is why the amendment offered by the gentleman from North Carolina, Mr. WATT's amendment, is important, and that is why it should be passed.

Mr. BENTSEN. Mr. Chairman, I move to strike the requisite number of words.

(Mr. BENTSEN asked and was given permission to revise and extend his remarks.)

Mr. BENTSEN. Mr. Chairman, first of all, let me say I think the language of the gentleman from North Carolina [Mr. WATT] conforms with the bill.

I am one of the few Democrats who actually supported the bill when it was sent from the Committee on Banking and Financial Services, and I do not see any problem with including this language, and I think it is true that this language not only meets the history of our Nation's commitment to housing, but it also meets the policy that I have not seen the other side of the aisle talk about doing away with.

When we look at what we do directly, indirectly, and what we do in encouraging housing in this country, if we look at things like the VA Guarantee Program, the FHA program, Fannie Mae, Freddie Mac, the government-sponsored entities, the Federal Home Loan Bank System, to create a secondary market to increase the availability and affordability of home mortgages, things like FmHA to assist in creating affordable housing in the Farmers' Home Loan Program for the rural communities, the mortgage interest deduction, which I think 80 million American families benefit from, the low-income tax credit to spur multifamily and single-family development for low-income housing, the redevelopment tax credit for historical housing, things such as the mortgage revenue bonds, multifamily bonds to provide a tax subsidy for both single-family and multifamily housing for middle-income families, and the mortgage credit certificate program.

So, clearly, it has been historically the goal of this Nation to provide assistance in housing, and the fact of the matter is over the time that we have done that we have seen home ownership, which I think both sides of the aisle seek to attain, we have seen home ownership rise dramatically since the Great Depression.

So this fits within the goal of the United States, and I think the gentleman from North Carolina's language is commensurate with what the goals of the bill are.

As I said, I support the legislation. I think it makes sense. I think there are some things that we are going to have to do to make it better. One would be the Frank-Gutierrez amendment because I think we want to be careful that the bill does not turn local housing agencies, public housing agencies and local housing management agencies, into profit centers where they seek to raise the most revenue in a time of declining Federal revenues at the expense of low-income people who need housing assistance the most.

So I intend to support that amendment, and I would encourage my colleagues to do so, but I think that it is a mistake for us to argue or have some ideological argument to think that somehow we cannot have any involvement in housing, because if we look at the tax code, if we look at other sections of the code with our government-sponsored entities, we will see that we have long, in a bipartisan fashion, done everything we could to promote housing, home ownership, and I think that is the goal that we should continue.

Mr. Chairman, I rise in support of the United States Housing Act. As a member of the House Banking Committee, I am pleased that we are considering critical public housing legislation today in the House of Representatives.

This legislation would fundamentally reform the public housing and section 8 rental assistance programs. This legislation would deregulate the Public Housing Authorities and promote more local control over public housing programs. In addition, it would consolidate section 8 certificate and voucher programs to promote efficiency and encourage more public housing residents to move into neighborhoods, rather than project-based residences. This emphasis on vouchers will ensure that public housing recipients can either rent or buy homes throughout our communities.

I am particularly pleased that this legislation will encourage home ownership and flexible vouchers for rental assistance. Home ownership has been shown to increase the financial status of purchasers and improve the quality of life for all Americans. We provide many incentives for people to buy their own home and this bill would increase these opportunities for qualified recipients. Flexible vouchers allow tenants to move into their communities, away from project-based assistance. Vouchers offer real choice for tenants and would encourage competition among developers to provide quality housing at a reasonable price.

Existing public housing programs would be consolidated and transferred to Local Housing Management Agencies [LHMA's] that would administer federally-assisted housing programs and manage these properties. These LHMA's would be accredited by the Housing Foundation and Accreditation Board to ensure that local programs are well-run and fulfilling their mission. These locally-oriented LHMA's would make decisions about what kind of housing they would offer, including project-based assistance or voucher-based assistance. As part of this process, the LHMA's would develop a local housing management plan where local residents and communities leaders would work together to accomplish this goal.

There is a real need to reform public housing programs to better meet the needs of American families. The 1.4 million existing public housing units simply are not meeting the need and are often beyond repair. Of the 13 million families who qualify for public housing, only 4.3 million families actually live in public housing. Clearly, we must do more to meet housing needs.

This legislation would provide greater flexibility to meet housing needs. Decisions about admissions and tenants would be changed so that public housing programs could include a broader mix of residents. As Federal assistance to housing declines, there is a real need to find new sources of revenue for public housing authorities. Allowing higher income families to move into Federal assisted housing dwellings will help to replace Federal subsidies.

This bill is also carefully written to ensure that those most in need will continue to receive public housing. For instance, under the manager's amendment, at least 50 percent of the tenant-based assistance will be reserved for families making 60 percent or less of the area median income.

H.R. 2406 also would reform the rents charged for public housing units. Under the manager's amendment, the maximum rents charged for current residents earning less than 30 percent of the median income would be capped at 30 percent of their incomes. In addition, current disabled and senior citizens would also be charged capped rents of 30 percent of their incomes. Representatives FRANK, GUTIERREZ, and HINCHEY will offer an amendment that would further protect low-income families. The Frank/Gutierrez amendment would cap rents at 30 percent of a family income. I support this effort because I believe we should ensure that low-income families are not required to contribute an unreasonable and unsustainable portion of their income to housing. However, the Frank/Gutierrez amendment ensures that LHMA's will receive more income from tenants without charging excessive rents for public housing residents.

During consideration of H.R. 2406 in the House Banking Committee, I successfully offered three amendments to encourage home ownership for low-income families. To really help low-income families we should do everything possible to promote home ownership. Studies have shown that the largest obstacle to home ownership is the downpayment and closing costs. My amendment would permit resident to put together their downpayment from gifts, grants, or loans in addition to their own funds. This has been utilized at the State and local level successfully. A second amendment I offered would reduce the opportunity for abusive sales practices by requiring the recapture of the Federal subsidy for the first 5 years of homeownership. We should encourage homeownership for the long term, not short term flipping. The third amendment would ensure that Federal housing programs vouchers could no be used to violate local housing deed restrictions except where these violate the Fair Housing Act. In Houston where there is no zoning, this protection would ensure that single-family neighborhoods are protected from multi-family developments, while still allowing the use of vouchers. I am pleased these improvements were made to the bill.

H.R. 2406 will streamline Federal housing programs and result in better housing opportunities for all Americans. In order to reform our housing programs, we must promote innovation and provide more local control over public housing. The U.S. Housing Act does that and I urge my colleagues' support.

Mr. WATT of North Carolina. Mr. Chairman, I ask unanimous consent that the gentleman from Nebraska [Mr. BEREUTER] be allowed to address the House for 2 minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. BEREUTER. Mr. Chairman, I am hoping that the chairman returns soon because I think we are close to an agreement here.

Just to reiterate what we are attempting to do: We are attempting to keep the language, page 5, line 20, through line 2, page 6, to make it clear that, ''the Federal Government cannot through its direct action or involvement provide for the housing of every American citizen,'' and the gentleman is offering a few changes there so we will delete the words ''or involvement'' and instead it would read, ''the Federal Government cannot through its direct action only provide for the housing for every American or even a majority of its citizens, but it is the responsibility of the government to promote and protect the independent and collective actions of private citizens to develop housing and strengthen their own neighborhoods;''. That would stay as opposed to being deleted by the gentleman from North Carolina.

But in addition, the gentleman would add the following language which we do not contest, it appears, on this side, and I do not think we should, which indicates the following subparagraph, subparagraph (2):

> It is a goal of our Nation that all citizens have decent and affordable housing; No. 3, our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State and local governments and by promoting and protecting the independent and collective action of private citizens, organizations and the private sector to develop housing and strengthen their own neighborhood.

We have reached that point of agreement, I believe now, between the gentleman from North Carolina [Mr. WATT] and Members on this side of the aisle, and I believe that we have a unanimous-consent request to proceed.

There is one remaining item that the gentleman from North Carolina [Mr. WATT] has brought up which may yet be controversial, and so I would ask the gentleman from North Carolina if he wishes to proceed, and we would have a replacement which does accomplish what we have already attempted to do, or should we pass over this for the moment until they can resolve the final point?

□ 1915

The CHAIRMAN. The Chair would hope that any modification will be submitted in writing so we can assure the accuracy of the RECORD.

Mr. HASTINGS of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have sat, incredulous, that this debate has been ongoing. Of course, I am very supportive of the amendment offered by the gentleman from North Carolina [Mr. WATT] and appreciative of the gentleman from Nebraska [Mr. BEREUTER] and those who are concerned enough to be about the business of trying to reconcile what remaining differences exist with reference to some rather innocuous language.

Mr. Chairman, this Nation built a monument to middle-class housing under the aegis of the Federal Housing Administration and the Veterans' Administration, and rightly so. We seem to forget exactly what the United States of America does for any number of entities who are involved in institutional development.

When a major institution in this country builds a new building and leases it for 99 years, it does not mean that the Federal Government is not involved in insuring the loan that constructed those magnificent high-rises in many of our communities that have absolutely nothing to do with the housing of poor individuals.

How dare we come in here and say, as policymakers of this Nation, that we do not favor a goal of ensuring that every citizen in this country has safe and inhabitable housing? I find it almost unbelievable that in the preamble to this bill that is going to change housing policy that has been in existence for as much as 50 years, we find ourselves debating something as simple as whether or not it ought to be the goal of the U.S. Congress and its Members to state that we favor every citizen in this country having safe and inhabitable housing.

Ms. WATERS. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would like to continue pretty much in the vein that the gentleman started, that talked about some of the things that we have done to carry out that kind of policy. As a matter of fact, Mr. Chairman, the GSE's come to mind, the government service enterprises, where we have FNMA and Freddie Mac. That is not about anything more than ensuring that we have the vehicles by which we can get those mortgages on the secondary market to ensure that people can own homes.

If we do not support the preamble and the goals of that preamble, are we then saying we want to remove our support from these GSE's and all of these instruments that we have developed to support ownership and means by which people can get into safe and decent housing? Would the gentleman not say that we have in place not only the GSE's, but veterans policy and other things to carry out the goals that we articulated in that preamble? Is that what the gentleman is referring to?

Mr. HASTINGS of Florida. Mr. Chairman, there is no question but what that is true, if we were to add to that the mortgage deduction that I benefit from in developing my interests in a home, or any number of aspects of the government's involvement in allowing for the development.

But what I was trying to get across is it is not only homes. We insure the homes of millionaires with their mortgages. There is nothing wrong with that. Why, then, should there not be a goal that we want to make sure that every American understands that we as

policymakers favor their right to have a safe and inhabitable house, and that the public and the private sector, local and Federal and State, ought to participate as a goal to ensure that? I thought that is what I was here about.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. HASTINGS of Florida. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I appreciate the gentleman yielding. The gentleman has rightly pointed out the tremendous home ownership opportunities that have been developed in these last 50 years. To date, 65 percent of American families own their own homes.

Tonight, of course, what we are talking about is those groups that are in most desperate need, those that are receiving public housing. That is what this particular bill is about. That is why I think it is so important that we recognize this as a goal among the neediest, and I think as a Nation we have done very well.

Mr. WATT of North Carolina. Mr. Chairman, I ask unanimous consent that the amendment currently under debate be withdrawn, and that an amendment which I have at the desk be substituted instead.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

Mr. BEREUTER. Reserving the right to object, Mr. Chairman, I will not object. I want to thank the gentleman for his work on it, and the chairman of the subcommittee, the gentleman from New York [Mr. LAZIO], on following through on a suggestion we made in a colloquy here. I urge my colleagues to support the unanimous consent request and the amendment that the gentleman from North Carolina will subsequently offer.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

The CHAIRMAN. The amendment is withdrawn.

AMENDMENT OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WATT of North Carolina: page 5, line 22, insert ''alone'' after ''involvement'' and strike ''or involvement''; page 6, line 3 strike ''only''; page 6, after line 10 add the following: and renumber accordingly.

(5) it is a goal of our Nation that all citizens have decent and affordable housing;

(6) our Nation should promote the goal of providing decent and affordable housing for all citizens through the efforts and encouragement of Federal, State, and local governments and by promoting and protecting the independent and collective actions of private citizens, organizations, and the private sector to develop housing and strengthen their own neighborhoods.

Mr. WATT of North Carolina (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. WATT of North Carolina. Mr. Chairman, basically what we have done in the bill is to acknowledge, as the original bill does, that the Federal Government cannot alone accomplish all of the housing objectives that we all have as a Nation.

We have added to that the goal, the specific language that is in the original Watt amendment, which says that our Nation should promote the goal of providing decent and affordable housing, and the rest of the language that was in the original amendment, and we have acknowledged that the Federal Government can pursue this policy. So I think all our hearts and minds are at peace on this.

Ms. WATERS. Mr. Chairman, will the gentlemen yield?

Mr. WATT of North Carolina. I yield to the gentlewoman from California.

Ms. WATERS. Mr. Chairman, I would like to say to the gentleman that I am so appreciative that he took the leadership to ensure that we did not somehow kill a philosophy that has held us in good stead as it relates to housing. I thank the gentleman.

I would like to take this time to thank the gentleman from New York [Mr. LAZIO] and the gentleman from Nebraska [Mr. BEREUTER] for bending and for accepting that it is important to have this as part of our philosophy. I think that if we continue to work in this vein, we can straighten this bill out. We have a couple more amendments to go that I think are very important, but for the time being, I think it is worth it to note that an important step has been taken here in moving in the right direction. I thank the gentleman so much.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I want to thank the gentleman as well for working with us to resolve this issue. I emphasize again that the point we are trying to make and which we continue to make and which the gentleman has agreed to graciously in terms of this language is to ensure that the Federal Government cannot go it alone. Those days are basically over. We need to develop good community partnerships, the Federal Government being a vibrant and vital partner in developing a housing strategy, together with States, together with communities, locally based solutions, for-profits, not-for-profits, institutions, all working together collaboratively.

I want to stress my support for the modification to the amendment that the gentleman has offered.

Mr. WATT of North Carolina. Reclaiming my time, Mr. Chairman, I want to express my special thanks to my friend, and in the heat of debate sometimes people get the impression that we are not friends. The gentleman from New York [Mr. LAZIO] is my friend, but this is important public policy and an important goal that the Nation should have for affordable and decent housing for all Americans.

Mr. Chairman, I want to express a particular thanks to the gentleman from Nebraska [Mr. BEREUTER], who played the role of peacemaker and reminded us of what we are here about this evening.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. WATT].

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 2?

If not, the Clerk will designate title I.

The text of title I is as follows:

TITLE I—GENERAL PROVISIONS

SEC. 101. STATEMENT OF PURPOSE.

The purpose of this Act is to promote safe, clean, and healthy housing that is affordable to low-income families, and thereby contribute to the supply of affordable housing, by—

(1) deregulating and decontrolling public housing agencies, which in this Act are referred to as ''local housing and management authorities'', and thereby enable them to perform as property and asset managers;

(2) providing for more flexible use of Federal assistance to local housing and management authorities, allowing the authorities to leverage and combine assistance amounts with amounts obtained from other sources;

(3) facilitating mixed income communities;

(4) increasing accountability and rewarding effective management of local housing and management authorities;

(5) creating incentives and economic opportunities for residents of dwelling units assisted by local housing and management authorities to work and become self-sufficient; and

(6) recreating the existing rental assistance voucher program so that the use of vouchers and relationships between landlords and tenants under the program operate in a manner that more closely resembles the private housing market.

SEC. 102. DEFINITIONS.

For purposes of this Act, the following definitions shall apply:

(1) DISABLED FAMILY.—The term ''disabled family'' means a family whose head (or his or her spouse), or whose sole member, is a person with disabilities. Such term includes 2 or more persons with disabilities living together, and 1 or more such persons living with 1 or more persons determined under the regulations of the Secretary to be essential to their care or well-being.

(2) DRUG-RELATED CRIMINAL ACTIVITY.—The term ''drug-related criminal activity'' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as such term is defined in section 102 of the Controlled Substances Act).

(3) ELDERLY FAMILIES AND NEAR ELDERLY FAMILIES.—The terms ''elderly family'' and ''near-elderly family'' mean a family whose head (or his or her spouse), or whose sole member, is an elderly person or a near-elderly person, respectively. Such terms include 2 or more elderly persons or near-elderly persons living together, and 1 or more such persons living with 1 or more persons determined under the regulations of the Secretary to be essential to their care or well-being.

(4) ELDERLY PERSON.—The term ''elderly person'' means a person who is at least 62 years of age.

(5) FAMILY.—The term ''family'' includes a family with or without children, an elderly family, a near-elderly family, a disabled family, and a single person.

(6) INCOME.—The term ''income'' means, with respect to a family, income from all sources of each member of the household, as determined in accordance with criteria prescribed by the applicable local housing and management authority and the Secretary, except that the following amounts shall be excluded:

(A) Any amounts not actually received by the family.

(B) Any amounts that would be eligible for exclusion under section 1613(a)(7) of the Social Security Act.

(7) INDIAN.—The term ''Indian'' means any person recognized as being an Indian, Alaska Native, or Native Hawaiian by an Indian tribe, the Federal Government, or any State.

(8) INDIAN AREA.—The term ''Indian area'' means the area within which an Indian housing authority is authorized to provide low-income housing assistance under this Act.

(9) INDIAN HOUSING AUTHORITY.—The term ''Indian housing authority'' means any entity that—

(A) is authorized to engage in or assist in the production or operation of low-income housing for Indians that is assisted under this Act; and

(B) is established—

(i) by exercise of the power of self-government of an Indian tribe independent of State law; or

(ii) by operation of State law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska.

(10) INDIAN TRIBE.—The term ''Indian tribe'' means any tribe, band, pueblo, group, community, or nation of Indians, Alaska Natives, or Native Hawaiians.

(11) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term ''local housing and management authority'' is defined in section 103.

(12) LOCAL HOUSING MANAGEMENT PLAN.—The term ''local housing management plan'' means, with respect to any fiscal year, the plan under section 107 of a local housing and management authority for such fiscal year.

(13) LOW-INCOME FAMILY.—The term ''low-income family'' means a family whose income does not exceed 80 percent of the median income for the area, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 80 percent of the median for the area on the basis of the authority's findings that such variations are necessary because of unusually high or low family incomes.

(14) LOW-INCOME HOUSING.—The term ''low-income housing'' means dwellings that comply with the requirements—

(A) under subtitle B of title II for assistance under such title for the dwellings; or

(B) under title III for rental assistance payments under such title for the dwellings.

(15) NEAR-ELDERLY PERSON.—The term ''near-elderly person'' means a person who is at least 55 years of age.

(16) PERSON WITH DISABILITIES.—The term ''person with disabilities'' means a person who—

(A) has a disability as defined in section 223 of the Social Security Act; or

(B) has a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act.

Such term shall not exclude persons who have the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agent for acquired immunodeficiency syndrome. Notwithstanding any other provision of law, no individual shall be considered a person with disabilities, for purposes of eligibility for public housing under title II of this Act, solely on the basis of any drug or alcohol dependence. The Secretary shall consult with other appropriate Federal agencies to implement the preceding sentence.

(17) PUBLIC HOUSING.—The term ''public housing'' means housing, and all necessary appurtenances thereto, that—

(A) is low-income housing or low-income dwelling units in mixed income housing (as provided in section 221(c)(2)); and

(B)(i) is subject to an annual block grant contract under title II; or

(ii) was subject to an annual block grant contract under title II (or an annual contributions contract under the United States Housing Act of 1937) which is not in effect, but for which occupancy is limited in accordance with the requirements under section 222(a).

(18) SECRETARY.—The term ''Secretary'' means the Secretary of Housing and Urban Development.

(19) STATE.—The term ''State'' means the States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, Guam, the Virgin Islands, American Samoa, any other territory or possession of the United States, and Indian tribes.

(20) VERY LOW-INCOME FAMILY.—The term ''very low-income family'' means a low-income family whose income does not exceed 50 percent of the median family income for the area, except that the Secretary may, for purposes of this paragraph, establish income ceilings higher or lower than 50 percent of the median for the area on the basis of the authority's findings that such variations are necessary because of unusually high or low family incomes.

SEC. 103. ORGANIZATION OF LOCAL HOUSING AND MANAGEMENT AUTHORITIES.

(a) REQUIREMENTS.—For purposes of this Act, the terms ''local housing and management authority'' and ''authority'' mean any entity that—

(1) is—

(A) a public housing agency or Indian housing authority that was authorized under the United States Housing Act of 1937 to engage in or assist in the development or operation of low-income housing;

(B) authorized under this Act to engage in or assist in the development or operation of low-income housing by any State, county, municipality, or other governmental body or public entity; or

(C) an entity selected by the Secretary, pursuant to subtitle B of title IV, to manage housing; and

(2) complies with the requirements under subsection (b).

(b) GOVERNANCE.—

(1) BOARD OF DIRECTORS.—Each local housing and management authority shall have a board of directors or other form of governance as prescribed in State or local law. No person may be barred from serving on such board or body because of such person's residency in a public housing development or status as an assisted family under title III.

(2) RESIDENT MEMBERSHIP.—

(A) IN GENERAL.—Except as provided in subparagraph (B), in localities in which a local housing and management authority is governed by a board of directors or other similar body, the board or body shall include not less than 1 member who is—

(i) a resident of a public housing dwelling unit owned or operated by the authority; or

(ii) a member of an assisted family under title III.

(B) EXCEPTIONS.—The requirement in subparagraph (A) with respect to a resident member shall not apply to—

(i) any State or local governing body that serves as a local housing and management authority for purposes of this Act and whose responsibilities include substantial activities other than acting as the local housing and management authority, except that such requirement shall apply to any advisory committee or organization that is established by such governing body and whose responsibilities relate only to the governing body's functions as a local housing and management authority for purposes of this Act;

(ii) any local housing and management authority that owns or operates less than 250 public housing dwelling units (including any authority that does not own or operate public housing);

(iii) any local housing and management authority that manages public housing consisting primarily of scattered site public housing;

(iv) any local housing and management authority in a State in which State law specifically precludes public housing residents or assisted families from serving on the board of directors or other similar body of an authority; or

(v) any local housing and management authority in a State that requires the members of the board of directors or other similar body of a local housing and management authority to be salaried and to serve on a full-time basis.

(3) FULL PARTICIPATION.—No local housing and management authority may limit or restrict the capacity or offices in which a member of such board or body may serve on such board or body solely because of the member's status as a resident member.

(4) CONFLICTS OF INTEREST.—The Secretary shall establish guidelines to prevent conflicts of interest on the part of members of the board or directors or governing body of a local housing and management authority.

(5) DEFINITION.—For purposes of this subsection, the term ''resident member'' means a member of the board of directors or other similar governing body of a local housing and management authority who is a resident of a public housing dwelling unit administered or assisted by the authority or is an assisted family (as such term is defined in section 371).

(c) ESTABLISHMENT OF POLICIES.—Any rules, regulations, policies, standards, and procedures necessary to implement policies required under section 107 to be included in the local housing management plan for a local housing and management authority shall be approved by the board of directors or similar governing body of the authority and shall be publicly available for review upon request.

SEC. 104. DETERMINATION OF ADJUSTED INCOME.

(a) IN GENERAL.—For purposes of this Act, the term ''adjusted income'' means, with respect to a family, the difference between the income of the members of the family residing in a dwelling unit or the persons on a lease and the amount of any income exclusions for the family under subsections (b) and (c), as determined by the local housing and management authority.

(b) MANDATORY EXCLUSIONS FROM INCOME.—In determining adjusted income, a local housing and management authority shall exclude from the annual income of a family the following amounts:

(1) ELDERLY AND DISABLED FAMILIES.—$400 for any elderly or disabled family.

(2) MEDICAL EXPENSES.—The amount by which 3 percent of the annual family income is exceeded by the sum of—

(A) unreimbursed medical expenses of any elderly family;

(B) unreimbursed medical expenses of any nonelderly family, except that this subparagraph shall apply only to the extent approved in appropriation Acts; and

(C) unreimbursed reasonable attendant care and auxiliary apparatus expenses for each handicapped member of the family, to the extent necessary to enable any member of such family (including such handicapped member) to be employed.

(3) CHILD CARE EXPENSES.—Any reasonable child care expenses necessary to enable a member of the family to be employed or to further his or her education.

(4) MINORS.—$480 for each member of the family residing in the household (other than the

head of the household or his or her spouse) who is under 18 years of age or is attending school or vocational training on a full-time basis.

(5) CHILD SUPPORT PAYMENTS.—Any payment made by a member of the family for the support and maintenance of any child who does not reside in the household, except that the amount excluded under this paragraph may not exceed $480 for each child for whom such payment is made.

(c) PERMISSIVE EXCLUSIONS FROM INCOME.—In determining adjusted income, a local housing and management authority may, in the discretion of the authority, establish exclusions from the annual income of a family. Such exclusions may include the following amounts:

(1) EXCESSIVE TRAVEL EXPENSES.—Excessive travel expenses in an amount not to exceed $25 per family per week, for employment- or education-related travel.

(2) EARNED INCOME.—An amount of any earned income of the family, established at the discretion of the local housing and management authority, which may be based on—

(A) all earned income of the family,

(B) the amount earned by particular members of the family;

(C) the amount earned by families having certain characteristics; or

(D) the amount earned by families or members during certain periods or from certain sources.

(3) OTHERS.—Such other amounts for other purposes, as the local housing and management authority may establish.

SEC. 105. LIMITATION ON ADMISSION OF DRUG OR ALCOHOL ABUSERS TO ASSISTED HOUSING.

(a) AUTHORITY.—Notwithstanding any other provision of law, a local housing and management authority may establish standards for occupancy in public housing dwelling units and assistance under title III, that prohibit admission to such units and assistance under title III by any person—

(1) who currently illegally uses a controlled substance; or

(2) whose history of illegal use of a controlled substance or use of alcohol, or current use of alcohol, provides reasonable cause for the authority to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subsection (a), to deny admission or assistance to any person based on a history of use of a controlled substance or alcohol, a local housing and management authority may consider whether such person—

(1) has successfully completed a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable),

(2) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable), or

(3) is participating in a supervised drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or use of alcohol (as applicable),

and in making such a determination may obtain recommendations of social workers, drug and alcohol counselors, probation officers, and former landlords for such person.

SEC. 106. COMMUNITY WORK AND FAMILY SELF-SUFFICIENCY REQUIREMENT.

(a) REQUIREMENT.—Except as provided in subsection (b), each local housing and management authority shall require, as a condition of occupancy of a public housing dwelling unit by a family and of providing housing assistance under title III on behalf of a family, that each adult member of the family shall—

(1) contribute not less than 8 hours of work per month within the community in which the family resides; or

(2) participate on an ongoing basis in a program designed to promote economic self-sufficiency.

(b) EXEMPTIONS.—A local housing and management authority shall provide for the exemption, from the applicability of the requirement under subsection (a), of each individual who is—

(1) an elderly person and unable, as determined in accordance with guidelines established by the Secretary, to comply with the requirement;

(2) a person with disabilities and unable (as so determined) to comply with the requirement;

(3) working, attending school or vocational training, or otherwise complying with work requirements applicable under other public assistance programs, and unable (as so determined) to comply with the requirement; or

(4) otherwise physically impaired, as certified by a doctor, and is therefore unable to comply with the requirement.

SEC. 107. LOCAL HOUSING MANAGEMENT PLANS.

(a) IN GENERAL.—In accordance with this section, the Secretary shall provide for each local housing and management authority to submit to the Secretary a local housing management plan under this section for each fiscal year that describes the mission of the local housing and management authority and the goals, objectives, and policies of the authority to meet the housing needs of low-income families in the jurisdiction of the authority.

(b) PROCEDURES.—The Secretary shall establish requirements and procedures for submission and review of plans and for the contents of such plans. Such procedures shall provide for local housing and management authorities to, at the option of the authority, submit plans under this section together with, or as part of, the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy) for the relevant jurisdiction and for concomitant review of such plans.

(c) CONTENTS.—A local housing management plan under this section for a local housing and management authority shall contain the following information relating to the upcoming fiscal year for which the assistance under this Act is to be made available:

(1) FINANCIAL RESOURCES.—An operating budget for the authority that includes—

(A) a description of the financial resources available to the authority;

(B) the uses to which such resources will be committed, including eligible and required activities under section 203 to be assisted, housing assistance to be provided under title III, and administrative, management, maintenance, and capital improvement activities to be carried out; and

(C) an estimate of the market rent value of each public housing development of the authority.

(2) POPULATION SERVED.—A statement of the policies of the authority governing eligibility, admissions, and occupancy of families with respect to public housing dwelling units and housing assistance under title III, including—

(A) the requirements for eligibility for such units and assistance and the method by which eligibility will be determined and verified;

(B) the requirements for selection and admissions of eligible families for such units and assistance, including any preferences established under section 223 or 321(c) and the criteria for selection under section 222(b);

(C) the procedures for assignment of families admitted to dwelling units owned, operated, or assisted by the authority;

(D) any standards and requirements for occupancy of public housing dwelling units and units assisted under title III, including conditions for continued occupancy, termination of tenancy, eviction, and termination of housing assistance under section 321(g);

(E) the criteria under subsections (d) and (f) of section 321 for providing and denying housing assistance under title III to families moving into the jurisdiction of the authority;

(F) the fair housing policy of the authority; and

(G) the procedures for outreach efforts (including efforts that are planned and that have been executed) to homeless families and to entities providing assistance to homeless families, in the jurisdiction of the authority.

(3) RENT DETERMINATION.—A statement of the policies of the authority governing rents charged for public housing dwelling units and rental contributions of assisted families under title III, including—

(A) the methods by which such rents are determined under section 225 and such contributions are determined under section 322;

(B) an analysis of how such methods affect—

(i) the ability of the authority to provide housing assistance for families having a broad range of incomes;

(ii) the affordability of housing for families having incomes that do not exceed 30 percent of the median family income for the area; and

(iii) the availability of other financial resources to the authority.

(4) QUALITY STANDARDS FOR MAINTENANCE AND MANAGEMENT.—A statement of the standards and policies of the authority governing maintenance and management of housing owned and operated by the authority, and management of the local housing and management authority, including—

(A) housing quality standards in effect pursuant to sections 232 and 328 and any certifications required under such sections;

(B) routine and preventative maintenance policies for public housing;

(C) emergency and disaster plans for public housing;

(D) rent collection and security policies for public housing;

(E) priorities and improvements for management of public housing; and

(F) priorities and improvements for management of the authority, including improvement of electronic information systems to facilitate managerial capacity and efficiency.

(5) GRIEVANCE PROCEDURE.—A statement of the grievance procedures of the authority under section 110.

(6) CAPITAL IMPROVEMENTS.—With respect to public housing developments owned or operated by the authority, a plan describing—

(A) the capital improvements necessary to ensure long-term physical and social viability of the developments; and

(B) the priorities of the authority for capital improvements based on analysis of available financial resources, consultation with residents, and health and safety considerations.

(7) DEMOLITION AND DISPOSITION.—With respect to public housing developments owned or operated by the authority—

(A) a description of any such housing to be demolished or disposed of under subtitle E of title II;

(B) a timetable for such demolition or disposition; and

(C) any information required under section 261(h) with respect to such demolition or disposition.

(8) DESIGNATION OF HOUSING FOR ELDERLY AND DISABLED FAMILIES.—With respect to public housing developments owned or operated by the authority, a description of any developments (or portions thereof) that the authority has designated or will designate for occupancy by elderly and disabled families in accordance with section 227 and any information required under section 227(c) for such designated developments.

(9) CONVERSION OF PUBLIC HOUSING.—With respect to public housing owned or operated by the authority, a description of any building or buildings that the authority is required under section 203(b) to convert to housing assistance

under title III, an analysis of such buildings showing that the buildings meet the requirements under such section for such conversion, and a statement of the amount of grant amounts under title II to be used for rental assistance under title III.

(10) HOMEOWNERSHIP ACTIVITIES.—A description of any homeownership programs of the authority under subtitle D of title II or section 329 for the authority and the requirements and assistance available under such programs.

(11) COORDINATION WITH WELFARE AGENCIES.—A description of how the authority will coordinate with State welfare agencies to ensure that public housing residents and assisted families will be provided with access to resources to assist in obtaining employment and achieving self-sufficiency.

(12) SAFETY AND CRIME PREVENTION.—A description of the requirements established by the authority that ensure the safety of public housing residents, facilitate the authority undertaking crime prevention measures (such as community policing, where appropriate), allow resident input and involvement, and allow for creative methods to increase public housing resident safety by coordinating crime prevention efforts between the authority and local law enforcement officials.

(d) 5-YEAR PLAN.—Each local housing management plan under this section for a local housing and management authority shall contain, with respect to the 5-year period beginning with the fiscal year for which the plan is submitted, the following information:

(1) STATEMENT OF MISSION.—A statement of the mission of the authority for serving the needs of low-income families in the jurisdiction of authority during such period.

(2) GOALS AND OBJECTIVES.—A statement of the goals and objectives of the authority that will enable the authority to serve the needs identified pursuant to paragraph (1) during such period.

(3) CAPITAL IMPROVEMENT OVERVIEW.—If the authority will provide capital improvements for public housing developments during such period, an overview of such improvements, the rationale for such improvements, and an analysis of how such improvements will enable the authority to meet its goals, objectives, and mission.

(e) CITIZEN PARTICIPATION.—

(1) IN GENERAL.—Before submitting a plan under this section or an amendment under section 108(f) to a plan, a local housing and management authority shall make the plan or amendment publicly available in a manner that affords affected public housing residents and assisted families under title III, citizens, public agencies, entities providing assistance and services for homeless families, and other interested parties an opportunity, for a period not shorter than 60 days and ending at a time that reasonably provides for compliance with the requirements of paragraph (2), to examine its content and to submit comments to the authority.

(2) CONSIDERATION OF COMMENTS.—A local housing and management authority shall consider any comments or views provided pursuant to paragraph (1) in preparing a final plan or amendment for submission to the Secretary. A summary of such comments or views shall be attached to the plan, amendment, or report submitted. The submitted plan, amendment, or report shall be made publicly available upon submission.

(f) LOCAL REVIEW.—Before submitting a plan under this section to the Secretary, the local housing and management authority shall submit the plan to any local elected official or officials responsible for appointing the members of the board of directors (or other similar governing body) of the local housing and management authority for review and approval.

(g) PLANS FOR SMALL LHMA'S AND LHMA'S ADMINISTERING ONLY RENTAL ASSISTANCE.—The Secretary shall establish requirements for submission of plans under this section and the information to be included in such plans applicable to housing and management authorities that own or operate less than 250 public housing dwelling units and shall establish requirements for such submission and information applicable to authorities that only administer housing assistance under title III (and do not own or operate public housing). Such requirements shall waive any requirements under this section that the Secretary determines are burdensome or unnecessary for such agencies.

SEC. 108. REVIEW OF PLANS.

(a) REVIEW AND NOTICE.—

(1) REVIEW.—The Secretary shall conduct a limited review of each local housing management plan submitted to the Secretary to ensure that the plan is complete and complies with the requirements of section 107. The Secretary shall have the discretion to review a plan only to the extent that the Secretary considers review is necessary.

(2) NOTICE.—The Secretary shall notify each local housing and management authority submitting a plan whether the plan complies with such requirements not later than 75 days after receiving the plan. If the Secretary does not notify the local housing and management authority, as required under this subsection and subsection (b), the plan shall be considered, for purposes of this Act, to have been determined to comply with the requirements under section 107 and the authority shall be considered to have been notified of compliance upon the expiration of such 75-day period.

(b) NOTICE OF REASONS FOR DETERMINATION OF NONCOMPLIANCE.—If the Secretary determines that a plan, as submitted, does not comply with the requirements under section 107, the Secretary shall specify in the notice under subsection (a) the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 107.

(c) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan does not comply with the requirements under section 107 only if—

(1) the plan is incomplete in significant matters required under such section;

(2) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan; or

(3) the Secretary determines that the plan violates the purposes of this Act because it fails to provide housing that will be viable on a long-term basis at a reasonable cost.

(d) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this title, a local housing and management authority shall be considered to have submitted a plan under this section if the authority has submitted to the Secretary a comprehensive plan under section 14(e) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) or under the comprehensive improvement assistance program under such section 14, and the Secretary has approved such plan, before January 1, 1994. The Secretary shall provide specific procedures and requirements for such authorities to amend such plans by submitting only such additional information as is necessary to comply with the requirements of section 107.

(e) ACTIONS TO CHANGE PLAN.—A local housing and management authority that has submitted a plan under section 107 may change actions or policies described in the plan before submission and review of the plan of the authority for the next fiscal year only if—

(1) in the case of costly or nonroutine changes, the authority submits to the Secretary an amendment to the plan under subsection (f) which is reviewed in accordance with such subsection; or

(2) in the case of inexpensive or routine changes, the authority describes such changes in such local housing management plan for the next fiscal year.

(f) AMENDMENTS TO PLAN.—

(1) IN GENERAL.—During the annual or 5-year period covered by the plan for a local housing and management authority, the authority may submit to the Secretary any amendments to the plan.

(2) REVIEW.—The Secretary shall conduct a limited review of each proposed amendment submitted under this subsection to determine whether the plan, as amended by the amendment, complies with the requirements of section 107 and notify each local housing and management authority submitting the amendment whether the plan, as amended, complies with such requirements not later than 30 days after receiving the amendment. If the Secretary determines that a plan, as amended, does not comply with the requirements under section 107, such notice shall indicate the reasons for the noncompliance and any modifications necessary for the plan to meet the requirements under section 107. If the Secretary does not notify the local housing and management authority as required under this paragraph, the plan, as amended, shall be considered, for purposes of this section, to comply with the requirements under section 107.

(3) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—The Secretary may determine that a plan, as amended by a proposed amendment, does not comply with the requirements under section 107 only if—

(A) the plan, as amended, would be subject to a determination of noncompliance in accordance with the provisions of subsection (c); or

(B) the Secretary determines that—

(i) the proposed amendment is plainly inconsistent with the activities specified in the plan;

(ii) there is evidence that challenges, in a substantial manner, any information contained in the amendment; or

(3) the Secretary determines that the plan, as amended, violates the purposes of this Act because it fails to provide housing that will be viable on a long-term basis at a reasonable cost.

(4) AMENDMENTS TO EXTEND TIME OF PERFORMANCE.—Notwithstanding any other provision of this subsection, the Secretary may not determine that any amendment to the plan of a local housing and management authority that extends the time for performance of activities assisted with amounts provided under this title fails to comply with the requirements under section 107 if the Secretary has not provided the amount of assistance set forth in the plan or has not provided the assistance in a timely manner.

SEC. 109. PET OWNERSHIP.

A resident of a public housing dwelling unit or an assisted dwelling unit (as such term is defined in section 371) may own common household pets or have common household pets present in the dwelling unit of such resident to the extent allowed by the local housing and management authority or the owner of the assisted dwelling unit, respectively. Notwithstanding the preceding sentence, pet ownership in housing assisted under this Act that is federally assisted rental housing for the elderly or handicapped (as such term is defined in section 227 of the Housing and Urban-Rural Recovery Act of 1983) shall be governed by the provisions of section 227 of such Act.

SEC. 110. ADMINISTRATIVE GRIEVANCE PROCEDURE.

(a) REQUIREMENTS.—Each local housing and management authority receiving assistance under this Act shall establish and implement an administrative grievance procedure under which residents of public housing and assisted families under title III will—

(1) be advised of the specific grounds of any proposed adverse local housing and management authority action;

(2) have an opportunity for a hearing before an impartial party upon timely request within a reasonable period of time;

(3) have an opportunity to examine any documents or records or regulations related to the proposed action;

(4) be entitled to be represented by another person of their choice at any hearing;

(5) be entitled to ask questions of witnesses and have others make statements on their behalf; and

(6) be entitled to receive a written decision by the local housing and management authority on the proposed action.

(b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC HOUSING.—A local housing and management authority shall exclude from its procedure established under subsection (a) any grievance concerning an eviction from or termination of tenancy in public housing in any State which requires that, prior to eviction, a resident be provided a hearing in court which the Secretary determines provides the basic elements of due process.

(c) COSTS OF GRIEVANCE PROCEDURE.—The costs of administering a grievance procedure under this section (including costs of retaining counsel) shall be considered operating activities of a local housing and management authority.

SEC. 111. HEADQUARTERS RESERVE FUND.

(a) ANNUAL RESERVATION OF AMOUNTS.—Notwithstanding any other provision of law, the Secretary may retain not more than 3 percent of the amounts appropriated to carry out title II for any fiscal year to provide incremental housing assistance under title III in accordance with this section.

(b) USE OF AMOUNTS.—Any amounts that are retained under subsection (a) shall be available for subsequent allocation to specific areas and communities, and may only be used for the Department of Housing and Urban Development and—

(1) unforeseen housing needs resulting from natural and other disasters;

(2) housing needs resulting from emergencies, as certified by the Secretary, other than such disasters;

(3) housing needs related to a settlement of litigation, including settlement of fair housing litigation; and

(4) providing technical assistance, training, and electronic information systems for the Department of Housing and Urban Development and local housing and management authorities to improve management of such authorities.

SEC. 112. LABOR STANDARDS.

(a) IN GENERAL.—Any contract for grants, sale, or lease pursuant to this Act relating to public housing shall contain the following provisions:

(1) OPERATION.—A provision requiring that not less than the wages prevailing in the locality, as determined or adopted (subsequent to a determination under applicable State or local law) by the Secretary, shall be paid to all contractors and persons employed in the operation of the low-income housing development involved.

(2) PRODUCTION.—A provision that not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a–276a–5), shall be paid to all laborers and mechanics employed in the production of the development involved.

The Secretary shall require certification as to compliance with the provisions of this section before making any payment under such contract.

(b) EXCEPTIONS.—Subsection (a) and the provisions relating to wages (pursuant to subsection (a)) in any contract for grants, sale, or lease pursuant to this Act relating to public housing, shall not apply to any of the following individuals:

(1) VOLUNTEERS.—Any individual who—

(A) performs services for which the individual volunteered;

(B)(i) does not receive compensation for such services; or

(ii) is paid expenses, reasonable benefits, or a nominal fee for such services; and

(C) is not otherwise employed at any time in the construction work.

(2) RESIDENTS EMPLOYED BY LHMA.—Any resident of a public housing development who is an employee of the local housing and management authority for the development and performs services in connection with the operation or production of a low-income housing project owned or managed by such authority.

SEC. 113. NONDISCRIMINATION.

(a) IN GENERAL.—No person in the United States shall on the grounds of race, color, national origin, religion, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity funded in whole or in part with amounts made available under this Act. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

(b) CIVIL RIGHTS COMPLIANCE.—Each local housing and management authority that receives grant amounts under this Act shall use such amounts and carry out its local housing management plan approved under section 108 in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, the Age Discrimination Act of 1975, and the Americans With Disabilities Act of 1990, and shall affirmatively further fair housing.

SEC. 114. EFFECTIVE DATE AND REGULATIONS.

(a) EFFECTIVE DATE.—The provisions of this Act and the amendments made by this Act shall take effect and shall apply on the date of the enactment of this Act, unless such provisions or amendments specifically provide for effectiveness or applicability on another date certain.

(b) REGULATIONS.—The Secretary may issue any regulations necessary to carry out this Act.

(c) RULE OF CONSTRUCTION.—Any failure by the Secretary to issue any regulations authorized under subsection (b) shall not affect the effectiveness of any provision of this Act or any amendment made by this Act.

The CHAIRMAN. Are there amendments to title I?

AMENDMENT NO. 35 OFFERED BY MR. VENTO

Mr. VENTO. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 35 offered by Mr. VENTO: Page 11, line 2, strike ''authority's'' and insert in lieu thereof ''Secretary's''.

Page 13, line 10, strike ''authority's'' and insert in lieu thereof ''Secretary's''.

Mr. VENTO. Mr. Chairman, this is, I suppose in some minds, a technical amendment. What the bill has done is provides the flexibility for the Secretary, based on findings by the local housing management authority, to change the 50 percent very low-income definition to raise it or lower it, depending upon local conditions, and to, on the 80 percent, and this really deals with the percentages in the bill, on the 80 percent, to change that, in fact; either raise or lower it, depending on local circumstances and findings.

Mr. Chairman, I have no objection to the Secretary having this flexibility. In fact, I think that it is necessary. I am concerned that the bill appears to limit this solely to the local housing management's findings. I think it is clear to me that since the Secretary has to approve it, that indeed he has and should set some standards as to what those findings are.

I do not think it is probable that 3,400 different housing authorities will in fact seek to modify these percentages, and I think it is probably somewhat unrealistic to assume that they will develop the expertise independently. I think that they have some insights, but I doubt that they on their own, without any type of guidance, would be able to in fact establish this without some signal, some direction from the Secretary of Housing and Urban Development.

So my amendment would alter that so that instead of the local housing authority making the findings, that in fact it is the Secretary. I just think it is important from the onset to understand the significance of changing these definitions in law, not handing that over to a State and local government authority, whatever the entity may be, the local housing management authority, but in fact to keep that definition responsibility in the hands of the Secretary, one that has to, in any case, approve this, and I think should be, as I said, involved from the beginning with regards to findings. This would restore what essentially is current law.

Mr. Chairman, I am not aware with any problems that have occurred with that. I think it would be clear, as I said, that local housing management authorities would certainly be consulted or be expected to in fact put together the data, so I would be happy to yield to the subcommittee chairman, the gentleman from New York, Mr. LAZIO, for further explanation. I do not recall any testimony or any problem with this issue, so I look at it as a technical amendment.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, my disagreement with him on this issue has to do with who initiates the changes that would basically define low and very low income for purposes of making adjustments to basically definitional issues.

Mr. Chairman, the gentleman would suggest that the Secretary in Washington ought to initiate this. Our position is to have maximum local control, and that the local community would be the entity to initiate the request, the change in definition in terms of the threshold, what is median income and

what is not sufficient median income to qualify.

The Secretary, obviously, in either case has a role. In our model, we would suggest that the local government, the local community, initiates it. The Secretary is consulted and has, in essence, they ability to preclude the change. The gentleman's opinion apparently is that the Secretary would have all the discretion to do this and the decision-making would be centralized in Washington.

Mr. VENTO. Mr. Chairman, reclaiming my time, I think the Secretary makes the decision in this particular instance in the gentleman's amendment, so we agree on who has the authority. The issue is one of the findings that such variations are necessary, because of unusually high or low income criteria. This is just the findings issue. Clearly what the intent is and I think what occurs under current law, this is current law, is that the local housing management authority or public housing authority has to initiate such process in saying that we have a problem. But we are just talking about the findings issue is really what we are talking about.

I do not think the gentleman and I necessarily disagree about who initiates it, because clearly the housing authority has to play a key role here. It is just a question of findings. The ultimate authority is in Washington no matter what, because the Secretary, if he is dissatisfied or she is dissatisfied with the information, will simply reject it. So I do not know, I do not think it is a question of authority, it is simply a question of clarifying the issue of findings, in my mind.

□ 1930

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield, I just would like to query whether the gentleman believes this is something that, if we continue a dialogue and discussion through the process moving toward conference, if we can resolve by finding a compromise we can both live with.

Mr. VENTO. Mr. Chairman, that is reasonable. I think it is not something I perceive as a problem. If there is some other basic reason the gentleman is resisting I'd be interested in learning such. I would be happy to work with the subcommittee chairman on the basis of that assurance and interest. We had a long debate on the previous amendment and we resolved that successfully.

Mr. Chairman, I ask unanimous consent to withdraw the amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Minnesota?

There was no objection.

AMENDMENT OFFERED BY MR. FIELDS OF LOUISIANA

Mr. FIELDS of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIELDS of Louisiana: In section 103(b) of the bill (as amended by the manager's amendment), strike paragraph (2) (relating to resident membership) and insert the following new paragraph:

(2) RESIDENT MEMBERSHIP.—

(A) IN GENERAL.—In localities in which a local housing and management authority is governed by a board of directors or other similar body, not less than 25 percent of the members of the board or body shall be individuals who are—

(i) residents of public housing dwelling units owned or operated by the authority; or

(ii) members of assisted families under title III.

(B) ELECTION AND TRAINING.—Members of the board of directors or other similar body by reason of subparagraph (A) shall be selected for such membership in an election in which only residents of public housing dwelling units owned or operated by the authority and members of assisted families under title III who are assisted by the authority are eligible to vote. The authority shall provide such members with training appropriate to assist them to carry out their responsibilities as members of the board or other similar body.

Section 103(b)(5) of the bill (as amended by the manager's amendment), strike subparagraph (A) (relating to the definition of ''elected public housing resident member'').

Mr. FIELDS of Louisiana (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. FIELDS of Louisiana. Mr. Chairman, this amendment is a very simple amendment. It should be a noncontroversial amendment because it does not deal with the preamble, it deals with the substance of the bill.

This amendment will, quite frankly speaking, simply provide that the boards that will be in place across this country that will regulate public housing must be composed of at least 25 percent of those individuals who live in public housing. This is at a time, Mr. Chairman, when we want to give local tenants more input into the decision-making process, and this amendment is right along those lines.

Twenty-five percent of those individuals who are in public housing being on a board, that means that about 75 percent will not be in public housing. Although that is not a mandate in this amendment, it can very possibly be that way.

If you have a 4-member board, Mr. Chairman, only 1 member under this amendment will be from the public housing; 8 members, 2 members; a 12-member board, only 3 members; 16, 4 members. So 25 percent of whatever board we have will consist of people from the public housing who live there every day.

Second, Mr. Chairman, if there is any question about training those individuals who live in public housing, whether or not they are able to make managerial decisions, whether or not they are able to conduct themselves in a manner that is conducive to finances and things of that nature, each of these people, each of these individuals will be trained. The amendment does not deviate from the present language in the bill. It provides for training among those members who will come from the public housing to serve on those particular boards.

Last, Mr. Chairman, I would like to state that many public housing boards across this country now include members from public housing. As a matter of fact, it makes it much more conducive for implementing programs because the tenants are in a better position to know what in fact takes place on a day-to-day basis in those public housing facilities all across this country.

So this is an amendment that simply allows tenants to participate in the decisionmaking process in this country, and I do not think there is any opposition from the other side of the aisle.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Louisiana. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would ask the gentleman if this is the same amendment that is being offered that was printed earlier, listed as Amendment No. 4.

Mr. FIELDS of Louisiana. This is the same. After the manager's amendment was adopted, I had to make a few minor modifications, but the language is the same.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield further, if I might see that first.

Mr. FIELDS of Louisiana. Mr. Chairman, I would be happy to share it with the gentleman. It is the exact amendment that I prefiled and was printed in the RECORD. The only change in this amendment versus the printed amendment is to the different language in the different parts of the bill because of the manager's amendment. So this amendment was to comply with the manager's amendment that was adopted by this House.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield once again, if I can see a copy of that language, it will help facilitate our discussion, I believe, if we have that.

Mr. FIELDS of Louisiana. Mr. Chairman, I turned in 12 copies. I would be happy to share this copy with the gentleman from New York if the gentleman does not have a copy of the amendment. It is the exact amendment that I introduced earlier. The only change is the change in location.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will continue to yield, I wonder if the gentleman can point out the differences in the original printed version relative to the corrections that he made after the adoption of the manager's amendment.

Mr. FIELDS of Louisiana. Mr. Chairman, in the manager's amendment, as the gentleman from New York is aware, the section that deals with the board of directors, the manager's amendment calls for an election of one

tenant on each board. This amendment simply went, as a result of the manager's amendment, my amendment was changed to deal with that same language, to change the number from 1 to 25 percent.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield further, could you just give me the precise language that was changed, if that is feasible?

Mr. FIELDS of Louisiana. Mr. Chairman, it is the same language. The only difference is the difference in sections.

Mr. KENNEDY of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Louisiana. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if I may make the suggestion to the gentleman from New York [Mr. LAZIO] that we simply allow the original amendment which the gentleman from Louisiana [Mr. FIELDS] filed.

The CHAIRMAN pro tempore (Mr. GILCHREST). The time of the gentleman from Louisiana [Mr. FIELDS] has expired.

(By unanimous consent, Mr. FIELDS of Louisiana was allowed to proceed for 3 additional minutes.)

Mr. FIELDS of Louisiana. Mr. Chairman, I continue to yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. It would be my suggestion that we go back to the original Fields amendment that was filed prior to the manager's amendment and simply ask that the gentleman from New York [Mr. LAZIO] allow my technical and conforming changes made to the amendment after its potential adoption to reflect the changes that are contained in the manager's amendment.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield further, I am informed that part of this amendment strikes almost two pages of language involving exemptions for certain public housing authorities, so this is not technical in nature. As a nature of fact, it goes to the heart of the manager's amendment with respect to this particular provision.

Mr. FIELDS of Louisiana. Would the gentleman have any objections to withdrawing this amendment and going back to the original amendment, since the gentleman is quite aware of the original amendment, because it is not my intent to try to sneak an amendment on the gentleman. As the gentleman knows, this amendment is the identical amendment as the original amendment that was introduced by the gentleman, and that was printed in the RECORD.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield further, the printed amendment that I have before me, printed as amendment No. 4, strikes the language that is in question. I would like to think that the gentleman's concerns to allow for a direct election to the board, direct election by the board, were met in the manager's amendment.

I think the gentleman wants to go much further than I think is appropriate, quite frankly, with respect to some of the other provisions, including establishing a quota of 25 percent, technical training that I think gets us back into that micromanaging model that I am trying desperately to move away from, and also striking some of the exemptions that I will help make this workable in terms of direct election.

The CHAIRMAN pro tempore. Does the gentleman ask unanimous consent to withdraw his amendment?

Mr. FIELDS of Louisiana. Mr. Chairman, I ask unanimous consent to withdraw the amendment that I introduced today and be allowed to speak to the original amendment that was printed in the RECORD.

The CHAIRMAN pro tempore. Without objection, the amendment is withdrawn.

There was no objection.

AMENDMENT NO. 4 OFFERED BY MR. FIELDS OF LOUISIANA

Mr. FIELDS of Louisiana. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 4 offered by Mr. FIELDS of Louisiana:

Page 14, strike line 18 and all that follows through page 16, line 18, and insert the following:

(A) IN GENERAL.—In localities in which a local housing and management authority is governed by a board of directors or other similar body, not less than 25 percent of the members of the board or body shall be individuals who are—

(i) residents of public housing dwelling units owned or operated by the authority; or

(ii) members of assisted families under title III.

(B) ELECTION AND TRAINING.—Members of the board of directors or other similar body by reason of subparagraph (A) shall be selected for such membership in an election in which only residents of public housing dwelling units owned or operated by the authority and members of assisted families under title III who are assisted by the authority are eligible to vote. The authority shall provide such members with training appropriate to assist them to carry out their responsibilities as members of the board or other similar body.

Mr. FIELDS of Louisiana. Mr. Chairman, this amendment simply provides that 25 percent of all the boards of directors across the country will consist of 25 percent of tenants. Twenty-five percent of those individuals who sit around the table and make decisions on how public housing works in America will be tenants.

It is a very straightforward amendment. There is nothing complicated about it. If there is a board of four, then one member will according to this amendment come from public housing.

Second, this amendment will also provide, as I stated earlier, for training. So anyone who has any question about individuals being able to make major decisions, each individual who is elected to the board will be provided adequate training.

In terms of who will elect these members, these members will be elected by bona fide housing residents. The housing residents will meet and elect their representatives to the board, and those individuals will serve based on a time that is enumerated by the rules and the regulations of that particular board.

If there are no objections to this amendment, I suggest its adoption.

Mr. BEREUTER. Mr. Chairman, I rise in opposition to the Fields amendment.

I am not quite sure what the gentleman is attempting to add but I think I am right in understanding some of the things that he is eliminating. He is eliminating, as I understand it, the exceptions which begin on page 15, subparagraph B, and specifically on lines 22 through lines 24, and on to page 16, lines 1 and 2. He is eliminating the exception for local housing and management authorities that own or operate less than 250 public housing units, including any authority that does not own or operate public housing. We have had substantial debate on this issue.

This Member has strong objection from his own State—for example, from the city of Omaha—to in fact requiring, in contrast to State law, that a resident be a member of the public housing authority. But I certainly have strenuous objections to the smaller housing authorities also have this requirement.

I think my colleagues should know that in my State, for example, we once had the second largest number of public housing units in the country. We started quite early in the process. Many of them are for senior citizens. A great many of them have less than 30 units across the whole State. That is especially true in my district and in the district of the gentleman from Nebraska [Mr. BARRETT]. It would be not only difficult and in contrast to State law to have residents automatically being placed on the public housing authority for those units, it would be unworkable.

We have had this debate before. I think we are bending an exceptional amount already in suggesting that in fact for the larger housing units you have a resident that becomes a member of the board, but to take it down to the small housing units is something that this member cannot accept in representing his constituents. It is unworkable in the small cities and the villages in my district that have these small housing authorities. It is in contrast to State law. We are exempting the State law.

Therefore, I have to rise in strong objection to the gentleman's amendment which would remove this exception.

Mr. FIELDS of Louisiana. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I appreciate the gentleman's comment, but I am having a hard time understanding

how a board that consists of 15 Members is OK to have one tenant from the public housing but a board that consists of five or four is not acceptable. I thought the gentleman's philosophy, and that is one of the reasons why I introduced the amendment, was to give tenants an opportunity to participate.

I see that the gentleman is not adverse to tenant participation because the gentleman has spoken to that point, and I cannot understand why just because there is a small housing facility versus a large, that those tenants should be denied the opportunity to participate.

Mr. BEREUTER. Reclaiming my time, I would say that under State law public housing authorities in my State have 5 members. You are mandating that at least one of those members automatically, despite the recommendations of the city council or the village board of trustees in my State that appoints the housing authority, must appoint one person from the residency of that public housing.

In many cases these housing units are exclusively for senior citizens. In most cases they really are. This is too much intrusion in local control and decisions about who that city council, that village board of trustees wants to have on the housing authority. In many cases they in fact do appoint it but that ought to be a decision that is made by the city council, the governing body of that particular community. That is why I object to the gentleman's amendment.

□ 1945

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I thank the gentleman from Louisiana [Mr. FIELDS] for the insight and the vision that he has had with respect to this legislation. I have heard my good friend from Nebraska, and I would simply like to offer an explanation as it relates to a local situation. He has mentioned a local community and I would like to mention one as well in Houston, where we have been dealing with a public housing problem for a number of years.

There would be many that would come and suggest there are reasons why we have this problem: Federal regulations, the disagreement, if you will, between the local parties, lack of funding, lack of priority. I would offer to say that maybe the reason why we have this problem is that we have not brought parties together to be able to discuss how best to solve and create good public housing, good, clean public housing, with the involvement of residents.

I like that word ''residents,'' as opposed to ''tenants.'' It gives a certain stakeholder's role to those in public housing.

This amendment the gentleman offers is a positive amendment that is instructive. Not only does he provide for an opportunity for participants, for residents to participate, but he gives them training, the training that any board member would bring maybe from their work experience or business experience, he then allows those residents to have the same kind of training to be able to be part of a management system.

Has anyone seen their local United Ways, where they have attempted to reach out into the community? Our United Ways used to be a board of corporate CEO's. Those are the only people that could participate. They collected money and decided how it was to be distributed. We got wise until Houston realized United Way was a community organization, and that means they had to reach out to local community activists and mix them with corporate leaders and begin to solve the community's problems. United Way sought diversity on its board, and in doing so, they trained those activists and local community individuals to be on the United Way board.

This is the very same approach. This allows the residents of that particular housing entity, that housing development, to be able to participate, and it gives them the necessary training.

I am not sure whether or not we suffer in local communities with units under a certain number where we increase the number of residents. I am not sure that is detrimental when in fact in most cases the dominant participants will be selected from the community and will be able to work with a lesser number of residents. So I am unsure of the difficulty in allowing the Fields amendment to go forward.

I applaud him for this amendment. I have seen over the past 17 years in Houston where we have had strife and disagreement because we have not had the involvement of our residents to solve a problem, to provide clean and decent public housing. It is not a question of whether we demolish, it is not a question of whether we keep units, it is a question of whether people can have a meeting of the minds. You cannot have a meeting of the mind when you have residents standing on the outside with the door closed. We need to affirmatively bring them inside. Twenty-five percent is a minimal number, it is a fair number. It is a fair number for smaller units, and it is a fair number for larger units.

Mr. Chairman, I applaud the gentleman from Louisiana [Mr. FIELDS] for his vision, and would solicit the support for this amendment. I would simply say to my colleagues in opposition, we cannot do any less than our civic boards across the Nation. Let us diversify, let us include, let us solve this Nation's housing problems, not only by ourselves, but including those who are most affected, and that is the residents. I support the passage of this amendment.

Mr. Chairman, I rise today to speak in support of this very important amendment.

Having a place to call home, no matter how modest, is a cornerstone of the American dream. It is the goal of every family. A home is not just a place to live; it is also a place where individuals should and must have a voice.

This amendment would go a long way in creating a voice for residents of public housing in the decisionmaking process that affect their homes. By requiring that 25 percent of the board of directors of local housing authorities be residents of public housing, or persons receiving Federal rental assistance, the best interests of resident's would be served.

To ensure that those who will serve in this capacity are truly representative, they will be elected by the residents and be given sufficient training to fulfill their obligation to their community.

This amendment will inject fairness into this legislation and allow for residents who are personally invested in public housing to have a voice in the decisionmaking process.

I would like to thank Representative FIELDS for bringing this important amendment before the House for consideration.

Ms. WATERS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the gentleman from Louisiana's amendment. I think it is a worthwhile amendment, and it is a consistent amendment with what the chairman said about his desire to put public housing into the hands of the tenants or the residents.

As a matter of fact, I have heard that statement made several times this evening, that it is the chairman's desire, it is the desire of the Republican Party, it is the desire of the leadership, to put public housing in the hand of the residents, to give them more power to make decisions about their lives and about their living.

Well, Mr. Chairman, this is the way to do it. I understand very well how it works now. As a matter of fact, many cities across this Nation simply appoint people who are well connected. You know the mayor in some cities and the mayor is making the appointment. If you have been involved in the campaign, if you know a contributor, what have you, you get an appointment.

The same thing is true with the members of the city council. They appoint their friends and cronies and those politically connected. That is okay. I guess there should be some payoff for those who are supportive.

But the fact of the matter is, residents have been excluded from decisions about their daily living. We have these resident councils in each of the housing authorities or the projects. However, oftentimes they are kind of left to try and be involved in ways that they do not really know how to be involved.

We have the residents who are supposed to be organized at each site. Oftentimes they are not getting any training. They do not even know when a board meeting takes place. They do not receive the notices, they are not encouraged to be at the board meetings. The agendas are developed without their input.

It is time for us to make sure that we mean what we say. If in fact we have the resident councils at each site and we then have the area councils, and somehow they are supposed to be involved in decision making, then we must make sure that they have the ultimate involvement, the ultimate involvement, which is that they work their way up to the board.

The gentleman from Louisiana [Mr. FIELDS] is saying in his amendment that at each of these local housing projects they would have an opportunity to vote. They would have an opportunity to recommend to those who do the appointing, those that they think will serve them well at the board.

You talk about residents in public housing projects who somehow do not seem to understand what happens and the kinds of decisions the management must make. Well, if you want people to understand the budget and how it works and whether or not they can have revitalized apartments, whether or not they can get new screens on the doors, whether or not they can change the heating systems, they have to understand how much money is available. If they do not understand the money, then they do not understand what you claim are management problems or how to help make decisions about how best to use the money.

I think residents have a lot of input that they need to be able to give. They know more about these buildings, about these grounds, and about the communities they live in than most of the political appointees, who never go to these housing projects, will ever know, and I think they deserve to be at the board meetings helping to formulate those agendas and giving input that is going to make good sense.

I think they will have some cost effective suggestions about how best to manage. I think they will know how to save money. I think they could tell the board about the personnel and the workers who are getting paid and about what they are doing and that they are not doing.

The board members do not know that now. They are not out in these housing projects. But I can tell you, the people who live there can tell you what the maintenance crew is doing and what they are not doing, if they can ever get to a board meeting. They are not encouraged to be at the board meetings, they are not wanted at those board meetings, their opinions are not respected. That is why you see some resistance to having them on boards.

It really does not make good sense to say it is all right to have them, maybe one, if there is a big housing authority, and maybe none if there is a small housing authority. That does not have anything to do with big or small. If you have got five members on a small housing authority board and five members on a large housing authority board, they both deserve representation, and it makes no difference what their size is.

Mr. Chairman, I support this amendment. This is true empowerment. This is true respect for residents. I ask support for the Fields amendment.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of my good friend from Louisiana's amendment. I think we have heard a lot of rhetoric about the fact that we want to provide for local control of local housing authorities, and I can think of nothing more important than making certain that the people that actually live in these projects are provided some say in the direction that the projects are going to take and the kind of management and control that those projects take.

I have understood some of the concerns of my friend from Nebraska [Mr. BEREUTER] with regard to some of the smaller housing projects that constitute authorities in a rural state like Nebraska, which is very different than perhaps some of the problems that we face in places like Massachusetts.

In Boston, I found specifically in projects in my own district that there are some very, very large urban projects that would be greatly improved if we get more tenant control and more tenant say in the future of those projects, where how many units, what kinds of units, income mix, and a whole range of other issues could have some input directly by the tenant.

So I think the overall goal of tenant input is very, very important. I am hopeful we could find ways of working out an agreement on the Fields amendment that will somehow provide for exemptions for those cases such that the gentleman from Nebraska [Mr. BEREUTER] referred to, where we have very, very small numbers or clusters of units that would not apply, and in fact where this amendment might create a needless burden.

But where this is an appropriate use of an authority's response to the needs of the tenants, I think this could be a very, very useful tool. I would hope that we might be able to find a way of working out some of the concerns that we have.

Mr. BEREUTER. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Chairman, I think the gentleman from Louisiana and myself have reached an agreement that satisfies my concern. He would simply remove the exemptions. But the first part of his amendment, he will provide for at least 25 percent of those housing authorities having over 250 units, whereas the existing bill provides 25 percent.

Now, 25 percent of a five-member board, for example, of the city of Omaha, is one. Whenever State law calls for an 8- or 10-member board, the Fields amendment would actually increase the number of tenants. That will be controversial for some States. For others, like my own, that has a five-member board, it is the same, one member one way, one member the other way. So there is a possibility of us working out this last sticking point.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, can the gentleman clarify for me why it would be more difficult with the eight-member board versus the five?

Mr. BEREUTER. Mr. Chairman, the Fields amendment in that case would provide for two members, and in the case of a smaller number of board members it would be only one. So there is the potential for a larger number of people who are tenants to be on the board under the Fields amendment than there is under existing language of the bill. I am not arguing the point. It is not relevant to my State. It is going to be controversial in some States. This is a matter that the gentleman from Louisiana [Mr. FIELDS] and the gentleman from New York [Mr. LAZIO] are going to have to work out.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I appreciate the gentleman from Nebraska's willingness to recognize the fact that tenant involvement in these cases is important. Twenty-five percent is twenty-five percent.

Mr. BEREUTER. Mr. Chairman, if the gentleman will yield further, the bill says that a minimum of one member must be a tenant on a housing authority, but the Fields amendment says at least 25 percent. So, you see, potentially more members would be on some housing authorities who are tenants than would be under the bill, which specifies only one minimum. That is the difference.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, that was the point. We wanted to have greater tenant involvement in the process. I understand maybe that is not an issue that the gentleman was arguing, but I think that all of us recognize that what we are trying to do here is make certain that we do not have some elected board or appointed board of individuals that has very little to do or very little understanding of the direct impact of their decision making process on the local housing authorities, and in fact try to find a way to create tenant involvement in the overall decisionmaking process.

I think it is something that certainly the rhetoric that we are hearing surrounding this bill is completely compatible with, and I hope that we find a way of actually making certain that the people who are going to be most affected by these decisions are in fact involved in the decisions of the housing authority.

Now, I wonder if I could inquire from my friend, the gentleman from New York [Mr. LAZIO], whether we are close to an agreement on this issue?

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The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 30 additional seconds.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. Mr. Chairman, the gentleman from Massachusetts has a question with respect to where we are on the Fields amendment? I would suggest to the gentleman that we continue to have an ongoing problem.

In the bill, we allow for the direct election of tenants onto boards. I have no objection if a local community wants to have 100 percent of the people on the board that are residents. What I do have an objection to is getting back to the model where again one size fits all and Washington knows best. We must use this much money for technical assistance. We must have a 25-percent quota of local residents.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has again expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I think that we have a fundamental difference of opinion with respect to the amendment. I tried to meet the objection in terms of having the direct election of a resident to the board and in the manager's amendment that was adopted. Now I think the gentleman from Louisiana [Mr. FIELDS] would like to go substantially further than that. I think there is a philosophical difference as to whether we should pursue that.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I wonder whether or not the gentleman can find some consistency in saying that the problem with the amendment is that it is a Washington-based solution, where in fact the solution simply says that we ought to have local involvement in the decision-making process? We are saying that 25 percent of the people on the board ought to come from the local area. To try to identify that as a Washington-based solution is kind of bizarre.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will continue to yield, my concern here is not that we have local participation. As a matter of fact, we spend a page and a half in the manager's amendment speaking to the fact that the housing authorities should integrate into the community and have local participation. I believe deeply in it. My problem is setting quotas and saying every community should have this as opposed to——

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, the gentleman from New York has a quota of one. The gentleman has a page and a half of rhetoric and he has one person. What we are trying to say, and what the gentleman from Louisiana is trying to say, is that we have 25 percent of the people, which is not anything close to the ability to carry the day on any vote, but that 25 percent of the people making the decision ought to have some direct impact and people that actually are living in these housing authorities ought to be involved in how those housing authorities are going to proceed.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would continue to yield, my problem, which I think is a philosophical divide, is whether we start to retreat back from allowing flexibility and fungibility for the housing authorities, giving them more rules, imposing on them a set quota.

I do not care if a community decides that they have all residents, but that should be the local community's decision and not Washington's.

Mr. KENNEDY of Massachusetts. Mr. Chairman, again reclaiming my time, that is the most inverted logic I have ever heard.

Mr. JACKSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment of the gentleman from Louisiana [Mr. FIELDS]. Quite frankly, Mr. Chairman, this is family values. Imagine those of us who live in middle-class neighborhoods, we organize into block clubs, we organize into neighborhood organizations, because it is the local residents who have the knowledge about the community in which they reside to make determinations about their particular community.

Mr. Chairman, I am of the opinion that failure of this amendment says to residents across this country that Washington knows better about the neighborhood and the development in which you reside better than you do, and what could be a more paternalistic view of the condition of people in public housing across our country than that?

Mr. Chairman, I yield to the gentlewoman from California [Ms. WATERS] for the purpose of a colloquy.

Ms. WATERS. Mr. Chairman, I would like to ask the gentleman if this business of one smacks of tokenism? It sounds familiar, that we will let one in, we will let one on, but we do not want too many if, in fact, we have more than one, they may being to have a collective voice and challenge some of the decisions.

Mr. Chairman, I wonder if the gentleman thinks that the accusation of the gentleman from New York where he says somehow that the amendment of the gentleman from Louisiana that asks for 25 percent is any different than his asking for 1 percent, except that it is more involvement. Could the gentleman from Illinois [Mr. JACKSON] expand on that a little bit?

Mr. JACKSON of Illinois. Mr. Chairman, reclaiming my time, I would like to make the argument that this is not about quotas in public housing. Residents have the right to participate in making decisions about where they live, and that is just a fact of life. I make decisions about the condominium that I live in here in Washington, DC. The gentlewoman from California certainly makes decisions as a member of a condominium or a cooperative in the neighborhood in which she lives.

Mr. Chairman, why should not low income and poor Americans be able to make decisions about the complexes and the developments within which they live? Twenty-five percent, one out of four, three out of 12, four out of 16, is not an unreasonable number to ask for participation from residents to make some determination about the conditions under which they live.

I might add, Mr. Chairman, the only real change that is actually occurring here is for the very first time the Federal Government is mandating that residents do participate in local housing authorities. Reality is those of us from middle-class neighborhoods have served in capacities for public housing authorities all across our country and, frankly, the residents have had no say.

Ms. WATERS. Mr. Chairman, if the gentleman would continue to yield, let me just say that I tried to make the point earlier that to the degree people are involved, they accept more responsibility. We have a lot of young people in public housing authorities that have no idea how these decisions get made.

Let me give some examples. I can recall in the city of Los Angeles when they would let contracts out for people to come into the public housing authorities and do work. They would contract with folks who would come from all over the extended Los Angeles area to come in and put up screens and to dig and to do all of these things. The people who lived there simply would watch out of their windows while other people come in and make money, take the money, and go home and spend it in their communities.

Mr. Chairman, we organized a little bit in some of these public housing authorities and asked the residents: What do you think the policy should be about creating job opportunities where you live? They said, ''Ms. WATERS we want to work. We think that the public housing authorities should create job opportunities for those jobs that are being done where we live. Many of these jobs do not even require training. Some of them may. We want to be trained.''

We organized and forced that kind of decision at the board to allow the residents to work in those public housing authorities where they live when the jobs become available. If there were contractors coming in, we developed a public policy where those contractors should have to hire some of the people there.

Mr. Chairman, if they had been sitting on the board where these decisions were being made, they could have told them a long time ago. There are hundreds of decisions like that. We have people in local housing authorities who

believe there should be some commerce inside the public housing authorities, that they should be able to create some businesses so they can get off of welfare, so that they can work. We will not get that unless we get people working at the board where the decisions are made, giving input, and helping those who come from every place else. But the communities, they are making decisions about understanding how to run these places.

I think in my city and in the city of the gentleman that we have seen a lot of what goes on, and we believe that we can go a long way toward solving some of the problems if we but listen to the people who live there.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. FIELDS].

The question was taken; and the Chairman announced that the noes appeared to have it.

Mr. FIELDS of Louisiana. Mr. Chairman, I demand a recorded vote.

The CHAIRMAN. Pursuant to the rule, further proceedings on the amendment offered by the gentleman from Louisiana [Mr. FIELDS] will be postponed.

AMENDMENT NO. 44 OFFERED BY MR. WATT OF NORTH CAROLINA

Mr. WATT of North Carolina. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mr. WATT of North Carolina: Page 34, line 9, after ''determines that the plan'' insert ''does not comply with Federal law or''.

Mr. WATT of North Carolina. Mr. Chairman, I will not take 5 minutes, because it is my understanding that the gentleman from New York [Mr. LAZIO], the subcommittee chair, has agreed to the amendment.

Mr. Chairman, we are simply trying to make it clear that when a local housing authority submits its housing plan, that the Secretary has the authority to review it in compliance with Federal law, as well as the underlying provisions of this bill.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. WATT of North Carolina. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, in the spirit of bipartisan cooperation and reasonableness, I would support the gentleman's amendment and urge its adoption. I believe this is consistent with the current law, and for that reason I support the gentleman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from North Carolina [Mr. WATT].

The amendment was agreed to.

AMENDMENT OFFERED BY MR. GILCHREST

Mr. GILCHREST. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. GILCHREST: On page 30, line 8, insert the following: ''Furthermore, to assure the safety of public housing residents, the requirements will include use of trespass laws by the authority to keep evicted tenants or criminals out of public housing property.''

Mr. GILCHREST. Mr. Chairman, I rise to offer an amendment to section 107, to the section on the crime prevention plan that local housing and management authorities must have to be approved by the Secretary of HUD. The language in my amendment is needed to make sure that the local housing authorities can keep their properties safe and crime-free by invoking local criminal trespass laws. Without this amendment, local housing authorities risk lawsuits from disgruntled evicted criminal tenants, and the entire public housing community is put at risk.

In my district, there is a situation where a Federal judge issued a consent decree as part of a settlement in a lawsuit of former tenants against a local public housing authority. Aided by Legal Aid and the ACLU, the former tenants obtained a settlement that states the housing authority cannot ban evicted tenants or other troublesome visitors from returning to the public housing unless required to do so by HUD. HUD has taken no action. Since 1993, the judge's decree and HUD's inaction leave the authority unable to assure a safe, secure community.

Mr. Chairman, other housing authorities use notice of trespass with success in keeping evicted tenants and known drug criminals out of public housing, but because HUD is silent, St. Michael's Housing Authority in my district cannot use local trespass laws to provide a safe environment for all other law-abiding, lease-abiding tenants.

Mr. Chairman, the bill before us this evening brings historic reforms that will strengthen the management of local housing authorities and give public housing residents more incentives to take care of their communities. Does it not seem reasonable, then, that to carry out HUD's ''one strike and your out policy,'' local housing and management authorities must use local trespass laws to keep out those evicted tenants who have struck out?

The Federal judge's ruling in this settlement weakens the ability of St. Michael's Housing Authority to keep evicted tenants and other criminals out. I am told that other housing directors have used such notice and credit it with eliminating drug problems.

The situation described is unfortunate and another example of why reforms of HUD's management of public housing are needed. By adopting this amendment we will make sure housing authorities have the tools they need to keep out evicted tenants.

The intent of the public housing reforms is to help assure safe communities, and in keeping with this intent, HUD should require housing authorities to do their best to assure that those persons who are ineligible for public housing do not return to disrupt public housing communities. Let's finish the job by allowing authorities to keep out evicted tenants. I urge my colleagues to adopt the amendment.

Mr. Chairman, one example of what happens in this particular housing development as a result of this court ruling and this court decree, in order to get an evicted tenant evicted from the premises of this particular housing project, a tenant, not the housing manager or housing authority, a tenant must write a letter to the person that was evicted that is now trespassing.

Can my colleagues imagine a 70-year-old woman writing a letter to someone that was evicted because of drug abuse that is now back on the property before any action is taken?

Mr. Chairman, I strongly urge adoption of this amendment.

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Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word.

Mr. Chairman, the case of the gentleman from Maryland [Mr. GILCHREST] makes seems to make some sense. It is the first that any of us have seen this amendment. I do not know what kinds of legal problems or anything else that this might create, that the actual language he has written here might create, but we would be happy to work with the gentleman between now and the conference committee, if we pass this amendment this evening, to incorporate the gentleman's concerns.

Mr. Chairman, everybody wants to make certain that we keep public housing safe and secure for residents. No one wants to have evicted tenants or criminals abusing existing tenants, and we will try to work with Members to make sure that the concerns of Members and their constituents are met.

Mr. GILCHREST. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Maryland.

Mr. GILCHREST. Mr. Chairman, I thank the gentleman.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I want to rise in support of the amendment of the gentleman from Maryland. It is an amendment that is important in terms of the quality of life for people in public housing. It is a truism that people in public housing do not have the same protections as people in the rest of the marketplace. That is unfair.

Mr. Chairman, the gentleman from Maryland seeks to impose or create an equity where people will not be able to harass residents in public housing. He illustrates that through the use of his local community. I am in support of that. I think it is the right thing to do. I urge its passage.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland [Mr. GILCHREST].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MRS. MALONEY

Mrs. MALONEY. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment offered by Mrs. MALONEY: Page 37, line 19, strike ''A'' and insert ''(a) IN GENERAL.—Except as provided in subsections (b) and (c), a''.

Page 37, line 25, strike ''Notwithstanding the preceding sentence, pet'' and insert the following:

(b) FEDERALLY ASSISTED RENTAL HOUSING FOR THE ELDERLY OR DISABLED.—Pet

Page 38, after line 5, insert the following new subsection:

(c) ELDERLY FAMILIES IN PUBLIC AND ASSISTED HOUSING.—Responsible ownership of common household pets shall not be denied any elderly or disabled family who resides in a dwelling unit in public housing or an assisted dwelling unit (as such term is defined in section 371), subject to the reasonable requirements of the local housing and management authority or the owner of the assisted dwelling unit, as applicable. This subsection shall not apply to units in public housing or assisted dwelling units that are located in federally assisted rental housing for the elderly or handicapped referred to in subsection (b).

Mrs. MALONEY. Mr. Chairman, on behalf of myself and my friend and colleague, the gentlewoman from New York, Representative SUSAN MOLINARI, I am offering an amendment to the housing bill. As my colleagues know, SUSAN MOLINARI is at home right now, expecting the birth of her first child at any moment. Although I would have liked very much to have her join me tonight on the floor, I want to take this opportunity to offer my congratulations to SUSAN and BILL PAXON on, truly, life's greatest experience, that of becoming a parent, that of waiting to become a parent.

That aside, the key issues of my amendment are very, very simple. Senior citizens and people with disabilities should not be forced to choose between their pets and their opportunities to affordable housing.

Mr. Chairman, under current Federal law, senior citizens living in federally assisted senior designated housing have a right to own a pet. This 12-year-old policy has worked and it has worked very well.

But tragically for most seniors, senior designated housing makes up only 10 percent of all the Federal housing. In many places, specially designated senior housing is not available due to long, long waiting lists. Seniors, therefore, who live in Federal housing are forced to give up their pets. Studies have shown again and again the physical and mental health benefits of pet ownership.

When the original policy was passed in 1983, a number of public housing authorities expressed concern that pets would damage dwellings and harm other residents. According to HUD, these concerns have not been borne out. Furthermore, numerous studies have shown us that pets in public housing present little trouble and that the benefits of pet ownership far outweigh any pitfalls.

Mr. Chairman, many studies back up the lack of problems. For example, a University of California study of the 1983 law reported that 84 percent of local housing authorities who have dealt with the 1983 law allowing pets reported either positive effects or no noticeable changes.

The Massachusetts Committee on Housing found that seniors proved themselves to be responsible pet owners in every way. Our amendment provides a simple way to dramatically improve the lives of millions of our growing senior community. Most studies have found that senior citizens and people with disabilities who have pets, live longer, go to the doctor less often, recover more quickly from illnesses, and have more positive outlooks than those who do not have pets.

For older persons, isolated by widowhood or declining health, pets provide companionship.

The National Institutes of Health concluded that pets are medically beneficial to people's health. The bond between people and their pets predates recorded history. My amendment ensures that we will not deny this incredible bond to hundreds of thousands of senior citizens.

With 3.7 million Federal housing units still prohibiting seniors from keeping their pets, the need for this amendment is great. As people grow older, they often taste the loss of family and home. It is inhumane to take away someone's companion at a time when they need their unconditional love the most, when they face a fixed income and the need for public housing.

Mr. Chairman, this amendment removes the unfair distinction between seniors-only housing and other public housing in a responsible manner.

The amendment allows the housing authorities to write effective, comprehensive regulations appropriate to their own dwellings, which ensure tenant and landlord compliance while maintaining decent, safe, and sanitary housing.

Finally, Mr. Chairman, this amendment has a broad array of support from advocacy groups and Members. A coalition of groups who protect seniors rights have supported this amendment, like the American Association of Retired Persons and the Pets for the Elderly Foundation. Advocates for physical and mental health support this legislation, including the American Psychological Association, many other health groups. It is cosponsored by 130 of my colleagues from both sides of the aisle.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I know that the gentlewoman from New York speaks with conviction and sincerity. I appreciate that. But we are talking about a situation where we can barely control the maintenance and the basic order in some developments in America. We are talking about a situation not where we have $300,000 condos but where gangs control some halls, where people are actually blocked from having entrance into their apartments because gangs control the halls, seal it off, and there is crack dealing sometimes under the stairwells.

We already allow for pets in senior housing. What we are saying is that Washington should not decide this issue.

Let me explain to you what it has already done. This is where the HUD pet police enter. The recent department, the department is talking about reinventing itself, just issued 20 pages of regulations about reinventing itself, just issued 20 pages of regulations on pets in public housing. This is what the new reinvented HUD does, issues regs that state the mandatory pet rules for public housing, including specific rules on when kitty litter boxes are put out, how often that is going to be changed. Is that exactly what we are talking about here? Is that what we think about when we talk about the mission of HUD providing for decent sanitary housing?

When the dog runs down the hall, are we going to have the pet police try to identify who belongs to that dog, whether it is someone who is a senior in the building or whether it is a neighbor next door who is not allowed to have a dog? Are we going to have packs of dogs and animals running throughout the halls? Is that what we want? Is that what we are looking for. We are talking about providing safe, sanitary, healthy housing for Americans.

We are talking about reclaiming our tradition of having decent housing as public housing. We are talking about identifying and acknowledging the fact that we have failed. We have situations where ceilings are falling down, elevators do not work, the stench of waste in hallways. And we are talking about introducing pets into public housing to compound the problem that managers have. This is exactly where we are headed over here.

This defines two different visions of what we are doing over here. One vision is a vision that would say we ought to regulate how often people ought to put out the kitty litter boxes and how often they ought to be changed. Another vision would be that local communities ought to make those decisions, that they know best, that we do not get involved in these micromanagement decisions.

We are living in a fantasy land, my colleagues, if we believe that every place in America, the public housing throughout America is the same as America in some of our communities.

There are wide differences over here. There are huge challenges in terms of management. This issue, introducing

pets into public housing where we really do not regulate whether you have a pit bull, whether it is one, 5 or 10 pit bulls in a particular area, who belongs to those pit bulls. This is absolutely ludicrous.

This is exactly the model that we want to move away from. We want to move toward a situation where we have community empowerment, local decisionmaking, move away from centralized bureaucrats deciding that this is going to be the case without an understanding of what the consequences are in our neighborhoods.

We are trying to move away from neighborhoods of despair and impoverishment and failure toward communities of hope. We cannot complicate the mission of people who are trying to manage public housing and assisted housing by introducing this grave problem into the equation.

Mr. FRANK of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I cannot forebear commenting on the pattern that we are hearing from the chairman. In the first place, he gives the same speech on every amendment. I would suspect that his familiarity with the specifics are not what they might be. He talks about one size fits all. We have one speech fits all.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York, unlike the gentleman who would not yield to me any of the times I asked him this evening.

Mr. LAZIO of New York. Mr. Chairman, I would be happy to debate any particular section of this bill, if the gentleman wants to talk about the merits of it or the particulars. I know his comments. He often relishes being condescending and insulting. I appreciate that. But let me explain to the gentleman, I am fully prepared to discuss two different visions of where we think public housing and assisted housing needs to go in this country. If the gentleman wants to defend the failure of 40 years under his party's control, I am happy to engage the gentleman.

Mr. FRANK of Massachusetts. Mr. Chairman, reclaiming my time, the gentleman has illustrated it again. We get the same speech.

I tried when the gentleman left the floor before, he talks about 40 years of control. It was the Reagan budget, known as the Gramm-Latta bill, which amended the Brooke amendment in the way the gentleman objected to. The gentleman said that the Brooke amendment, which was a Republican proposal to limit the amount of rents that could be charged, became a job killer because it also became a floor. That was done under Gramm-Latta, under Ronald Reagan.

I have asked the gentleman to explain to me how that is the fault of the Democrats. Would he explain to me, I will be glad to yield to him, how was the fact that the Reagan budget of 1981 turned the Brooke amendment from a tenant protection to a job killer the fault of the Democrats? I would be glad to yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, let me respond to that. For the last 10 years or 12 years——

Mr. FRANK of Massachusetts. No, excuse me. I know the gentleman was talking to somebody.

Mr. LAZIO of New York. I want to tell you about the facts.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman please abide by the rules?

The last 10 years cannot be relevant to my question about 1981. We are talking about 1981. In 1981, under the Reagan domination of this House, Gramm-Latta amended the Brooke amendment to make it what the gentleman objected to. How was that the fault of the Democrats, when it was Gramm-Latta that did it in 1981?

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will continue to yield, last time I recalled, 1981, the Democrats had a Democratic speaker up there. They controlled this House. This is the typical response of denial that there is any responsibility for all of the efforts that led to the position we are in right now.

Since 1981, for the last 15 years, for 13 of the 15 years, the Democrats have had a majority in this House. They have known that the Brooke amendment has been a disincentive to work. They have done nothing about it. Just like one for one, Federal preferences——

Mr. FRANK of Massachusetts. Reclaiming my time, I am only talking about the Brooke amendment now. I would make a couple of points. The gentleman from New York's argument that during 1981, when Gramm-Latta passed with Ronald Reagan's first year of the presidency, it was a Democrat, the Democrats controlling the agenda, illustrates how at variance he is with the facts.

Second, we were talking about Republican control of the Senate for all of those periods when we could not get legislation through that was not agreed to by both.

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We also had a Republican President whose signoff we had to have on the legislation. This is an example of the kind of distortion we are talking about, and again the notion, and, by the way, during this whole period when I got here in 1981, the Republicans controlled the Senate, the Republicans controlled the Senate and the Presidency from 1981 through 1986, but according to the gentleman from New York they have no responsibility.

But I also want to talk about the substantive pattern here, and the substantive pattern here is for all the talk about empowerment, let us give the housing authorities more control over the lives of the tenants.

When the gentleman from Louisiana wanted to expand tenant rights, no, no, that is no good.

The gentlewoman from New York and her colleague, the other gentlewoman from new York, want to protect tenants' rights regarding pet ownership; no, no, no, we cannot interfere with the authorities.

Indeed the gentleman from new York says we are going to empower the tenants by letting the housing authorities raise their rents without limit. That is the gentleman from New York's answer about empowerment because in fact what he said was, and this one I am still trying to understand and I will yield to him to explain this to me; the gentleman said that if we put a 30 percent cap on what tenants can be charged, that would be bad for the tenants who were working because then the authority would go up to the 30 percent, and the way to prevent the authority from going up to a 30 percent cap is to say with those very same tenants there is no cap at all.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. FRANK] has expired.

(By unanimous consent, Mr. FRANK of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. FRANK of Massachusetts. Mr. Chairman, I will yield to the gentleman in 10 seconds to explain to me how limiting the authorities to 30 percent of what they can charge working people, which is what my amendment would do, is a better protection for those working people in the housing authority than giving the housing authority the right to charge them unlimited rents because that is the only difference between us.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, the gentleman still thinks in the box. The gentleman still thinks that rent can only be charged as a percentage of income. What I am suggesting is that public housing authorities ought to be in power to set place-based rents or to say that a particular unit should rent for $15, or $25 a month so that if somebody goes to work, begins to earn more money, they do not have this disincentive.

Mr. FRANK of Massachusetts. Mr. Chairman, I am reclaiming my time because the gentleman simply refuses to answer a plain English question.

No, there is no disincentive, and I would ask the gentleman please to abide by the rules. The point is he does not want to answer the question. I did not ask him the question he answered.

I am not mandating any increase. He talks about a disincentive. The disincentive came from Reagan, Gramm, and Latta. What we are doing is to say, no, there is no floor, they can charge less if they want to. We are saying not that rents have to be percentage based, but that 30 percent is the limit. They

can use whatever formula and rules they want, but they cannot go above 30 percent.

And the gentleman is going to protect tenants by not letting them have pets, he would protect tenants by not having more of them on the authority, and he will protect tenants in the most bizarre logic of all by allowing the housing authorities to raise the rents without limit. We are not talking about mandating 30 percent as the basis. We are saying whatever basis they have, it cannot for working people go above 30 percent.

The gentleman's amendment says welfare recipients cannot go above 30 percent, but working people, there is no limit.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FRANK of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. I wonder if the gentleman would agree to a compromise when we apply Brooke to the pet amendment so 30 percent of the people could have pets?

Mr. FRANK of Massachusetts. Mr. Chairman, I would expect more in the gentleman's logic that we would propose that people could keep 30 percent of their pets; that would be more in line with the kind of thinking the gentleman has had.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

I am glad we can get back to the Ace Ventura amendment here.

The truth is that if we get back to what the purposes of the amendment offered by the gentlewoman from New York [Mrs. MALONEY], it is in fact, and states quite clearly, that this provides the local housing authority with the capability of deciding on their own whether or not the pets ought to be allowed. To try to suggest that this is something that is going to Washington for decision making is a bizarre twist of what Mrs. MALONEY's amendment says. Mrs. MALONEY's amendment allows this decision to be made locally, and that is what we are trying to do here.

As my colleagues know, every time somebody stands up and makes an amendment, we have an amendment to say 25 percent of the decisions here ought to be made by people within the 25 percent of the people on the board ought to come from local housing authority. Oh, no that is Washington-based. The gentlewoman from New York [Mrs. MALONEY] offers an amendment that allows the decision to be made by the local housing authority and, oh, no, that is a Washington-based decision, and someone or another we are getting packs of pit bulls in these housing authorities as a result of having elderly people allowed to be able to have pets.

I just do not understand where the chairman is coming from when we are trying to simply allow what is already currently allowed in many, many housing authorities throughout the country.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. The gentleman correctly states the intent of the gentlewoman from New York [Mrs. MALONEY] that local housing authorities will be able to determine whether pets will be allowed. I find that perfectly acceptable. That is exactly what I am arguing for, local control.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Chairman, the bill allows local housing authorities to come forward with the rules and regulations. The one thing that they cannot do is say absolutely under no circumstances can a senior citizen or a disabled person have a fine, quiet pet.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, therein lies the problem. I agree. Local control allows the locals to decide whether pets should be allowed or not, depending on their particular circumstance, but we are not suggesting this in this amendment. We are suggesting in this amendment they must do it.

Mr. KENNEDY of Massachusetts. Reclaiming my time, I yield to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Currently, as my dear friend from New York knows, the Federal law allows seniors to have pets in federally designated senior housing and housing for the disabled. This merely extends that right to seniors and the disabled in regular housing projects, and allows local housing authorities to come forward with their own rules and commonsense regulations.

Mr. KENNEDY of Massachusetts. Reclaiming my time, I would ask the chairman of the Committee on Banking and Financial Services if, given the fact that he is now stating, as I understand, that he is not opposed to letting local housing authorities have the decision about whether or not pets should be allowed, and recognizing that the amendment offered by the gentlewoman from New York [Mrs. MALONEY] in fact provided that decision to be made in conjunction with the local housing authority, the local housing authority would have to establish the rules and regulations by which pets would be allowed within any housing project. I would think that we are close enough that if we huddle together for a few minutes, we might be able to work out some language that would allow the option to be utilized at the local level to enable people to have pets if they want them.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, completely protective in our bill in preserving the right of seniors to have pets in senior-only housing, I am also supportive and always have been supportive of allowing local housing authorities to determine, based on their own particular local circumstances, whether it makes sense to have pets in mixed populations where seniors may want pets. I have no problem with that.

I would be glad to try and work that out as long as we understand that it is my principle and my intent to retain local control on the decisionmaking.

Mr. KENNEDY of Massachusetts. Who does the gentleman not want to have pets?

Mr. LAZIO of New York. If the gentleman from Massachusetts will yield back, I do not want to make that decision at all. I want the local community to make that decision.

Mr. KENNEDY of Massachusetts. I believe, Mr. Chairman, that that is all the intent of the amendment offered by the gentlewoman from New York [Mrs. MALONEY].

Mr. LAZIO of New York. If the gentleman would yield, Mr. Chairman, that is the gentlewoman's intent and she is willing to make the corrections. I would be happy to work with her. But the bill as currently constituted would suggest that every housing authority——

Mr. KENNEDY of Massachusetts. Hang on.

Mr. Chairman, I yield to the gentlewoman from New York [Mrs. MALONEY].

Mrs. MALONEY. Mr. Chairman, it would require every housing authority to allow pets for seniors and the disabled in all Federal housing, not just senior-designated, but it also allows the local housing authority to come forward with their own commonsense rules and regulations.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(By unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 2 additional minutes.)

Mr. KENNEDY of Massachusetts. Let us see if we can work it out.

Mrs. MALONEY. Legislating on the floor.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. I say to the gentleman the problem is that you will have a situation in some areas where one person in a particular public housing hall will be allowed to have a pet. The person next door will not be allowed to have a pet. We want to make sure that public housing authorities have the discretion.

Mr. KENNEDY of Massachusetts. Reclaiming my time. Mr. Chairman, I do not think that the gentleman's faith in

the local housing authority's wisdom of suggesting that Mrs. McGillicuddy is going to be able to have a dog, but Ms. Smith is not going to be able to have a dog is a lot less than my faith in the local housing authority.

Why do we not just leave this, give the right to have the dog to the homeowners and allow the terms and conditions under what? The cat maybe, if that is better. That will allow the dogs and the cats to be decided, the rules and regulations, by the local housing authority.

What is wrong with that?

Mr. LAZIO of New York. If the gentleman would yield, the difference between our perspectives is that I would allow a local housing authority that knows its neighborhoods and knows its building to make that decision, and I think the gentlewoman's perspective is that Washington knows best and that it knows what is best for every community in the entire country.

If the gentlewoman is interested in working out, if the gentleman is interested in working out a discretionary situation in terms of the housing authorities, I am interested in pursuing that. But if the gentleman or gentlewoman feels very strongly about the fact that this must be a mandate, then we have a difference in opinion.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I do not think anybody is suggesting, reclaiming my time, I do not think anybody suggesting a mandate, but it is probably the first time that I have ever heard of a Congressman running against cats and dogs.

But I say to the gentleman, go right ahead and do that territory, Mr. Chairman, and you know I would urge, if we cannot find a way to work this out, I urge us to go ahead and have a vote.

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from Massachusetts.

The CHAIRMAN. The time of the gentleman from Massachusetts [Mr. KENNEDY] has expired.

(On request of Mr. FRANK of Massachusetts, and by unanimous consent, Mr. KENNEDY of Massachusetts was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I want to know if the gentleman from Long Island could maybe answer this. I keep hearing that it is up to the local housing authority. I had thought I heard that there was an amendment that said that every housing authority would be required to administer this personal improvement plan.

Is that optional with the local housing authorities, the personal improvement plan whereby every tenant, every working tenant, has to do that?

I would ask the gentleman if he would yield to the gentleman from Long Island.

Mr. Chairman, I would ask the gentleman from Massachusetts [Mr. KENNEDY] if he would yield to the gentleman from New York [Mr. LAZIO]?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I yield to the gentleman from New York [Mr. LAZIO].

Mr. LAZIO of New York. No, no, that is not optional, because that is a matter of trying to transition people back into the work force.

Mr. FRANK of Massachusetts. So, in other words, Washington knows best on that, and that is the one size fits all. That is a fair point that ought to be made explicit.

Mr. LAZIO of New York. One vision is that we should be worried about how many more animals would be allowed in public housing halls, and another vision is, which is my vision, is how do we——

Mr. FRANK of Massachusetts. That is not the argument. The gentleman shifts from substance to this, ''Oh, no, it is not up to us.'' It is up to us. I think I understand the principle. It is up to us when we want it to be up to us and it is not up to us when we do not want it to be.

Mr. ROTH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as my colleagues know, I have been taking a look at this amendment and I was wondering, the gentlewoman who is offering the amendment, I do not want to be accused of being against dogs and cats and pets. Being opposed to liberals is enough.

But let me ask my colleagues this:

Is pet defined in this amendment?

The gentlewoman said if it is a quiet pet.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. ROTH. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, my amendment only allows common household pets. It does not include exotic animals, reptiles or dangerous or menacing animals, but common household pets.

Mr. ROTH. How about a pit bull that does not bite?

Mrs. MALONEY. Mr. Chairman, it would depend on the regulations of the housing authority. Most housing authorities remove dogs, if I may explain the definition.

Mr. ROTH. How about snakes? Now, snakes do not make a lot of noise, and in Florida many people have snakes.

How about alligators? Alligators do not make a lot of noise, but some people in Florida have little pet alligators.

This amendment is absolutely ridiculous. This is an idiotic amendment. I have never seen anything as crazy as this.

As my colleagues know, I opened this file today on this amendment, and what pops out is the regulations from HUD.

Now we are paying billions of dollars as taxpayers. That is why American people are opposed to what is going on in Washington.

They have got 20 pages on cat litter. Think about it.

Look at this. I just want to read one sentence to my colleague:

> In the case of cats and other pets using litter boxes the pet rules may require the pet owner to change the litter but not more than twice each week, may require pet owners to separate pet waste from litter but not more than once a day, and may prescribe methods for the disposal of pet waste and used litter.

Twenty pages, and we are paying bureaucrats to draft this stuff?

□ 2045

At quarter to 9 at night we are debating whether you can have a pit bull in your apartment, come on; or whether a snake makes noise? And we do not know whether we can have an alligator as a pet?

Mr. Chairman, let us vote this turkey down.

Mr. WILSON. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we all come from different districts. We all represent different kinds of folks. But in my district, which is primarily a rural, working-class district in which there is a limited amount of public housing, the very idea that anyone, particularly a senior citizen, would have to dispose of a beloved dog or a cat in order to live in the center would be looked upon with total disbelief. It lacks compassion, it lacks sensitivity, it lack everything that I think we believe in.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I just want to point out to the gentleman, and I appreciate him yielding, that in fact seniors who would like to have pets have many different vehicles if they need assisted housing. They can use vouchers, they can use certificates, they can go into all senior housing that allows pets. Getting into a situation where some parts of the population in a particular housing development can have pets and some cannot, in a particularly distressed environment, makes no sense to me.

I thank the gentleman.

Mr. WILSON. But, of course, the chairman of the committee knows that they represent only 10 percent of the housing, and that there is a waiting list of those people. The matter of fact is, and we would not be discussing this in the first place, but the matter of fact is that it is going to force people to dispose of pets. That is just absolutely crazy.

In east Texas, to tell somebody that because they are forced into public housing that they are going to have to get rid of their puppy, is just nuts.

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. WILSON. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, in fact, the 1983 law still does not cover

about 90 percent of all Federal housing, or 3.7 million units. This is an issue of fairness. My amendment today would give those seniors and disabled living in non-senior or disabled-designated federally assisted housing the right to own pets.

As my colleague said, I received a letter from one of my constituents who has had a pet for 12 years. She moved into public housing. They are telling her that she must get rid of her pet. They sent information on how the pet could be euthanized. She is desperate.

Mr. WILSON. Reclaiming the balance of my time, Mr. Chairman, I have many friends on the minority side and I have many friends on the majority side. To my friends on the majority side, particularly those that are from rural districts, and especially those that are from rural southern districts, I would advise extreme caution on this vote.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would say first of all to my colleague, the gentleman from Texas, there is nothing in the bill that relates to pets. The bill is silent on the subject of pets. The debate here has been about whether or not we require housing authorities to accept pets. I think we have heard the expression of the chairman of the committee. He is quite willing to leave that authority to the housing authorities themselves, whether or not an under what conditions they want to have pets.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. BEREUTER. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I just want to emphasize again that we are preserving current law, so people who have pets, seniors who have pets now in public housing and in all senior developments, will be allowed to keep their pets. Nobody is saying to anybody that they have to dispose of their pets if they are already in public housing. What we are saying is that by extending this into a development where some people can have pets in a particular building, but some people cannot, is going to create enormous tension. It creates a huge mandate on public housing authorities who are worrying desperately about how to transition people back to work, how to keep families together, how to take care of the basic elements of quality of life without introducing or compounding the problems for housing authorities in terms of the management of those particular buildings that are under strees.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of the amendment offered by the gentlewoman from New York. This amendment ensures that any elderly or disabled person in federally assisted housing, even federally assisted housing that is not specifically senior citizen housing, can have a pet. This is important for all the obvious reasons, which I will not repeat; but in addition we know, based upon scientific research, that older people with pets live longer, go to the doctor less often, and recover more quickly from illnesses. The lives of elderly and disabled persons, people in New York City and in the rest of the country, would be dramatically improved by this amendment.

Mr. Chairman, we have heard a lot of nonsensical arguments tonight on this amendment. Let me address a few of them. We have heard, What about snakes, what about reptiles? This amendment refers to common household pets. It allows almost complete regulation by the local housing authority, other than saying, ''not under any circumstances.''

We have heard, Mr. Chairman, the particularly hypocritical argument about Washington knows best. Let me particularly address the chairman of the subcommittee on this point.

Let me particularly address the chairman of the subcommittee on this point, because he got up a few minutes ago and said that this amendment says Washington knows best. Let me say, yes, it does. We all say Washington knows best sometimes. We passed an amendment on this floor yesterday with four dissenting votes, a bill, four dissenting votes, 42 to 4, that said that every State must amend its law to provide for community notification when a sexual criminal is released from prison. Must. We did not give them a choice. We said they must. Thirty-five States must change their laws or else they will lose Federal aid, because we thought we knew best. I voted for it. Every Member sitting in this Chamber here voted for it, because most of us thought in that instance Washington knew best.

Mr. Chairman, an amendment on the floor a few hours ago to this bill itself says that we are going to say we are going to force the housing authorities to institute these personal improvement plans to have working people, whose only fault is that they do not earn enough money because we will not raise the minimum wage, and because of economic forces beyond their control they have to have personal improvement plans. If the New York City Housing Authority thinks this is nuts, that is too bad, they had better do it or they will lose their Federal aid, because Members on that side of the aisle think Washington knows best in that instance.

Mr. Chairman, to give one other example, we passed a welfare reform bill that says States must institute time limits, States must do various things or they will lose their Federal aid. I am not going to debate the wisdom of those things. The point is this House determined by majority vote that Washington knows best in that instance, too. The only difference between many of us, among many of us on the floor, is that some of us are honest enough to say that we will judge, that is our job as Members of this House, we will judge when and under what circumstances we think that Washington knows best, and when and under what circumstances we think it is more appropriate to leave a question to local control. The question here is, is this appropriate to leave to local control, or is this appropriate, as the gentleman on that side of the aisle thought it appropriate, to mandate personal improvement plans to say Washington knows best in this instance? What are we saying that Washington knows best about, what policy judgment? It is our job to make policy judgments.

We are saying that Washington knows best that senior citizens, disabled people, are entitled to have common household pets if they want to. If the local housing authority wants to limit that in various ways, wants to regulate that in any way they want, it is a local decision. We will make the one policy that they cannot say ''not under any circumstances.'' We have made that policy decision, by the way, in the law, if they live within senior citizen and disabled household projects. Now we are going to make it for other assisted projects.

What are we afraid of? I heard some rhetoric on that side of the aisle before, that we have crime in the projects committed by the senior citizens and the disabled or their pets, that we have gangs running through the projects. Not the pets of senior citizens, they are not the gangs. They are not committing murder and mayhem. I doubt that. Who are we afraid of? Who are we protecting? The fact is, the rhetoric about local control is just that: rhetoric. We all believe in local control under some circumstances. We all believe Washington ought to dictate policy in some circumstances. We disagree when. We disagree when it is appropriate. That is fine.

The CHAIRMAN. The time of the gentleman from New York [Mr. NADLER] has expired.

(By unanimous consent, Mr. NADLER was allowed to proceed for 1 additional minute.)

Mr. NADLER. Mr. Chairman, let us not hear as an argument that Washington should not try to dictate to the local governments; because sometimes we do in this very bill. Sometimes we do not. The question is, is it appropriate, and why is it appropriate or not appropriate?

Mrs. MALONEY. Mr. Chairman, will the gentleman yield?

Mr. NADLER. I yield to the gentlewoman from New York.

Mrs. MALONEY. Mr. Chairman, I would just like to add to my colleague's statement that this is a very bipartisan effort. The lead sponsor is the gentlewoman from New York, SUSAN MOLINARI. We have 57 Republican cosponsors, and 63 Democrats cosponsors. It has been very much a bipartisan effort.

Mr. NADLER. Reclaiming my time, Mr. Chairman, I am glad to see that the sentiment that sometimes we ought to make decisions here and not leave everything to local government is more or less equally shared on both sides of the aisle.

Mr. EHRLICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the gentleman from New York [Mr. LAZIO], chairman of the subcommittee.

Mr. LAZIO of New York. Mr. Chairman, the gentleman from New York just said we judge. We judge, we make the judgments, but we do not live with the consequences of those judgments. We can send out a press release and think we have done something very important. We can take care of a political constituency. But who is watching out for the people in public housing? Obviously, nobody, for the people living in 200,000 units that are supervised by some of the most dysfunctional corrupt housing authorities in America.

For 17 years people have tolerated the failure, have tolerated the fact that these buildings are poorly maintained, they are infested in many cases with drugs and crime. Who cares about them? We are debating pets right now. I want to ask, where were some of these voices in outrage when people were trapped in poverty, when families could not transition back to the marketplace, where halls are sealed off so drug dealers can make their deals in the hallways, and people cannot move through?

Mr. Chairman, we are talking about putting pets back in the hands of people where we have mixed populations. We expect people to supervise them, housing authorities. Which housing authority is it that we believe will be able to correctly supervise this with the problems they already have on their hands? Maybe it is New Orleans, who is scoring 27 out of a possible score of 100, or the District of Columbia, that scores 33 out of a possible 100, or maybe Chicago, 44, or Pittsburgh, 47: failing scores, all troubled since the inception of this back in 1979.

Do we care about helping those people already in there? Do we care about creating an environment where people can transition back to the marketplace, or do we care about the next press release and a particular constituency, taking care of a particular association for more votes, so we can introduce more pets in what is already a troubled, difficult environment?

Mr. FRANK of Massachusetts. Mr. Chairman, will the gentleman yield?

Mr. EHRLICH. I yield to the gentleman from Massachusetts.

Mr. FRANK of Massachusetts. Mr. Chairman, I thank the gentleman for yielding to me.

Mr. Chairman, I would just point out that the gentleman from Long Island eloquently denounced several housing authorities, and I agree, but he is the one who says leave this to the housing authority. How in the name of a policy which says let us leave it all in the hands of the local housing authority does he decide that the way to argue for it is to denounce local housing authorities?

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will continue to yield, I will explain to the gentleman exactly how that will happen. The housing authorities that are chronically on this list of troubled housing authorities, under this bill we would say, no more. We are not going to tolerate failure anymore. We are not going to continue to spend Federal dollars and condemn Americans living in public and assisted housing that is disgraceful to live under those conditions, because we are too complacent and/or it alienates our political constituency.

We say we are not going to penalize those communities, we are going to get the money to those communities, but we are going to bypass these dysfunctional, mismanaged, corrupt housing authorities and give the money to the people in the communities that are really making a difference: the community development corporations, the not-for-profits, the resident management groups, the people with firsthand experience who are innovating, who are doing a good job. We are not going to keep giving money to these corrupt housing authorities. That is the difference with this bill on the floor and what has been done over the last 30 years of tolerance of failure. We are going to expect excellence and demand excellence.

Ms. JACKSON–LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

□ 2100

Mr. Chairman, I would like to put a face on what has been a very charged debate, and I want to thank the gentlewoman from New York for her wisdom, and the collective body of members of the committee for seeing the wisdom in recognizing the value of giving human dignity to seniors and the disabled.

There are good housing authorities and there are bad housing authorities. In Houston we have a housing authority that has promoted activities for youth, training, allowed residents to participate in certain instance.

On the other hand, we cannot say that all decisions of housing authorities across this Nation are the right decisions. They do not sit as some royal decisionmaker that cannot be challenged.

The face I would like to put on this amendment is that of Eileen Hobbs in the Allen Parkway Village. I visited Miss Hobbs just about a week or so ago, living in conditions that would warrant improvement, homebound and in a wheelchair, with two dogs, her friends, her doggies, if you would call it, her companions, and yet intimidated that she might not be able to keep these long-lasting friends who she said have kept her alive, pure and simple, because there would be those in the housing authority who would determine that she might not be able to keep these long-time companions.

Someone who lives their life alone and yet has the opportunity to interact with the kind of companion that an animal may give them, that some of us may not understand. Why should we make those who live in public housing second-class citizens?

It clearly shows that when we have an opportunity for someone like a Miss Hobbs to have enhanced life, we should not give her a second-class status from seniors who live elsewhere, from those of us who have as many cats and dogs as we might desire. It is well known that pet ownership gives a psychological boost and is beneficial to seniors and the disabled.

I can only share with you, Mr. Chairman, this actual face of Eileen Hobbs, the fear, the apprehension, and the devastation of losing her companions.

This is a fair bill. This allows the participation of the housing authority, but it recognizes the value and importance of what has to be emphasized for those who live in a housing authority. They have rights, too, and those rights are to have a companion, and we should not take this jokingly. This is a serious issue, and I rise to support this amendment.

Mr. BARTON of Texas. Mr. Chairman, I move to strike the requisite number of words, and I rise in favor of the amendment.

I have been listening to the debate in my office on C-SPAN, and I was not going to speak, but I am a cosponsor of the amendment. I am a Republican. I consider myself to be a conservative.

I had a grandmother who lived in public housing. She passed away several years ago at the age of 95. There were four units in her housing complex in a small town in central Texas. I do not know if it was a local regulation or a Federal regulation, but she was not allowed to have a pet. I think she should have been allowed to.

The gentlewoman from New York SUSAN MOLINARI, is the chief sponsor on this amendment with the gentlewoman who has been debating it on the floor on the Democratic side, and I hope that we do pass it.

I want our colleagues to know that this is a bipartisan issue. It crosses party lines, and at least one person on this side who is in favor of it is going to vote for it and speak for it. Hopefully we will allow those senior citizens who want to have pets to let the local housing authority allow them to have pets.

Mr. WILSON. Mr. Chairman, will the gentleman yield?

Mr. BARTON of Texas. I yield to the gentleman from Texas.

Mr. WILSON. Mr. Chairman, I just would like to associate myself with the gentleman's remarks. The gentleman and I represent districts that are very much alike. We both know how important it is to people in public housing

projects in Crockett and in Normangee and Lufkin and in Toyahvale and in Huntington. I just want to compliment the gentleman on his remarks and his judgment.

Mr. BARTON of Texas. Mr. Chairman, I thank the gentleman, and I want to be in favor of it.

Mr. JACKSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I yield to the distinguished gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I have one simple question to ask the distinguished chairman of the subcommittee, if he is here. The question I have is the following:

The gentleman spoke eloquently a few minutes ago about dysfunctional housing authorities that are not fulfilling their functions, wasting money, hurting people, et cetera. You are going to bypass those housing authorities in this bill and you are going to give money directly through tenant vouchers, et cetera. My question is simply this. In terms of this amendment, where you say you want to let local housing authorities make this decision and we should not mandate the decision, we are going to bypass these housing authorities because they are incompetent, who will make the decision as to whether we should allow senior citizens and disabled people to have pets, the nonexistent local housing authorities or the dysfunctional housing authorities?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Illinois. I yield to the gentleman from New York.

Mr. LAZIO of New York. The dysfunctional housing authorities would effectually be defunded under the plan that we have before us. Those that are highly functioning will be given the flexibility that they all request and all deserve.

Mr. NADLER. Mr. Chairman, we have heard that before. I am asking a question you are not answering. In those districts where you are defunding the local housing authority, where there are bad and dysfunctional and horrible housing authorities, if a senior citizen, a disabled person in a housing project in that area wants to have a pet, who will make that decision whether it is okay or not?

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would continue to yield, the way this bill operated, which is not the way it has operated, gave discretion to the housing authority. The individual vendor that controlled the management of the units would make the call, if they were operating successfully, in conjunction with an evaluation effectively by HUD.

Mr. NADLER. Mr. Chairman, if the gentleman from Illinois will yield, I thought the gentleman from New York just said there was no functioning housing authority there, in which case, who would make the decision?

Mr. LAZIO of New York. If the gentleman will yield further, if the housing authority, as is the case for many housing authorities, is chronically dysfunctional, ends up getting defunded, what happens is HUD is required to bid out the work that is done by this chronically dysfunctional housing authority, allow management groups, resident management groups, and not-for-profits or for-profits to do the work the housing authorities were previously supposed to be doing but were not doing.

Mr. NADLER. So in other words, in those areas where there are dysfunctional or incompetent housing authorities, no public agency would make the decision. It would be left up to some private agency. There would not be any public policy body in either the local housing authority, which you have defunded, nor the Congress nor HUD.

Mr. LAZIO of New York. Mr. Chairman, that is not a decision that will be made here in Congress. It will be a decision made on various applications.

Mr. NADLER. Made by whom?

Mr. LAZIO of New York. HUD will decide who is exactly awarded contracts to do the work that the housing authority was supposed to do, or the not-for-profit or for-profit.

Mr. NADLER. The decision will be made here in Washington by HUD?

Mr. LAZIO of New York. No. If the gentleman from Illinois will yield again, the decision ultimately, under what I am suggesting, will be made by the local housing authority itself or the successor to the housing authority, as opposed to mandating it.

Mr. NADLER. As I understand what the gentleman is saying, if you have a functional housing authority, they will make the decision. But with respect to my question where you do not have a functioning housing authority, HUD will decide on who is actually going to manage it and that private agency will make the decision.

Mr. LAZIO of New York. If the gentleman would yield, once again it does not have to be private. It could be a not-for-profit, it could be a management resident group, it could be a public entity. It cannot be the same mismanaged, dysfunctional housing authority. They are not going to get the money anymore.

Mr. NADLER. It would not be the dysfunctional housing authority but we would not make the decision.

Let me simply submit that this whole dialogue or colloquy is a good argument why in this instance on the basic policy question, not the details which we can leave to the locals but on the basic policy that senior citizens and disabled people should not be denied pets in public housing, that we are entitled and we should utilize this opportunity to make this decision by adopting the gentlewoman's amendment.

Mr. GUTIERREZ. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have been listening with great curiosity, intensity to this debate. We are saying that we are passing this bill and we are bringing this legislation in order to give control to the local housing authorities and to get Washington out of the business of public housing. That has been the argument time and time again. But those are the very people that we say we have to take control away from because they are so corrupt and inept in providing the services, but we are going to give them more power so they can correct the corruptness and ineptness of everything that they do.

Then they say, well, if they do not start behaving and they do not start providing quality, affordable housing, then what we are going to do is we are going to bring in Washington, DC. We are going to bring in HUD to take them over. I thought we were getting out of the business of managing the local housing authorities and giving them more control, but if they do not abide by whatever standards or rules that we are going to impose upon them, then of course HUD takes over.

The last time I checked, HUD was a Federal agency, unless my friends on the other side of the aisle have eliminated it.

So HUD then comes and takes over. But then we are expected to believe, if we listen to the chairman, that what is going to happen is that HUD, the Federal Government, who we want to get out of the business, is going to go in there and correct the problem. Because HUD has then got to go in there and correct the problem and make sure that they can find people to provide the services that the local housing authority was not able to provide, if they do not abide by the rules.

I do now know whether we are in the business or trying to get out of the business or we are back in the business again. But it seems to me that we have to stop using this idiotic kind of argument that what we are doing here is empowering local governments and localities, because if that was the truth, and I just brought down because I think that this is very interesting, section (b), page 9, the tenant self-sufficiency contract:

> Except as provided in subsection (c), each local housing and management authority shall require, as a condition of occupancy of a public housing dwelling unit by a family and of providing. . . . The terms of a self-sufficiency contract under this subsection shall be established pursuant to consultation between the authority and the family.

Now we are going to get the public housing authority to sit down with each and every family, and be their social worker and sit down with them, but we are not going to provide day care. And if they say, ''You know, if I only had a raise in the minimum wage, I might be able to do better and reach self-sufficiency,'' we are not going to do anything about that.

Then it says kinds of, well, if they have a problem related to education,

we are going to reduce how much money we send to the people can get an education, college loans and deduction, but we want them to receive a self-sufficiency contract.

Then it says substance abuse and alcohol abuse, job training and skills training. They have to get job training, but we are going to reduce the amount of money that the House of Representatives is going to send for job training and skills training.

I do not know how it is we expect them to keep this contract if at the same time the House of Representatives is going to diminish the funding for each and every one of these categories.

But the one thing we will be able to do, we will allow the local housing authorities one power: That is to say to them, ''We are going to give you less money, we are going to give you fewer resources to deal with the issues,'' but we are going to give the local housing authorities the ability to raise the rent for everyone of these tenants.

□ 2115

We are going to be able to allow those housing authorities to change the venue of people. I think that this bill is clear to anybody who really examines it and looks at it. It is not about local housing authorities and empowering local housing authorities. It is about washing our hands, as Pontius Pilate did, of the poor and the destitute and those that have no hope in America, saying that this Congress is going to turn its back on them also. Because I just cannot understand how on the one hand we want to get out of people's lives, this is a Congress that says let us get out of people's personal lives. Congress and the Federal Government is involved in people's personal lives.

We want less government, we want less intrusion in the day-to-day affairs. But then they are going to tell every local housing authority, set up a contract on substance abuse, education, tell me when you are graduating from high school, how you are going to get there and when you are going to get there, but do not expect us to help you. Just tell us how you are going to get there, and I want you to sign this contract. If you do not sign it, you are out.

I thought we were about less government, less intrusion in people's lives. But it seems to me we are about more intrusion, when we want to destroy an institution. But it does not surprise me very much, because as I look at the status of the House GOP Contract With America, given where that contract is at today, I do not expect this will have much success either.

Mr. BARR of Georgia. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I had been out at a meeting for the last hour or so, and came back into my office, and the TV was running, and the sound had been turned down, the staff was doing some work. As I watched the debate in which we apparently are still engaged, I looked at it and I saw the passion that seemed to be apparent on the faces of the folks on the other side of the aisle and the gesturing, and so forth, and I thought, well, let me turn the sound up, they are probably talking about something for which passion is required and for which important issues and important principles are at stake, such as those with which I was somewhat familiar as a U.S. attorney in prosecuting cases involving public housing units, matters such as drug trafficking, matters such as drive-by shootings, matters such as child abuse, matters that really do require our attention, because they affect the lives of the people in those homes, in those projects.

But yet when I reached over and turned the volume up on the TV, I hear that they are not talking about drug trafficking, murder, child abuse, fraud, or something important. We are talking about pets. Pets.

I would respectfully urge my colleagues on the other side of the aisle who continually chide us when we want to bring up a piece of substantive legislation with cries of ''Oh, there are more important issues. Why are you bringing up this issue that we believe is not so important,'' I would urge them respectfully to get a life. Let us focus on the true issues that are important to the people whose lives are at stake, whose lives are being snuffed out by crime, by drug trafficking, by drive-by shootings, by child abuse in these projects, and let us move on.

I think, I truly do think, that the American people believe there are matters slightly more weighty to be consuming hours of the time of the Congress of the United States than pets.

Mr. FIELDS of Louisiana. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I really do not understand why the gentleman on the other side of the aisle will not accept the gentlewoman's amendment to allow an elderly woman to have a pet in a home. Just because a person living in public housing, for crying out loud, does not mean they ought not have the quality of life of everybody else. Even the President of the United States of America has a pet in his home.

But I want to yield to the gentleman, I would like to if the gentleman would respond, and that is on public housing, I loud like to yield to the gentleman from New York, because I have a particular problem about some of the things even in the manager's amendment, because reading the manager's amendment, for example, the gentleman's amendment from New York, it says, ''A tenant who is elected to the housing authority or to that housing board, cannot serve as a representative of the board if he or she was convicted of a misdemeanor in a 5-year period.''

I am trying to find out what is the rationale of telling a person who lives in public housing, for crying out loud, they cannot serve on a board if they were convicted of a traffic ticket? If they were convicted of a parking ticket? If they go a ticket for jaywalking?

The gentleman continues to talk about how he wants to give the people in this country the opportunity to participate in their decisions and take it away from Washington and take it away from all these bureaucracies across America, but yet he tells the poor citizens who lives in a public housing facility that he or she cannot serve if they have been convicted of a misdemeanor. Not a felony, but a misdemeanor, for the past 5 years.

I would like to yield to the gentleman because I would like to know why the gentleman would put such strict requirements on members elected to the board who serve in housing facilities.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Louisiana. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, let me say, first of all, with respect to the gentleman's initial comment, what I am advocating is that those people who seek public housing live in the same world that people who go out there and look for an apartment to live in, which is to say if you go look for an apartment and you are lucky enough——

Mr. FIELDS of Louisiana. Mr. Chairman, reclaiming my time, the last time I checked, there is nothing wrong with a person looking for an apartment and filing out an application who has been convicted of a parking violation. I do not understand the rationale. I can understand felonies, but I do not understand the rationale of a misdemeanor.

Mr. LAZIO of New York. Mr. Chairman, we are talking about two different things. I am trying to address the initial request about pets.

Mr. FIELDS of Louisiana. Why is it so difficult for a person to serve on a board if they have been convicted of a misdemeanor?

Mr. LAZIO of New York. If the gentleman will yield, our position is that we are trying to provide professional management in very troubled situations. We are trying to eliminate people who are convicted criminals from a fiduciary relationship in terms of boards.

Mr. FIELDS of Louisiana. If I got a parking ticket yesterday, I am a convicted criminal? If I got a ticket in Washington, DC., I cannot serve on a board. Yes or no, is that not correct?

Mr. LAZIO of New York. The gentleman misstates the law. Parking tickets are not a misdemeanor.

Mr. FIELDS of Louisiana. A parking ticket is a misdemeanor. What about if I got a traffic ticket? What about jaywalking? Then you take a 5-year period.

Second, why do we not impose this same requirement on the Members of Congress? Why do we not say to America you cannot run for the U.S. Congress if you have been convicted of a

misdemeanor in the past 5 years? I would ask the question to the Members of this Congress, how many of us would be able to qualify to run for office if we could not run if we were convicted of a traffic ticket in a 5-year period?

Mr. LAZIO of New York. Mr. Chairman, if the gentleman will yield further, I do not mean to be condescending at all, but there are two classes of crimes, felonies and misdemeanors. There is another class of offenses that go by a variety of names, including lesser offenses. Different States call them different names, but they are not crimes. A misdemeanor is a higher level of crime. It is something that you go to jail for. It is not a parking ticket, it is not a traffic infraction, it is not jaywalking. It is none of those things.

Mr. FIELDS of Louisiana. Mr. Chairman, reclaiming my time, in my State you can go to jail for not paying a traffic ticket. In my State a traffic ticket is a misdemeanor. In the State I come from a traffic ticket, a moving violation, is a misdemeanor and you can in fact go to jail for it.

What I am trying to understand, and I would hope the gentleman would think about this overnight, because tomorrow I am going to try to take this out of this bill and I would hope the gentleman would agree with me, it makes no sense whatsoever to penalize a person who lives in public housing to the extent they cannot serve on a board simply because they got a ticket for jaywalking or parking.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I would hope we could move toward a vote here. I think a lot of people in the Chamber would hope we could move toward a vote. I would urge the gentleman from New York [Mr. LAZIO] to maybe take the request of the gentleman from Louisiana [Mr. FIELDS] under consideration about the misdemeanor issue. He has got a number of other issues that we are going to have to work on between now and tomorrow morning, and maybe we can all get together and try to work out some of the concerns that he has, and maybe we can see if we can urge all the Members to allow us to get to the vote on the three issues. I assume this will have a recorded vote. We can then get on to the Brooke amendment that the gentleman from Massachusetts [Mr. FRANK] is going to try to protect.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. KENNEDY of Massachusetts. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I would be happy to continue an ongoing discussion with any and all Members of the minority to try to resolve some of the concerns, as I tried to do throughout the process. So we will keep talking to see if there is some way we can resolve our differences.

Mr. KENNEDY of Massachusetts. Mr. Chairman, reclaiming my time, I would urge a vote on the Maloney amendment, and hope we can get to it very, very shortly.

Mr. EHLERS. Mr. Chairman, I move to strike the requisite number of words.

(Mr. EHLERS asked and was given permission to revise and extend his remarks.)

Mr. EHLERS. Mr. Chairman, just a few words in response to some of the things that have been said. I am well aware of the data saying that ownership of a pet can be helpful, and that is an important factor. I also recognize that this has been a partisan debate, and I cannot imagine why this should be a partisan issue, debating pet ownership.

But I also want to respond to someone who raised the point earlier and wanted to bring a human face to the issue and talked about a person who is having difficulty getting a pet in public housing. I would also like to put a human face on this debate, and that face is mine.

I happen to have intense allergies to animals, particularly dogs, cats and horses. I cannot be in a home that has a dog or a cat, even if they are absent from the premises, for more than a half hour at most.

When I first read that pets were being introduced into nursing homes and rest homes, I had an involuntary shudder. I thought if that happens and it appears in all nursing homes and rest homes, I will never be able to go to one. When we talk about public housing, we should be aware that there are lot of people who have allergies.

Now, I have never talked about my handicap before. It was enough of a handicap that I never went to school until I was college age. I had to be in my home, because I invariably got sick when I went to school, so I was home schooled, not by choice, but out of necessity.

I think I have always felt that handicap is my problem, it is not someone else's problem. So if I am near someone smoking, I do not ask them to put out their cigarette, I move away. It is my problem.

But if you are talking about a public housing situation, I think we have to be extremely careful about offering amendments or adopting amendments that will restrict the ability of local governments to deal with people who have handicaps, such as mine. And there are many, perhaps not as severe as mine, but there are many who have them.

So I advocate a voice of reason on this matter and simply say, why not allow the local authorities to make the decision? Why not allow them to designate a particular building to be pet-free, or a wing to be pet-free, things of that sort, rather than adopting an amendment that says thou shalt admit those with pets.

So I am asking for some reason, some consideration, some thoughtfulness on this amendment, rather than prescribing precisely what they have to do.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. EHLERS. Mr. Chairman, I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. I thank the gentleman for his very sincere comments, and I offered a human face. The gentleman has offered a human face. Seeing this 82-year-old lady crying about her companions that she had had for years, I think there are two sides to that story of allowing local control. The question becomes when you allow local control and they would totally eliminate the opportunity for you to have in your self-contained apartment the rights to a pet that would not interfere with someone who may have had the condition that the gentleman now expresses.

So I think there are two sides to this story. I appreciate the gentleman's offering, but we face the same uphill battle when one would have local control who say absolutely not, even without the kinds of conditions.

Mr. EHLERS. Mr. Chairman, reclaiming my time, that sounds like a good alternative, but, unfortunately, it does not work. With anyone with high sensitivity and today's modern ventilation system, which circulates air throughout all rooms in all apartments in a wing or building, it simply does not work. I cannot live in the same building with someone who has a pet. Whenever I find an apartment, as I do here, I immediately ask whether the entire building is pet-free.

□ 2130

Mr. WALKER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am surprised my friends are not barking. I have been fascinated by the debate, too. What strikes me is the fact that this is a very interesting debate about fundamental differences in philosophy, because I know of no one on our side who does not want elderly people who live in public housing or elsewhere to have a pet if they want a pet. And then, they ought to find the kind of housing that allows them to have that pet. So, I mean those are things that can be put together as a result of local control.

But here, Mr. Chairman, is the problem in what we are now debating. We have costly, outdated Government programs that are costing taxpayers hundreds of millions of dollars a year, that are enriching trial lawyers, that are giving jobs to lawyers to do nothing but write regulations. And here is a perfect example of everything that has gone wrong in these programs directly out of Washington, because here is a program where we have 20 pages of regulations telling folks how to take care of their pet. Twenty pages of regulations that trial lawyers can then use to take on public housing authorities or take on owners of buildings or whatever, take on the owners of the pets. Twenty pages of regulations telling people everything that they can do, including how many times a day they should dump the cat litter.

Mr. Chairman, I would simply suggest that when Washington, DC, begins writing regulations in that kind of detail, we have gotten to the point where Government is too costly, we have outdated programs, and the fact is, that that is the reason why taxpayers are suffering under such a huge burden of overtaxation.

We ought not extend this program further. We ought to get to the idea of local controls so that people can have real options about whether or not they are going to have pets in their apartment. But let us stop the madness that suggests that the only people that run this town are the trial lawyers who want as many regulations written as possible so there can be as many suits as possible. Twenty pages of regulations on how to take care of your pet in the Government code is an absolute absurdity. Reject the amendment.

Mr. VOLKMER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I was over in my office and I could not hardly believe what I was hearing when I was listening over there, so I decided to come over and add my 2 cents to the rest of the discussion.

Mr. Chairman, as one who has been a pet owner almost all of my life, when I was growing up with dogs and cats and pigeons and everything else you can think of, and as one when we had our children, we had dogs and cats and things like that.

Mr. Chairman, I am getting to the point where I am 65. I am getting elderly. When I go home tonight, I have got a cat there. Old Bear has been with me for 16 years. Now, if I happen to be in a senior citizens complex someplace, I probably could not have old Bear. Old Bear would have to be put out and go to a new home and it would probably kill him. Or Bear would probably have to end up in a pond and that would be the end of him.

Mr. Chairman, I get a lot of solace in Bear. I will be honest, Bear comes up to me and when I go home and open up that door tonight after all of this silly discussion on whether people should have pets, because I think there is no reason for them to not have pets, when I open that door Bear is going to be upstairs. But as soon as I open that door, Bear comes running and Bear will be at that door to greet me.

The first thing he is going to want to do is he is going to want something to eat, because I have not been there all day and he was not eaten since breakfast and he is going to be hungry. It is going to be my ability to be able to feed Bear and hear him purr and have him rub up against my leg that is going to make me feel pretty good.

Mr. Chairman, I do not have a wife anymore at home. I have got Bear, and Bear is a heck of a lot better as a friend and companion than some of the Members of this body, I will be honest. I would much rather be at home with Bear than be here.

So, I would appreciate it very much if Members would permit senior citizens all over this country to have that same feeling. It is a good feeling. It provides homeliness to a person. It is really like family, believe it or not. Bear is family to me. He is not like my sons and daughters, but he is family.

I cannot see the reasoning behind the people that think that pets are not really part of an upbringing of a child, if they have been with you for a long time since birth, like Bear. Bear was born of Tiger and Tiger died back this December and Bear does not have Tiger anymore as a mom. Bear has HAROLD and that is all.

Mr. Chairman, I would appreciate it very much if the Members would see fit to let other elderly such as myself to be able to have a pet also, even if it is in the senior citizen housing complex, because I think it would be a big help to them when they come home some evening and they would like to have Bear, or somebody like Bear, around to purr and give them a little friendliness.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman New York [Mrs. MALONEY]

The amendment was agreed to.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent that when the Frank amendment numbered 7 in the printed copy is considered, debate on the amendment and all amendments thereto shall be limited to 60 minutes, equally divided between Mr. FRANK of Massachusetts and a Member opposed.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. FRANK of Massachusetts. Mr. Chairman, reserving the right to object, I have not raised this before, then the assumption is that the vote on that would follow immediately after the close of the debate? I assume we would not be rolling that vote? The vote would come immediately at the close of the debate?

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would yield, yes, that is my understanding.

Mr. FRANK of Massachusetts. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

AMENDMENT OFFERED BY MR. FIELDS OF LOUISIANA

The CHAIRMAN. The pending business is the demand for a recorded vote on the amendment offered by the gentleman from Louisiana [Mr. FIELDS] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The Clerk redesignated the amendment.

RECORDED VOTE

The CHAIRMAN. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 158, noes 254, not voting 21, as follows:

[Roll No. 154]

AYES—158

Abercrombie
Ackerman
Andrews
Baldacci
Barcia
Barrett (WI)
Beilenson
Berman
Bevill
Bishop
Blute
Bonior
Borski
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Bryant (TX)
Cardin
Clay
Clayton
Clyburn
Coleman
Collins (IL)
Collins (MI)
Condit
Conyers
Coyne
Cummings
Danner
DeFazio
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Durbin
Engel
Ensign
Eshoo
Evans
Farr
Fattah
Fazio
Fields (LA)
Filner
Flake
Foglietta
Ford
Frank (MA)
Franks (NJ)
Frost
Furse
Gejdenson
Geren
Gilman
Gonzalez
Gordon
Green (TX)
Gutierrez
Hall (OH)
Harman
Hastings (FL)
Hefner
Hilliard
Hinchey
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jacobs
Jefferson
Johnson, E. B.
Johnston
Kaptur
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kleczka
LaFalce
Lantos
Levin
Lewis (GA)
Lincoln
Lofgren
Lowey
Luther
Maloney
Manton
Markey
Martini
Matsui
McDermott
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Moran
Myers
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pastor
Payne (NJ)
Peterson (FL)
Poshard
Reed
Richardson
Rivers
Rose
Roybal-Allard
Rush
Sanders
Sawyer
Schumer
Scott
Serrano
Skelton
Slaughter
Spratt
Stark
Stokes
Studds
Stupak
Tauzin
Tejeda
Thompson
Thornton
Thurman
Torkildsen
Torres
Torricelli
Towns
Traficant
Velazquez
Vento
Ward
Waters
Watt (NC)
Watts (OK)
Waxman
Whitfield
Williams
Woolsey
Wynn
Zimmer

NOES—254

Allard
Archer
Armey
Bachus
Baesler
Baker (CA)
Baker (LA)
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Boehlert
Boehner
Bonilla
Bono
Brewster
Browder
Brownback
Bryant (TN)
Bunn
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Castle
Chabot
Chambliss
Chenoweth
Christensen
Chrysler
Clement
Clinger
Coble
Coburn
Collins (GA)
Combest
Cooley
Costello
Cox
Cramer
Crane
Crapo
Cremeans
Cubin
Cunningham
Davis
Deal
DeLay
Diaz-Balart
Dickey
Doolittle
Dornan
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Ehrlich
Emerson
English
Everett
Ewing
Fawell
Fields (TX)
Flanagan
Foley
Forbes
Fowler
Fox
Franks (CT)
Frelinghuysen
Frisa
Funderburk
Gallegly
Ganske
Gekas
Gilchrest
Gillmor
Goodlatte
Goodling
Goss
Graham
Greene (UT)
Greenwood
Gunderson
Gutknecht
Hall (TX)
Hamilton
Hancock
Hansen
Hastert
Hastings (WA)

Hayworth	McHale	Salmon
Hefley	McHugh	Sanford
Heineman	McInnis	Saxton
Herger	McIntosh	Scarborough
Hilleary	McKeon	Schaefer
Hobson	Metcalf	Schiff
Hoekstra	Meyers	Seastrand
Hoke	Mica	Sensenbrenner
Holden	Miller (FL)	Shadegg
Horn	Minge	Shaw
Hostettler	Mollohan	Shays
Hunter	Montgomery	Shuster
Hutchinson	Moorhead	Sisisky
Hyde	Morella	Skaggs
Inglis	Murtha	Skeen
Istook	Myrick	Smith (MI)
Johnson (CT)	Nethercutt	Smith (NJ)
Johnson (SD)	Neumann	Smith (TX)
Jones	Ney	Smith (WA)
Kanjorski	Norwood	Solomon
Kasich	Nussle	Souder
Kelly	Orton	Spence
Kim	Packard	Stearns
King	Parker	Stenholm
Kingston	Paxon	Stockman
Klink	Payne (VA)	Stump
Klug	Peterson (MN)	Talent
Knollenberg	Petri	Tanner
Kolbe	Pickett	Tate
LaHood	Pombo	Taylor (MS)
Largent	Pomeroy	Taylor (NC)
Latham	Porter	Thomas
LaTourette	Portman	Thornberry
Lazio	Pryce	Tiahrt
Leach	Quillen	Upton
Lewis (CA)	Quinn	Visclosky
Lewis (KY)	Radanovich	Volkmer
Lightfoot	Rahall	Vucanovich
Linder	Ramstad	Walker
Lipinski	Regula	Walsh
Livingston	Riggs	Wamp
LoBiondo	Roberts	Weldon (FL)
Longley	Roemer	Weller
Lucas	Rogers	White
Manzullo	Rohrabacher	Wicker
Martinez	Ros-Lehtinen	Wilson
Mascara	Roth	Wolf
McCarthy	Roukema	Young (AK)
McCollum	Royce	Zeliff
McCrery	Sabo	

NOT VOTING—21

Becerra	Hayes	Pelosi
Bentsen	Houghton	Rangel
Chapman	Johnson, Sam	Schroeder
de la Garza	Laughlin	Weldon (PA)
Dooley	McDade	Wise
Gephardt	Molinari	Yates
Gibbons	Oxley	Young (FL)

□ 2159

Messrs. COMBEST, RADANOVICH, POMEROY, and SHADEGG changed their vote from ''aye'' to ''no.''

Mr. BALDACCI and Mr. ZIMMER changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

□ 2200

The CHAIRMAN. Are there any other amendments to title I?

Mr. FRANK of Massachusetts. Mr. Chairman, I ask unanimous consent that the prior unanimous-consent agreement regarding my amendment No. 7 be modified so that the modified version of amendment No. 7 be the one considered tomorrow morning.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The CHAIRMAN. Are there other amendments to title I?

AMENDMENT OFFERED BY MR. SOLOMON

Mr. SOLOMON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. SOLOMON: Section 105 of the bill (relating to occupancy limitation based on illegal drug use and alcohol abuse), at end of the section add the following new subsection:

(d) LIMITATION ON ADMISSION OF PERSONS CONVICTED OF DRUG-RELATED OFFENSES.—Notwithstanding any other provision of law, each local housing and management authority shall prohibit admission and occupancy to public housing dwelling units by, and assistance under title III to, any person who, after the date of the enactment of this Act, has been convicted of illegal possession with intent to sell any controlled substance (as such term is defined in the Controlled Substances Act). This subsection may not be construed to require the termination of tenancy of eviction of any member of a household residing in public housing, or the termination of assistance of any member of an assisted family, who is not a person described in the preceding sentence.

PARLIAMENTARY INQUIRY

Mr. SOLOMON. Parliamentary inquiry, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. SOLOMON. Am I correct in understanding that there are no more recorded votes this evening on this legislation or any other legislation, Mr. Chairman?

The CHAIRMAN. The gentleman is correct.

Mr. SOLOMON. So there is no reason for Members to hang around in the well to be discourteous.

The CHAIRMAN. Members should listen to this debate. The Chair prefers that they not do it in the well.

Mr. KENNEDY of Massachusetts. Mr. Chairman, if the gentleman will yield, before we send a signal to Members that they can leave the well, anyone that has an amendment on this bill ought not to leave this well and ought not to leave this room until we have an agreement worked out as to what amendments might be discussed this evening. I just want to have everybody protected until we have an agreement with the other side about what amendments might still come forward this evening, despite the fact that there might not be a recorded vote tonight.

The CHAIRMAN. The gentleman from Massachusetts has good advice.

Mr. SOLOMON. Mr. Chairman; I will be very, very brief on my amendment. What this amendment simply does is say that anyone who is convicted of selling illegal drugs no longer will have access to and be able to live in public subsidized housing. It does not affect the rest of the family, should one person have to give up his residency there because of that act.

Let me just say that President Clinton just recently has stated a policy of one strike and you are out. He has suggested this to all of the housing authorities throughout the country. What this does is codify it into law; and we have to ask ourselves, Why codify it into law?

Mr. Chairman, I know that where we have this terrible, terrible situation of terrorism in public housing throughout the country, that we have intimidation of the managers and the members of the housing authority, so they are hesitant to kick out these drug dealers, these people that have been convicted of selling drugs in these housing establishments. What this amendment does, it simply codifies into law what the President has asked that the authorities do.

Assistant Secretary Andrew Cuomo, who is the son of the former Governor of New York, came up to Albany, NY, stating that ''We are going to get to the bottom of this and we are going to get rid of these people and kick them out of these public housing establishments.'' This is a follow-up on that. It is going to put teeth into it, and therefore, I think the amendment is going to be accepted on both sides of the aisle, and I would urge acceptance of my amendment.

Mr. GUTIERREZ. Mr. Chairman, will the gentleman yield?

Mr. SOLOMON. I yield to the gentleman from Illinois.

Mr. GUTIERREZ. Mr. Chairman, I would ask the gentleman from New York, I think this is an excellent measure. I just have a question. If there is a mom with three kids and one of the kids gets caught selling drugs, do the mom and the other two kids have to leave?

Mr. SOLOMON. Mr. Chairman, I would say to the gentleman, absolutely not. They are entitled to, in the last sentence, at the recommendation of my good friend the gentleman from Massachusetts, JOE KENNEDY, when he appeared before the Committee on Rules today, he called to my attention that particular problem, the way the amendment was drafted.

This means that if a brother or sister or father or mother or daughter or son is convicted, that they are out. None of the others has to leave under any circumstances.

Mr. GUTIERREZ. I thank the gentleman very much.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I rise in support of the amendment offered by the gentleman from New York [Mr. SOLOMON].

Mr. Chairman, I appreciate the changes the gentleman made in terms of the substance of the amendment and making certain that innocent individuals that have perpetrated no crime are not going to be inadvertently punished as a result of what I think is a straightforward protection of people in public housing. We ought to try to do everything we can to get rid of drug dealers and repeat offenders. I think his amendment is well-intentioned and well thought through, and I support it. I urge support of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York [Mr. SOLOMON].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT OFFERED BY MR. FIELDS OF LOUISIANA

Mr. FIELDS of Louisiana. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. FIELDS of Louisiana: In section 103(b)(5)(i) of the bill (as amended by the manager's amendment)

(1) at the end of subclause (I), insert ''and''; and

(2) strike ''and'' at the end of subclause (II) and all that follows through the end of subclause (III).

Mr. FIELDS of Louisiana. Mr. Chairman, this amendment is a very simple and straightforward amendment. I talked about this amendment earlier. In the manager's amendment, it simply goes in and strikes out the portion that deals with the 5-year misdemeanor. That is not a requirement of anyone else who serves on a board. It should not be a requirement of a person, simply because they live in public housing, who serves on a board.

Mr. Chairman, I suggest that we take that portion and that portion only out of the manager's amendment, which will simply provide for all the other rules and regulations, or election requirements, rather, under the amendment, but it would take out the portion that when the tenants have an election, one will not be subject to the provision that says that if you have been convicted of a misdemeanor, not a felony but a misdemeanor in the past 5 years, you cannot run for a seat on the board.

I do not know if there are any objections to that amendment.

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. FIELDS of Louisiana. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I thank the gentleman for yielding to me. I would tell the gentleman, we would be happy to accept the gentleman's amendment, in the spirit of cooperation. I think we have dealt with the issue to ensure that there is fiduciary responsibility by eliminating people who have felony conviction backgrounds, which I think is an important objective in terms of ensuring that we have integrity on the boards. So I am happy to take the amendment, and look forward to continuing to work with the gentleman on this.

Mr. FIELDS of Louisiana. Reclaiming my time, Mr. Chairman, I thank the gentleman from New York.

Mr. Chairman, I urge adoption of the amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Louisiana [Mr. FIELDS].

The amendment was agreed to.

The CHAIRMAN. Are there further amendments to title I?

AMENDMENT NO. 5 OFFERED BY MR. FIELDS OF LOUISIANA

Mr. FIELDS of Louisiana. Mr. Chairman, I offer one final amendment printed in the RECORD, amendment No. 5.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FIELDS of Louisiana: Page 17, after line 17, insert the following new subsection:

(d) LOCAL ADVISORY BOARD.—

(1) IN GENERAL.—Except as provided in paragraph (4), each local housing and management authority shall establish one or more local advisory boards in accordance with this subsection, the membership of which shall adequately reflect and represent all of the residents of the dwelling units owned, operated, or assisted by the local housing and management authority.

(2) MEMBERSHIP.—Each local advisory board established under this subsection shall be composed of the following members:

(A) TENANTS.—Not less than 60 percent of the members of the board shall be tenants of dwelling units owned, operated, or assisted by the local housing and management authority, including representatives of any resident organizations.

(B) OTHER MEMBERS.—The members of the board, other than the members described in subparagraph (A), shall include—

(i) representatives of the community in which the local housing and management authority is located; and

(ii) local government officials of the community in which the local housing and management authority is located.

(3) PURPOSE.—Each local advisory board established under this subsection shall assist and make recommendations regarding the development of the local housing management plan for the authority. The local housing and management authority shall consider the recommendations of the local advisory board in preparing the final local housing management plan, and shall include a copy of those recommendations in the local housing management plan submitted to the Secretary under section 107.

(4) WAIVER.—The Secretary may waive the requirements of this subsection with respect to tenant representation on the local advisory board of a local housing and management authority, if the authority demonstrates to the satisfaction of the Secretary that a resident council or other tenant organization of the local housing and management authority adequately represents the interests of the tenants of the authority.

Mr. FIELDS of Louisiana. Mr. Chairman, this is a very simple amendment. It simply provides that each of the housing authorities have or create an advisory council. We have just voted whereby members can serve on a board; only one tenant, as the bill was presently perfected, only one person can actually serve on a board who lives in a housing facility.

This amendment is very simple. It provides for an advisory board. That advisory board will not be 100 percent residents. That advisory board will be 60 percent residents, which means that the advisory board will take 60 percent of its membership from the actual residents of the housing facility, and they will simply make recommendations, not rules and regulations, but only recommendations to the actual board. We would hope as a result of this, this board will take those issues into consideration.

Mr. Chairman, many housing authorities today have implemented advisory councils or advisory boards simply because they feel that is a true way to get input from the residents who live in public housing. This is a very straightforward, noncontroversial amendment that allows an individual to serve on an advisory board for the facility that he or she lives in, to make recommendations, recommendations only, to the board itself as to how they feel different rules should be implemented upon them that they have to live with.

Mr. Chairman, I do not know if there is any opposition to this amendment, but that is what it does.

Mr. LAZIO of New York. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I know the gentleman from Louisiana [Mr. FIELDS] offers this in good faith with the expectation that it will increase citizen participation. I, in fact, am fully in support of citizen participation in terms of decisionmaking by local housing authorities. In fact, the bill that has been offered has well over a page of language that asks for housing authorities to ensure that there is maximum citizen participation and integration with the community. We deeply believe that communities need to be involved in establishing local solutions to some of the challenges that are facing them.

What we disagree with is the need to create another level of bureaucracy, another local advisory board that we think, that I think, frankly, is potentially stilted. In some cases it is going to be obsolete. We have citizen participation that will be communicating with the housing authorities via electronic media, whether it is computers in a number of different areas.

We certainly allow the opportunity to have various community forums. There are many different ways of assuring maximum citizen participation without creating another board that would purport to substitute for a more aggressive effort to ensure maximum citizen participation.

Mr. Chairman, this is, in effect, micromanagement at the local level to ensure what level and what type and what form citizen participation with respect to housing authorities will take. For that reason, it is inconsistent with the core principles of this bill, which are to allow maximum local control over housing authorities, locally driven solutions. I urge a ''no'' vote.

□ 2215

Ms. ROYBAL-ALLARD. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in strong support of the Fields amendment which establishes local advisory boards for public housing residents.

One of the objectives of public housing reform is to encourage individuals to become involved in their communities and to take responsibility for the neighborhoods in which they live. The Fields amendment will give residents the opportunity to assume that responsibility by requiring housing authorities to establish local advisory boards with 60 percent of its membership made up of residents of that authority. In addition, the amendment requires that

the recommendations made by this advisory board be considered by the housing authority in the management plan that it submits to HUD.

In so doing, the Fields amendment gives residents a strong voice that will be heard by the housing authority and HUD when making management decisions that directly impact the lives of residents. This amendment is a positive step towards strengthening our goal of personal responsibility by helping tenants take control of their own lives and to determine their own destiny.

I encourage Members to vote ''yes'' on the Fields amendment.

Mr. BEREUTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, the legislation before us already makes substantial improvements in the opportunity for citizens in the community or county to make their views known as the local management plan is prepared.

First of all, under the legislation, of course, we have the mandate that larger communities with over 250 housing units will have a resident of a public housing authority on the local housing authority. That is one thing that is already in the bill. This amendment, I think, across the board, for every community in the country that has a housing authority, no matter how small that community might be, to require them to have a citizens advisory committee, it is another layer of bureaucracy with unclear consequences, particularly if the local housing management agency does not agree to follow the recommendations of the advisory board.

I think it is unclear what the costs will be associated with that advisory committee but I would like to call our colleagues' attention to a section that is in the bill that provides specifically for additional citizen participation that is now not required by the operations of housing authorities today.

The Chairman has already made reference to it but I want to bring out some of the details of the citizen participation section found on page 31.

Before they submit the local management plan, the local housing authority shall make the plan or the amendments publicly available in a manner that affords affected public housing residents and assisted families and others an opportunity to review the plan, and then provides for a period of not less than 60 days for that review.

Beyond that, the local housing and management authority shall consider all comments, and to make sure that anybody that reviews the plan has a full appreciation of the comments coming from the citizenry, including from public housing residents, the plan, once submitted, must contain a summary of such comments or views. It shall be attached to the plan, the amendments, or the reports submitted. Therefore, HUD will have an opportunity to look at the kind of citizen participation comments that came forward as a part of the local hearing process

I think we have really made quite substantial improvements to the way citizens have an opportunity to express their views on the management of the local housing authority. This adds another layer of bureaucracy. I strongly oppose it because it applies across the board, and I think it is unnecessary.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I guess I am able to offer an additional insight to this question of an advisory board. I bring to this microphone again some long years of history as a layman dealing with public housing in our community in Houston. I think we are well known for having, as I indicated, some very exciting ventures in Houston's housing authority, including one of the first experimental combined Texas Southern University/public schools located in the Houston housing development by the name of Cuney Homes. There is something to that decision. It came about through community involvement. And when there is community involvement, solutions come about in a manner when all who are stakeholders can appreciate it.

Just a couple of weeks ago, Secretary Cisneros visited Houston and we had a difficult problem. In fact, we still have a difficult problem with one of our housing developments called Allen Parkway Village. But at the time Secretary Cisneros joined us in Houston, we gathered together community representatives, businesspersons, people from the ministerial community, lawyers and others who indicated that they too had a concern with Allen Parkway Village even though they were not residents of that village. Out of that discussion came the suggestion that we form an advisory board, an advisory board that would be the stakeholders beyond those individuals who are residents.

I am very pleased to say that such advisory board does exist. But the Fields amendment embodies and institutionalizes what is an effective tool for the community, and, that is, an advisory board that will have input and impact in solving problems and bringing fresh ideas to our local authorities. Why reject an opportunity for participation? Why not welcome and embrace? If we are talking about sending this important issue to our local communities, and I would offer to say that the Houston Housing Authority or any other housing authority does not have all of the answers. The answers come from businesspersons, teachers, doctors, lawyers, community activists and residents, and they can do that through an advisory board. I simply say the amendment of the gentleman from Louisiana [Mr. FIELDS] is right, and I rise to support it.

Mr. FIELDS of Louisiana. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from Louisiana.

Mr. FIELDS of Louisiana. I thank the gentlewoman for yielding and for her support of the amendment. I would like to make the Members of the House aware of the fact that this very amendment is in the Senate bill, S. 1260, which contains the very language that this amendment contains and I am hopeful if this amendment is not adopted by this House tonight that in conference this amendment will in fact have an opportunity to be adopted so that it can in fact be the law of the land. But I truly believe that the more input we get from people who live in public housing in term of how we shape their living conditions, who knows best than them. I just think this is a step in the right direction. I would like to commend many of those local areas across the country who are now implementing local advisory boards today, like the city of New Orleans from my own State. They have an advisory board that consists of residents. I think that is a step in the right direction.

Ms. JACKSON-LEE of Texas. Mr. Chairman, reclaiming my time, I would simply thank the gentleman from Louisiana [Mr. FIELDS] and say that I think the advisory committee that we have organized in Houston has the potential of being a very vital resource to bringing solutions to a very difficult problem. I leave the microphone with a question. If we talk about private/public partnerships, what better opportunity for private/public partnerships on the local level than to create advisory boards all who will have a stake in this issue and work with those who live in public housing?

The CHAIRMAN pro tempore (Mr. HOBSON). The question is on the amendment offered by the gentleman from Louisiana [Mr. FIELDS].

The amendment was rejected.

AMENDMENT OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offered an amendment.

The Clerk read as follows:

Amendment offered by Ms. JACKSON-LEE of Texas: Page 38, line 24, strike ''and''.

Page 39, line 3, strike the period and insert ''; and''.

Page 39, after line 3, insert the following new paragraph:

(7) be entitled to appeal such written decision to a mandated impartial regional appeals board created by the local housing and management authorities located in the same region, such appeals board should include resident representation.

Mr. LAZIO of New York. Mr. Chairman, I reserve a point of order on the amendment. I do not have a copy of that amendment. I am wondering if I can get a printed copy of that.

The CHAIRMAN pro tempore. The gentleman from New York reserves a point of order.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer this amendment in the spirit of what I have been listening to throughout the night. Even though

we have had disagreement on several amendments, we have talked about an opportunity for fuller participation and for residents to in fact become stakeholders in the improvement and providing solutions to problems that may result as being renters, residents in the normal course of business.

This amendment refers to the grievance procedure and it adds a moment of fairness that I think my colleagues on the other side of the aisle would certainly welcome its addition.

Let me first indicate that this process of appeal that I am adding does not in any way deal with criminal activities that might result in eviction or violation of the lease agreement.

Take this scenario. A resident living in a public housing unit has the fullest of pride about their place where they live and they go and they paint the room a different color. The appeal process is that some impartial person, it could be a single person that the housing authority would designate, could listen to them. But then the final decision is written by the housing authority or its management entity. There is no opportunity for an appeal. We realize that those who live in these kinds of facilities are in fear of losing their housing. They have no other resources. It might be because they have raised the rent, the housing authority. It might be because the resident has been charged with noise in the hallway, something that all of us have had happen with children in the house, dogs, cats. They might have been charged late fees and they actually got their rent in on time. They are fearful of losing their opportunity to be in public housing. So they get a written decision initially. This provision provides for an appeal process. Is the process in court? No. Is the process way up in Washington with the national government interfering in local business? No, it is not with HUD.

What happens is, is that the housing authority can create a locally directed appeals board that is made up on a regional basis such as, for example, the southwest part of the country, representatives from those areas to then accept appeals for this individual who feels that they have been aggrieved.

Remember, now, someone would ask the question, Are you giving the resident in a public housing authority more rights than Mrs. Smith who is down the street in an apartment building? I would say no.

Mrs. Smith may have the wherewithal and the resources to go to a small claims court or to take it up to a higher level. I am suggesting that we not go to court.

I wish that we had had something on this order and this structure 17 years ago when we were dealing with the issue of Allen Parkway Village.

I have always believed that when there is an opportunity to discuss the problem, there may be an opportunity to resolve the problem.

□ 2230

This appeals board would be a simple extension of the process now cited and would allow that aggrieved resident to be on equal plane with his or her neighbor in a private facility who had the ability to go to a small claims court.

I simply would ask that my colleagues and the chairman, who has worked very hard, listen to the offering of an opportunity for residents to be respected, to have the right to an appropriate appeal process, and to take some dignity in the fact that they have rights and due process as well.

Just think of it: You have no recourse on raising the rent, painting your apartment a different color, arguing that the noise in the hallway was not your child, and generally protecting yourselves from some sort of penalty that you may not be able to pay, because you were charged with something and you had no right to pursue it if you got a decision that was against you.

Mr. Chairman, I ask that this amendment be accepted. I would ask for support by my colleagues on both sides of the aisle. I would ask them simply to put themselves in the shoes of our residents in public housing throughout this Nation. All they have asked when I have spoken to them, whether it has been Kelly Courts or Cuney Homes or Allen Parkway Village, is simply dignity and respect and the right to be treated fairly. They too will join in to ensure that better housing is created for all Americans.

The CHAIRMAN pro tempore (Mr. HOBSON). Does the gentleman from New York [Mr. LAZIO] insist on his point of order?

Mr. LAZIO of New York. Mr. Chairman, continuing to reserve my point of order, I move to strike the last word.

Mr. Chairman, I want to compliment the gentlewoman from Texas for her interest in ensuring that there are appropriate levels of due process for people that may be aggrieved in terms of administrative decisions. Let me suggest, however, that we have gone through considerable effort to ensure that we have a fair and equitable administrative grievance procedure in the bill.

For example, we allow for a clear opportunity for a hearing by an impartial party upon timely request within a reasonable period of time; the ability to examine any written documents or records or regulations that might be raised with respect to the proposed actions; the ability to be represented by another party of their choice at any such hearing; and the abilities to call witnesses and to have others make statements on their behalf.

Beyond that, somebody who is subject to an administrative procedure, including a possible procedure for eviction, is entitled to pursue all of their rights through the courts of the State and of our Nation. Due process is thoroughly considered and assured, and that is in the bill.

The effort by the gentlewoman, whom I respect greatly, I think still has a number of different issues that are left unresolved. For example, we do not have any explanation, I have not received this before today as the subcommittee chairman, I just received this just now, we have one paragraph written. We have no idea who is part of the board, how big the board will be, who will govern the board, what rules of process there might be, what regions might be considered, how it is constituted, who sets it up, and so on and so forth.

I would suggest to the gentlewoman that perhaps we can continue to talk about this and see if there is an appropriate concern that she has, and I am sure she has a concern, that we might address in the following weeks and months. This probably is not the right time and the right place to do this.

Mr. JACKSON of Illinois. Mr. Chairman, will the gentleman yield?

Mr. LAZIO. I yield to the gentleman from Illinois.

Mr. JACKSON of Illinois. Mr. Chairman, let me thank the distinguished chair of the subcommittee for this opportunity. I think that it is clear in section 110 under ''administrative grievance procedure,'' page 38, lines 12 through 24, that six procedures have been laid out that certainly address requirements for expressing these grievances.

But the gentlewoman from Texas is expressing a part of the due process concern that I think is legitimate, and I would appreciate any information the distinguished chairman can give with respect to the appellate process to which the gentlewoman from Texas is addressing.

It is clear in section 110 that people who live in public housing are to be advised of specific grounds of any of the proposed adverse local housing and management actions. They have an opportunity for a hearing, an opportunity to examine any documents. They are entitled to be represented by another person of their choice at a hearing. They are entitled to ask questions and receive a written decision.

But the gentlewoman's fundamental concern, which is a fundamental tenet of justice in this society, is due process, and that is the appellate process.

Mr. Chairman, if the distinguished chairman would address that, I would appreciate it.

Mr. LAZIO of New York. Mr. Chairman, reclaiming my time, I want to thank the gentleman, my neighbor from Illinois, Mr. JACKSON, and again compliment him for his interest in due process.

Again, the gentleman has laid out the six different types of due process that will be afforded a party that feels that they have been wronged. In addition to this, an individual who feels they are wronged through the administrative process has the complete and full ability that is reemphasized in this bill to continue to use the legal process, both at the trial level and up the

process through various appellate divisions within a particular court.

The concern I have, in addition to the fact that I think with respect to how this proposed appellate board is constituted and what the rules might be and what regions are considered and so on and so forth, which is not laid out in this amendment, is that during this entire time, when we are going through yet another administrative procedure, somebody who may be a danger to the other residents in a particular project will remain in place. While we want to allow for full due process and for a complete hearing, and we make that clear, by ensuring that people do not just get a written decision, but are allowed to present witnesses and hear testimony and present documents and have someone represent them, and after that they feel they are still wronged, they have the ability to do to court. There comes a time if somebody is disruptive, is truly wronging other residents in a public housing project, that they need to be separated from that and there needs to be order as there is in the places we all live in.

For that reason, I am not able to support this.

The CHAIRMAN pro tempore. Does the gentleman insist upon his point of order?

Mr. LAZIO of New York. Mr. Chairman, I withdraw my reservation of the point of order.

Mr. JACKSON of Illinois. Mr. Chairman, I move to strike the requisite number of words.

Ms. JACKSON-LEE of Texas. Mr. Chairman, will the gentleman yield?

Mr. JACKSON of Illinois. I yield to the gentlewoman from Texas.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I want to thank the chairman for his hard work. I think we have had some vigorous debates this evening. I am here because I have lived with the problem for about 17 years dealing with public housing, and I truly believe that there is still a solution.

If I might comment on some of the points that the gentleman made and offer to him some answers to his concern, first of all, we have already spoken about the abilities of local housing authorities to manage and to make decisions. I would hope the gentleman would have the same kind of confidence in the local housing authorities in a certain region as defined by HUD. There is a Southwest Region, we have an office in Dallas. I imagine there are regions on the East Coast where the gentleman is from, New York. Those are the designated areas that would regionally comprise an appeals board. I would believe, and it is evident, just as you have left on this lower level, to the housing authority, the decision of who might be on this board, but include some participation from residents. Mind you, I did not even add a percentage.

Also this does not go to those dangerous entities, such as drug users. Somebody might be gun running. Somebody might be running or alleged to be running prostitution. Those are criminal activities and a total breach of the lease.

These are incidents where people might live at the Watergate and would have the wherewithal to sue the management company or go into a court of higher authority. But when you have people living in public housing who are in fear every moment that they are doing something that might cause them to be wrongly decided upon, if you will, then they do not have the resources, as the gentleman has argued, of going to court.

Under the Administrative Procedures Act we realize there is a hearing officer and then there is a higher tribunal before you even have to get to court. That is to ensure that, we thought, we would not have individuals clogging up the courts. On many occasions the Administrative Procedures Act has worked effectively. In Texas, for example, and around the country, we have gone to mediation. Lawyers are now doing mediation to avoid going into court.

I wish we could encourage more opportunity for citizens to have the right to address their grievances in a setting that is non-court like, and I am an attorney, so that problems can be solved at an earlier stage than what might occur later on.

Public housing residents, I would say to the gentleman from Illinois [Mr. JACKSON], do not have some of the resources to go to court. This is an administrative proceeding of sorts that would then come under the provision where costs would be attributable, if any, minimally so, to the housing authority.

Mr. JACKSON of Illinois. Mr. Chairman, reclaiming my time, I am operating under the impression that due process is not asking for very much. If the chairman is very concerned about expediting the process, then we need an expeditious due process concern. I think that the concern that the gentlewoman has raised for this particular administrative grievance procedure is one that the committee should certainly consider, and I would certainly encourage the chairman to consider due process, because we would not want to create a process whereby public housing residents tend to or end up in court because of our failure to honor a fundamental tenet of American justice.

Ms. JACKSON-LEE of Texas. Mr. Chairman, if the gentleman will yield further, I appreciate the gentleman's characterization of this amendment, because that is just what it is. It is to provide an opportunity for those who are most frightened about not having housing, some of whom have been on waiting lists for years. The community I come from has had people on waiting lists for years, and we have had lists as high as 15,000 individuals on waiting lists.

This is a procedure that helps clarify the problem, provides a hearing, and then an appeal, and gives a fair opportunity for this resident to air out their grievance and to address their grievance.

I would ask the chairman to consider what his concerns were and have us have an opportunity to look at these concerns, but not deny, not deny the opportunity for those who are residents, who are not violating criminal laws or threatening anyone, to have an opportunity to appeal their grievance in an appropriate manner.

The CHAIRMAN pro tempore. The question is on the amendment offered by the gentlewoman from Texas [Ms. JACKSON-LEE].

The amendment was rejected.

The CHAIRMAN pro tempore. Are there further amendments to title I?

AMENDMENT NO. 2 OFFERED BY MR. EHRLICH

Mr. EHRLICH. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 2 offered by Mr. EHRLICH: Page 43, after line 16 insert the following new section:

SEC. 115. PROHIBITION ON USE OF FUNDS.

Notwithstanding any other provision of law, none of the amounts provided under this Act may be used for the purpose of funding the relocation of public housing residents and applicants from Baltimore City, Maryland, to other jurisdiction in the State of Maryland if such relocation is in connection with any settlement, consent decree, injunction, judgment, or other resolution of litigation brought by public housing residents of Baltimore City, Maryland, concerning the demolition of certain public housing units in such city.

Mr. EHRLICH. Mr. Chairman, I am given to understand that a point of order will be raised with respect to amendment No. 2. It is my intent to withdraw this amendment. But before I do, I want to make a number of points and then enter into a colloquy with the chair of the subcommittee.

The first thing I would like to do is congratulate the chairman of the subcommittee, who has had a long day. He is a man of integrity, class and intelligence, and I truly appreciate his friendship and I appreciate the sensitivity he has shown toward me with respect to the issue of HUD and the lawsuit in Baltimore City over the past few weeks.

It is very interesting, Mr. Chairman, that my amendment drew a lot of attention from Members of this House over the last two days. I received a lot of phone calls from folks on both sides of the aisle, because there is a genuine concern out there that there is a Federal department increasingly out of control.

This department believes it should engage in policymaking far outside the scope of its constitutional authority. It threatens and sues people and groups who dare oppose its policies.

□ 2245

It seeks to use unelected groups to bypass the electoral process. It uses

the judicial process to create class- and race-based remedies and programs it could not pass on this floor, in this House, in the Senate of the United States.

For decades, HUD policies have contributed to the denigration of the quality of life of many neighborhoods in the Baltimore Metropolitan area. Now, in Baltimore, HUD seeks to create a special race-based voucher to be given to public housing residents to be used in middle-class neighborhoods.

Mr. Chairman, I ask what kind of message are we sending working folks in this country of all races, working folks of all races? Why do we allow this department to further a sense of entitlement with respect to Federal housing policy? Whatever happened to the work ethic in the context of Federal housing policy in this country?

Mr. Chairman, I look forward to working with my good friend and the ranking member on our joint mission to reform Federal housing policy in this country and to rein in an increasingly belligerent, aggressive, and out of control Federal Department of Housing and Urban Development.

At this point, Mr. Chairman, I would like to enter into a colloquy with the gentleman from Long Island, NY [Mr. LAZIO], my colleague and my friend, the chairman of the subcommittee.

He and the staff have been very helpful and supportive of my efforts to make sure that HUD does not run roughshod over the Constitution when implementing the statutes previously passed by this Congress. At this time, I would like to yield to the chairman of the subcommittee so that he might offer his own observations of what I have described over the last 5 minutes.

Mr. LAZIO. Mr. Chairman, if the gentleman would yield, I thank the gentleman from Maryland for his very kind remarks, for being one the most energetic Members of this body, and for his commitment to his own neighborhood in the area of Baltimore.

Mr. Chairman, it is ironic as we consider this housing bill, one that makes communities responsible for their own planning and development, that in the area of Baltimore, HUD is negotiating a plan like the one described by the gentleman. Unfortunately, the bureaucrats and attorneys at HUD believe they know what is best for Baltimore and surrounding suburbs. I do not share this view and this misguided approach, the concept that Washington knows best is one of the catalysts for the legislation we are now considering.

Mr. Chairman, we both believe that rental assistance recipients should be educated about the rental marketplace and informed of their total options. I believe counseling is an integral part of this process. I strongly object to the Federal bureaucrats attempting to dictate outcomes and limit options available to renters. Such a policy runs counter to what we are trying to achieve here today.

Mr. EHRLICH. Mr. Chairman, I thank the gentleman for his comment and ask for his continued assistance. HUD attorneys need to be reminded that they can enter into all the questionable consent decrees they desire, but that it is this Congress with the ultimate control over the appropriation of Federal funds.

HUD should know that we are not bound to fund programs and policies which could not pass this Congress. We are now in the midst of consideration of the fiscal year 1997 budget, and I look forward to working with the VA–HUD appropriations subcommittee and its chairman, the gentleman from California [Mr. LEWIS], to make sure that HUD does not spend taxpayer dollars in a matter inconsistent with the will of this body.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would continue to yield, I share the gentleman's sentiments and would like to make sure that our subcommittee will continue to monitor the actions of HUD as this relates to the Baltimore consent decree, and many other areas around the country.

It is my understanding that the designers of the Section 8 program never intended for the use of vouchers to be limited to an area based solely upon race. I have strong concerns about the manner in which HUD is proceeding with certain lawsuits, and I thank the gentleman for bringing this startling pattern to the attention of this Congress.

Mr. EHRLICH. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments.

Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN pro tempore. (Mr. HOBSON). Is there objection to the request of the gentleman from Maryland?

There was no objection.

The CHAIRMAN pro tempore. Are there further amendments to title I?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—PUBLIC HOUSING

Subtitle A—Block Grants

SEC. 201. BLOCK GRANT CONTRACTS.

(a) IN GENERAL.—The Secretary shall enter into contracts with local housing and management authorities under which—

(1) the Secretary agrees to make a block grant under this title, in the amount provided under section 202(c), for assistance for low-income housing to the local housing and management authority for each fiscal year covered by the contract; and

(2) the authority agrees—

(A) to provide safe, clean, and healthy housing that is affordable to low-income families and services for families in such housing;

(B) to operate, or provide for the operation, of such housing in a financially sound manner;

(C) to use the block grant amounts in accordance with this title and the local housing management plan for the authority that complies with the requirements of section 107;

(D) to involve residents of housing assisted with block grant amounts in functions and decisions relating to management and the quality of life in such housing;

(E) that the management of the public housing of the authority shall be subject to actions authorized under subtitle B of title IV;

(F) that the Secretary may take actions under section 205 with respect to improper use of grant amounts provided under the contract; and

(G) to otherwise comply with the requirements under this title.

(b) MODIFICATION.—Contracts and agreements between the Secretary and a local housing and management authority may not be amended in a manner which would—

(1) impair the rights of—

(A) leaseholders for units assisted pursuant to a contract or agreement; or

(B) the holders of any outstanding obligations of the local housing and management authority involved for which annual contributions have been pledged; or

(2) provide for payment of block grant amounts under this title in an amount exceeding the allocation for the authority determined under section 204.

Any rule of law contrary to this subsection shall be deemed inapplicable.

(c) CONDITIONS ON RENEWAL.—Each block grant contract under this section shall provide, as a condition of renewal of the contract with the local housing and management authority, that the authority's accreditation be renewed by the Housing Foundation and Accreditation Board pursuant to review under section 433 by such Board.

SEC. 202. BLOCK GRANT AUTHORITY AND AMOUNT.

(a) AUTHORITY.—The Secretary shall make block grants under this title to eligible local housing and management authorities in accordance with block grant contracts under section 201.

(b) ELIGIBILITY.—A local housing and management authority shall be an eligible local housing and management authority with respect to a fiscal year for purposes of this title only if—

(1) the Secretary has entered into a block grant contract with the authority;

(2) the authority has submitted a local housing management plan to the Secretary for such fiscal year;

(3) the plan has been determined to comply with the requirements under section 107 and the Secretary has not notified the authority that the plan fails to comply with such requirements;

(4) the authority is accredited under section 433 by the Housing Foundation and Accreditation Board;

(5) the authority is exempt from local taxes, as provided under subsection (d), or receives a contribution, as provided under such subsection;

(6) no member of the board of directors or other governing body of the authority, or the executive director, has been convicted of a felony;

(7) the authority has entered into an agreement providing for local cooperation in accordance with subsection (e); and

(8) the authority has not been disqualified for a grant pursuant to section 205(a) or subtitle B of title IV.

(c) AMOUNT OF GRANTS.—The amount of the grant under this title for a local housing and management authority for a fiscal year shall be the amount of the allocation for the authority determined under section 204, except as otherwise provided in this title and subtitle B of title IV.

(d) PAYMENTS IN LIEU OF STATE AND LOCAL TAXATION OF PUBLIC HOUSING DEVELOPMENTS.—

(1) EXEMPTION FROM TAXATION.—A local housing and management authority may receive a block grant under this title only if—

(A)(i) the developments of the authority (exclusive of any portions not assisted with amounts provided under this title) are exempt from all real and personal property taxes levied or imposed by the State, city, county, or other political subdivision; and

(ii) the local housing and management authority makes payments in lieu of taxes to such

taxing authority equal to 10 percent of the sum, for units charged in the developments of the authority, of the difference between the gross rent and the utility cost, or such lesser amount as is—

(I) prescribed by State law;

(II) agreed to by the local governing body in its agreement under subsection (e) for local cooperation with the local housing and management authority or under a waiver by the local governing body; or

(III) due to failure of a local public body or bodies other than the local housing and management authority to perform any obligation under such agreement; or

(B) the authority complies with the requirements under subparagraph (A) with respect to public housing developments (including public housing units in mixed-income developments), but the authority agrees that the units other than public housing units in any mixed-income developments (as such term is defined in section 221(c)(2)) shall not be subject to any otherwise applicable real property taxes imposed by the State, city, county or other political subdivision.

(2) EFFECT OF FAILURE TO EXEMPT FROM TAXATION.—Notwithstanding paragraph (1), a local housing and management authority that does not comply with the requirements under such paragraph may receive a block grant under this title, but only if the State, city, county, or other political subdivision in which the development is situated contributes, in the form of cash or tax remission, the amount by which the taxes paid with respect to the development exceed 10 percent of the gross rent and utility cost charged in the development.

(e) LOCAL COOPERATION.—In recognition that there should be local determination of the need for low-income housing to meet needs not being adequately met by private enterprise, the Secretary may not make any grant under this title to a local housing and management authority unless the governing body of the locality involved has entered into an agreement with the authority providing for the local cooperation required by the Secretary pursuant to this title.

(f) EXCEPTION.—Notwithstanding subsection (a), the Secretary may make a grant under this title for a local housing and management authority that is not an eligible local housing and management authority but only for the period necessary to secure, in accordance with this title, an alternative local housing and management authority for the public housing of the ineligible authority.

SEC. 203. ELIGIBLE AND REQUIRED ACTIVITIES.

(a) ELIGIBLE ACTIVITIES.—Except as provided in subsection (b), amounts from a grant made under this title may be used only for the following activities and costs:

(1) PRODUCTION.—Production of public housing developments and any production costs.

(2) OPERATION.—Operation of public housing developments in a manner appropriate to ensure the viability of the developments as low-income housing and provision of safety, security, and law enforcement measures and activities necessary to protect residents from crime, which shall include providing adequate operating services and reserve funds.

(3) MODERNIZATION.—Improvement of the physical condition of existing public housing developments (including routine and timely improvements, rehabilitation, and replacement of systems, and major rehabilitation, redesign, reconstruction, and redevelopment) and upgrading the management and operation of such developments, to ensure that such developments continue to be available for use as low-income housing.

(4) RESIDENT PROGRAMS.—Provision of social, educational, employment, self-sufficiency, and other services to the residents of public housing developments, including providing part of the non-Federal share required in connection with activities undertaken under Federal grant-in-aid programs.

(5) HOMEOWNERSHIP ACTIVITIES.—Activities in connection with a homeownership program for public housing residents under subtitle D, including providing financing or assistance for purchasing housing, or the provision of financial assistance to resident management corporations or resident councils to obtain training, technical assistance, and educational assistance to promote homeownership opportunities.

(6) RESIDENT MANAGEMENT ACTIVITIES.—Activities in connection with establishing, organizing, training, and assisting resident councils and resident management corporations for public housing developments.

(7) DEMOLITION AND DISPOSITION ACTIVITIES.—Activities in connection with the disposition or demolition of public housing under section 261.

(8) PAYMENTS IN LIEU OF TAXES.—Payments in accordance with the requirement under section 202(d)(1).

(9) EMERGENCY CORRECTIONS.—Correction of conditions that constitute an immediate threat to the health or safety of residents of public housing developments, without regard to whether the need for such correction is indicated in the local housing management plan of the authority.

(10) PREPARATION OF LOCAL HOUSING MANAGEMENT PLANS.—Preparation of local housing management plans (including reasonable costs that may be necessary to assist residents in participating in the planning process in a meaningful way) and conducting annual financial and performance audits under section 432.

(11) LHMA INSURANCE.—Purchase of insurance by local housing and management authorities (and their contractors), except that—

(A) any such insurance so purchased shall be competitively selected;

(B) any coverage provided under such policies, as certified by the authority, shall provide reasonable coverage for the risk of liability exposure, taking into consideration the potential liability concerns inherent in the testing and abatement of lead-based paint, and the managerial and quality assurance responsibilities associated with the conduct of such activities; and

(C) notwithstanding any other provision of State or Federal law, regulation or other requirement, any line of insurance from a nonprofit insurance entity, owned and controlled by local housing and management authorities and approved by the Secretary, may be purchased without regard to competitive procurement.

(12) PAYMENT OF OUTSTANDING DEVELOPMENT BONDS AND NOTES ISSUED UNDER 1937 ACT.—Payment of principal and interest payable on obligations issued pursuant to section 5 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) by a local housing and management authority to finance the production of public housing, except that the Secretary shall retain the authority to forgive such debt.

(13) MUTUAL HELP HOMEOWNERSHIP OPPORTUNITY PROGRAMS FOR INDIAN HOUSING AUTHORITIES.—In the case of an Indian housing authority, production, operation, and modernization of developments under a mutual help homeownership program subject to the requirements under section 202 of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act), except that any reference in such section to assistance under such section or such Act shall be construed to refer to assistance under this title and subsection (b) of such section shall not apply.

(b) REQUIRED CONVERSION OF ASSISTANCE FOR PUBLIC HOUSING TO RENTAL HOUSING ASSISTANCE.—

(1) REQUIREMENT.—A local housing and management authority that receives grant amounts under this title shall provide assistance in the form of rental housing assistance under title III or appropriate site revitalization or other appropriate capital improvements approved by the Secretary, in lieu of assisting the operation and modernization of any building or buildings of public housing, if the authority provides sufficient evidence to the Secretary that—

(A) the building is distressed or substantially vacant;

(B) the estimated cost of continued operation and modernization of the building exceeds the cost of providing choice-based rental assistance under title III; and

(C) there is a sufficient supply of available and affordable housing to make the use of such voucher assistance feasible.

(2) USE OF OTHER AMOUNTS.—In addition to grant amounts under this title attributable (pursuant to the formula under section 204) to the building or buildings identified under paragraph (1), the Secretary may use amounts provided in appropriation Acts for incremental choice-based housing assistance and, to the extent approved in advance, for the renewal of assistance under section 8 of the United States Housing Act of 1937 (as in effect before the date of enactment of this Act), for assistance under title III for families residing in such building or buildings or for appropriate site revitalization or other appropriate capital improvements approved by the Secretary.

(3) ENFORCEMENT.—The Secretary shall take appropriate action to ensure conversion of any building or buildings identified under paragraph (1) and any other appropriate action under this subsection, if the local housing and management authority fails to take appropriate action under this subsection.

(4) FAILURE OF LHMA'S TO COMPLY WITH CONVERSION REQUIREMENT.—If the Secretary determines that—

(A) a local housing and management authority has failed under paragraph (1) to identify a building or buildings in a timely manner,

(B) a local housing and management authority has failed to identify one or more buildings which the Secretary determines should have been identified under paragraph (1), or

(C) one or more of the buildings identified by the local housing and management authority pursuant to paragraph (1) should not, in the determination of the Secretary, have been identified under that paragraph,

the Secretary may identify a building or buildings for conversion and other appropriate action pursuant to this subsection.

(5) CESSATION OF UNNECESSARY SPENDING.—Notwithstanding any other provision of law, if, in the determination of the Secretary, a building or buildings meets or is likely to meet the criteria set forth in paragraph (1), the Secretary may direct the local housing and management authority to cease additional spending in connection with such building or buildings, except to the extent that additional spending is necessary to ensure safe, clean, and healthy housing until the Secretary determines or approves an appropriate course of action with respect to such building or buildings under this subsection.

(6) USE OF BUDGET AUTHORITY.—Notwithstanding any other provision of law, if a building or buildings are identified pursuant to paragraph (1), the Secretary may authorize or direct the transfer, to the choice-based or tenant-based assistance program of such authority or to appropriate site revitalization or other capital improvements approved by the Secretary, of—

(A) in the case of an authority receiving assistance under the comprehensive improvement assistance program, any amounts obligated by the Secretary for the modernization of such building or buildings pursuant to section 14 of the United States Housing Act of 1937, as in effect immediately before the date of enactment of this Act;

(B) in the case of an authority receiving public and Indian housing modernization assistance by formula pursuant to such section 14, any amounts provided to the authority which are attributable pursuant to the formula for allocating such assistance to such building or buildings;

(C) in the case of an authority receiving assistance for the major reconstruction of obsolete projects, any amounts obligated by the Secretary for the major reconstruction of such building or buildings pursuant to section 5(j)(2) of the United States Housing Act of 1937, as in effect immediately before the date of enactment of this Act; and

(D) in the case of an authority receiving assistance pursuant to the formula under section 204, any amounts provided to the authority which are attributable pursuant to the formula for allocating such assistance to such building or buildings.

(c) FUNGIBILITY OF AMOUNTS.—Any amounts provided under a block grant under this title may be used for any eligible activity under subsection (a) or for conversion under subsection (b), notwithstanding whether such amounts are attributable to the operating allocation under section 204(d)(1) or the capital improvements allocation for the local housing and management authority determined under section 204(d)(2).

(d) COMPLIANCE WITH PLAN.—The local housing management plan submitted by a local housing and management authority (including any amendments to the plan), unless determined under section 108 not to comply with the requirements under section 107, shall be binding upon the Secretary and the local housing and management authority and the authority shall use any grant amounts provided under this title for eligible activities under subsection (a) in accordance with the plan. This subsection may not be construed to preclude changes or amendments to the plan, as authorized under section 108(e) or any actions authorized by this Act to be taken without regard to a local housing management plan.

SEC. 204. DETERMINATION OF BLOCK GRANT ALLOCATION.

(a) IN GENERAL.—For each fiscal year, after reserving amounts under section 111 from the aggregate amount made available for the fiscal year for carrying out this title, the Secretary shall allocate any remaining amounts among eligible local housing and management authorities in accordance with this section, so that the sum of all of the allocations for all eligible authorities is equal to such remaining amount.

(b) ALLOCATION AMOUNT.—The Secretary shall determine the amount of the allocation for each eligible local housing and management authority, which shall be—

(1) for any fiscal year beginning after the enactment of a law containing a formula described in subsection (c), the amount determined under such formula; or

(2) for any fiscal year beginning before the expiration of such period, the sum of—

(A) the operating allocation determined under subsection (d)(1) for the authority; and

(B) the capital improvement allocation determined under subsection (d)(2) for the authority.

(c) PERMANENT ALLOCATION FORMULA.—

(1) FORMULA.—A formula under this subsection shall provide for allocating amounts available for a fiscal year for block grants under this title for each local housing and management authority. The formula should reward performance and may consider factors that reflect the different characteristics and sizes of local housing and management authorities, the relative needs, revenues, costs, and capital improvements of authorities, and the relative costs to authorities of operating a well-managed authority that meets the performance targets for the authority established in the local housing management plan for the authority.

(2) DEVELOPMENT UNDER NEGOTIATED RULEMAKING PROCEDURE.—The formula under this subsection shall be developed according to procedures for issuance of regulations under the negotiated rulemaking procedure under subchapter III of chapter 5 of title 5, United States Code, except that the formula shall not be contained in a regulation.

(3) REPORT.—Not later than the expiration of the 18-month period beginning upon the enactment of this Act, the Secretary shall submit a report to the Congress containing the proposed formula established pursuant to paragraph (2) that meets the requirements of this subsection.

(d) INTERIM ALLOCATION REQUIREMENTS.—

(1) OPERATING ALLOCATION.—

(A) APPLICABILITY TO 50 PERCENT OF APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, 50 percent shall be used only to provide amounts for operating allocations under this paragraph for eligible local housing and management authorities.

(B) DETERMINATION.—The operating allocation under this subsection for a local housing and management authority for a fiscal year shall be an amount determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of operating subsidies for fiscal year 1995 to public housing agencies (as modified under subparagraph (C)) under section 9 of this Act, as in effect before the enactment of this Act.

(C) TREATMENT OF CHRONICALLY VACANT UNITS.—The Secretary shall revise the formula referred to in subparagraph (B) so that the formula does not provide any amounts, other than utility costs, attributable to any dwelling unit of a local housing and management authority that has been vacant continuously for 6 or more months. A unit shall not be considered vacant for purposes of this paragraph if the unit is unoccupied because of rehabilitation or renovation that is on-schedule.

(2) CAPITAL IMPROVEMENT ALLOCATION.—

(A) APPLICABILITY TO 50 PERCENT OF APPROPRIATED AMOUNTS.—Of any amounts available for allocation under this subsection for a fiscal year, 50 percent shall be used only to provide amounts for capital improvement allocations under this paragraph for eligible local housing and management authorities.

(B) DETERMINATION.—The capital improvement allocation under this subsection for an eligible local housing and management authority for a fiscal year shall be determined by applying, to the amount to be allocated under this paragraph, the formula used for determining the distribution of modernization assistance for fiscal year 1995 to public housing agencies under section 14 of this Act, as in effect before the enactment of this Act, except that Secretary shall establish a method for taking into consideration allocation of amounts under the comprehensive improvement assistance program.

SEC. 205. SANCTIONS FOR IMPROPER USE OF AMOUNTS.

(a) IN GENERAL.—In addition to any other actions authorized under this title, if the Secretary finds pursuant to an annual financial and performance audit under section 432 that a local housing and management authority receiving grant amounts under this title has failed to comply substantially with any provision of this title, the Secretary may—

(1) terminate payments under this title to the authority;

(2) withhold from the authority amounts from the total allocation for the authority pursuant to section 204;

(3) reduce the amount of future grant payments under this title to the authority by an amount equal to the amount of such payments that were not expended in accordance with this title;

(4) limit the availability of grant amounts provided to the authority under this title to programs, projects, or activities not affected by such failure to comply;

(5) withhold from the authority amounts allocated for the authority under title III; or

(6) order other corrective action with respect to the authority.

(b) TERMINATION OF COMPLIANCE ACTION.—If the Secretary takes action under subsection (a) with respect to a local housing and management authority, the Secretary shall—

(1) in the case of action under subsection (a)(1), resume payments of grant amounts under this title to the authority in the full amount of the total allocation under section 204 for the authority at the time that the Secretary first determines that the authority will comply with the provisions of this title;

(2) in the case of action under paragraph (2), (5), or (6) of subsection (a), make withheld amounts available as the Secretary considers appropriate to ensure that the authority complies with the provisions of this title; or

(3) in the case of action under subsection (a)(4), release such restrictions at the time that the Secretary first determines that the authority will comply with the provisions of this title.

Subtitle B—Admissions and Occupancy Requirements

SEC. 221. LOW-INCOME HOUSING REQUIREMENT.

(a) PRODUCTION ASSISTANCE.—Any public housing produced using amounts provided under a grant under this title or under the United States Housing Act of 1937 shall be operated as public housing for the 40-year period beginning upon such production.

(b) OPERATING ASSISTANCE.—No portion of any public housing development operated with amounts from a grant under this title or operating assistance provided under the United States Housing Act of 1937 may be disposed of before the expiration of the 10-year period beginning upon the conclusion of the fiscal year for which the grant or such assistance was provided, except as provided in this Act.

(c) CAPITAL IMPROVEMENTS ASSISTANCE.—Amounts may be used for eligible activities under section 203(a)(3) only for the following housing developments:

(1) LOW-INCOME DEVELOPMENTS.—Amounts may be used for a low-income housing development that—

(A) is owned by local housing and management authorities;

(B) is operated as low-income rental housing and produced or operated with assistance provided under a grant under this title; and

(C) is consistent with the purposes of this title.

Any development, or portion thereof, referred to in this paragraph for which activities under section 203(a)(3) are conducted using amounts from a grant under this title shall be maintained and used as public housing for the 20-year period beginning upon the receipt of such grant. Any public housing development, or portion thereof, that received the benefit of a grant pursuant to section 14 of the United States Housing Act of 1937 shall be maintained and used as public housing for the 20-year period beginning upon receipt of such amounts.

(2) MIXED INCOME DEVELOPMENTS.—Amounts may be used for mixed-income developments, which shall be a housing development that—

(A) contains dwelling units that are available for occupancy by families other than low-income families;

(B) contains a number of dwelling units—

(i) which units are made available (by master contract or individual lease) for occupancy only by low- and very low-income families identified by the local housing and management authority;

(ii) which number is not less than a reasonable number of units, including related amenities, taking into account the amount of the assistance provided by the authority compared to the total investment (including costs of operation) in the development;

(iii) which units are subject to the statutory and regulatory requirements of the public housing program, except that the Secretary may grant appropriate waivers to such statutory and regulatory requirements if reductions in funding or other changes to the program make continued application of such requirements impracticable;

(iv) which units are specially designated as dwelling units under this subparagraph, except

the equivalent units in the development may be substituted for designated units during the period the units are subject to the requirements of the public housing program; and

(v) which units shall be eligible for assistance under this title; and

(C) is owned by the local housing and management authority, an affiliate controlled by it, or another appropriate entity.

Notwithstanding any other provision of this title, to facilitate the establishment of socioeconomically mixed communities, a local housing and management authority that uses grant amounts under this title for a mixed income development under this paragraph may, to the extent that income from such a development reduces the amount of grant amounts used for operating or other costs relating to public housing, use such resulting savings to rent privately developed dwelling units in the neighborhood of the mixed income development. Such units shall be made available for occupancy only by low-income families eligible for residency in public housing.

SEC. 222. FAMILY ELIGIBILITY.

(a) IN GENERAL.—Dwelling units in public housing may be rented only to families who are low-income families at the time of their initial occupancy of such units.

(b) INCOME MIX WITHIN DEVELOPMENTS.—A local housing and management authority may establish and utilize income-mix criteria for the selection of residents for dwelling units in public housing developments that limit admission to a development by selecting applicants having incomes appropriate so that the mix of incomes of families occupying the development is proportional to the income mix in the eligible population of the jurisdiction of the authority, as adjusted to take into consideration the severity of housing need. Any criteria established under this subsection shall be subject to the provisions of subsection (c).

(c) INCOME MIX.—Of the public housing dwelling units of a local housing and management authority made available for occupancy after the date of the enactment of this Act, not less than 25 percent shall be occupied by low-income families whose incomes do not exceed 30 percent of the area median income.

(d) WAIVER OF ELIGIBILITY REQUIREMENTS FOR OCCUPANCY BY POLICE OFFICERS.—

(1) AUTHORITY AND WAIVER.—To provide occupancy in public housing dwelling units to police officers and other law enforcement or security personnel (who are not otherwise eligible for residence in public housing) and to increase security for other public housing residents in developments where crime has been a problem, a local housing and management authority may, with respect to such units and subject to paragraph (2)—

(A) waive—

(i) the provisions of subsection (a) of this section and section 225(a);

(ii) the applicability of—

(I) any preferences for occupancy established under section 223;

(II) the minimum rental amount established pursuant to section 225(b) and any maximum monthly rental amount established pursuant to such section;

(III) any criteria relating to project income mix established under subsection (b);

(IV) the income mix requirements under subsection (c); and

(V) any other occupancy limitations or requirements; and

(B) establish special rent requirements and other terms and conditions of occupancy.

(2) CONDITIONS OF WAIVER.—A local housing and management authority may take the actions authorized in paragraph (1) only if authority determines that such actions will increase security in the public housing developments involved and will not result in a significant reduction of units available for residence by low-income families.

SEC. 223. PREFERENCES FOR OCCUPANCY.

(a) AUTHORITY TO ESTABLISH.—Any local housing and management authority may establish a system for making dwelling units in public housing available for occupancy that provides preference for such occupancy to families having certain characteristics.

(b) CONTENT.—Each system of preferences established pursuant to this section shall be based upon local housing needs and priorities, as determined by the local housing and management authority using generally accepted data sources. Each system of preferences established pursuant to this section shall be based upon local housing needs and priorities using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 107(e) or under the requirements applicable to comprehensive housing affordability strategy for the relevant jurisdiction.

SEC. 224. ADMISSION PROCEDURES.

(a) ADMISSION REQUIREMENTS.—A local housing and management authority shall ensure that each family residing in a public housing development owned or administered by the authority is admitted in accordance with the procedures established under this title by the authority and the income limits under section 222.

(b) AVAILABILITY OF CRIMINAL RECORDS.—

(1) AVAILABILITY.—Notwithstanding any other provision of Federal, State, or local law, upon the request of any local housing and management authority, the National Crime Information Center, police departments, and any other law enforcement entities shall provide information to the authority regarding the criminal convictions of applicants for, or residents of, public housing for the purpose of applicant screening, lease enforcement, and eviction.

(2) CONTENT.—The information provided under paragraph (1) may not include information regarding any criminal conviction of such an applicant or resident for any act (or failure to act) occurring before the applicant or resident reached 18 years of age.

(3) CONFIDENTIALITY.—A local housing and management authority receiving information under this subsection may use such information only for the purposes provided in this subsection and such information may not be disclosed to any person who is not an officer or employee of the authority. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided to a local housing and management authority under this subsection is used, and confidentiality of such information is maintained, as required under this subsection.

(4) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or resident of, public housing pursuant to the authority under this subsection under false pretenses, or any person who knowingly and willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term ''person'' as used in this paragraph shall include an officer or employee of any local housing and management authority.

(5) CIVIL ACTION.—Any applicant for, or resident of, public housing affected by (A) a negligent or knowing disclosure of information referred to in this section about such person by an officer or employee of any local housing and management authority, which disclosure is not authorized by this subsection, or (B) any other negligent or knowing action that is inconsistent with this subsection, may bring a civil action for damages and such other relief as may be appropriate against any officer or employee of any local housing and management authority responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or resident resides, in which such unauthorized action occurred, or in which the officer or employee alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

(6) FEES.—A local housing and management authority may pay a reasonable fee to obtain information under this subsection.

(c) NOTIFICATION OF APPLICATION DECISIONS.—A local housing and management authority shall establish procedures designed to provide for notification to an applicant for admission to public housing of the determination with respect to such application, the basis for the determination, and, if the applicant is determined to be eligible for admission, the projected date of occupancy (to the extent such date can reasonably be determined). If an authority denies an applicant admission to public housing, the authority shall notify the applicant that the applicant may request an informal hearing on the denial within a reasonable time of such notification.

(d) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A local housing and management authority shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family in public housing that was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The authority shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

(e) TRANSFERS.—A local housing and management authority may apply, to each public housing resident seeking to transfer from one development to another development owned or operated by the authority, the screening procedures applicable at such time to new applicants for public housing.

SEC. 225. FAMILY RENTAL PAYMENT.

(a) RENTAL CONTRIBUTION BY RESIDENT.—A family shall pay as monthly rent for a dwelling unit in public housing the amount that the local housing and management authority determines is appropriate with respect to the family and the unit, which shall be—

(1) based upon factors determined by the authority, which may include the adjusted income of the resident, type and size of dwelling unit, operating and other expenses of the authority, or any other factors that the authority considers appropriate; and

(2) an amount that is not less than the minimum monthly rental amount under subsection (b)(1) nor more than any maximum monthly rental amount established for the dwelling unit pursuant to subsection (b)(2).

In determining the amount of the rent charged for a dwelling unit, a local housing and management authority shall take into consideration the characteristics of the population served by the authority, the goals of the local housing management plan for the authority, and the goals under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy) for the applicable jurisdiction.

(b) ALLOWABLE RENTS.—

(1) MINIMUM RENTAL.—Each local housing and management authority shall establish, for each dwelling unit in public housing owned or administered by the authority, a minimum monthly rental contribution, which—

(A) may not be less than $25;

(B) shall include any portion of the cost of utilities for the unit for which the resident is responsible; and

(C) may be increased annually by the authority, except that no such annual increase may exceed 10 percent of the amount of the minimum monthly rental contribution in effect for the preceding year.

(2) MAXIMUM RENTAL.—Each local housing and management authority may establish, for each dwelling unit in public housing owned or administered by the authority, a maximum monthly rental amount, which shall be an amount determined by the authority which is based on, but does not exceed—

(A) the average, for dwelling units of similar size in public housing developments owned and operated by such authority, of operating expenses attributable to such units;

(B) the reasonable rental value of the unit; or

(C) the local market rent for comparable units of similar size.

(c) INCOME REVIEWS.—If a local housing and management authority establishes the amount of rent paid by a family for a public housing dwelling unit based on the adjusted income of the family, the authority shall review the incomes of such family occupying dwelling units in public housing owned or administered by the authority not less than annually.

(d) REVIEW OF MAXIMUM AND MINIMUM RENTS.—

(1) RENTAL CHARGES.—If the Secretary determines, at any time, that a significant percentage of the public housing dwelling units owned or operated by a large local housing and management authority are occupied by households paying more than 30 percent of their adjusted incomes for rent, the Secretary shall review the maximum and minimum monthly rental amounts established by the authority.

(2) POPULATION SERVED.—If the Secretary determines, at any time, that less than 40 percent of the public housing dwelling units owned or operated by a large local housing and management authority are occupied by households whose incomes do not exceed 30 percent of the area median income, the Secretary shall review the maximum and minimum monthly rental amounts established by the authority.

(3) MODIFICATION OF MAXIMUM AND MINIMUM RENTAL AMOUNTS.—If, pursuant to review under this subsection, the Secretary determines that the maximum and minimum rental amounts for a large local housing and management authority are not appropriate to serve the needs of the low-income population of the jurisdiction served by the authority (taking into consideration the financial resources and costs of the authority), as identified in the approved local housing management plan of the authority, the Secretary may require the authority to modify the maximum and minimum monthly rental amounts.

(4) LARGE LHMA.—For purposes of this subsection, the term ''large local housing and management authority'' means a local housing and management authority that owns or operates 1250 or more public housing dwelling units.

(e) PHASE-IN OF RENT CONTRIBUTION INCREASES.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family residing in a dwelling unit in public housing upon the date of the enactment of this Act, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon initial applicability of this title is greater than the amount paid by the family under the provisions of the United States Housing Act of 1937 immediately before such applicability, any such resulting increase in rent contribution shall be—

(A) phased in equally over a period of not less than 3 years, if such increase is 30 percent or more of such contribution before initial applicability; and

(B) limited to not more than 10 percent per year if such increase is more than 10 percent but less than 30 percent of such contribution before initial applicability.

(2) EXCEPTION.—The minimum rent contribution requirement under subsection (b)(1)(A) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 226. LEASE REQUIREMENTS.

In renting dwelling units in a public housing development, each local housing and management authority shall utilize leases that—

(1) do not contain unreasonable terms and conditions;

(2) obligate the local housing and management authority to maintain the development in compliance with the housing quality requirements under section 232;

(3) require the local housing and management authority to give adequate written notice of termination of the lease, which shall not be less than—

(A) the period provided under the applicable law of the jurisdiction or 14 days, whichever is less, in the case of nonpayment of rent;

(B) a reasonable period of time, but not to exceed 14 days, when the health or safety of other residents or local housing and management authority employees is threatened; and

(C) the period of time provided under the applicable law of the jurisdiction, in any other case;

(4) require that the local housing and management authority may not terminate the tenancy except for violation of the terms or conditions of the lease, violation of applicable Federal, State, or local law, or for other good cause;

(5) provide that the local housing and management authority may terminate the tenancy of a public housing resident for any activity, engaged in by a public housing resident, any member of the resident's household, or any guest or other person under the resident's control, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other residents or employees of the local housing and management authority or other manager of the housing;

(B) threatens the health or safety of, or right to peaceful enjoyment of their premises by, persons residing in the immediate vicinity of the premises; or

(C) is criminal activity (including drug-related criminal activity);

(6) provide that any occupancy in violation of the provisions of section 227(a)(4) shall be cause for termination of tenancy; and

(7) specify that, with respect to any notice of eviction or termination, notwithstanding any State law, a public housing resident shall be informed of the opportunity, prior to any hearing or trial, to examine any relevant documents, records or regulations directly related to the eviction or termination.

SEC. 227. DESIGNATED HOUSING FOR ELDERLY AND DISABLED FAMILIES.

(a) AUTHORITY TO PROVIDE DESIGNATED HOUSING.—

(1) IN GENERAL.—Notwithstanding any other provision of law, a local housing and management authority for which the information required under subsection (c) is in effect may provide public housing developments (or portions of developments) designated for occupancy by (A) only elderly families, (B) only disabled families, or (C) elderly and disabled families.

(2) PRIORITY FOR OCCUPANCY.—In determining priority for admission to public housing developments (or portions of developments) that are designated for occupancy as provided in paragraph (1), the local housing and management authority may make units in such developments (or portions) available only to the types of families for whom the development is designated.

(3) ELIGIBILITY OF NEAR-ELDERLY FAMILIES.—If a local housing and management authority determines that there are insufficient numbers of elderly families to fill all the units in a development (or portion of a development) designated under paragraph (1) for occupancy by only elderly families, the authority may provide that near-elderly families may occupy dwelling units in the development (or portion).

(4) LIMITATION ON OCCUPANCY IN DEVELOPMENTS FOR ELDERLY FAMILIES.—

(A) IN GENERAL.—Subject only to the provisions of subsection (b) and notwithstanding any other provision of law, a dwelling unit in a development (or portion of a development) that is designated under paragraph (1) for occupancy by only elderly families or by only elderly and disabled families shall not be occupied by any individual who is not an elderly person and—

(i) who currently illegally uses a controlled substance; or

(ii) whose history of illegal use of a controlled substance or use of alcohol, or current use of alcohol, provides reasonable cause for the local housing and management authority to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(B) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subparagraph (A), to deny occupancy to any individual based on a history of use of a controlled substance or alcohol, a local housing and management authority may consider the factors under section 105(b).

(b) STANDARDS REGARDING EVICTIONS.—

(1) LIMITATION.—Except as provided in paragraph (2), any resident who is lawfully residing in a dwelling unit in a development designated for occupancy under subsection (a)(1) may not be evicted or otherwise required to vacate such unit because of the designation of the development (or portion of a development) or because of any action taken by the Secretary or any local housing and management authority to carry out this section.

(2) REQUIREMENT TO EVICT NONELDERLY TENANTS IN HOUSING DESIGNATED FOR ELDERLY FAMILIES WHO HAVE CURRENT DRUG OR ALCOHOL ABUSE PROBLEMS.—The local housing and management authority administering a development (or portion of a development) described in subsection (a)(4)(A) shall evict any individual who occupies a dwelling unit in such a development and who currently illegally uses a controlled substance or whose current use of alcohol provides a reasonable cause for the authority to believe that the occupancy by such individual may interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents. This paragraph may not be construed to require a local housing and management authority to evict any other individual who occupies the same dwelling unit as the individual required to be evicted.

(c) REQUIRED INCLUSIONS IN LOCAL HOUSING MANAGEMENT PLAN.—

(1) IN GENERAL.—A local housing and management authority may designate a development (or portion of a development) for occupancy under subsection (a)(1) only if the authority, as part of the authority's local housing management plan—

(A) establishes that the designation of the development is necessary—

(i) to achieve the housing goals for the jurisdiction under the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act (or any consolidated plan incorporating such strategy); and

(ii) to meet the housing needs of the low-income population jurisdiction; and

(B) submits a description of—

(i) the development (or portion of a development) to be designated;

(ii) the types of residents for which the development is to be designated;

(iii) any services designed to meet the special needs of residents to be provided to residents of the designated development (or portion);

(iv) how the design and related facilities (as such term is defined in section 202(d)(8) of the Housing Act of 1959) of the development accommodate the special environmental needs of the intended occupants.

(2) 5-YEAR EFFECTIVENESS.—The information required under paragraph (1) shall be effective for purposes of designation of a public housing development (or portion thereof) under this section only for the 5-year period that begins upon

notification under section 108(a) of the local housing and management authority that the information complies with the requirements under section 107 and this subsection. A local housing and management authority may extend the effectiveness of the designation and information for an additional 2-year period beginning upon the expiration of such period (or the expiration of any previous extension period under this sentence) by updating such information in the local housing management plan for the authority.

(3) TREATMENT OF EXISTING PLANS.—Notwithstanding any other provision of this section, a local housing and management authority shall be considered to have submitted the information required under this subsection if the authority has submitted to the Secretary an application and allocation plan under this section (as in effect before the date of the enactment of this Act) that have not been approved or disapproved before such date of enactment.

(4) SAVINGS PROVISION.—Any application and allocation plan approved under section 7 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act) before such date of enactment shall be considered to be information required under this subsection that is in effect for purposes of this section for the 5-year period beginning upon such approval.

(d) RELOCATION ASSISTANCE.—A local housing and management authority that designates any existing development or building, or portion thereof, for occupancy as provided under subsection (a) shall provide, to each person and family relocated in connection with such designation—

(1) notice of the designation and relocation, as soon as is practicable for the authority and the person or family;

(2) comparable housing (including appropriate services and design features), which may include rental assistance under title III, at a rental rate that is comparable to that applicable to the unit from which the person or family has vacated; and

(3) payment of actual, reasonable moving expenses.

(e) INAPPLICABILITY TO INDIAN HOUSING.—The provisions of this section shall not apply with respect to low-income housing developed or operated pursuant to a contract between the Secretary and an Indian housing authority.

Subtitle C—Management

SEC. 231. MANAGEMENT PROCEDURES.

(a) SOUND MANAGEMENT.—A local housing and management authority that receives grant amounts under this title shall establish and comply with procedures and practices sufficient to ensure that the public housing developments owned or administered by the authority are operated in a sound manner.

(b) MANAGEMENT BY OTHER ENTITIES.—Except as otherwise provided under this Act, a local housing and management authority may contract with any other entity to perform any of the management functions for public housing owned or operated by the local housing and management authority.

SEC. 232. HOUSING QUALITY REQUIREMENTS.

(a) IN GENERAL.—Each local housing and management authority that receives grant amounts under this Act shall maintain its public housing in a condition that complies—

(1) in the case of public housing located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings that provide protection to residents of the dwellings that is equal to or greater than the protection provided under the housing quality standards established under subsection (b), with such applicable laws, regulations, standards, or codes; or

(2) in the case of public housing located in a jurisdiction which does not have in effect laws, regulations, standards, or codes described in subparagraph (A), with the housing quality standards established under subsection (b).

(b) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that ensure that public housing dwelling units are safe, clean, and healthy. Such standards shall include requirements relating to habitability, including maintenance, health and sanitation factors, condition, and construction of dwellings, and shall, to the greatest extent practicable, be consistent with the standards established under section 328(b). The Secretary shall differentiate between major and minor violations of such standards.

(c) DETERMINATIONS.—Each local housing and management authority providing housing assistance shall identify, in the local housing management plan of the authority, whether the authority is utilizing the standard under paragraph (1) or (2) of subsection (a) and, if the authority utilizes the standard under paragraph (1), shall certify in such plan that the applicable State or local laws, regulations, standards, or codes comply with the requirements under such paragraph.

(d) ANNUAL INSPECTIONS.—Each local housing and management authority that owns or operates public housing shall make an annual inspection of each public housing development to determine whether units in the development are maintained in accordance with the requirements under subsection (a). The authority shall submit the results of such inspections to the Secretary and the Inspector General for the Department of Housing and Urban Development and such results shall be available to the Housing Foundation and Accreditation Board established under title IV and any auditor conducting an audit under section 432.

SEC. 233. EMPLOYMENT OF RESIDENTS.

A local housing and management authority may employ public housing residents in any activities engaged in by the authority. The Secretary shall require local housing and management authorities, in using grant amounts provided under this title, to make their best efforts to enter into agreements with contractors and subcontractors of the authority to provide residents of public housing with employment opportunities, job training, and internships.

SEC. 234. RESIDENT COUNCILS AND RESIDENT MANAGEMENT CORPORATIONS.

(a) RESIDENT COUNCILS.—The residents of a public housing development may establish a resident council for the development for purposes of consideration of issues relating to residents, representation of resident interests, and coordination and consultation with a local housing and management authority. A resident council shall be an organization or association that—

(1) is nonprofit in character;

(2) is representative of the residents of the eligible housing;

(3) adopts written procedures providing for the election of officers on a regular basis; and

(4) has a democratically elected governing board, which is elected by the residents of the eligible housing.

(b) RESIDENT MANAGEMENT CORPORATIONS.—

(1) ESTABLISHMENT.—The residents of a public housing development may establish a resident management corporation for the purpose of assuming the responsibility for the management of the development under section 235 or purchasing a development.

(2) REQUIREMENTS.—A resident management corporation shall be a corporation that—

(A) is nonprofit in character;

(B) is organized under the laws of the State in which the development is located;

(C) has as its sole voting members the residents of the development; and

(D) is established by the resident council for the development or, if there is not a resident council, by a majority of the households of the development.

SEC. 235. MANAGEMENT BY RESIDENT MANAGEMENT CORPORATION.

(a) AUTHORITY.—A local housing and management authority may enter into a contract under this section with a resident management corporation to provide for the management of public housing developments by the corporation.

(b) CONTRACT.—A contract under this section for management of public housing developments by a resident management corporation shall establish the respective management rights and responsibilities of the corporation and the local housing and management authority. The contract shall be consistent with the requirements of this Act applicable to public housing development and may include specific terms governing management personnel and compensation, access to public housing records, submission of and adherence to budgets, rent collection procedures, resident income verification, resident eligibility determinations, resident eviction, the acquisition of supplies and materials and such other matters as may be appropriate. The contract shall be treated as a contracting out of services.

(c) BONDING AND INSURANCE.—Before assuming any management responsibility for a public housing development, the resident management corporation shall provide fidelity bonding and insurance, or equivalent protection. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the local housing and management authority against loss, theft, embezzlement, or fraudulent acts on the part of the resident management corporation or its employees.

(d) BLOCK GRANT ASSISTANCE AND INCOME.—A contract under this section shall provide for—

(1) the local housing and management authority to provide a portion of the block grant assistance under this title to the resident management corporation for purposes of operating the public housing development covered by the contract and performing such other eligible activities with respect to the development as may be provided under the contract;

(2) the amount of income expected to be derived from the development itself (from sources such as rents and charges);

(3) the amount of income to be provided to the development from the other sources of income of the local housing and management authority (such as interest income, administrative fees, and rents); and

(4) any income generated by a resident management corporation of a public housing development that exceeds the income estimated under the contract shall be used for eligible activities under section 203(a).

(e) CALCULATION OF TOTAL INCOME.—

(1) MAINTENANCE OF SUPPORT.—Subject to paragraph (2), the amount of assistance provided by a local housing and management authority to a public housing development managed by a resident management corporation may not be reduced during the 3-year period beginning on the date on which the resident management corporation is first established for the development.

(2) REDUCTIONS AND INCREASES IN SUPPORT.—If the total income of a local housing and management authority is reduced or increased, the income provided by the local housing and management authority to a public housing development managed by a resident management corporation shall be reduced or increased in proportion to the reduction or increase in the total income of the authority, except that any reduction in block grant amounts under this title to the authority that occurs as a result of fraud, waste, or mismanagement by the authority shall not affect the amount provided to the resident management corporation.

SEC. 236. TRANSFER OF MANAGEMENT OF CERTAIN HOUSING TO INDEPENDENT MANAGER AT REQUEST OF RESIDENTS.

(a) AUTHORITY.—The Secretary may transfer the responsibility and authority for management

of specified housing (as such term is defined in subsection (h)) from a local housing and management authority to an eligible management entity, in accordance with the requirements of this section, if—

(1) such housing is owned or operated by a local housing and management authority that is—

(A) not accredited under section 433 by the Housing Foundation and Accreditation Board; or

(B) is designated as a troubled authority under section 431(a)(2); and

(2) the Secretary determines that—

(A) such housing has deferred maintenance, physical deterioration, or obsolescence of major systems and other deficiencies in the physical plant of the project;

(B) such housing is occupied predominantly by families with children who are in a severe state of distress, characterized by such factors as high rates of unemployment, teenage pregnancy, single-parent households, long-term dependency on public assistance and minimal educational achievement;

(C) such housing is located in an area such that the housing is subject to recurrent vandalism and criminal activity (including drug-related criminal activity); and

(D) the residents can demonstrate that the elements of distress for such housing specified in subparagraphs (A) through (C) can be remedied by an entity that has a demonstrated capacity to manage, with reasonable expenses for modernization.

Such a transfer may be made only as provided in this section, pursuant to the approval by the Secretary of a request for the transfer made by a majority vote of the residents for the specified housing, after consultation with the local housing and management authority for the specified housing.

(b) BLOCK GRANT ASSISTANCE.—Pursuant to a contract under subsection (c), the Secretary shall require the local housing and management authority for specified housing to provide to the manager for the housing, from any block grant amounts under this title for the authority, fair and reasonable amounts for operating costs for the housing. The amount made available under this subsection to a manager shall be determined by the Secretary based on the share for the specified housing of the total block grant amounts for the local housing and management authority transferring the housing, taking into consideration the operating and capital improvement needs of the specified housing, the operating and capital improvement needs of the remaining public housing units managed by the local housing and management authority, and the local housing management plan of such authority.

(c) CONTRACT BETWEEN SECRETARY AND MANAGER.—

(1) REQUIREMENTS.—Pursuant to the approval of a request under this section for transfer of the management of specified housing, the Secretary shall enter into a contract with the eligible management entity.

(2) TERMS.—A contract under this subsection shall contain provisions establishing the rights and responsibilities of the manager with respect to the specified housing and the Secretary and shall be consistent with the requirements of this Act applicable to public housing developments.

(d) COMPLIANCE WITH LOCAL HOUSING MANAGEMENT PLAN.—A manager of specified housing under this section shall comply with the approved local housing management plan applicable to the housing and shall submit such information to the local housing and management authority from which management was transferred as may be necessary for such authority to prepare and update its local housing management plan.

(e) DEMOLITION AND DISPOSITION BY MANAGER.—A manager under this section may demolish or dispose of specified housing only if, and in the manner, provided for in the local housing management plan for the authority transferring management of the housing.

(f) LIMITATION ON LHMA LIABILITY.—A local housing and management authority that is not a manager for specified housing shall not be liable for any act or failure to act by a manager or resident council for the specified housing.

(g) TREATMENT OF MANAGER.—To the extent not inconsistent with this section and to the extent the Secretary determines not inconsistent with the purposes of this Act, a manager of specified housing under this section shall be considered to be a local housing and management authority for purposes of this title.

(h) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) ELIGIBLE MANAGEMENT ENTITY.—The term ''eligible management entity'' means, with respect to any public housing development, any of the following entities that has been accredited in accordance with section 433:

(A) NONPROFIT ORGANIZATION.—A public or private nonprofit organization, which shall—

(i) include a resident management corporation or resident management organization and, as determined by the Secretary, a public or private nonprofit organization sponsored by the local housing and management authority that owns the development; and

(ii) not include the local housing and management authority that owns the development.

(B) FOR-PROFIT ENTITY.—A for-profit entity that has demonstrated experience in providing low-income housing.

(C) STATE OR LOCAL GOVERNMENT.—A State or local government, including an agency or instrumentality thereof.

(D) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—A local housing and management authority (other than the local housing and management authority that owns the development).

The term does not include a resident council.

(2) MANAGER.—The term ''manager'' means any eligible management entity that has entered into a contract under this section with the Secretary for the management of specified housing.

(3) NONPROFIT.—The term ''nonprofit'' means, with respect to an organization, association, corporation, or other entity, that no part of the net earnings of the entity inures to the benefit of any member, founder, contributor, or individual.

(4) PRIVATE NONPROFIT ORGANIZATION.—The term ''private nonprofit organization'' means any private organization (including a State or locally chartered organization) that—

(A) is incorporated under State or local law;

(B) is nonprofit in character;

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

(5) LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term ''local housing and management authority'' has the meaning given such term in section 103(a), except that it does not include Indian housing authorities.

(6) PUBLIC NONPROFIT ORGANIZATION.—The term ''public nonprofit organization'' means any public entity that is nonprofit in character.

(7) SPECIFIED HOUSING.—The term ''specified housing'' means a public housing development or developments, or a portion of a development or developments, for which the transfer of management is requested under this section. The term includes one or more contiguous buildings and an area of contiguous row houses, but in the case of a single building, the building shall be sufficiently separable from the remainder of the development of which it is part to make transfer of the management of the building feasible for purposes of this section.

SEC. 237. RESIDENT OPPORTUNITY PROGRAM.

(a) PURPOSE.—The purpose of this section is to encourage increased resident management of public housing developments, as a means of improving existing living conditions in public housing developments, by providing increased flexibility for public housing developments that are managed by residents by—

(1) permitting the retention, and use for certain purposes, of any revenues exceeding operating and project costs; and

(2) providing funding, from amounts otherwise available, for technical assistance to promote formation and development of resident management entities.

For purposes of this section, the term ''public housing development'' includes one or more contiguous buildings or an area of contiguous row houses the elected resident councils of which approve the establishment of a resident management corporation and otherwise meet the requirements of this section.

(b) PROGRAM REQUIREMENTS.—

(1) RESIDENT COUNCIL.—As a condition of entering into a resident opportunity program, the elected resident council of a public housing development shall approve the establishment of a resident management corporation that complies with the requirements of section 234(b)(2). When such approval is made by the elected resident council of a building or row house area, the resident opportunity program shall not interfere with the rights of other families residing in the development or harm the efficient operation of the development. The resident management corporation and the resident council may be the same organization, if the organization complies with the requirements applicable to both the corporation and council.

(2) PUBLIC HOUSING MANAGEMENT SPECIALIST.—The resident council of a public housing development, in cooperation with the local housing and management authority, shall select a qualified public housing management specialist to assist in determining the feasibility of, and to help establish, a resident management corporation and to provide training and other duties agreed to in the daily operations of the development.

(3) MANAGEMENT RESPONSIBILITIES.—A resident management corporation that qualifies under this section, and that supplies insurance and bonding or equivalent protection sufficient to the Secretary and the local housing and management authority, shall enter into a contract with the authority establishing the respective management rights and responsibilities of the corporation and the authority. The contract shall be treated as a contracting out of services and shall be subject to the requirements under section 234 for such contracts.

(4) ANNUAL AUDIT.—The books and records of a resident management corporation operating a public housing development shall be audited annually by a certified public accountant. A written report of each such audit shall be forwarded to the local housing and management authority and the Secretary.

(c) COMPREHENSIVE IMPROVEMENT ASSISTANCE.—Public housing developments managed by resident management corporations may be provided with modernization assistance from grant amounts under this title for purposes of renovating such developments. If such renovation activities (including the planning and architectural design of the rehabilitation) are administered by a resident management corporation, the local housing and management authority involved may not retain, for any administrative or other reason, any portion of the assistance provided pursuant to this subsection unless otherwise provided by contract.

(d) WAIVER OF FEDERAL REQUIREMENTS.—

(1) WAIVER OF REGULATORY REQUIREMENTS.—Upon the request of any resident management corporation and local housing and management authority, and after notice and an opportunity to comment is afforded to the affected residents, the Secretary may waive (for both the resident management corporation and the local housing

and management authority) any requirement established by the Secretary (and not specified in any statute) that the Secretary determines to unnecessarily increase the costs or restrict the income of a public housing development.

(2) WAIVER TO PERMIT EMPLOYMENT.—Upon the request of any resident management corporation, the Secretary may, subject to applicable collective bargaining agreements, permit residents of such development to volunteer a portion of their labor.

(3) EXCEPTIONS.—The Secretary may not waive under this subsection any requirement with respect to income eligibility for purposes of section 222, rental payments under section 225, tenant or applicant protections, employee organizing rights, or rights of employees under collective bargaining agreements.

(e) OPERATING ASSISTANCE AND DEVELOPMENT INCOME.—

(1) CALCULATION OF OPERATING SUBSIDY.—Subject only to the exception provided in paragraph (3), the amount grant amounts received under this title by a local housing and management authority used for operating costs under section 203(a)(2) that is allocated to a public housing development managed by a resident management corporation shall not be less than per unit monthly amount of such assistance used by the local housing and management authority in the previous year, as determined on an individual development basis.

(2) CONTRACT REQUIREMENTS.—Any contract for management of a public housing development entered into by a local housing and management authority and a resident management corporation shall specify the amount of income expected to be derived from the development itself (from sources such as rents and charges) and the amount of income funds to be provided to the development from the other sources of income of the authority (such as operating assistance under section 203(a), interest income, administrative fees, and rents).

(f) RESIDENT MANAGEMENT TECHNICAL ASSISTANCE AND TRAINING.—

(1) FINANCIAL ASSISTANCE.—To the extent budget authority is available under this title, the Secretary shall provide financial assistance to resident management corporations or resident councils that obtain, by contract or otherwise, technical assistance for the development of resident management entities, including the formation of such entities, the development of the management capability of newly formed or existing entities, the identification of the social support needs of residents of public housing developments, and the securing of such support.

(2) LIMITATION ON ASSISTANCE.—The financial assistance provided under this subsection with respect to any public housing development may not exceed $100,000.

(3) PROHIBITION.—A resident management corporation or resident council may not, before the award to the corporation or council of a grant amount under this subsection, enter into any contract or other agreement with any entity to provide such entity with amounts from the grant for providing technical assistance or carrying out other activities eligible for assistance with amounts under this subsection. Any such agreement entered into in violation of this paragraph shall be void and unenforceable.

(4) FUNDING.—Of any amounts made available for financial assistance under this title, the Secretary may use to carry out this subsection $15,000,000 for fiscal year 1996.

(5) LIMITATION REGARDING ASSISTANCE UNDER HOPE GRANT PROGRAM.—The Secretary may not provide financial assistance under this subsection to any resident management corporation or resident council with respect to which assistance for the development or formation of such entity is provided under title III of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act).

(g) ASSESSMENT AND REPORT BY SECRETARY.—Not later than 3 years after the date of the enactment of the United States Housing Act of 1996, the Secretary shall—

(1) conduct an evaluation and assessment of resident management, and particularly of the effect of resident management on living conditions in public housing; and

(2) submit to the Congress a report setting forth the findings of the Secretary as a result of the evaluation and assessment and including any recommendations the Secretary determines to be appropriate.

(h) APPLICABILITY.—Any management contract between a local housing and management authority and a resident management corporation that is entered into after the date of the enactment of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 shall be subject to this section and any regulations issued to carry out this section.

Subtitle D—Homeownership

SEC. 251. RESIDENT HOMEOWNERSHIP PROGRAMS.

(a) IN GENERAL.—A local housing and management authority may carry out a homeownership program in accordance with this section and the local housing management plan of the authority to make public housing dwelling units, public housing developments, and other housing projects available for purchase by low-income families.

(b) PARTICIPATING UNITS.—A program under this section may cover any existing public housing dwelling units or projects, and may include other dwelling units and housing owned, operated, or assisted, or otherwise acquired for use under such program, by the local housing and management authority.

(c) ELIGIBLE PURCHASERS.—

(1) LOW-INCOME REQUIREMENT.—Only low-income families assisted by a local housing and management authority, other low-income families, and entities formed to facilitate such sales shall be eligible to purchase housing under a homeownership program under this section.

(2) OTHER REQUIREMENTS.—A local housing and management authority may establish other requirements or limitations for families to purchase housing under a homeownership program under this section, including requirements or limitations regarding employment or participation in employment counseling or training activities, criminal activity, participation in homeownership counseling programs, evidence of regular income, and other requirements.

(d) FINANCING AND ASSISTANCE.—A homeownership program under this section may provide financing for acquisition of housing by families purchasing under the program or by the local housing and management authority for sale under this program in any manner considered appropriate by the authority (including sale to a resident management corporation).

(e) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—Each family purchasing housing under a homeownership program under this section shall be required to provide from its own resources a downpayment in connection with any loan for acquisition of the housing, in an amount determined by the local housing and management authority. Except as provided in paragraph (2), the authority shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase,

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section, each family shall contribute an amount of the downpayment, from resources of the family other than grants, gifts, contributions, or other similar amounts referred to in paragraph (1), that is not less than 1 percent of the purchase price.

(f) OWNERSHIP INTERESTS.—A homeownership program under this section may provide for sale to the purchasing family of any ownership interest that the local housing and management authority considers appropriate under the program, including ownership in fee simple, a condominium interest, an interest in a limited dividend cooperative, a shared appreciation interest with a local housing and management authority providing financing.

(g) RESALE.—

(1) AUTHORITY AND LIMITATION.—A homeownership program under this section shall permit the resale of a dwelling unit purchased under the program by an eligible family, but shall provide such limitations on resale as the authority considers appropriate for the authority to recapture—

(A) from any economic gain derived from any such resale occurring during the 5-year period beginning upon purchase of the dwelling unit by the eligible family, a portion of the amount of any financial assistance provided under the program by the authority to the eligible family; and

(B) after the expiration of such 5-year period, only such amounts as are equivalent to the assistance provided under this section by the authority to the purchaser.

(2) CONSIDERATIONS.—The limitations referred to in paragraph (1) may provide for consideration of the aggregate amount of assistance provided under the program to the family, the contribution to equity provided by the purchasing eligible family, the period of time elapsed between purchase under the homeownership program and resale, the reason for resale, any improvements to the property made by the eligible family, any appreciation in the value of the property, and any other factors that the authority considers appropriate.

(h) INAPPLICABILITY OF DISPOSITION REQUIREMENTS.—The provisions of section 261 shall not apply to disposition of public housing dwelling units under a homeownership program under this section, except that any dwelling units sold under such a program shall be treated as public housing dwelling units for purposes of subsections (e) and (f) of section 261.

Subtitle E—Disposition, Demolition, and Revitalization of Developments

SEC. 261. REQUIREMENTS FOR DEMOLITION AND DISPOSITION OF DEVELOPMENTS.

(a) AUTHORITY AND FLEXIBILITY.—A local housing and management authority may demolish, dispose of, or demolish and dispose of nonviable or nonmarketable public housing developments of the authority in accordance with this section.

(b) LOCAL HOUSING MANAGEMENT PLAN REQUIREMENT.—A local housing and management authority may take any action to demolish or dispose of a public housing development (or a portion of a development) only if such demolition or disposition complies with the provisions of this section and is in accordance with the local housing management plan for the authority.

(c) PURPOSE OF DEMOLITION OR DISPOSITION.—A local housing and management authority may demolish or dispose of a public housing development (or portion of a development) only if the authority provides sufficient evidence to the Secretary that—

(1) the development (or portion thereof) is severely distressed or obsolete;

(2) the development (or portion thereof) is in a location making it unsuitable for housing purposes;

(3) the development (or portion thereof) has design or construction deficiencies that make cost-effective rehabilitation infeasible;

(4) assuming that reasonable rehabilitation and management intervention for the development has been completed and paid for, the anticipated revenue that would be derived from charging market-based rents for units in the development (or portion thereof) would not cover the anticipated operating costs and replacement reserves of the development (or portion) at full occupancy and the development (or portion) would constitute a substantial burden on the resources of the local housing and management authority;

(5) retention of the development (or portion thereof) is not in the best interests of the residents of the local housing and management authority because—

(A) developmental changes in the area surrounding the development adversely affect the health or safety of the residents or the feasible operation of the development by the local housing and management authority;

(B) demolition or disposition will allow the acquisition, development, or rehabilitation of other properties which will be more efficiently or effectively operated as low-income housing; or

(C) other factors exist that the authority determines are consistent with the best interests of the residents and the authority and not inconsistent with other provisions of this Act;

(6) in the case only of demolition or disposition of a portion of a development, the demolition or disposition will help to ensure the remaining useful life of the remainder of the development; or

(7) in the case only of property other than dwelling units—

(A) the property is excess to the needs of a development; or

(B) the demolition or disposition is incidental to, or does not interfere with, continued operation of a development.

(d) CONSULTATION.—A local housing and management authority may demolish or dispose of a public housing development (or portion of a development) only if the authority notifies and confers regarding the demolition or disposition with—

(1) the residents of the development (or portion); and

(2) appropriate local government officials.

(e) USE OF PROCEEDS.—Any net proceeds from the disposition of a public housing development (or portion of a development) shall be used for—

(1) housing assistance for low-income families that is consistent with the low-income housing needs of the community, through acquisition, development, or rehabilitation of, or homeownership programs for, other low-income housing or the provision of choice-based assistance under title III for such families;

(2) supportive services relating to job training or child care for residents of a development or developments; or

(3) leveraging amounts for securing commercial enterprises, on-site in public housing developments of the local housing and management authority, appropriate to serve the needs of the residents.

(f) RELOCATION.—A local housing and management authority that demolishes or disposes of a public housing development (or portion of a development thereof) shall ensure that—

(1) each family that is a resident of the development (or portion) that is demolished or disposed of is relocated to other safe, clean, healthy, and affordable housing, which is, to the maximum extent practicable, housing of the family's choice or is provided with choice-based assistance under title III;

(2) the local housing and management authority does not take any action to dispose of any unit until any resident to be displaced is relocated in accordance with paragraph (1); and

(3) each resident family to be displaced is paid relocation expenses, and the rent to be paid initially by the resident following relocation does not exceed the amount permitted under section 225(a).

(g) RIGHT OF FIRST REFUSAL FOR RESIDENT ORGANIZATIONS AND RESIDENT MANAGEMENT CORPORATIONS.—

(1) IN GENERAL.—A local housing and management authority may not dispose of a public housing development (or portion of a development) unless the authority has, before such disposition, offered to sell the property, as provided in this subsection, to each resident organization and resident management corporation operating at the development for continued use as low-income housing, and no such organization or corporation purchases the property pursuant to such offer. A resident organization may act, for purposes of this subsection, through an entity formed to facilitate homeownership under subtitle D.

(2) TIMING.—Disposition of a development (or portion thereof) under this section may not take place—

(A) before the expiration of the period during which any such organization or corporation may notify the authority of interest in purchasing the property, which shall be the 30-day period beginning on the date that the authority first provides notice of the proposed disposition of the property to such resident organizations and resident management corporations;

(B) if an organization or corporation submits notice of interest in accordance with subparagraph (A), before the expiration of the period during which such organization or corporation may obtain a commitment for financing to purchase the property, which shall be the 60-day period beginning upon the submission to the authority of the notice of interest; or

(C) if, during the period under subparagraph (B), an organization or corporation obtains such financing commitment and makes a bona fide offer to the authority to purchase the property for a price equal to or exceeding the applicable offer price under paragraph (3).

The authority shall sell the property pursuant to any purchase offer described in subparagraph (C).

(3) TERMS OF OFFER.—An offer by a local housing and management authority to sell a property in accordance with this subsection shall involve a purchase price that reflects the market value of the property, the reason for the sale, the impact of the sale on the surrounding community, and any other factors that the authority considers appropriate.

(h) INFORMATION FOR LOCAL HOUSING MANAGEMENT PLAN.—A local housing and management authority may demolish or dispose of a public housing development (or portion thereof) only if it includes in the applicable local housing management plan information sufficient to describe—

(1) the housing to be demolished or disposed of;

(2) the purpose of the demolition or disposition under subsection (c) and why the demolition or disposition complies with the requirements under subsection (c);

(3) how the consultations required under subsection (d) will be made;

(4) how the net proceeds of the disposition will be used in accordance with subsection (e);

(5) how the authority will relocate residents, if necessary, as required under subsection (f); and

(6) that the authority has offered the property for acquisition by resident organizations and resident management corporations in accordance with subsection (g).

(i) SITE AND NEIGHBORHOOD STANDARDS EXEMPTION.—Notwithstanding any other provision of law, a local housing and management authority may provide for development of public housing dwelling units on the same site or in the same neighborhood as any dwelling units demolished, pursuant to a plan under this section, but only if such development provides for significantly fewer dwelling units.

(j) TREATMENT OF REPLACEMENT UNITS.—In connection with any demolition or disposition of public housing under this section, a local housing and management authority may provide for other housing assistance for low-income families that is consistent with the low-income housing needs of the community, including—

(1) the provision of choice-based assistance under title III; and

(2) the development, acquisition, or lease by the authority of dwelling units, which dwelling units shall—

(A) be eligible to receive assistance with grant amounts provided under this title; and

(B) be made available for occupancy, operated, and managed in the manner required for public housing, and subject to the other requirements applicable to public housing dwelling units.

(k) PERMISSIBLE RELOCATION WITHOUT PLAN.—If a local housing and management authority determines that public housing dwelling units are not clean, safe, and healthy or cannot be maintained cost-effectively in a clean, safe, and healthy condition, the local housing and management authority may relocate residents of such dwelling units before the submission of a local housing management plan providing for demolition or disposition of such units.

(l) CONSOLIDATION OF OCCUPANCY WITHIN OR AMONG BUILDINGS.—Nothing in this section may be construed to prevent a local housing and management authority from consolidating occupancy within or among buildings of a public housing development, or among developments, or with other housing for the purpose of improving living conditions of, or providing more efficient services to, residents.

(m) DE MINIMIS EXCEPTION TO DEMOLITION REQUIREMENTS.—Notwithstanding any other provision of this section, in any 5-year period a local housing and management authority may demolish not more than the lesser of 5 dwelling units or 5 percent of the total dwelling units owned and operated by the local housing and management authority, without providing for such demolition in a local housing management plan, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents or the demolished unit was beyond repair.

SEC. 262. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND CHOICE-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS.

(a) PURPOSES.—The purpose of this section is to provide assistance to local housing and management authorities for the purposes of—

(1) reducing the density and improving the living environment for public housing residents of severely distressed public housing developments through the demolition of obsolete public housing developments (or portions thereof);

(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing developments are located and contributing to the improvement of the surrounding neighborhood; and

(3) providing housing that will avoid or decrease the concentration of very low-income families; and

(4) providing choice-based assistance in accordance with title III for the purpose of providing replacement housing and assisting residents to be displaced by the demolition.

(b) GRANT AUTHORITY.—The Secretary may make grants available to local housing and management authorities as provided in this section.

(c) CONTRIBUTION REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant certifies to the Secretary that the applicant will supplement the amount of assistance provided under this section with an amount of funds from sources other than this section equal to not less than 5 percent of the amount provided under this section, including amounts from other Federal sources, any State or local government sources, any private contributions, and the value of any in-kind services or administrative costs provided.

(d) ELIGIBLE ACTIVITIES.—Grants under this section may be used for activities to carry out revitalization programs for severely distressed public housing, including—

(1) architectural and engineering work, including the redesign, reconstruction, or redevelopment of a severely distressed public housing development, including the site on which the development is located;

(2) the demolition, sale, or lease of the site, in whole or in part;

(3) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this section as the Secretary may prescribe;

(4) payment of reasonable legal fees;

(5) providing reasonable moving expenses for residents displaced as a result of the revitalization of the development;

(6) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

(7) necessary management improvements;

(8) leveraging other resources, including additional housing resources, retail supportive services, jobs, and other economic development uses on or near the development that will benefit future residents of the site;

(9) replacement housing and housing assistance under title III;

(10) transitional security activities; and

(11) necessary supportive services, except that not more than 10 percent of the amount of any grant may be used for activities under this paragraph.

(e) APPLICATION AND SELECTION.—

(1) APPLICATION.—An application for a grant under this section shall contain such information and shall be submitted at such time and in accordance with such procedures, as the Secretary shall prescribe.

(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for the award of grants under this section, which shall include—

(A) the relationship of the grant to the local housing management plan for the local housing and management authority and how the grant will result in a revitalized site that will enhance the neighborhood in which the development is located;

(B) the capability and record of the applicant local housing and management authority, or any alternative management agency for the authority, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

(C) the extent to which the local housing and management authority could undertake such activities without a grant under this section;

(D) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the development;

(E) the amount of funds and other resources to be leveraged by the grant; and

(F) whether the applicant local housing and management authority has been awarded a planning grant under section 24(c) of the United States Housing Act of 1937 (as in effect immediately before the date of the enactment of this Act).

(f) COST LIMITS.—Subject to the provisions of this section, the Secretary—

(1) shall establish cost limits on eligible activities under this section sufficient to provide for effective revitalization programs; and

(2) may establish other cost limits on eligible activities under this section.

(h) DEMOLITION AND REPLACEMENT.—Any severely distressed public housing demolished or disposed of pursuant to a revitalization plan and any public housing produced in lieu of such severely distressed housing, shall be subject to the provisions of section 261.

(i) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the local housing and management authority to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

(j) WITHDRAWAL OF FUNDING.—If a grantee under this section does not proceed expeditiously, in the determination of the Secretary, the Secretary shall withdraw any grant amounts under this section that have not been obligated by the local housing and management authority. The Secretary shall redistribute any withdrawn amounts to one or more local housing and management authorities eligible for assistance under this section.

(k) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

(1) APPLICANT.—The term ''applicant'' means—

(A) any local housing and management authority that is not designated as troubled pursuant to section 431(a)(2)(D);

(B) any local housing and management authority or private housing management agent selected, or receiver appointed pursuant, to section 438; and

(C) any local housing and management authority that is designated as troubled pursuant to section 431(a)(2)(D) that—

(i) is so designated principally for reasons that will not affect the capacity of the authority to carry out a revitalization program;

(ii) is making substantial progress toward eliminating the deficiencies of the authority; or

(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

(2) PRIVATE NONPROFIT CORPORATION.—The term ''private nonprofit organization'' means any private nonprofit organization (including a State or locally chartered nonprofit organization) that—

(A) is incorporated under State or local law;

(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

(C) complies with standards of financial accountability acceptable to the Secretary; and

(D) has among its purposes significant activities related to the provision of decent housing that is affordable to very low-income families.

(3) SEVERELY DISTRESSED PUBLIC HOUSING.—The term ''severely distressed public housing'' means a public housing development (or building in a development)—

(A) that requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including inappropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the development;

(B) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood;

(C)(i) is occupied predominantly by families who are very low-income families with children, are unemployed, and dependent on various forms of public assistance; and

(ii) has high rates of vandalism and criminal activity (including drug-related criminal activity) in comparison to other housing in the area;

(D) cannot be revitalized through assistance under other programs, such as the public housing block grant program under this title, or the programs under sections 9 and 14 of the United States Housing Act of 1937 (as in effect before the date of the enactment of this Act), because of cost constraints and inadequacy of available amounts; and

(E) in the case of individual buildings, the building is, in the Secretary's determination, sufficiently separable from the remainder of the development of which the building is part to make use of the building feasible for purposes of this section.

(4) SUPPORTIVE SERVICES.—The term ''supportive services'' includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing development involved, including literacy training, job training, day care, and economic development activities.

(l) ANNUAL REPORT.—The Secretary shall submit to the Congress an annual report setting forth—

(1) the number, type, and cost of public housing units revitalized pursuant to this section;

(2) the status of developments identified as severely distressed public housing;

(3) the amount and type of financial assistance provided under and in conjunction with this section; and

(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.

(m) FUNDING.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for grants under this section such sums as may be necessary for fiscal year 1996.

(2) TECHNICAL ASSISTANCE.—Of the amount appropriated pursuant to paragraph (1) for any fiscal year, the Secretary may use not more than 0.50 percent for technical assistance. Such assistance may be provided directly or indirectly by grants, contracts, or cooperative agreements, and shall include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of local housing and management authorities, and of residents.

(n) SUNSET.—No assistance may be provided under this section after September 30, 1996.

Subtitle F—General Provisions

SEC. 271. CONVERSION TO BLOCK GRANT ASSISTANCE.

(a) SAVINGS PROVISIONS.—Any amounts made available to a public housing agency for assistance for public housing pursuant to the United States Housing Act of 1937 (or any other provision of law relating to assistance for public housing) under an appropriation for fiscal year 1996 or any previous fiscal year shall be subject to the provisions of such Act as in effect before the enactment of this Act, notwithstanding the repeals made by this Act, except to the extent the Secretary provides otherwise to provide for the conversion of public housing and public housing assistance to the system provided under this Act.

(b) MODIFICATIONS.—Notwithstanding any provision of this Act or any annual contributions contract or other agreement entered into by the Secretary and a public housing agency pursuant to the provisions of the United States Housing Act of 1937 (as in effect before the enactment of this Act), the Secretary and the agency may by mutual consent amend, supersede, modify any such agreement as appropriate to provide for assistance under this title, except that the Secretary and the agency may not consent to any such amendment, supersession, or modification that substantially alters any outstanding obligations requiring continued maintenance of the low-income character of any public housing development and any such amendment, supersession, or modification shall not be given effect.

SEC. 272. PAYMENT OF NON-FEDERAL SHARE.

Rental or use-value of buildings or facilities paid for, in whole or in part, from production, modernization, or operation costs financed under this title may be used as the non-Federal share required in connection with activities undertaken under Federal grant-in-aid programs which provide social, educational, employment, and other services to the residents in a project assisted under this title.

SEC. 273. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) ACQUISITION COST.—The term ''acquisition cost'' means the amount prudently expended by a local housing and management authority in acquiring property for a public housing development.

(2) DEVELOPMENT.—The terms ''public housing development'' and ''development'' mean—

(A) public housing; and

(B) the improvement of any such housing.

(3) ELIGIBLE LOCAL HOUSING AND MANAGEMENT AUTHORITY.—The term ''eligible local housing

and management authority'' means, with respect to a fiscal year, a local housing and management authority that is eligible under section 202(b) for a grant under this title.

(4) GROUP HOME AND INDEPENDENT LIVING FACILITY.—The terms ''group home'' and ''independent living facility'' have the meanings given such terms in section 811(k) of the Cranston-Gonzalez National Affordable Housing Act.

(5) OPERATION.—The term ''operation'' means any or all undertakings appropriate for management, operation, services, maintenance, security (including the cost of security personnel), or financing in connection with a public housing development, including the financing of resident programs and services.

(6) PRODUCTION.—The term ''production'' means any or all undertakings necessary for planning, land acquisition, financing, demolition, construction, or equipment, in connection with the construction, acquisition, or rehabilitation of a property for use as a public housing development, including activity in connection with a public housing development that is confined to the reconstruction, remodeling, or repair of existing buildings.

(7) PRODUCTION COST.—The term ''production cost'' means the costs incurred by a local housing and management authority for production of public housing and the necessary financing for production (including the payment of carrying charges and acquisition costs).

(8) RESIDENT COUNCIL.—The term ''resident council'' means an organization or association that meets the requirements of section 234(a).

(9) RESIDENT MANAGEMENT CORPORATION.—The term ''resident management corporation'' means a corporation that meets the requirements of section 234(b).

(10) RESIDENT PROGRAM.—The term ''resident programs and services'' means programs and services for families residing in public housing developments. Such term includes (A) the development and maintenance of resident organizations which participate in the management of public housing developments, (B) the training of residents to manage and operate the public housing development and the utilization of their services in management and operation of the development, (C) counseling on household management, housekeeping, budgeting, money management, homeownership issues, child care, and similar matters, (D) advice regarding resources for job training and placement, education, welfare, health, and other community services, (E) services that are directly related to meeting resident needs and providing a wholesome living environment; and (F) referral to appropriate agencies in the community when necessary for the provision of such services. To the maximum extent available and appropriate, existing public and private agencies in the community shall be used for the provision of such services.

SEC. 274. AUTHORIZATION OF APPROPRIATIONS FOR BLOCK GRANTS.

There is authorized to be appropriated, for block grants under this title, $6,300,000,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000.

SEC. 275. AUTHORIZATION OF APPROPRIATIONS FOR OPERATION SAFE HOME.

There is authorized to be appropriated, for assistance for relocating residents of public housing under the operation safe home program of the Department of Housing and Urban Development (including assistance for costs of relocation and housing assistance under title III), $700,000 for each of fiscal years 1996, 1997, 1998, 1999, and 2000. The Secretary shall provide that families who are residing in public housing, who have been subject to domestic violence, and for whom provision of assistance is likely to reduce or eliminate the threat of subsequent violence to the members of the family, shall be eligible for assistance under the operation safe home program.

The CHAIRMAN pro tempore. Are there any amendments to title II?

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the last word to try to make certain that we understand what our business is going to be.

Mr. Chairman, I want to try to enter into a colloquy with the gentleman from New York [Mr. LAZIO], my friend and chairman about our plans for the rest of the evening, and I hope for our plans involving tomorrow's business.

I wonder if the gentleman might enlighten us as to what his plans for the subcommittee are for the rest of the evening.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would yield, I would be happy to enter into a discussion with my friend, the distinguished ranking member, Mr. KENNEDY.

I will be happy to make the unanimous consent request.

Mr. Chairman, I ask unanimous consent that debate on all amendments to the bill, and any amendment thereto, be limited to 10 minutes, equally divided and controlled by the proponent and an opponent, except that: the modified amendment No. 7 offered by Mr. FRANK of Massachusetts be considered under the terms of the previous order of the committee, amendment No. 17 offered by Mr. KENNEDY of Massachusetts be debatable for 1 hour, amendments Nos. 33 and 34 offered by Ms. VELÁZQUEZ of New York may be considered en bloc and debatable for 20 minutes, amendment No. 22 offered by Mr. ROEMER of Indiana be debatable for 20 minutes, and amendment No. 9 by Mr. HAYWORTH of Arizona be debatable for 20 minutes.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

Mr. KENNEDY of Massachusetts. Mr. Chairman, reserving the right to object, I appreciate the efforts that the gentleman from New York and the staff of the committee have made to try to get this bill under control for tomorrow's business. I think we have an agreement in terms of the committee's work that everyone that has offered or intends to offer an amendment can work within.

I would also like to put on the RECORD the minority's understanding of the floor schedule for testimony. That the House intends to meet at 10 a.m. That the House will take up the housing bill until completion and that the House will vote on the product liability veto override. Then the House will take up the rule on general debate only on the adoption bill and the House may take up the science rule only, and that will be it in terms of the order of business for the day.

Mr. LAZIO of New York. Mr. Chairman, if the gentleman would yield, it is my understanding that the schedule will follow closely, or approximately, what the gentleman has simply set forth.

It looks like those issues will be resolved and I think we will probably only get to the rule vote on the science bill, tomorrow so we are hoping to wrap up. And I also want to thank the gentleman from Massachusetts for working cooperatively to ensure that we have a rational debate process for the remained of this bill before us right now.

Mr. KENNEDY of Massachusetts. Mr. Chairman, although I am a little suspect about approximatelys and hopefuls, but anyway, I appreciate working with the gentleman from New York and look forward to a shorter day tomorrow.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HAYWORTH) having assumed the chair, Mr. HOBSON, Chairman pro tempore of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill, (H.R. 2406), to repeal the United States Housing Act of 1937, deregulate the public housing program and the program for rental housing assistance for low-income families, and increase community control over such programs, and for other purposes, had come to no resolution thereon.

APPOINTMENT OF MEMBERS TO UNITED STATES DELEGATION OF CANADA-UNITED STATES INTERPARLIAMENTARY GROUP

The SPEAKER pro tempore. Without objection, and pursuant to the provisions of 22 U.S.C. 276d, the Chair announces the Speaker's appointment of the following Members of the House to the United States delegation of the Canada-United States interparliamentary group: Mr. DRIER of California, Mr. UPTON of Michigan, Mr. GIBBONS of Florida, Mr. DE LA GARZA of Texas, Mr. OBERSTAR of Minnesota, Mr. JOHNSTON of Florida, Mr. PETERSON of Minnesota, Ms. DANNER of Missouri, Mr. UNDERWOOD of Guam, and Mr. FRAZER of the Virgin Islands.

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of May 12, 1996, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts [Mr. MEEHAN] is recognized for 5 minutes.

[Mr. MEEHAN addressed the House. His remarks will appear hereafter in the Extensions of Remarks.]