

103^D CONGRESS
2^D SESSION

H. R. 3888

To amend the United States Housing Act of 1937 to improve the programs for public and Indian housing, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 23, 1994

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

A BILL

To amend the United States Housing Act of 1937 to improve the programs for public and Indian housing, and for other purposes.

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

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

4 This Act may be cited as the “Public and Indian
5 Housing Amendments of 1994”.

6 (b) TABLE OF CONTENTS.—

Sec. 1. Short title and table of contents.

TITLE I—ENHANCED PROGRAM FLEXIBILITY

Sec. 101. Revitalization of severely distressed public housing.

Sec. 102. Public housing design and cost flexibility.

Sec. 103. HOPE homeownership programs.

Sec. 104. Disallowances of earned income for residents who obtain employment.

- Sec. 105. Ceiling rents based on reasonable rental value.
 Sec. 106. Resident management program.

TITLE II—TECHNICAL AND OTHER AMENDMENTS

- Sec. 201. Correction to definition of “family”.
 Sec. 202. Repeal of limitation on income adjustments.
 Sec. 203. Identification of CIAP replacement needs.
 Sec. 204. Applicability of public housing amendments to Indian housing.
 Sec. 205. Project-based accounting.
 Sec. 206. Operating subsidy adjustments for anticipated fraud recoveries.
 Sec. 207. Labor standards for construction contracts under United States Housing Act of 1937.
 Sec. 208. Technical assistance for lead hazard reduction grantees.
 Sec. 209. Environmental review in connection with grants for lead-based paint hazard reduction.
 Sec. 210. Fire safety in federally assisted housing.
 Sec. 211. Changes to payment in lieu of taxes.

1 **TITLE I—ENHANCED PROGRAM**
 2 **FLEXIBILITY**

3 **SEC. 101. REVITALIZATION OF SEVERELY DISTRESSED PUB-**
 4 **LIC HOUSING.**

5 (a) REPEAL OF DESIGNATION OF ELIGIBLE
 6 PROJECTS.—Subsection (b) of section 24 of the United
 7 States Housing Act of 1937 (42 U.S.C. 1437v(b)) is here-
 8 by repealed.

9 (b) PLANNING GRANTS.—Subsection (c) of section
 10 24 of the United States Housing Act of 1937 is amend-
 11 ed—

12 (1) in paragraph (2) by striking “\$200,000”
 13 and inserting “\$300,000”;

14 (2) by striking paragraph (3) and inserting the
 15 following new paragraph:

16 “(3) ELIGIBLE ACTIVITIES.—A planning grant
 17 under this subsection may be used for activities to

1 develop revitalization programs for severely dis-
2 tressed public housing, including—

3 “(A) obtaining studies, training, and tech-
4 nical assistance relating to different options for
5 revitalization, including redesign, reconstruc-
6 tion, conversion, demolition, disposition, and re-
7 placement and including the feasibility, costs,
8 and impact on the neighborhood of such op-
9 tions;

10 “(B) grants to qualified resident organiza-
11 tions to ensure resident involvement in all
12 phases of the planning and implementation
13 processes;

14 “(C) improvements to stabilize the develop-
15 ment, including security;

16 “(D) conducting workshops and surveys to
17 ascertain the attitudes and concerns of the
18 neighboring community and the need for phys-
19 ical improvements in the neighborhood;

20 “(E) planning for community service and
21 support service activities to be carried out by
22 the public housing agency, the residents, other
23 members of the community, and other persons
24 and organizations willing to contribute to the

1 social, economic, or physical improvement of the
2 community;

3 “(F) preliminary architectural and engi-
4 neering work;

5 “(G) planning for economic development,
6 youth corps, job training, and self-sufficiency
7 activities that promote the economic self-suffi-
8 ciency of residents under the revitalization pro-
9 gram;

10 “(H) designing suitable relocation and re-
11 placement housing plans, in situations where
12 partial or total demolition is considered;

13 “(I) planning for necessary management
14 improvements; and

15 “(J) preparation of an application for an
16 implementation grant under this section.”;

17 (3) in paragraph (4)—

18 (A) by redesignating subparagraph (E) as
19 subparagraph (F); and

20 (B) by striking subparagraphs (C) and (D)
21 and inserting the following new subparagraphs:

22 “(C) identification and description of the
23 public housing project involved, including its
24 major physical, management, and social needs,
25 and a general description of the resident popu-

1 lation of the project, including family sizes and
2 incomes;

3 “(D) a description of the planning activi-
4 ties for community service and support services
5 to be carried out by the public housing agency,
6 the residents, other members of the community,
7 and other persons and organizations willing to
8 contribute to the social, economic, or physical
9 improvement of the community;

10 “(E) a certification by the public housing
11 agency that the application has been submitted
12 to the public official responsible under section
13 105 of the Cranston-Gonzalez National Afford-
14 able Housing Act for submitting the com-
15 prehensive housing affordability strategy for the
16 participating jurisdiction in which the project is
17 located; and”;

18 (4) in paragraph (5)—

19 (A) in the matter preceding subparagraph
20 (A), by striking “, by regulation, establish” and
21 inserting “establish, by notice published in the
22 Federal Register,”;

23 (B) by striking subparagraph (A) and in-
24 serting the following new subparagraph:

1 “(A) the capabilities of the applicant and
2 of any entities associated with the applicant in
3 carrying out the revitalization program;”;

4 (C) in subparagraph (B), by inserting
5 “proposed resident” after “interest and”;

6 (D) in subparagraph (C), by inserting
7 “proposed” after “extent of”;

8 (E) by striking subparagraph (E); and

9 (F) by redesignating subparagraphs (F)
10 and (G) as subparagraphs (E) and (F), respec-
11 tively.

12 (c) IMPLEMENTATION GRANTS.—Subsection (d) of
13 section 24 of the United States Housing Act of 1937 is
14 amended—

15 (1) in paragraph (1), by adding at the end the
16 following new sentence: “Each applicant that re-
17 ceives an implementation grant under this section
18 for revitalization of a severely distressed public hous-
19 ing project shall carry out community service and
20 support service activities relating to the project as
21 part of the revitalization program.”;

22 (2) in paragraph (2)—

23 (A) in subparagraph (B), by striking “or
24 redevelopment” and inserting “conversion, dem-
25 olition, or disposition”;

1 (B) in subparagraph (F), by inserting “,
2 job training, youth corps, and other” after
3 “economic development”;

4 (C) in subparagraph (H), by striking
5 “transitional security activities” and inserting
6 “security”;

7 (D) by striking subparagraph (I) and in-
8 serting the following new subparagraph:

9 “(K) support services, except that—

10 “(i) not more than 20 percent of any
11 grant under this subsection may be used
12 for such purpose; and

13 “(ii) an amount equal to 15 percent of
14 the amount of any grant under this sub-
15 section used for such purposes shall be
16 contributed from non-Federal sources, and
17 may be in the form of cash, administrative
18 costs, and the reasonable value of in-kind
19 contributions, and may include funding
20 under title I of the Housing and Commu-
21 nity Development Act of 1974.”;

22 (E) by redesignating subparagraphs (E)
23 through (H) (as so amended) as subparagraphs
24 (G) through (J), respectively; and

1 (F) by inserting after subparagraph (D)
2 the following new subparagraphs:

3 “(E) community service and support serv-
4 ice activities to be carried out by the public
5 housing agency, the residents, other members of
6 the community, and other persons and organi-
7 zations willing to contribute to the social, eco-
8 nomic, or physical improvement of the commu-
9 nity;

10 “(F) replacement of public housing units
11 through development of replacement units by
12 the methods permitted under subsection (d)(3),
13 other than paragraph (3)(B)(i) of such sub-
14 section;”;

15 (3) in paragraph (3)—

16 (A) in subparagraph (B), by inserting after
17 “applicant” the following: “and any other enti-
18 ties to be involved in implementing activities
19 funded with amounts from the grant”;

20 (B) in subparagraph (C), by striking
21 “composition” and all that follows through “in-
22 come” and inserting the following: “resident
23 population, including family sizes, incomes, and
24 needs, together with an analysis of the relation-
25 ship of the implementation plan to such needs”;

1 (C) in subparagraph (D), by striking “con-
2 sistent” and inserting “not inconsistent”;

3 (D) by redesignating subparagraphs (D)
4 (as so amended) and (E) as subparagraphs (E)
5 and (F), respectively; and

6 (E) by inserting after subparagraph (C)
7 the following new subparagraph:

8 “(D) a description of the community serv-
9 ice and support service activities to be carried
10 out by the public housing agency, the residents,
11 other members of the community, and other
12 persons and organizations willing to contribute
13 to the social, economic, or physical improvement
14 of the community;”; and

15 (4) in paragraph (4)—

16 (A) in subparagraph (A), by inserting be-
17 fore the semicolon at the end the following:
18 “and any other entities to be involved in imple-
19 menting activities funded with amounts from
20 the grant”;

21 (B) by striking subparagraphs (D) and (E)
22 and inserting the following new subparagraph:

23 “(D) the quality of the proposed revitaliza-
24 tion program and the suitability of the project
25 for such a program;”; and

1 (C) by redesignating subparagraphs (F)
2 and (G) as subparagraphs (E) and (F), respec-
3 tively.

4 (d) EXCEPTIONS TO GENERAL PROGRAM REQUIRE-
5 MENTS.—Subsection (e) of section 24 of the United States
6 Housing Act of 1937 is amended—

7 (1) in paragraph (1)—

8 (A) by striking “this title” and inserting
9 “this Act”; and

10 (B) by striking “permit” and inserting
11 “enable”;

12 (2) by striking the first sentence of paragraph
13 (2) and inserting the following new sentence: “For
14 projects revitalized under this section, a public hous-
15 ing agency may—

16 “(A) in lieu of selecting tenants pursuant
17 to the preferences specified under section
18 6(c)(4)(A)(i), select tenants pursuant to a local
19 system of preferences;

20 “(B) in making dwelling units in such
21 projects available for occupancy, disregard the
22 order in which applications were made for resi-
23 dency in public housing dwelling units or any
24 waiting lists established for such residency to
25 provide for substantial variation in the incomes

1 of families residing in the project, subject to the
2 provisions of this Act relating to income eligi-
3 bility in public housing projects (as modified
4 under subparagraph (C));

5 “(C) notwithstanding section 16 of this
6 Act, provide for low-income families to occupy
7 not more than 50 percent of the dwelling units
8 in a project, and

9 “(D) establish ceiling rents under section
10 3(a)(2)(A).”; and

11 (3) by adding at the end the following new
12 paragraphs:

13 “(3) REPLACEMENT UNITS.—

14 “(A) EXCEPTION TO SECTION 18.—Not-
15 withstanding the provisions of section 18(b)(3),
16 at the option of the public housing agency in-
17 volved, the dwelling units demolished, disposed
18 of, or otherwise eliminated in connection with
19 activities conducted pursuant to subsection (c)
20 of this section or the urban revitalization dem-
21 onstration program established under the De-
22 partments of Veterans Affairs and Housing and
23 Urban Development, and Independent Agencies
24 Appropriations Act, 1993 (Public Law 102–

1 389; 106 Stat. 1579), may be replaced as pro-
2 vided under this paragraph.

3 “(B) CERTIFICATE AND NEW UNIT MIX.—
4 Each such dwelling unit demolished, disposed
5 of, or otherwise eliminated shall be replaced
6 with an additional dwelling unit through—

7 “(i) the use of tenant-based assistance
8 under section 8(b) having a term of not
9 less than 5 years, except that not more
10 than one-third of such dwelling units to be
11 replaced by the public housing agency may
12 be replaced as provided under this clause;
13 or

14 “(ii) any combination of additional
15 public housing dwelling units, units ac-
16 quired or otherwise provided for home-
17 ownership (including cooperative and con-
18 dominium interests) under section 5(h),
19 subtitles B or C of title IV of the Cran-
20 ston-Gonzalez National Affordable Housing
21 Act, or other programs for homeownership
22 that have program requirements substan-
23 tially equivalent to the requirements estab-
24 lished under section 605 of the Housing
25 and Community Development Act of 1987.

1 “(C) EXEMPTION FROM CERTAIN
2 RULES.—

3 “(i) SITE AND NEIGHBORHOOD
4 STANDARDS.—Any units provided, ac-
5 quired, assisted, or developed by a public
6 housing agency to replace a public housing
7 dwelling unit pursuant to the requirements
8 of this paragraph shall not be subject to
9 any regulations of the Department of
10 Housing and Urban Development relating
11 to site and neighborhood standards, includ-
12 ing the regulations contained in sub-
13 sections (b), (c), or (d) of section 941.202
14 of title 24, Code of Federal Regulations.

15 “(ii) TENANT CONSULTATION.—The
16 demolition or disposition of any public
17 housing dwelling units resulting from ac-
18 tivities pursuant to subsection (c) shall not
19 be subject to section 18(b)(1).”.

20 (e) ADMINISTRATION.—Subsection (g) of section 24
21 of the United States Housing Act of 1937 is amended to
22 read as follows:

23 “(g) ADMINISTRATION.—

24 “(1) OFFICE OF SEVERELY DISTRESSED PUB-
25 LIC HOUSING REVITALIZATION.—For the purpose of

1 carrying out the revitalization of severely distressed
2 public housing in accordance with this section, the
3 Secretary shall establish within the Department of
4 Housing and Urban Development an Office of Se-
5 verely Distressed Public Housing Revitalization.

6 “(2) BLOCK GRANT FUNDING.—The Secretary
7 shall administer the activities for the revitalization
8 of severely distressed public housing under this sec-
9 tion as a single integrated program under which a
10 single block grant of funds is made to a public hous-
11 ing agency to cover—

12 “(A) community service and support serv-
13 ice activities; and

14 “(B) demolition, modernization, recon-
15 struction, site improvements, and replacement
16 housing.

17 “(3) PROCUREMENT OF SERVICES.—Notwith-
18 standing any Federal law relating to procurement or
19 requiring competitive bidding in procurement, any
20 activities related to community service and support
21 service activities conducted pursuant to this section
22 may be procured on a sole source basis.

23 “(4) INDEPENDENT ADMINISTRATION OF HOUS-
24 ING ACTIVITIES.—Activities relating to demolition,
25 modernization, reconstruction, site improvements,

1 and replacement of housing under the program
2 under this section shall be administered independent
3 of any individual program regulations, handbooks,
4 and notices of the Department of Housing and
5 Urban Development for modernization, major recon-
6 struction, demolition, or development.

7 “(5) INDEPENDENT FUNDING GUIDELINES.—
8 The Secretary shall establish separate guidelines for
9 carrying out the program under this section, which
10 shall provide for—

11 “(A) the unique integrated nature of the
12 program;

13 “(B) the higher direct costs of the pro-
14 gram compared to public housing development;
15 and

16 “(C) expediting, simplifying, and unifying
17 processing of applications and requests relating
18 to the program, and shall not provide for proc-
19 essing of such applications and requests under
20 the procedures and guidelines applicable to var-
21 ious other programs of the Department.”.

22 (f) DEFINITIONS.—Subsection (h) of section 24 of
23 the United States Housing Act of 1937 is amended—

24 (1) by striking paragraph (5) and inserting the
25 following new paragraphs:

1 “(6) SEVERELY DISTRESSED PUBLIC HOUS-
2 ING.—The term ‘severely distressed public housing’
3 means a public housing project or building in a
4 project that—

5 “(A) requires major redesign, reconstruc-
6 tion, or redevelopment, or partial or total demo-
7 lition, to correct serious deficiencies in the
8 original design (including inappropriately high
9 population density), deferred maintenance,
10 physical deterioration or obsolescence or major
11 systems, and other deficiencies in the physical
12 plant of the project;

13 “(B) is occupied predominantly by families
14 with children who have extremely low incomes,
15 high rates of unemployment, and extensive de-
16 pendency on various forms of public assistance;

17 “(C) has high rates of vandalism and
18 criminal activity (including drug-related crimi-
19 nal activity);

20 “(D) has a vacancy rate, as determined by
21 the Secretary, of 50 percent or more;

22 “(E) in the case of an individual building,
23 the building is (in the determination of the Sec-
24 retary) sufficiently separable from the remain-
25 der of the project of which the building is part

1 to make use of the building feasible for pur-
2 poses of this section; and

3 “(F) is not assisted with amounts reserved
4 under section 5(j)(2).

5 “(7) SUPPORT SERVICES.—The term ‘support
6 services’ includes all activities designed to assist in
7 increasing economic opportunities, self-sufficiency,
8 and improved quality of life for the residents of the
9 public housing project involved, including literacy
10 training, job training, day care, economic develop-
11 ment activities, and the training and services de-
12 scribed in subsections (e) and (f) of section 775 of
13 the Stewart B. McKinney Homeless Assistance Act.
14 Support services may be provided to and involve the
15 participation of residents of the neighborhood in
16 which the public housing project involved is lo-
17 cated.”;

18 (2) by redesignating paragraphs (2) through
19 (4) as paragraphs (3) through (5), respectively; and

20 (3) by inserting after paragraph (1) the follow-
21 ing new paragraph:

22 “(2) COMMUNITY SERVICE.—The term ‘commu-
23 nity service’ means services provided on a volunteer
24 or stipend basis for the social, economic, or physical
25 improvement of the community to be served, includ-

1 ing opportunities for bettering the economic situa-
2 tion of the participants providing the community
3 service, through completion of education require-
4 ments, job training, or alternative methods of devel-
5 oping skills and job readiness. The term includes the
6 programs for national service of the types eligible for
7 assistance under subtitle C of title I of the National
8 and Community Service Act of 1990 and programs
9 for youth corps and urban youth corps under section
10 106 the National and Community Service Trust Act
11 of 1993, that focus on residents of public housing
12 agencies and other low-income youth between the
13 ages of 16 and 25 and that provide structured, crew-
14 based, adult-supervised work and learning experi-
15 ences, promoting citizenship and life and employ-
16 ment skills, including such programs that are affili-
17 ated with union training and apprenticeship pro-
18 grams.”.

19 (g) ANNUAL REPORT.—Subsection (i) of section 24
20 of the United States Housing Act of 1937 is amended—

21 (1) by striking paragraph (2);

22 (2) in paragraph (3) by striking “and” at the
23 end; and

1 (3) by redesignating paragraph (3) as para-
2 graph (2) and inserting after such paragraph the
3 following new paragraph:

4 “(3) the status of planning and implementation
5 activities funded under this section; and”.

6 (h) CONFORMING AMENDMENTS.—Section 24 of the
7 United States Housing Act of 1937 (42 U.S.C. 1437v)
8 is amended—

9 (1) in subsection (a)—

10 (A) in paragraph (1), by striking “sub-
11 section (c)” and inserting “subsection (b)”; and

12 (B) in paragraph (2), by striking “sub-
13 section (d)” and inserting “subsection (c)”;

14 (2) in subsection (f)(2), by striking “sub-
15 sections (c) and (d)” each place it appears and in-
16 serting “subsections (b) and (c)”; and

17 (3) by redesignating subsections (c) through (i)
18 (as amended by this section) as subsections (b)
19 through (h), respectively.

20 **SEC. 102. PUBLIC HOUSING DESIGN AND COST FLEXIBIL-**
21 **ITY.**

22 (a) IN GENERAL.—Section 5(b) of the United States
23 Housing Act of 1937 (42 U.S.C. 1437c(b)) is amended
24 to read as follows:

1 “(b) GRANTS FOR DEVELOPMENT OF PUBLIC HOUS-
2 ING.—

3 “(1) GENERAL AUTHORITY.—Under a contract
4 for contributions to a public housing agency for de-
5 velopment of public housing projects, the Secretary
6 may provide assistance under this subsection to pub-
7 lic housing agencies that do not receive assistance
8 under section 24(d) to expand the supply of public
9 housing for eligible low-income families. Such assist-
10 ance may be used to finance the construction, recon-
11 struction, or moderate or substantial rehabilitation
12 of a structure or a portion of a structure, or the ac-
13 quisition of a structure from the Resolution Trust
14 Corporation or the Secretary, to be used as public
15 housing in accordance with this section. Assistance
16 may also cover the cost of real property acquisition,
17 site improvement, conversion, demolition, relocation,
18 and other expenses that the Secretary determines
19 are necessary to expand the supply of public hous-
20 ing.

21 “(2) AMOUNT OF ASSISTANCE.—Assistance
22 under this subsection shall be provided in the form
23 of a grant and shall be in an amount calculated in
24 accordance with the development cost guidelines es-
25 tablished in paragraph (6).

1 “(3) APPLICATIONS.—Funds made available for
2 entering into contributions contracts for providing
3 assistance under this subsection shall be allocated by
4 the Secretary among applications that have been
5 submitted by public housing agencies and approved
6 by the Secretary. The Secretary shall establish the
7 form and procedures for such applications, which
8 shall contain—

9 “(A) a description of the proposed public
10 housing, including the unit mix, building con-
11 figuration, and amenities;

12 “(B) a description of the assistance the ap-
13 plicant seeks under this section;

14 “(C) a description of the resources that are
15 expected to be made available in compliance
16 with paragraph (6);

17 “(D) a description of (i) the category or
18 categories of persons the housing is intended to
19 serve; (ii) the supportive services, if any, to be
20 provided to the persons occupying such housing;
21 (iii) the manner in which such services will be
22 provided to such persons, including evidence of
23 any residential supervision the Secretary deter-
24 mines is necessary to facilitate the adequate
25 provision of the services; and (iv) the public or

1 private sources of assistance that can reason-
2 ably be expected to fund or provide such
3 services;

4 “(E) a certification from the public official
5 responsible for submitting a housing strategy
6 for the jurisdiction to be served in accordance
7 with section 105 of the Cranston-Gonzalez Na-
8 tional Affordable Housing Act that the pro-
9 posed project is consistent with the approved
10 housing strategy; and

11 “(F) such other information or certifi-
12 cations that the Secretary determines to be nec-
13 essary or appropriate to achieve the purposes of
14 this section.

15 The Secretary shall not reject an application on
16 technical grounds without giving notice of the rejec-
17 tion and the basis for the rejection to the applicant
18 and affording the applicant an opportunity to re-
19 spond.

20 “(4) SELECTION CRITERIA.—The Secretary
21 shall establish criteria for selecting applications for
22 funding under this section, from among applications
23 submitted under this section. The criteria shall in-
24 clude—

1 “(A) the ability of the applicant public
2 housing agency to develop and operate the pro-
3 posed housing;

4 “(B) the need for housing for low-income
5 families in the area to be served, taking into
6 consideration the availability of other public
7 housing and vacancy rates in such facilities;

8 “(C) the extent to which the proposed size,
9 unit mix, and design of the housing comply
10 with local building codes and regulations and
11 local neighborhood and site standards and cost
12 guidelines;

13 “(D) the extent to which the proposed size
14 and unit mix of the housing will enable the ap-
15 plicant to manage and operate the housing effi-
16 ciently and ensure that the provision of sup-
17 portive services will be accomplished in an eco-
18 nomical fashion;

19 “(E) the extent to which the proposed de-
20 sign of the housing will meet the special phys-
21 ical needs of the type of population proposed to
22 be served by the housing;

23 “(F) the extent to which the applicant has
24 demonstrated that the supportive services iden-

1 tified in paragraph (3)(D) will be provided on
2 a consistent, long-term basis;

3 “(G) the extent to which the proposed de-
4 sign of the housing will accommodate the provi-
5 sion of supportive services that are expected to
6 be needed, either initially or over the useful life
7 of the housing, by the category or categories of
8 persons the housing is intended to serve; and

9 “(H) such other factors as the Secretary
10 determines to be appropriate to ensure that
11 funds made available under this section are
12 used effectively.

13 “(5) PROVISION OF SERVICES.—

14 “(A) IN GENERAL.—In carrying out the
15 provisions of this subsection, the Secretary shall
16 ensure that housing assisted under this sub-
17 section provides a range of services tailored to
18 the needs of the category or categories of per-
19 sons occupying such housing.

20 “(B) LOCAL COORDINATION OF SERV-
21 ICES.—The Secretary shall ensure that public
22 housing agencies administering housing assisted
23 under this subsection have the managerial ca-
24 pacity to—

1 “(i) assess on an ongoing basis the
2 service needs of residents;

3 “(ii) coordinate the provision of sup-
4 portive services and tailor such services to
5 the individual needs of residents; and

6 “(iii) seek on a continuous basis new
7 sources of assistance to ensure the long-
8 term provision of supportive services.

9 “(6) NONBINDING DEVELOPMENT COST GUIDE-
10 LINES.—

11 “(A) IN GENERAL.—The Secretary, in con-
12 sultation with public housing agencies and
13 State area offices of the Department of Hous-
14 ing and Urban Development, shall establish de-
15 velopment cost guidelines for housing assisted
16 under this section. The guidelines shall be rec-
17 ommendatory and advisory in nature and the
18 Secretary may not require any public housing
19 assisted under this section to conform to such
20 guidelines.

21 “(B) CONTENT.—The guidelines shall be
22 established by market area for various types
23 and sizes of housing and shall reflect—

24 “(i) the cost of construction, recon-
25 struction, or rehabilitation of housing that

1 meets applicable State and local housing
2 and building codes;

3 “(ii) the cost of movables necessary to
4 the basic operation of the housing, as de-
5 termined by the Secretary;

6 “(iii) the cost of special design fea-
7 tures necessary to make the housing acces-
8 sible to elderly persons or persons with dis-
9 abilities;

10 “(iv) the cost of special design fea-
11 tures necessary to make individual dwelling
12 units meet the physical needs of elderly
13 persons or persons with disabilities;

14 “(v) the cost of congregate space nec-
15 essary to accommodate the provision of
16 supportive services to project residents;

17 “(vi) if the housing is newly con-
18 structed, the cost of meeting the energy ef-
19 ficiency standards promulgated by the Sec-
20 retary in accordance with section 109 of
21 the Cranston-Gonzalez National Affordable
22 Housing Act; and

23 “(vii) the cost of land, including nec-
24 essary site improvement.

1 In establishing development cost guidelines for
2 a given market area under this paragraph, the
3 Secretary shall use data that reflect currently
4 prevailing costs of construction, reconstruction,
5 or rehabilitation, and land acquisition in the
6 area.

7 “(C) RTC, FDIC, AND FHA PROPERTIES.—
8 In the case of existing housing and related fa-
9 cilities to be acquired from the Resolution Trust
10 Corporation under section 21A(c) of the Fed-
11 eral Home Loan Bank Act, from the Federal
12 Deposit Insurance Corporation under section 40
13 of the Federal Deposit Insurance Act, or from
14 the Secretary under section 203 of the Housing
15 and Community Development Amendments of
16 1978, the cost guidelines shall include—

17 “(i) the cost of acquiring such hous-
18 ing;

19 “(ii) the cost of rehabilitation, alter-
20 ation, conversion, or improvement, includ-
21 ing the moderate rehabilitation thereof;
22 and

23 “(iii) the cost of the land on which the
24 housing and related facilities are located.

1 “(D) ANNUAL ADJUSTMENTS.—The Sec-
2 retary, in consultation with public housing
3 agencies, shall adjust the cost guidelines not
4 less than once annually to reflect changes in the
5 general level of construction, reconstruction, or
6 rehabilitation costs.

7 “(E) DESIGN FLEXIBILITY.—The Sec-
8 retary shall, to the extent practicable, allow
9 public housing agencies maximum flexibility in
10 designing housing assisted under this section so
11 that the housing is appropriate for the neigh-
12 borhood or location of the housing and the pro-
13 posed resident population. Such flexibility shall
14 relate to the number of bedrooms in units in
15 the housing, the types of living spaces in the
16 housing, the sizes of the living spaces, and
17 other factors in the design of the housing.

18 “(F) CHANGES IN DESIGN.—A public
19 housing agency that has been selected to receive
20 assistance under this subsection for providing
21 public housing may, after such selection, change
22 elements in the design of the housing to be pro-
23 vided (including the unit mix, site, size of living
24 spaces, amenities, and building configuration)
25 without the prior approval of the Secretary if—

1 “(i) the overall objective of the hous-
2 ing proposed in the application for such as-
3 sistance is not altered;

4 “(ii) the total number of units to be
5 provided in the housing is not significantly
6 altered; and

7 “(iii) the public housing agency noti-
8 fies the applicable State area office of the
9 Department of Housing and Urban Devel-
10 opment of such changes on a timely basis.

11 “(G) USE OF AMOUNTS FROM NON-FED-
12 ERAL SOURCES.—A public housing agency may,
13 without the prior approval of the Secretary, use
14 amounts from non-Federal sources for amen-
15 ities and other features of appropriate design
16 and construction suitable for public housing if
17 the cost of such amenities (i) is not financed
18 with the grant received under this subsection,
19 and (ii) is not taken into consideration in deter-
20 mining the amount of any Federal assistance
21 provided for the housing.

22 “(H) NEIGHBORHOOD IMPACT.—The Sec-
23 retary may not reject an application for assist-
24 ance under this subsection based solely on any
25 requirements established by the Secretary relat-

1 ing to the impact of the proposed project on the
2 neighborhood if—

3 “(i) the application was made to pro-
4 vide housing to replace (through demolition
5 and new construction or acquisition) exist-
6 ing public housing on a site owned by the
7 public housing agency making the applica-
8 tion; or

9 “(ii) the public housing agency mak-
10 ing the application demonstrates that the
11 site selected for the housing proposed in
12 the application takes into consideration
13 any local neighborhood revitalization and
14 economic development plans.

15 “(7) INCENTIVES FOR SAVINGS.—

16 “(A) SPECIAL HOUSING ACCOUNT.—The
17 Secretary shall use the development cost guide-
18 lines established under paragraph (6) to cal-
19 culate the amount of financing to be made
20 available to public housing agencies to provide
21 housing proposed in applications funded under
22 this subsection. Except as provided in subpara-
23 graph (C), a public housing agency that incurs
24 actual development costs that are less than the
25 amount of financing provided under this sub-

1 section with respect to an application shall be
2 entitled to retain 50 percent of the savings in
3 a special housing account. Such percentage
4 shall be increased to 75 percent for public hous-
5 ing incorporating energy efficiency features
6 that—

7 “(i) exceed the energy efficiency
8 standards promulgated by the Secretary in
9 accordance with section 109 of the Cran-
10 ston-Gonzalez National Affordable Housing
11 Act;

12 “(ii) substantially reduce the life-cycle
13 cost of the housing; and

14 “(iii) enhance tenant comfort and con-
15 venience.

16 “(B) USES.—The special housing account
17 established under subparagraph (A) for a public
18 housing project may be used (i) to supplement
19 services provided to residents of the housing or
20 funds set aside for replacement reserves, or (ii)
21 for such other purposes as determined by the
22 Secretary.

23 “(C) EXCEPTION.—Any savings incurred
24 by a public housing agency for a public housing
25 project that are due to a substantial redesign of

1 the project from the design proposed in the ap-
2 proved application for the project, including re-
3 ducing the number and mix of dwelling units or
4 eliminating amenities, shall not be considered
5 for purposes of a special housing account for
6 the housing under subparagraph (A) unless ap-
7 proved by the Secretary.”.

8 (b) RELATED AMENDMENTS.—Title I of the United
9 States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is
10 amended—

11 (1) in section 5(b)(2), by inserting “under sub-
12 section (b)” after “(in the form of grants”;

13 (2) in section 5(j)(1), by striking subparagraph
14 (B);

15 (3) in section 5(j)(2), by striking subparagraph
16 (D);

17 (4) in section 5(j)(3)(B), by striking the last
18 sentence;

19 (5) in section 5(k), by striking the second sen-
20 tence;

21 (6) in section 6(a), by striking the second and
22 third sentences;

23 (7) in section 6, by striking subsections (b) and
24 (h); and

25 (8) by striking section 13.

1 **SEC. 103. HOPE HOMEOWNERSHIP PROGRAMS.**

2 Section 402 of the Cranston-Gonzalez National Af-
3 fordable Housing Act (42 U.S.C. 12870) is amended by
4 striking subsections (a) and (b) and inserting the following
5 new subsections:

6 “(a) FISCAL YEAR 1995.—There is authorized to be
7 appropriated for fiscal year 1995 an aggregate amount of
8 \$100,000,000 for grants and activities under—

9 “(1) title III of the United States Housing Act
10 of 1937;

11 “(2) subtitle B of this title;

12 “(3) subtitle C of this title; and

13 “(4) technical assistance to potential applicants,
14 applicants, and recipients of assistance under the
15 provisions referred to in paragraphs (1), (2) and (3)
16 of this subsection.

17 Any amounts appropriated pursuant to this subsection
18 shall remain available until expended.

19 “(b) FISCAL YEAR 1996.—There is authorized to be
20 appropriated for fiscal year 1996 an aggregate amount of
21 \$100,000,000 for grants and activities under—

22 “(1) title III of the United States Housing Act
23 of 1937;

24 “(2) subtitle B of this title;

25 “(3) subtitle C of this title; and

1 “(4) technical assistance to potential applicants,
2 applicants, and recipients of assistance under the
3 provisions referred to in paragraphs (1), (2) and (3)
4 of this subsection.

5 Any amounts appropriated pursuant to this subsection
6 shall remain available until expended.”.

7 **SEC. 104. DISALLOWANCES OF EARNED INCOME FOR RESI-**
8 **DENTS WHO OBTAIN EMPLOYMENT.**

9 (a) EXCLUSIONS FROM ADJUSTED INCOME.—Section
10 3(b)(5) of the United States Housing Act of 1937 (42
11 U.S.C. 1437a(b)(5)) is amended—

12 (1) in subparagraph (C)—

13 (A) by striking “and” before “(ii)”; and

14 (B) by inserting before the semicolon at
15 the end the following; “; and (iii) to the extent
16 documented by the family, the amount paid by
17 the family for health insurance coverage for any
18 members of the family residing in the household
19 who, at the time, are not receiving or approved
20 to receive any assistance for health care from
21 the Federal Government or any State govern-
22 ment”;

23 (2) by striking subparagraph (E) and inserting
24 the following new subparagraph:

1 “(E) in the case of an elderly family, 10 per-
2 cent of the earned income of the family, and, in the
3 case of a nonelderly family, 20 percent of the earned
4 income of the family;”;

5 (3) in subparagraph (F), by striking “and” at
6 the end;

7 (4) in subparagraph (G), by striking the period
8 at the end and inserting “; and”; and

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

11 “(H) in the case of a family residing in public
12 housing, of any earned income of any formerly de-
13 pendent child who is a member of the family—

14 “(i) 100 percent of such earned income
15 during the period beginning on the date of the
16 first redetermination of the rent for and family
17 composition of the family that occurs after the
18 child reaches 18 years of age and ending upon
19 the commencement of the period under clause
20 (ii);

21 “(ii) 85 percent of such earned income
22 during the period beginning on the date of the
23 first redetermination of the rent for and family
24 composition of the family that occurs after the
25 child reaches 19 years of age and ending upon

1 the commencement of the period under clause
2 (iii);

3 “(iii) 65 percent of such earned income
4 during the period beginning on the date of the
5 first redetermination of the rent for and family
6 composition of the family that occurs after the
7 child reaches 20 years of age and ending upon
8 the commencement of the period under clause
9 (iv); or

10 “(iv) 40 percent of such earned income
11 during the 1-year period beginning on the date
12 of the first redetermination of the rent for and
13 family composition of the family that occurs
14 after the child reaches 21 years of age.”.

15 (b) OPTION FOR PHA TO EXCLUDE EARNED IN-
16 COME IN RENT DETERMINATIONS.—

17 (1) IN GENERAL.—Section 3 of the United
18 States Housing Act of 1937 (42 U.S.C. 1437a) is
19 amended—

20 (A) by striking the undesignated para-
21 graph at the end of subsection (c)(3) (as added
22 by section 515(b) of the Cranston-Gonzalez Na-
23 tional Affordable Housing Act); and

24 (B) by adding at the end the following new
25 subsection:

1 “(d) OPTIONAL DISALLOWANCE OF EARNED INCOME
2 FROM PUBLIC HOUSING RENT DETERMINATIONS.—Not-
3 withstanding any other provision of law, a public housing
4 agency may provide (at the option of a public housing
5 agency) that, for all units in public housing administered
6 by the agency, the rent payable under subsection (a) for
7 any such unit occupied by a family whose income increases
8 as a result of employment of a member of the family who
9 was previously unemployed for 1 or more years (including
10 a family whose income increases as a result of the partici-
11 pation of a family member in a Family Self-Sufficiency
12 program under section 22 or other job training program)
13 may not—

14 “(1) be increased for a period of 18 months, be-
15 ginning with the commencement of employment as a
16 result of the increased income due to such employ-
17 ment; and

18 “(2) after the expiration of such 18-month pe-
19 riod, be increased due to the continued employment
20 of such family member by more than 10 percent per
21 year from the next 24 months; and

22 “(3) in any case, exceed the amount determined
23 under subsection (a).”.

24 (2) APPLICABILITY.—Notwithstanding the
25 amendments made by paragraph (1), any resident of

1 public housing participating in the program under
2 the authority contained in the undesignated para-
3 graph at the end of section 3(c)(3) of the United
4 States Housing Act of 1937 (as added by section
5 515(b) of the Cranston-Gonzalez National Afford-
6 able Housing Act (Public Law 101-625; 104 Stat.
7 4199), as such paragraph existed before the date of
8 enactment of this subsection, shall continue to be
9 governed by such authority.

10 **SEC. 105. CEILING RENTS BASED ON REASONABLE RENTAL**
11 **VALUE.**

12 (a) AMENDMENT.—Section 3(a)(2)(A)(iii) of the
13 United States Housing Act of 1937 (42 U.S.C.
14 1437a(a)(2)(A)(iii)) is amended to read as follows:

15 “(iii) is not less than the reasonable rental
16 value of the unit, as determined by the Secretary.”.

17 (b) REGULATIONS.—

18 (1) IN GENERAL.—The Secretary shall, by reg-
19 ulation, after notice and an opportunity for public
20 comment, establish such requirements as may be
21 necessary to carry out the provisions of section
22 3(a)(2)(A) of the United States Housing Act of
23 1937, as amended by subsection (a).

24 (2) APPLICABILITY.—Except in the case of an
25 Indian housing authority, the regulations issued pur-

1 suant to paragraph (1) shall not apply to scattered
2 site public housing units.

3 (3) TRANSITION RULE.—Prior to the issuance
4 of final regulations under paragraph (1), a public
5 housing agency may implement ceiling rents which
6 shall be—

7 (A) determined in accordance with section
8 3(a)(2)(A) of the United States Housing Act of
9 1937, as such section existed before the date of
10 enactment of this Act; or

11 (B) equal to the 95th percentile of the rent
12 paid for a unit of comparable size by tenants in
13 the same project or a group of comparable
14 projects totaling 50 units or more.

15 **SEC. 106. RESIDENT MANAGEMENT PROGRAM.**

16 Section 20(f) of the United States Housing Act of
17 1937 (42 U.S.C. 1437r(f)) is amended—

18 (1) in paragraph (2), by striking “\$100,000”
19 and inserting “\$250,000”; and

20 (2) in paragraph (3), by adding at the end the
21 following new sentence: “The Secretary may use not
22 more than 10 percent of the amounts made available
23 under this subsection in each fiscal year for program
24 monitoring and evaluation, technical assistance, and
25 information dissemination.”.

1 **TITLE II—TECHNICAL AND**
2 **OTHER AMENDMENTS**

3 **SEC. 201. CORRECTION TO DEFINITION OF “FAMILY”.**

4 The first sentence of section 3(b)(3)(B) of the United
5 States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(B))
6 is amended—

7 (1) by striking “means” and inserting “in-
8 cludes”; and

9 (2) by inserting “and” after “children.”

10 **SEC. 202. REPEAL OF LIMITATION ON INCOME ADJUST-**
11 **MENTS.**

12 Paragraph (3) of section 103(a) of the Housing and
13 Community Development Act of 1992 (42 U.S.C. 1437a
14 note) is hereby repealed.

15 **SEC. 203. IDENTIFICATION OF CIAP REPLACEMENT NEEDS.**

16 Section 14 of the United States Housing Act of 1937
17 (42 U.S.C. 1437*l*) is amended—

18 (1) in subsection (d)—

19 (A) by striking paragraph (2); and

20 (B) in paragraph (4) in the matter preced-
21 ing subparagraph (A)—

22 (i) by striking “and replacements.”;

23 and

24 (ii) by striking “(1), (2), and (3)” and
25 inserting “(1) and (3)”; and

1 (2) in subsection (f)(1)—
2 (A) by striking subparagraph (B); and
3 (B) in subparagraph (D), by striking “(1),
4 (2), and (3)” and inserting “(1) and (3)”.

5 **SEC. 204. APPLICABILITY OF PUBLIC HOUSING AMEND-**
6 **MENTS TO INDIAN HOUSING.**

7 (a) AMENDMENT.—Section 201(b) of the United
8 States Housing Act of 1937 (42 U.S.C. 1437aa(b)) is
9 amended to read as follows:

10 “(b) APPLICABILITY OF TITLE I.—Except as other-
11 wise provided by law, the provisions of title I shall apply
12 to low-income housing developed or operated pursuant to
13 a contract between the Secretary and an Indian housing
14 authority.”.

15 (b) APPLICABILITY OF AMENDMENT.—The amend-
16 ment made by subsection (a) shall not affect provisions
17 of the United States Housing Act of 1937 that were made
18 applicable to public housing developed or operated pursu-
19 ant to a contract between the Secretary and an Indian
20 housing authority in accordance with section 201(b)(2) of
21 such Act, as such section existed before the effective date
22 of this section.

23 (c) APPLICABILITY OF HOUSING AND COMMUNITY
24 DEVELOPMENT ACT OF 1992.—Sections 103(a)(1), 112,
25 114, 116, 118, 903, and 927 of the Housing and Commu-

1 nity Development Act of 1992 shall apply to public hous-
2 ing developed or operated pursuant to a contract between
3 the Secretary and an Indian housing authority.

4 **SEC. 205. PROJECT-BASED ACCOUNTING.**

5 Section 6(c)(4)(E) of the United States Housing Act
6 of 1937 (42 U.S.C. 1437d(c)(4)(E)) is amended by strik-
7 ing “250” and inserting “500”.

8 **SEC. 206. OPERATING SUBSIDY ADJUSTMENTS FOR ANTICI-**
9 **PATED FRAUD RECOVERIES.**

10 Section 9(a) of the United States Housing Act of
11 1937 (42 U.S.C. 1437g(a)) is amended by adding at the
12 end the following new paragraph:

13 “(4) Adjustments to a public housing agency’s oper-
14 ating subsidy made by the Secretary under this section
15 shall reflect actual changes in rental income collections re-
16 sulting from the application of section 904 of the Stewart
17 B. McKinney Homeless Assistance Amendments Act of
18 1988.”.

19 **SEC. 207. LABOR STANDARDS FOR CONSTRUCTION CON-**
20 **TRACTS UNDER UNITED STATES HOUSING**
21 **ACT OF 1937.**

22 (a) IN GENERAL.—Section 12(a) of the United
23 States Housing Act of 1937 (42 U.S.C. 1437j(a)) is
24 amended—

1 (1) by inserting before “shall also contain a
2 provision” the following: “any such contract which is
3 in excess of (1) \$100,000 for new construction (in-
4 cluding painting and decorating), or (2) \$15,000 for
5 alteration, repair, renovation, demolition, or recon-
6 struction (including painting or decorating),”; and

7 (2) by striking “(including a project with nine
8 or more units assisted under section 8 of this Act,
9 where the public housing agency or the Secretary
10 and the builder or sponsor enter into an agreement
11 for such use before construction or rehabilitation is
12 commenced)”.

13 (b) APPLICABILITY.—Notwithstanding the amend-
14 ments made by subsection (a), the provisions of section
15 12 of the United States Housing Act of 1937, as in effect
16 immediately before the date of the enactment of this Act,
17 shall apply with respect to contracts for loans, contribu-
18 tions, sale, or lease pursuant to such Act if—

19 (1) in the case of a public housing project, the
20 public housing agency has advertised before such ef-
21 fective date for (i) competitive bids to build, rehabili-
22 tate, or modernize the project on a site owned by the
23 public housing agency, or (ii) a developer to submit
24 a proposal for a site or property owned or to be pur-

1 chased by the developer for sale to the public hous-
2 ing agency upon completion of the project;

3 (2) in the case of a project assisted under sec-
4 tion 8 of the United States Housing Act of 1937,
5 the public housing agency or the Secretary and the
6 builder or sponsor entered into an agreement for
7 such use before such effective date; or

8 (3) in the case of a project under title III, an
9 applicant has submitted an application for an imple-
10 mentation grant to the Secretary before such effec-
11 tive date.

12 **SEC. 208. TECHNICAL ASSISTANCE FOR LEAD HAZARD RE-**
13 **DUCTION GRANTEES.**

14 Section 1011(g) of the Housing and Community De-
15 velopment Act of 1992 (42 U.S.C. 5318 note) is hereby
16 repealed.

17 **SEC. 209. ENVIRONMENTAL REVIEW IN CONNECTION WITH**
18 **GRANTS FOR LEAD-BASED PAINT HAZARD RE-**
19 **DUCTION.**

20 Section 1011 of the Housing and Community Devel-
21 opment Act of 1992 (42 U.S.C. 5318 note) is amended—

22 (1) by redesignating subsection (o) as sub-
23 section (p); and

24 (2) by adding after subsection (n) the following
25 new subsection:

1 “(o) ENVIRONMENTAL REVIEW.—

2 “(1) IN GENERAL.—For purposes of environ-
3 mental review, decisionmaking, and action pursuant
4 to the National Environmental Policy Act of 1960
5 and other provisions of law that further the purposes
6 of such Act, a grant under this section shall be
7 treated as assistance under the HOME Investment
8 Partnership Act, established under title II of the
9 Cranston-Gonzalez National Affordable Housing
10 Act, and shall be subject to the regulations promul-
11 gated by the Secretary to implement section 288 of
12 such Act.

13 “(2) APPLICABILITY.—This subsection shall
14 apply to—

15 “(A) grants awarded under this section;
16 and

17 “(B) grants awarded to States and units
18 of general local government for the abatement
19 of significant lead-based paint and lead dust
20 hazards in low- and moderate-income owner-oc-
21 cupied units and low-income privately owned
22 rental units pursuant to title II of the Depart-
23 ments of Veterans Affairs and Housing and
24 Urban Development, and Independent Agencies

1 Appropriations Act, 1992 (Public Law 102–
2 139, 105 Stat. 736).”.

3 **SEC. 210. FIRE SAFETY IN FEDERALLY ASSISTED HOUSING.**

4 Section 31(c)(2)(A)(i) of the Federal Fire Prevention
5 and Control Act of 1974 (15 U.S.C. 2227(c)(2)(A)(i)) is
6 amended by adding “(or equivalent level of safety)” after
7 “system”.

8 **SEC. 211. PAYMENT IN LIEU OF TAXES.**

9 Section 6(d) of the United States Housing Act of
10 1937 (42 U.S.C. 1437d(d)) is amended—

11 (1) by striking “(d) Every” and inserting the
12 following:

13 “(d) PAYMENTS IN LIEU OF TAXES.—

14 “(1) EXEMPTION FROM STATE AND LOCAL
15 TAXES AND PAYMENT REQUIREMENT.—Every”;

16 (2) in the first sentence, by striking “10 per
17 centum” and all that follows through the period and
18 inserting the following: “the amount determined
19 under paragraph (2),”; and

20 (3) by adding at the end the following new
21 paragraphs:

22 “(2) AMOUNT.—For any project, the amount
23 referred to in paragraph (1) shall be the greater
24 of—

1 “(A)(i) 10 percent of the sum of the shel-
2 ter rents charged in such project, or (ii) such
3 lesser amount that (I) is prescribed by State
4 law, (II) is agreed to by the local governing
5 body in its agreement for local cooperation with
6 the public housing agency required under sec-
7 tion 5(e)(2), or (III) is due to failure of a local
8 public body or bodies other than the public
9 housing agency to perform any obligation under
10 such agreement.

11 “(B) the difference of—

12 “(i) the sum of (I) \$150 multiplied by
13 the number of units in the project des-
14 ignated for occupancy by elderly families
15 pursuant to section 7, and (II) \$250 multi-
16 plied by the number of units in the project
17 that are not units designated for occu-
18 pancy by elderly families pursuant to sec-
19 tion 7; less

20 “(ii) any amount that the local gov-
21 ernment body, in its agreement for local
22 cooperation with the public housing agency
23 required under section 5(e)(2), agrees to
24 subtract from the sum under clause (i).

1 “(3) EFFECTIVE DATE AND APPLICABILITY.—
2 The amendments under section 211 shall be made
3 and shall take effect on October 1, 1994 and shall
4 apply with respect to fiscal year 1995 and fiscal
5 years thereafter.”.

○

HR 3888 IH—2

HR 3888 IH—3

HR 3888 IH—4

HR 3888 IH—5