

109<sup>TH</sup> CONGRESS  
2<sup>D</sup> SESSION

# S. 3508

To authorize the Moving to Work Charter program to enable public housing agencies to improve the effectiveness of Federal housing assistance, and for other purposes.

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## IN THE SENATE OF THE UNITED STATES

JUNE 14, 2006

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

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## A BILL

To authorize the Moving to Work Charter program to enable public housing agencies to improve the effectiveness of Federal housing assistance, 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 “Moving to Work Char-

5       ter Program Act of 2006”.

6       **SEC. 2. MOVING TO WORK CHARTER PROGRAM AUTHOR-**  
7       **IZATION.**

8       (a) **PURPOSE.**—The purpose of this Act is—

1           (1) to give public housing agencies and the Sec-  
2           retary of Housing and Urban Development (in this  
3           Act referred to as the “Secretary”) the flexibility to  
4           design and implement various approaches for pro-  
5           viding and administering housing assistance that  
6           achieves greater cost effectiveness in using Federal  
7           housing assistance to address local housing needs for  
8           low-income families;

9           (2) to reduce administrative burdens on public  
10          housing agencies providing such assistance;

11          (3) to give incentives to assisted families to  
12          work and become economically self-sufficient;

13          (4) to increase housing choices for low-income  
14          families; and

15          (5) to enhance the ability of low-income elderly  
16          residents and persons with disabilities to live inde-  
17          pendently.

18          (b) MOVING TO WORK CHARTER PROGRAM AUTHOR-  
19          ITY.—

20               (1) CONTRACT AUTHORITY.—

21                   (A) IN GENERAL.—Subject to the phase-in  
22                   requirements under subparagraph (B), the Sec-  
23                   retary shall enter into charter contracts, begin-  
24                   ning in fiscal year 2007, with up to 250 public  
25                   housing agencies administering the public hous-

1           ing program or the section 8 housing assistance  
2           program under the United States Housing Act  
3           of 1937 (42 U.S.C. 1437 et seq.).

4           (B) PHASE-IN.—The phase-in require-  
5           ments under this subparagraph are as follows:

6                   (i) By the end of fiscal year 2007, the  
7                   Secretary shall have entered into charter  
8                   contracts with at least 80 public housing  
9                   agencies described in subparagraph (A).

10                   (ii) By the end of fiscal year 2008,  
11                   the Secretary shall have entered into char-  
12                   ter contracts with at least 160 public hous-  
13                   ing agencies described in subparagraph  
14                   (A).

15                   (iii) By the end of fiscal year 2009,  
16                   the Secretary shall have entered into char-  
17                   ter contracts with at least 250 public hous-  
18                   ing agencies described in subparagraph  
19                   (A).

20           (2) CHARTER CONTRACTS.—A charter contract  
21           shall—

22                   (A) supersede and have a term commensu-  
23                   rate with any annual contributions contract be-  
24                   tween a public housing agency and the Sec-  
25                   retary; and

1 (B) provide that a participating public  
2 housing agency shall receive—

3 (i) capital and operating assistance al-  
4 located to such agency under section 9 of  
5 the United States Housing Act of 1937  
6 (42 U.S.C. 1437g); and

7 (ii) assistance provided under section  
8 United States Housing Act of 1937 (42  
9 U.S.C. 1437f).

10 (3) USE OF ASSISTANCE.—Any assistance pro-  
11 vided under paragraph (2)(B)—

12 (A) may be combined; and

13 (B) shall be used to provide locally de-  
14 signed housing assistance for low-income fami-  
15 lies, as such term is defined in section 3(b)(2)  
16 of the United States Housing Act of 1937 (42  
17 U.S.C. 1437a(b)(2)), including—

18 (i) services to facilitate the transition  
19 to work and self-sufficiency; and

20 (ii) any other activity which a public  
21 housing agency is authorized to undertake  
22 pursuant to State or local law.

23 (c) TERMS AND CONDITIONS OF ASSISTANCE.—

24 (1) APPLICABILITY OF UNITED STATES HOUS-  
25 ING ACT OF 1937.—Except as provided in this sec-

1 tion, the United States Housing Act of 1937 (42  
2 U.S.C. 1437 et seq.) shall not be applicable to any  
3 public housing agency participating in the Moving to  
4 Work Charter program established under this sec-  
5 tion.

6 (2) APPLICABLE 1937 ACT PROVISIONS.—The  
7 following provisions of the United States Housing  
8 Act of 1937 (42 U.S.C. 1437 et seq.) are applicable  
9 to any public housing agency participating in the  
10 Moving to Work Charter program established under  
11 this section:

12 (A) Subsections (a) and (b) of section 12  
13 (42 U.S.C. 1437j(a) and (b)) shall apply to  
14 housing assisted under a charter contract, other  
15 than housing assisted solely due to occupancy  
16 by families receiving tenant based rental assist-  
17 ance.

18 (B) Section 18 (42 U.S.C. 1437p) shall  
19 continue to apply to public housing developed  
20 under such Act notwithstanding any use of the  
21 housing under a charter contract.

22 (3) CHARTER CONTRACT TERMS.—A charter  
23 contract shall provide that a public housing agen-  
24 cy—

25 (A) may—

1 (i) combine assistance received under  
2 sections 8 and 9 of the United States  
3 Housing Act of 1937 (42 U.S.C. 1437f  
4 and 1437g), as described in subsection  
5 (b)(3); and

6 (ii) use such assistance to provide  
7 housing assistance and related services for  
8 activities authorized by this section, includ-  
9 ing those activities authorized by sections  
10 8 and 9 of such Act;

11 (B) certify that in preparing its application  
12 for participation in the Moving to Work Charter  
13 program established under this section, such  
14 agency has—

15 (i) provided for citizen participation  
16 through a public hearing and, if appro-  
17 priate, other means; and

18 (ii) taken into account comments from  
19 the public hearing and any other public  
20 comments on the proposed activities under  
21 this Act, including comments from current  
22 and prospective residents who would be af-  
23 fected by such contract;

24 (C) shall ensure that at least 75 percent of  
25 the families assisted under a charter contract

1 shall be, at the time of such families entry into  
2 the Moving to Work Charter program, very low-  
3 income families, as such term is defined in sec-  
4 tion 3(b)(2) of the United States Housing Act  
5 of 1937 (42 U.S.C. 1437a(b)(2));

6 (D) shall establish a reasonable rent policy,  
7 which shall—

8 (i) be designed to encourage employ-  
9 ment, self-sufficiency, and homeownership  
10 by participating families, consistent with  
11 the purpose of this Act;

12 (ii) include transition and hardship  
13 provisions;

14 (iii) be included in the annual plan of  
15 such agency; and

16 (iv) be subject to the opportunities for  
17 public participation described in subsection  
18 (e)(1)(D);

19 (E) shall continue to assist not less than  
20 substantially the same total number of low-in-  
21 come families as would have been served had  
22 such agency not entered into a such contract;

23 (F) shall maintain a comparable mix of  
24 families (by family size) as would have been

1 provided had the agency not entered into such  
2 contract;

3 (G) shall ensure that housing assisted  
4 under such contract meets housing quality  
5 standards established or approved by the Sec-  
6 retary;

7 (H) shall receive training and technical as-  
8 sistance, upon request by such agency, to assist  
9 with the design and implementation of the ac-  
10 tivities described under this Act;

11 (I) shall receive an amount of assistance  
12 under sections 8 and 9 of the United States  
13 Housing Act of 1937 (42 U.S.C. 1437f and  
14 1437g), that is not diminished by the partici-  
15 pation of such agency in the Moving to Work  
16 Charter program established under this section;  
17 and

18 (J) shall be subject to the procurement  
19 procedures described in such contract.

20 (d) SELECTION.—In selecting among applications to  
21 participate in the Moving to Work Charter program estab-  
22 lished under this section, the Secretary shall consider—

23 (1) the potential of each agency to plan and  
24 carry out activities under such program;

1           (2) the relative performance by an agency  
2 under section 6(j) of the United States Housing Act  
3 of 1937 (42 U.S.C. 1437d(j));

4           (3) the need for a diversity of participants in  
5 terms of size, location, and type of agency; and

6           (4) any other appropriate factor as determined  
7 by the Secretary.

8 (e) CHARTER REPORT.—

9           (1) CONTENTS.—

10           (A) IN GENERAL.—Notwithstanding any  
11 other provision of law, and in place of all other  
12 planning and reporting requirements otherwise  
13 required, each public housing agency that is a  
14 party to a charter contract shall submit to the  
15 Secretary, on an annual basis, a single charter  
16 report, in a form and at a time specified by the  
17 Secretary.

18           (B) SOLE MEANS OF REPORTING.—A char-  
19 ter report submitted under subparagraph (A)  
20 shall be the sole means by which a public hous-  
21 ing agency shall be required to provide informa-  
22 tion to the Secretary on the activities assisted  
23 under this section during a fiscal year, unless  
24 the Secretary has reason to believe that such

1 agency has violated the charter contract be-  
2 tween the Secretary and such agency.

3 (C) REQUIREMENTS.—Each charter report  
4 required under subparagraph (A) shall—

5 (i) document the use by a public hous-  
6 ing agency of any assistance provided  
7 under a charter contract, including appro-  
8 priate financial statements;

9 (ii) describe and analyze the effect of  
10 assisted activities in addressing the objec-  
11 tives of this section;

12 (iii) include a certification by such  
13 agency that such agency has prepared an  
14 annual plan which—

15 (I) states the goals and objectives  
16 of that agency under the charter con-  
17 tract for the past fiscal year;

18 (II) describes the proposed use of  
19 assistance by that agency for activities  
20 under the charter contract for the  
21 past fiscal year;

22 (III) explains how the proposed  
23 activities of that agency will meet the  
24 goals and objectives of that agency;

1 (IV) includes appropriate budget  
2 and financial statements of that agen-  
3 cy; and

4 (V) was prepared in accordance  
5 with a public process as described in  
6 subparagraph (D);

7 (D) describe and document how a public  
8 housing agency has provided residents assisted  
9 under a charter contract and the wider commu-  
10 nity with opportunities to participate in the de-  
11 velopment of and comment on the annual plan,  
12 which shall include at least 1 public hearing;  
13 and

14 (E) include such other information as may  
15 be required by the Secretary pursuant to sub-  
16 section (f)(2).

17 (2) REVIEW.—Any charter report submitted  
18 pursuant to paragraph (1) shall be deemed approved  
19 unless the Secretary, not later than 45 days after  
20 the date of submission of such report, issues a writ-  
21 ten disapproval because—

22 (A) the Secretary reasonably determines,  
23 based on information contained in the report  
24 that a public housing agency is not in compli-

1           ance with the provisions of this section or other  
2           applicable law; or

3                   (B) such report is inconsistent with other  
4           reliable information available to the Secretary.

5       (f) RECORDS AND AUDITS.—

6           (1) KEEPING OF RECORDS.—Each public hous-  
7           ing agency shall keep such records as the Secretary  
8           may prescribe as reasonably necessary—

9                   (A) to disclose the amounts and the dis-  
10           position of amounts under the Moving to Work  
11           Charter program established under this section;

12                   (B) to ensure compliance with the require-  
13           ments of this section; and

14                   (C) to measure performance.

15           (2) ACCESS TO DOCUMENTS BY THE SEC-  
16           RETARY.—

17                   (A) IN GENERAL.—The Secretary shall  
18           have access for the purpose of audit and exam-  
19           ination to any books, documents, papers, and  
20           records that are pertinent to assistance in con-  
21           nection with, and the requirements of, this sec-  
22           tion.

23                   (B) LIMITATION.—Access by the Secretary  
24           described under subparagraph (A) shall be lim-  
25           ited to information obtained solely through the

1           annual charter report submitted by a public  
2           housing agency under subsection (e), unless the  
3           Secretary has reason to believe that such agen-  
4           cy is not in compliance with the charter con-  
5           tract between the Secretary and such agency.

6           (3) ACCESS TO DOCUMENTS BY THE COMP-  
7           TROLLER GENERAL.—The Comptroller General of  
8           the United States, or any duly authorized represent-  
9           ative of the Comptroller General, shall have access  
10          for the purpose of audit and examination to any  
11          books, documents, papers, and records that are per-  
12          tinent to assistance in connection with, and the re-  
13          quirements of the Moving to Work Charter program  
14          established under this section.

15          (g) PROCUREMENT PREEMPTION.—

16                (1) IN GENERAL.—Any State or local law which  
17                imposes procedures or standards for procurement  
18                which conflict with or are more burdensome than ap-  
19                plicable Federal procurement requirements shall not  
20                apply to any public housing agency under the Mov-  
21                ing to Work Charter program established under this  
22                section.

23                (2) REDUCTION OF ADMINISTRATIVE BUR-  
24                DENS.—The Secretary may approve procurement  
25                procedures for public housing agencies participating

1 in the Moving to Work Charter program established  
2 under this section that reduce administrative bur-  
3 dens of procurement requirements imposed by Fed-  
4 eral law.

5 (h) SUBSEQUENT LAWS PREEMPTED.—A public  
6 housing agency participating in the Moving to Work Char-  
7 ter program established under this section shall not be  
8 subject to any provision of law which conflicts with the  
9 provisions of this section and which is enacted subsequent  
10 to the date of execution of such agency's charter contract  
11 or Moving to Work program agreement, as described in  
12 subsection (i), unless such law expressly provides for such  
13 laws application to public housing agencies subject to this  
14 section.

15 (i) EXISTING AGREEMENTS.—Notwithstanding any-  
16 thing in this section or any other provision of law, any  
17 public housing agency which has an existing Moving to  
18 Work program agreement with the Secretary pursuant to  
19 section 204 of the Departments of Veterans Affairs and  
20 Housing and Urban Development, and Independent Agen-  
21 cies Appropriations Act, 1996 (Public Law 104–134; 110  
22 Stat. 1321–281) and which is not in default thereof, may,  
23 at the option of such agency—

24 (1) continue to operate under the terms and  
25 conditions of such agreement notwithstanding any

1 limitation on the terms contained in such contract;  
2 or

3 (2) at any time, enter into a charter contract  
4 with the Secretary on terms and conditions which  
5 are not less favorable to the agency than such exist-  
6 ing agreement.

7 (j) PUBLIC HOUSING AGENCY EVALUATION.—

8 (1) IN GENERAL.—By the end of fiscal year  
9 2007, the Secretary shall appoint a Federal advisory  
10 committee consisting of public housing agencies with  
11 charter contracts, public housing industry organiza-  
12 tions, resident organizations, other public housing  
13 and section 8 voucher stakeholders, and experts on  
14 accreditation systems in similar fields, to assess and  
15 develop a demonstration program to test standards,  
16 criteria, and practices for a national public housing  
17 agency accreditation system or other evaluation sys-  
18 tem.

19 (2) REPORT.—Not later than the end of fiscal  
20 year 2009, the committee established under para-  
21 graph (1) and the Secretary shall provide a report  
22 and recommendations to Congress with respect to  
23 the establishment of a national public housing agen-  
24 cy accreditation system.

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