

103^D CONGRESS
1ST SESSION

H. R. 2957

To authorize public housing agencies to establish policies regarding the amount of rent paid by tenants of public housing units and units assisted under section 8 of the United States Housing Act of 1937 that create incentives for family self-sufficiency, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

AUGUST 6, 1993

Mr. KNOLLENBERG introduced the following bill; which was referred to the Committee on Banking, Finance and Urban Affairs

A BILL

To authorize public housing agencies to establish policies regarding the amount of rent paid by tenants of public housing units and units assisted under section 8 of the United States Housing Act of 1937 that create incentives for family self-sufficiency, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Rent Reform and
5 Empowerment Act”.

1 **SEC. 2. DETERMINATION OF INCOME AND RENT CHARGES**
2 **FOR SECTION 8 AND PUBLIC HOUSING PRO-**
3 **GRAMS.**

4 (a) EXCLUSION OF INCOME TAXES AND FICA TAX
5 FROM INCOME.—Section 3(b)(5) of the United States
6 Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amend-
7 ed—

8 (1) by redesignating subparagraphs (A) through
9 (G) as subparagraphs (B) through (H), respectively;
10 and

11 (2) by inserting before subparagraph (B) (as so
12 redesignated by paragraph (1) of this section) the
13 following new subparagraph:

14 “(A) the amount of any Federal, State,
15 and local income taxes paid by members of the
16 family and the amount paid by members of the
17 family for the taxes imposed under section 3101
18 and 3201(a) of the Internal Revenue Code of
19 1986;”.

20 (b) OPTION TO EXCLUDE EARNED INCOME.—Section
21 3(b)(5) of the United States Housing Act of 1937 (42
22 U.S.C. 1437a(b)(5)) is amended by adding at the end the
23 following new flush sentence:

24 “At the option of a public housing agency, the agency may
25 (for all families residing in housing assisted by the agency
26 under this Act) exclude from consideration as income for

1 purposes of determining any limitation on the amount of
2 rent paid by a family, all or part of any increases in the
3 earned income of a family that results from the employ-
4 ment of a previously unemployed family member; except
5 that such increases in earned income may be excluded only
6 during the 5-year period beginning on the employment of
7 the family member.”.

8 (c) OPTION TO ESTABLISH CEILING RENTS.—Sec-
9 tion 3(a) of the United States Housing Act of 1937 (42
10 U.S.C. 1437a(a)) is amended by adding at the end the
11 following new paragraph:

12 “(3) CEILING RENT OPTION.—At the option of a
13 public housing agency, the agency may provide that rental
14 charges be determined as follows:

15 “(A) PUBLIC HOUSING AND CERTIFICATES.—
16 Notwithstanding paragraph (1), each family residing
17 in housing assisted by the agency under this Act
18 (other than units assisted under section 8(o) or (y))
19 shall pay as monthly rent for the dwelling unit the
20 lesser of—

21 “(i) the amount determined under para-
22 graph (1); or

23 “(ii) 75 percent of—

1 “(I) the fair market rental for the
2 unit, in the case of units assisted under
3 section 8(b); and

4 “(II) the fair market rental estab-
5 lished for comparable units in the market
6 area in which the dwelling unit is located,
7 in the case of public housing dwelling
8 units.

9 “(B) VOUCHERS.—Notwithstanding section
10 8(o)(2), for each family residing in housing assisted
11 by the agency under section 8(o), the monthly assist-
12 ance payment for the family shall be the amount by
13 which the payment standard for the area exceeds the
14 lesser of—

15 “(i) 30 percent of the family’s monthly ad-
16 justed income; or

17 “(ii) 75 percent of the monthly payment
18 standard.”.

19 (d) OPTION TO FREEZE RENTAL PAYMENTS.—Sec-
20 tion 3(a) of the United States Housing Act of 1937 (42
21 U.S.C. 1437a(a)), as amended by subsection (b), is fur-
22 ther amended by adding at the end the following new para-
23 graph:

24 “(4) OPTION TO FREEZE RENTAL PAYMENTS.—At
25 the option of a public housing agency, the agency may pro-

1 vide that, with respect only to families that the agency
2 has determined are engaged in activities that promote eco-
3 nomic independence and self-sufficiency—

4 “(A) notwithstanding paragraph (1), each such
5 family shall pay as rent for a dwelling unit assisted
6 by the agency under section 8(b) and for a public
7 housing dwelling unit of the agency, during the pe-
8 riod in which the family continuously occupies any
9 units assisted under this Act, the sum of—

10 “(i) the amount payable as rent by such
11 family under paragraph (1) upon initial occu-
12 pancy during such period in an assisted unit;
13 and

14 “(ii) the amount determined by the public
15 housing agency to be attributable to any in-
16 crease in the cost of the dwelling unit for such
17 family that occurs after such initial occupancy,
18 including any increases in the cost of the unit
19 resulting from inflation, increased maintenance
20 or operating costs, and occupancy of a more ex-
21 pensive assisted unit; and

22 “(B) notwithstanding section 8(o)(2), for each
23 such family residing in housing assisted by the agen-
24 cy under section 8(o), the monthly assistance pay-
25 ment for the family during the period in which the

1 family continuously occupies any units assisted
2 under this Act shall be the amount by which the
3 payment standard for the area exceeds the sum of—

4 “(i) 30 percent of the family’s monthly ad-
5 justed income upon initial occupancy during
6 such period in an assisted unit; and

7 “(ii) the amount determined by the public
8 housing agency to be attributable to any in-
9 crease in the cost of the dwelling unit for such
10 family that occurs after such initial occupancy,
11 including any increases in the cost of the unit
12 resulting from inflation, increased maintenance
13 or operating costs, and occupancy of a more ex-
14 pensive assisted unit.”.

15 (e) APPLICABILITY TO INDIAN HOUSING.—In accord-
16 ance with section 201(b)(2) of the United States Housing
17 Act of 1937, the provisions of this section shall apply to
18 public housing developed or operated pursuant to a con-
19 tract between the Secretary and an Indian housing author-
20 ity.

21 **SEC. 3. PUBLIC HOUSING AUTHORITY MARKET RENT DEM-**
22 **ONSTRATION.**

23 (a) AUTHORITY.—At the request of a public housing
24 agency or resident management corporation, the Secretary
25 of Housing and Urban Development may authorize the

1 agency or corporation to carry out a demonstration pro-
2 gram under this section to determine the feasibility and
3 desirability of providing public housing agencies and resi-
4 dent management corporations the authority to establish
5 policies for the operation, maintenance, management, and
6 development (including modernization) of public housing
7 projects administered by the agency, without regard to the
8 requirements under the United States Housing Act of
9 1937 applicable to public housing. In establishing such
10 policies, public housing agencies and resident management
11 corporations shall be subject to the provisions of any appli-
12 cable State and local laws.

13 (b) REQUIRED FINDINGS.—The Secretary may au-
14 thorize a public housing agency or resident management
15 corporation to carry out a demonstration program under
16 this section only if the Secretary determines, with respect
17 to the particular demonstration program, that—

18 (1) the program is likely to assist in promoting
19 the objectives of the United States Housing Act of
20 1937, encourage resident empowerment, and reduce
21 poverty in public housing by improving the means by
22 which economic self-sufficiency may be achieved;

23 (2) the program, taken as a whole, will not re-
24 sult in higher costs to the Federal Government than
25 would be incurred absent the program;

1 (3) the results of the program will be evaluated
2 and reported to the Secretary by independent enti-
3 ties;

4 (4) no fewer very low-income families will be as-
5 sisted under the program than would otherwise have
6 been assisted; and

7 (5) the program is consistent with the Fair
8 Housing Act, title VI of the Civil Rights Act of
9 1964, section 504 of the Rehabilitation Act of 1973,
10 and the Age Discrimination Act of 1975.

11 (c) EXCEPTIONS TO PROVISIONS OF UNITED STATES
12 HOUSING ACT OF 1937.—

13 (1) MANDATORY.—Notwithstanding any other
14 provision of law, during the period of the demonstra-
15 tion program (pursuant to subsection (i)) section
16 3(a) of the United States Housing Act of 1937 (re-
17 lating to rental amounts for dwelling units in public
18 housing projects), sections 3(b)(4) and (5) of such
19 Act (relating to determination of income and ad-
20 justed income), and section 16 of such Act (relating
21 to income eligibility) shall not apply to any public
22 housing projects involved in a demonstration pro-
23 gram under this section or any families residing in
24 such projects. Each public housing authority and
25 resident management corporation carrying out a

1 demonstration program under this section shall es-
2 tablish rents for dwelling units in projects involved
3 in the demonstration program at the discretion of
4 the agency or corporation.

5 (2) DISCRETIONARY.—The Secretary may ex-
6 empt a public housing agency or resident manage-
7 ment corporation carrying out a demonstration pro-
8 gram under this section from any other require-
9 ments of the United States Housing Act of 1937,
10 and modify the requirements of such sections and
11 other provisions with respect to such agencies, that
12 the Secretary determines are not consistent with the
13 purposes of a demonstration program.

14 (d) INCOME ELIGIBILITY.—Not less than 30 percent
15 of the total number of dwelling units in public housing
16 projects involved in a demonstration program carried out
17 under this section by a public housing agency or resident
18 management corporation shall be available for leasing only
19 to very low-income families.

20 (e) EFFECT ON OPERATING SUBSIDIES.—Notwith-
21 standing any requirement pursuant to section 9 of the
22 United States Housing Act of 1937, the amount of annual
23 contributions provided for a fiscal year under such section
24 to any public housing agency or resident management cor-
25 poration carrying out a demonstration program in such

1 fiscal year may not exceed the amount of such annual con-
2 tributions provided under such section to the agency or
3 corporation for the last fiscal year concluding before the
4 commencement of the demonstration program by the
5 agency or corporation, as adjusted for inflation (as deter-
6 mined by the Secretary).

7 (f) TREATMENT OF FAMILIES UNABLE TO PAY
8 RENTAL CHARGES IN PUBLIC HOUSING.—

9 (1) AUTHORITY TO PROVIDE SECTION 8 ASSIST-
10 ANCE.—Notwithstanding any other provision of law,
11 in connection with carrying out a demonstration pro-
12 gram under this section a public housing agency
13 may provide assistance under section 8 of the United
14 States Housing Act of 1937 (to the extent sufficient
15 amounts for such assistance are available to such
16 agency) on behalf of any family that (A) resides in
17 a dwelling unit in a public housing project involved
18 in the demonstration program upon the commence-
19 ment of the demonstration, (B) is otherwise eligible
20 for such assistance, and (C) under section 3(a)(1) of
21 such Act would pay as rent for a dwelling unit as-
22 sisted under such section an amount that is less
23 than the rental charge for the public housing dwell-
24 ing unit under the demonstration program. Any such
25 assistance provided for such family shall be subject

1 to the provisions of section 3(a)(1) or 8(o) of such
2 Act, as applicable.

3 (2) USE.—Such assistance may be used in con-
4 nection with the rental of a public housing dwelling
5 unit or any other dwelling unit eligible for rental
6 using such assistance.

7 (3) PREFERENCE.—Notwithstanding any other
8 provision of law, a public housing agency carrying
9 out a demonstration program under this section may
10 give preference in providing assistance under such
11 section 8 to families described in paragraph (1) of
12 this subsection.

13 (g) SCOPE OF DEMONSTRATIONS.—In authorizing
14 public housing agencies and resident management cor-
15 porations to carry out demonstration programs under this
16 section, the Secretary shall provide that the demonstration
17 is carried out with respect to one or more specific public
18 housing projects.

19 (h) NUMBER OF DEMONSTRATIONS.—The Secretary
20 may authorize not more than 50 public housing agencies
21 or resident management corporations to carry out dem-
22 onstration programs under this section.

23 (i) DURATION.—A public housing agency or resident
24 management corporation authorized to carry out a dem-
25 onstration program under this section may carry out the

1 demonstration for a period, determined by the agency or
2 corporation, of not more than 5 years.

3 (j) LIMITATION.—The number and duration of dem-
4 onstration programs authorized by the Secretary may not
5 exceed the number and duration necessary to achieve the
6 objectives of this section.

7 (k) ADDITIONAL REQUIREMENTS.—In authorizing a
8 demonstration program under this section, the Secretary
9 may impose such requirements on the program as the Sec-
10 retary considers to be appropriate to further its purposes.

11 (l) REPORTS.—

12 (1) TO SECRETARY.—Each public housing
13 agency and resident management corporation carry-
14 ing out a demonstration program under this section
15 shall submit a report to the Secretary regarding the
16 demonstration for each year in which the demonstra-
17 tion is carried out, as shall be required by the Sec-
18 retary.

19 (2) TO CONGRESS.—Not later than 6 years
20 after the date of the enactment of this Act, the Sec-
21 retary shall submit a report to the Congress describ-
22 ing and evaluating the demonstration programs car-
23 ried out under this section.

24 (m) DEFINITIONS.—For purposes of this section:

1 (1) PUBLIC HOUSING.—The terms “public
2 housing” and “project” have the meanings given
3 such terms in section 3(b) of the United States
4 Housing Act of 1937.

5 (2) PUBLIC HOUSING AGENCY.—The terms
6 “public housing agency” and “agency” have the
7 meanings given the term “public housing agency” in
8 section 3(b) of the United States Housing Act of
9 1937.

10 (3) RESIDENT MANAGEMENT CORPORATION.—
11 The terms “resident management corporation” and
12 “corporation” mean a resident management corpora-
13 tion established in accordance with requirements of
14 the Secretary under section 20 of the United States
15 Housing Act of 1937.

16 (4) SECRETARY.—The term “Secretary” means
17 the Secretary of Housing and Urban Development.

18 (5) VERY LOW-INCOME FAMILIES.—The term
19 “very low-income families” has the meaning given
20 the term in section 3(b) of the United States Hous-
21 ing Act of 1937.

22 (n) APPLICABILITY TO INDIAN HOUSING.—In ac-
23 cordance with section 201(b)(2) of the United States
24 Housing Act of 1937, the provisions of this section shall
25 apply to public housing developed or operated pursuant

1 to a contract between the Secretary and an Indian housing
2 authority.

3 **SEC. 4. REGULATIONS.**

4 The Secretary may issue any regulations necessary
5 to carry out this Act and the amendments made by this
6 Act.

7 **SEC. 5. EFFECTIVE DATE.**

8 This Act and the amendments made by this Act shall
9 take effect on October 1, 1993.

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