expresses the sense of the House that if any adjustment is made to the consumer price index that it should be made by the Bureau of Labor Statistics.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 991

Mr. RAHALL. Mr. Speaker, on May 6, 1997, the name of the gentleman from Arizona, Mr. MATT SALMON, was inadvertently added as a cosponsor of H.R. 991 instead of adding the name of the gentleman from Texas, Mr. MAX SANDLIN.

I apologize for this unintended error and respectfully ask unanimous consent that the name of the gentleman from Arizona, Mr. MATT SALMON, be removed as cosponsor of H.R. 991 and that the name of the gentleman from Texas, Mr. MAX SANDLIN, be added as cosponsor of H.R. 991.

The SPEAKER pro tempore (Mr. SHAW). Is there objection to the request of the gentleman from West Virginia?

There was no objection.

HOUSING OPPORTUNITY AND RESPONSIBILITY ACT OF 1997

The SPEAKER pro tempore. Pursuant to House Resolution 133 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2.

□ 1217

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 further consideration of the bill (H.R. 2) 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. COMBEST (Chairman pro tempore) in the chair.

The Clerk read the title of the bill.

The CHAIRMAN pro tempore. When the Committee of the Whole rose on Tuesday, May 6, 1997, the amendment by the gentlewoman from Texas [Ms. JACKSON-LEE] had been disposed of and title II was open for amendment at any point.

Pursuant to the order of the Committee of that day, the following Members may offer their amendments to title II even after the reading has progressed beyond that title:

Amendment No. 51 by the gentleman from Virginia [Mr. MORAN];

Amendment No. 43 by the gentlewoman from New York [Ms. VELÁZQUEZ]; and

Amendment No. 2 by the gentleman from Texas [Mr. DELAY].

AMENDMENT NO. 5 OFFERED BY MR. FRANK OF MASSACHUSETTS

The CHAIRMAN pro tempore. The unfinished business is the demand for a recorded vote on the amendment offered by the gentleman from Massachusetts [Mr. FRANK] on which further proceedings were postponed and on which the noes prevailed by voice vote.

The Clerk will redesignate the amendment.

The text of the amendment is as follows:

Amendment No. 5 offered by Mr. FRANK of Massachusetts:

Page 102, strike line 1 and all that follows through line 7 of page 104, and insert the following:

SEC. 225. FAMILY RENTAL PAYMENT.

(a) RENTAL CONTRIBUTION BY RESIDENT.—A family residing in a public housing dwelling shall pay as monthly rent for the unit an amount, determined by the public housing agency, that does not exceed the greatest of the following amounts, (rounded to the nearest dollar):

(A) 30 percent of the monthly adjusted income of the family.

(B) 10 percent of the monthly income of the family.

(C) If the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

(b) MINIMUM RENTAL AMOUNT.—Each public housing agency shall require

Page 105, strike line 21 and all that follows through line 19 on page 106.

Page 107, strike ‘‘, except that’’ on line 2 and all that follows through line 5, and insert a period.

RECORDED VOTE

The CHAIRMAN pro tempore. A recorded vote has been demanded.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 172, noes 252, not voting 9, as follows:

[Roll No. 106]

AYES—172

Abercrombie
Allen
Baldacci
Barcia
Barrett (WI)
Bentsen
Berman
Berry
Bishop
Blagojevich
Blumenauer
Bonior
Borski
Boswell
Boucher
Brown (CA)
Brown (FL)
Brown (OH)
Capps
Carson
Clayton
Clement
Clyburn
Conyers
Costello
Coyne
Cummings
Davis (FL)
Davis (IL)
DeGette
Delahunt
DeLauro
Dellums
Deutsch
Dicks
Dingell
Dixon
Doggett
Doyle
Engel
Eshoo
Etheridge
Evans
Farr
Fattah
Fazio
Filner
Flake
Foglietta
Ford
Frank (MA)
Frost
Furse
Gejdenson
Gephardt
Gonzalez
Gordon
Green
Hall (OH)
Hamilton
Hastings (FL)
Hefner
Hilliard
Hinchey
Hinojosa
Holden
Hooley
Hoyer
Jackson (IL)
Jackson-Lee (TX)
Jefferson
Johnson (WI)
Johnson, E.B.
Kanjorski
Kennedy (MA)
Kennedy (RI)
Kennelly
Kildee
Kilpatrick
Kind (WI)
Kleczka
Klink
Kucinich
LaFalce
Lampson
Lantos
Levin
Lewis (GA)
Lowey
Luther
Maloney (CT)
Maloney (NY)
Manton
Markey
Martinez
Mascara
Matsui
McCarthy (MO)
McDermott
McGovern
McHale
McIntyre
McKinney
McNulty
Meehan
Meek
Menendez
Millender-McDonald
Miller (CA)
Mink
Moakley
Mollohan
Murtha
Nadler
Neal
Oberstar
Obey
Olver
Ortiz
Owens
Pallone
Pascrell
Pastor
Payne
Pelosi
Pomeroy
Poshard
Price (NC)
Rahall
Rangel
Rivers
Rodriguez
Rothman
Roybal-Allard
Rush
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Schumer
Scott
Serrano
Skaggs
Slaughter
Smith, Adam
Snyder
Spratt
Stabenow
Stark
Stokes
Strickland
Stupak
Tauscher
Thompson
Thurman
Tierney
Torres
Towns
Turner
Velázquez
Vento
Visclosky
Waters
Watt (NC)
Waxman
Wexler
Weygand
Wise
Woolsey
Wynn
Yates

NOES—252

Ackerman
Aderholt
Archer
Armey
Bachus
Baesler
Baker
Ballenger
Barr
Barrett (NE)
Bartlett
Barton
Bass
Bateman
Bereuter
Bilbray
Bilirakis
Bliley
Blunt
Boehlert
Boehner
Bonilla
Bono
Boyd
Brady
Bryant
Bunning
Burr
Burton
Buyer
Callahan
Calvert
Camp
Campbell
Canady
Cannon
Cardin
Castle
Chabot
Chambliss
Chenoweth
Christensen
Coble
Coburn
Collins
Combest
Condit
Cook
Cooksey
Cox
Cramer
Crane
Crapo
Cubin
Cunningham
Danner
Davis (VA)
Deal
DeLay
Diaz-Balart
Dickey
Dooley
Doolittle
Dreier
Duncan
Dunn
Ehlers
Ehrlich
Emerson
English
Ensign
Everett
Ewing
Fawell
Foley
Forbes
Fowler
Fox
Franks (NJ)
Frelinghuysen
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Goodling
Goss
Graham
Granger
Greenwood
Gutknecht
Hall (TX)
Hansen
Harman
Hastert
Hastings (WA)
Hayworth
Hefley
Herger
Hill
Hilleary
Hobson
Hoekstra
Horn
Hostettler
Houghton
Hulshof
Hunter
Hutchinson
Hyde
Inglis
Istook
Jenkins
John
Johnson (CT)
Johnson, Sam
Jones
Kasich
Kelly
Kim
King (NY)
Kingston
Klug
Knollenberg
Kolbe
LaHood
Largent
Latham
LaTourette
Lazio
Leach
Lewis (CA)
Lewis (KY)
Linder
Lipinski
Livingston
LoBiondo
Lofgren
Lucas
Manzullo
McCarthy (NY)
McCollum
McCrery
McDade
McHugh
McInnis
McIntosh
McKeon
Metcalf
Mica
Miller (FL)
Minge
Molinari
Moran (KS)
Moran (VA)
Morella
Myrick
Nethercutt
Neumann
Ney
Northup
Norwood
Nussle
Oxley
Packard
Pappas
Parker
Paul
Paxon
Pease
Peterson (MN)
Peterson (PA)
Petri
Pickering
Pickett
Pitts
Pombo
Porter
Portman
Pryce (OH)
Quinn
Radanovich
Ramstad
Regula
Riggs
Riley
Roemer
Rogan
Rogers
Rohrabacher
Ros-Lehtinen
Roukema
Royce
Ryun
Salmon
Sanford
Saxton
Scarborough
Schaefer, Dan
Schaffer, Bob
Sensenbrenner
Sessions
Shadegg
Shaw
Shays
Sherman
Shimkus
Shuster
Sisisky
Skeen
Skelton
Smith (MI)
Smith (NJ)
Smith (OR)
Smith (TX)
Smith, Linda
Snowbarger
Solomon
Souder
Spence
Stearns
Stenholm
Stump
Sununu
Talent
Tanner
Tauzin

Taylor (MS)	Upton	Weller
Taylor (NC)	Walsh	White
Thomas	Wamp	Whitfield
Thornberry	Watkins	Wicker
Thune	Watts (OK)	Wolf
Tiahrt	Weldon (FL)	Young (AK)
Traficant	Weldon (PA)	Young (FL)

NOT VOTING—9

Andrews	DeFazio	Kaptur
Becerra	Edwards	Reyes
Clay	Gutierrez	Schiff

□ 1235

Ms. SANCHEZ and Mr. SNYDER changed their vote from ''no'' to ''aye.''

So the amendment was rejected.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. EDWARDS. Mr. Speaker, earlier today I missed rollcall votes 105 and 106. Had I been present, I would have voted ''yes'' on both votes.

AMENDMENT NO. 30 OFFERED BY MS. JACKSON-LEE OF TEXAS

Ms. JACKSON-LEE of Texas. Mr. Chairman, I offer an amendment.

The CHAIRMAN pro tempore (Mr. COMBEST). The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 30 offered by Ms. JACKSON-LEE of Texas:

Page 99, strike line 12 and all that follows through line 25 on page 99, and insert the following:

SEC. 223. PREFERENCES FOR OCCUPANCY.

(a) IN GENERAL.—Except for projects or portions of projects designated for occupancy pursuant to section 227 with respect to which the Secretary has determined that application of this section would result in excessive delays in meeting the housing needs of such families, each public housing agency shall establish a system for making dwelling units in public housing available for occupancy that—

(1) for not less than 50 percent of the units that are made available for occupancy in a given fiscal year, gives preference to families that occupy substandard housing (including families that are homeless or living in a shelter for homeless families), are paying more than 50 percent of family income for rent, or are involuntarily displaced (including displacement because of disposition of a multifamily housing project under section 203 of the Housing and Community Development Amendments of 1978) at the same time they are seeking assistance under this Act; and

(2) for any remaining units to be made available for occupancy, gives preference in accordance with a system of preferences established by the public housing agency in writing and after public hearing to respond to local housing needs and priorities, which may include—

(A) assisting very low-income families who either reside in transitional housing assisted under title IV of the Stewart B. McKinney Homeless Assistance Act, or participate in a program designed to provide public assistance recipients with greater access to employment and educational opportunities;

(B) assisting families identified by local public agencies involved in providing for the welfare of children as having a lack of adequate housing that is a primary factor in the imminent placement of a child in foster care, or in preventing the discharge of a child from foster care and reunification with his or her family;

(C) assisting youth, upon discharge from foster care, in cases in which return to the family or extended family or adoption is not available;

(D) assisting families that include one or more adult members who are employed; and

(E) achieving other objectives of national housing policy as affirmed by the Congress.

Page 100, line (1) strike ''(c)'' and insert ''(b)''.

Page 100, line 4, after ''preferences'' insert ''under subsection (a)(2)''.

Ms. JACKSON-LEE of Texas. Mr. Chairman, let me say, although I appreciate very much some of the common ground that the chairman and ranking member have shared and supported amendments that I have offered regarding job training and jobs, allow me to say that the general direction of this particular legislation regarding housing I have a great disagreement with, as many of my friends and associates on this side of the aisle. One of the ones is the effort behind this particular amendment which has to do with keeping in the Federal preferences dealing with housing particularly for the poorest of the poor and homeless.

I recognize that we are looking at this issue from different colored glasses, but might I just share with colleagues that in Houston alone in October 1996 the University of Houston Center for Public Policy indicates that there are 9,216 homeless persons. It also showed in the Houston office of the Veterans' Administration that there were 9,216 individuals who are homeless, 3,500 were homeless veterans. New York City alone has 100,000 homeless families on any given night. The National Coalition for the Homeless cites that 7 million families were identified as homeless.

Therefore, my issue is that we must have a housing system that not only appeals to our working families, affordable housing, but it also responds to those individuals who need quality housing who are the poorest of the poor. It is my sense that Federal preferences heretofore had done that, allowing for local authorities to be able to address themselves to the disabled, senior citizens and as well the homeless. That is the reason as well why I spoke earlier this week on the question of one-for-one replacement, not to talk about the issues in Chicago or New York or California but to talk about the issues in cities like Houston and rural communities where the one-for-one replacement is still needed because of the low number of public housing dwelling units for the poorest of the poor, homeless individuals as well as veterans as well as the working very poor.

I would ask the gentleman from Massachusetts [Mr. KENNEDY] if he would, because this issue is so very important, HUD statistics show there is a 40-year wait for public housing in New York, a 12-year wait for public housing in Chicago, a 22-year wait in Philadelphia, a 20-year wait in Dade County, FL, and in my city alone, a large number of individuals, some 20,000, on the waiting list. I would like to see us work through this issue.

I will be withdrawing this amendment but not withdrawing my pain and my concern that the least of those, the most vulnerable, need housing.

Mr. Chairman, I yield to the gentleman from Massachusetts [Mr. KENNEDY] to engage in a colloquy to try and work through this issue.

Mr. KENNEDY of Massachusetts. First of all, let me thank the gentlewoman from Texas [Ms. JACKSON-LEE] for the efforts she is making on behalf of the constituents which she represents and with regard to constituencies outside of her congressional district who also are suffering as a result of not enough affordable housing being made available in the Houston area.

This is a problem that is not just unique to Houston. The truth is that, if we look at what the gentlewoman from Texas [Ms. JACKSON-LEE] is attempting to do, her efforts are stymied largely because we simply do not have enough resources in this bill to begin to build any new units of affordable housing. This bill in a tragic sense, I think, indicts the housing policies of this country. Despite the fact that the largest single growing portion of our population is the poorest of the poor in the United States of America, this bill does not contain funding for a single new housing unit. And so when we get into very tight communities such as the Houston market, where there is very little affordable housing stock, and since we have gotten rid of the one-for-one requirement, the one-for-one requirement means, if we are going to take a housing unit out of circulation, that we have to replace it with a new housing unit so that we do not lose the total number of units available to a local community.

While that was a positive development for many years, because of the lower funding levels, it meant that we found many housing projects throughout the country where we found boarded-up projects because the local housing authority was no longer able to afford to build a whole new housing project, and so they would have to keep the old housing projects in existence. It is a terrible dilemma.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has expired.

(On request of Mr. KENNEDY of Massachusetts, and by unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. Mr. Chairman, in conclusion what I would suggest to the gentlewoman from Texas is that she has done some fine work on this issue. She adds to the debate and she has, I think, brought to the floor the issue of the downside risk of the repeal of the one-for-one requirement.

I think that there are some provisions we have included in the bill that can provide some assistance in terms of mixed income housing with an amendment that the gentleman from New York [Mr. LAZIO] was willing to accept

in the committee. But I do believe that this is not going to completely suffice a housing market such as the Houston market. I look forward to working with the gentlewoman from Texas [Ms. JACKSON-LEE], and I hope the gentleman from New York [Mr. LAZIO], if the chairman would just acknowledge for one moment, that in housing markets such as the Houston market, the repeal of one-for-one, while desirable as a national policy, can create difficulties in specific marketplaces where we simply do not have enough housing units to meet the needs of the very poor.

The CHAIRMAN. The time of the gentlewoman from Texas [Ms. JACKSON-LEE] has again expired.

(By unanimous consent, Ms. JACKSON-LEE of Texas was allowed to proceed for 1 additional minute.)

Mr. KENNEDY of Massachusetts. In conclusion, I would like to suggest that I think that this is an issue that the gentleman from New York, the chairman, has shown, while a commitment to the repeal of one-for-one, a recognition that this is going to have some anomalies in terms of how this is going to affect specific communities.

I am sure the chairman of the committee as well as the ranking member would like to work with the gentlewoman from Texas [Ms. JACKSON-LEE] to try to address the specific concerns of the Houston community.

□ 1245

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. KENNEDY] and I thank the gentleman from New York [Mr. LAZIO] for what he is about to respond, and hoping that we can work through conference on this issue.

Mr. LAZIO of New York. Mr. Chairman, will the gentlewoman yield?

Ms. JACKSON-LEE of Texas. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, let me just comment that in fact there is no doubt that we need to look to new tools to develop additional units of housing, affordable housing, wherever we can. That is really the intent of H.R. 2. Within H.R. 2 we are allowing for those buildings that are under considerable physical stress, where they really are in deep need of modernization and would otherwise be torn down that the tenants at least be given vouchers so they would be able to use over and above what we have right now, incremental vouchers, new vouchers, so that people can go out there and use them to search for housing.

Ms. JACKSON-LEE of Texas. Mr. Chairman, I thank the gentleman from Massachusetts [Mr. KENNEDY] for his leadership, and I know that one-for-one replacement is something we will keep working on for those kinds of communities. I thank the gentleman from Massachusetts [Mr. KENNEDY] very much for his leadership.

The CHAIRMAN. Is there objection to the gentlewoman from Texas [Ms. JACKSON-LEE] withdrawing her amendment?

There was no objection.

The CHAIRMAN. The amendment offered by the gentlewoman from Texas [Ms. JACKSON-LEE] is withdrawn.

AMENDMENTS OFFERED BY MS. VELAZQUEZ

Ms. VELÁZQUEZ. Mr. Chairman, I offer two amendments, and I ask unanimous consent that amendments 43 and 44, as modified, be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

The Clerk read as follows:

Amendments offered by Ms. Velázquez:

Page 104, lines 12 and 13, strike ''not less than $25 nor more than $50'' and insert ''not more than $25''.

Page 193, strike lines 4 and 5 and insert the following:

(B) shall be not more than $25; and

Ms. VELÁZQUEZ. (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

Mr. LAZIO of New York. Mr. Chairman, reserving the right to object, I ask unanimous consent, and I understand that the gentlewoman's staff and our staff have been working together to try and provide some parameters for time, and that there has been a tentative agreement that we would set the time limit at 30 minutes equally divided, half of that controlled by the gentlewoman from New York [Ms. VELÁZQUEZ] and half controlled by myself; and I make that unanimous-consent request.

Mr. Chairman, I do this for the purpose of assuring that we have this time limitation.

The CHAIRMAN. The gentleman from New York may inquire, but we can only dispose of one unanimous-consent request at a time.

Mr. LAZIO of New York. Mr. Chairman, then I reserve the right to object at this point.

Mr. Chairman, if I could just make an inquiry of the gentlewoman from New York?

The CHAIRMAN. Under the gentleman's reservation of objection the gentleman may inquire of the other side anything he needs to know to determine whether or not he will object.

Mr. LAZIO of New York. If I can inquire of the gentlewoman if that correctly reflects her understanding, that we can have a time limitation of 30 minutes, 15 minutes controlled by either side, 15 minutes controlled by myself, 15 minutes controlled by the gentlewoman from New York in order to consider her en bloc application, and I am wondering if that meets with the gentlewoman's approval?

Ms. VELÁZQUEZ. Mr. Chairman, if the gentleman will yield, I would not object to the unanimous consent request.

Mr. LAZIO of New York. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentlewoman from New York?

There was no objection.

Mr. LAZIO of New York. Mr. Chairman, I ask unanimous consent then, to ensure that there is time limitation on the en bloc amendment of 30 minutes, that 15 minutes be controlled by the gentlewoman from New York [Ms. VELÁZQUEZ] and 15 minutes controlled by myself.

The CHAIRMAN. And on all amendments thereto; is that correct?

Mr. LAZIO of New York. On all amendments thereto; yes, Mr. Chairman.

The CHAIRMAN. Is there objection to the request of the gentleman from New York.

There was no objection.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, once again we are debating a housing bill that is an insult to poor families. Instead of truly helping people move into the work force, this bill includes provisions that threaten a very basic and human need, access to safe affordable and clean housing. If we are really going to help families climb out of poverty and into lives of dignity, decency, and safety, they must have a fair chance to succeed.

Across America millions of households pay more than half of their income on rent. H.R. 2 adds to the burden on the poorest families by raising minimum rents to between $25 to $50. Fifty dollars may not seem like much, but it may force the very, very poor to choose between food and shelter.

By limiting the minimum rents to no more than $25, my amendment provides a basic protection for the most disadvantaged Americans. It is the final safety net for families that have suddenly fallen on extremely hard times. I strongly urge the adoption of these provisions.

My colleagues, families that live in public housing are willing to pay rent. But, consider the 300,000 households who are protected by my proposal. They live in absolute poverty. They are parents who have lost their jobs or have to pay unexpected medical expenses. They are families climbing out of homelessness.

The chairman of the Subcommittee on Housing and Community Opportunity often points out that H.R. 2 includes exemptions for some families. Yet, consider the context. First, the Republican Congress cuts PHA budget to the bone and now they want to force PHA's to grant exemption, exemptions that work against their own financial interests.

As if this was not bad enough, H.R. 2 forces struggling families to jump through intimidating, bureaucratic hoops to get hardship waivers. That is

not a helping hand. That is harassment.

My colleagues, if this legislation passes, it will create an underclass of people that cannot even afford public housing. Worst of all, with 600,000 people already pushed into homelessness by Republican budget cuts and shortages of homeless shelters, the poorest of the poor will have no place to turn. For a country that prides itself on the American dream, we cannot allow this to happen.

Mr. Chairman, I urge all of my colleagues to support my amendment.

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

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

Mr. BAKER. Mr. Chairman, I thank the chairman for yielding this time to me. This of course is another important amendment aimed at limiting the important reforms that Chairman LAZIO and the Republicans are proposing with regard to the utilization of public housing.

What has been previously agreed to is that if an individual leaves public housing and gets employment, that the person who makes more money will be able to keep it under the provisions of this bill. Under the old system, which the gentleman from Massachusetts [Mr. FRANK] was attempting to adopt earlier with an amendment rejected by the House, as the person's income would go up, so concurrently would the amount of rent paid, which is certainly not an incentive for a family struggling to go out and try to find additional work for the family to make additional income when the rent increase takes away the extra benefit of that effort.

This amendment would then reach inside the housing authority's discretion and say that the maximum rent someone could be required to pay in a hardship circumstance would be $25 down to zero, so that we are attempting to train individuals in homeownership skills, the idea that one should work, take care of their family, and make some contribution toward one's own shelter.

The Velázquez amendment would say that any individual who has access to public housing could pay zero. If you homeowners in America have that luxury and that the proposal as put together by the chairman, ranging to $25 to $50 minimum rent, to be determined by the housing authority, would also put in the hands of the authority the ability to look at that individual and say, yes, you have an unusual circumstance and temporarily we will grant you access to housing at a minimal level. But understand, public housing is not intended to be a retirement home. This is transitional housing, and while you are here we expect you to learn what skills are required to be an effective homeowner, and making a contribution toward your own housing is certainly an important part of that lesson.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Massachusetts [Mr. KENNEDY].

Mr. KENNEDY of Massachusetts. Mr. Chairman, I think this is an important amendment. I think that people perhaps are unfamiliar with exactly the kinds of circumstances that many of the very poor people that are occupying public housing units face on a day-to-day basis.

The truth is that, if we look at the kinds of people that have just lost their job or people that have had long-term unemployment, people that have had severe medical problems, if you look at the kinds of circumstances where in some States, for instance, the State of Texas, where your total welfare benefit can be as low as $188 a month, I just talked to the gentlewoman from Florida [Mrs. MEEK] and asked her what the basic welfare benefit was in the State of Florida. She said it was under $200 a month. I was wondering what, which my friend from North Carolina [Mr. WATT] suggested, the welfare benefit in the State of North Carolina might be.

Certainly it can sound like this is not very much money. But the truth of the matter is, if you look at what raising these minimum rents from $25 to $50 can actually incur, there will be over 340,000 families in these circumstances whose rents will increase by $315 a year.

That does not seem like a lot of money to people who can occupy this Chamber. But if you cannot occupy this Chamber and you look at the kinds of circumstances that people that have these very minimum incomes, that are on AFDC, this can be very hurtful. It can mean whether or not a baby is going to be fed. It can mean whether or not the medicine is going to be bought. It can mean whether or not the children are going to wake up hungry or go to bed hungry.

These are the kinds of real-world issues that I feel far too many families in these circumstances face every day. So I would hope that we can find it in our hearts to support a minimum rent of $25, but we do not have to turn around and raise that to $50.

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

Ms. VELÁZQUEZ. Mr. Chairman, I yield 1½ minutes to the gentlewoman from Florida, [Mrs. CARRIE MEEK].

Mrs. MEEK of Florida. Mr. Chairman, I thank the gentlewoman from New York [Ms. VELÁZQUEZ] for yielding the time.

Mr. Chairman, I would like to say that, No. 1, I graciously support the amendment of my colleague, the gentlewoman from New York [Ms. VELÁZQUEZ]. Like many of my colleagues in this body, I know from whence my colleague is coming. I know what the background is and the need for this amendment.

First of all, there are some false assumptions that I need to talk about quickly. One false assumption is that people are going to have jobs. That is a false assumption. My colleague wants to take care of these people who have tried very hard to get a job but who will not have a job. If they get one, it will last only 2 or 3 months or more.

The second thing the gentlewoman is trying to do is to be sure that the welfare reform bill works so that people can maintain housing and keep their quality of life going, as poor as it is. I do not want to see my colleagues put too much emphasis on the housing authorities on this bill.

I have worked with them over the years. They are good people. But many times there is too much discretion in the way they make their decisions that something that you would like to see done in terms of an exemption, two-thirds of the families that we have been talking about are affected by this.

I think the amendment is a good one, and I think that we cannot dictate according to circumstances all over this country how much a person should pay. I thank the gentlewoman from New York [Ms. VELÁZQUEZ] for bringing this amendment to the attention of this House, and I am asking the support of my colleagues for the amendment of the gentlewoman from New York.

Mr. Speaker, I rise in support of this good amendment. We often talk about doing the right thing. Voting in support of this amendment is the right thing.

The amendment would require local housing authorities to set minimum rents of $0–$25 for public housing and assisted housing. Under the bill, minimum rents would be set between $25 and $50 monthly.

We know that some residents of public housing and assisted housing will lose their SSI benefits under the Welfare Reform Act of 1996. This would place an added burden on individuals already financially strapped and may result in the eviction of those simply unable to pay.

The Velázquez amendment does not dictate how much a tenant will pay. It recognizes that depending on the immediate circumstances, some tenants cannot afford to pay even a dollar for rent. We may not want to admit it—but there are still v-e-r-y poor people in our country.

For people with little or no income, the $25–$50 threshold required in the bill, shuts them out of the housing market. Mr. Speaker, I cannot think of a city in America that wants to increase its homeless population.

The amendment also authorizes HUD to develop exemptions for families faced with unanticipated medical expenses, families who have lost their welfare benefits, and persons unemployed.

The bill allows local public housing authorities to determine hardship exemptions. I will not comment about the myriad of exemptions and scope of some exemptions that will come out of this newly granted authority.

Mr. Speaker, approximately two-thirds of the families affected by the new minimum rent requirement would be families with children. Let's do the right thing to keep families in safe affordable housing. Support this good amendment.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 1 minute to the gentlewoman from Indiana, [Ms. JULIA CARSON].

Ms. CARSON. Mr. Chairman, I thank the gentlewoman for yielding. I too want to commend the gentlewoman from New York [Ms. VELÁZQUEZ] for having the foresight, the compassion, the sensitivity, and the understanding to offer her amendment.

Prior to becoming a Member of the U.S. Congress, I headed a welfare agency in the city of Indianapolis. When I took it over, it had a $20 million deficit. When I left, it had $20 million in the bank. We took care of poor people. We got people off of welfare and put them into jobs and into training and into educational experiences.

We did not do that by being cruel. We did not do that by removing a safety net, as this bill would do ultimately; and that is to annihilate the Brooke amendment to raise from $25 to $50 a month the minimum rent that persons would have to pay in public housing.

We understand, by virtue of my past experience, that there are a lot of people that are responsible who want to take care of their families but life's circumstances do not allow them temporarily to do that. We should not pass a punitive measure against somebody who finds themselves in circumstances over which they have no control. I support the amendment enthusiastically.

□ 1300

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from Illinois [Mr. JACKSON].

Mr. JACKSON of Illinois. Mr. Chairman, I want to rise in support of the Velázquez amendment, which sets a minimum rent of zero to $25 and a waiver for our Nation's most vulnerable who find themselves caught in situations of extreme hardship. I thank the gentlewoman from New York for her strong commitment to those who need our help the most and appreciate her advocacy on behalf of this critical issue.

I want to first begin with a point of clarification. Public housing, as the other side has referred to it, is not transitional housing. It is affordable housing, and it is not free housing. It is affordable housing because the private market does not build homes for poor people and that is why the Government is in the housing business.

I urge my colleagues to oppose the onerous provision of H.R. 2 which establishes a minimum rent for public housing and choice-based rental assistance recipients and provides only a voluntary waiver for hardship situations. While $25 to $50 does not seem like anything to most of us fortunate enough to have a steady stream of income, a minimum rent above $25 would pose a genuine hardship on families who are earning little or no income. This is especially true in the case of families who have lost or are at risk of losing their welfare benefits, are unemployed, are transitioning from homelessness, or are unexpectedly burdened by unanticipated medical expenses. For families caught in such desperate straits, $50 may just constitute too high a monthly expense.

Mr. Chairman, this provision could unduly burden 340,000 families across the Nation if all public housing authorities implemented this rent scheme. Two-thirds of the families affected by this would be families with young children. Last year in the State of Illinois, 4,464 families were adversely impacted by the $25 minimum rent. Doubling this figure would force our neediest constituents to survive under further strain to provide food, medicine, and clothing for their children.

Mr. Chairman, these are basic human necessities which we take for granted. In this Nation, which is considered an economic superpower in the world community, how can we demonstrate concern for those struggling to survive under such desperate conditions?

Mr. Chairman, I thank the gentlewoman from New York for offering this critical amendment and I urge my colleagues to support this measure.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 1 minute to the gentlewoman from the Virgin Islands [Ms. CHRISTIAN-GREEN].

Ms. CHRISTIAN-GREEN. Mr. Chairman, I thank the gentlewoman from New York.

I rise today in support of the amendment offered by my colleague from New York and I commend her for compassion and courage in offering it.

If enacted, the Velázquez amendment would allow the Secretary of Housing and Urban Development to create certain classes of hardship and accordingly set a minimum rent under this category of no more than $25.

I come from an area, Mr. Chairman, where in recent years we have been ravished by one devastating hurricane after an another. Thousands of my constituents were left homeless and jobless after these storms. It would be unconscionable if, in the face of such unexpected and devastating loss, a family would face eviction because there was no flexibility to provide them with a period of adjustment by setting their monthly rent at a lower level than the minimum $25 that H.R. 2 would now require.

Overall, Mr. Chairman, I am deeply concerned that this bill before us today, the so-called Housing Opportunity and Responsibility Act, is yet another in a series of actions being taken against the poor of our Nation. If H.R. 2 wants to live up to its charge, then we must pass the Velázquez amendment, and I urge my colleagues to do so.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the gentleman from New York [Mr. NADLER].

Mr. NADLER. Mr. Chairman, I urge adoption of the Velázquez amendment. Some of the reasons have been stated and I will briefly allude to them.

The fact is that both amounts of money we are talking about are very small: $25 a month, $50 a month. But for people who do not have it, because they are suddenly faced with an unanticipated medical emergency, because they are in transition between homelessness and having housing, because they have just lost their job and for some reason cannot get unemployment insurance, because they have applied for public benefits but the public benefits have not come through yet, because they have lost their welfare benefits, and we have in recent years set up a myriad of ways that people can lose their welfare benefits even when they should not, because they are unemployed, for whatever reason, $25 can be a huge amount of money. There is no reason to change the current situation where the public housing authority can set the minimum and substitute a system where the person has to seek a waiver, go through the bureaucracy, and wait the time at a time of crisis in their own lives. There is no reason to do that. It really adds nothing to this bill.

Second, I want to address myself to the comment made by the gentleman from Louisiana who said public housing is not permanent housing, it is not a retirement home, it is transitional housing. Well, it is not transitional housing for many people. People in public housing whose only sin is that they are making $5 or $6 or $7 an hour, they are making minimum wage or they are making $7 an hour and they cannot afford housing on the permanent market, that is permanent housing for them.

Until we decide that the minimum wage ought to be a living wage, ought to be a wage where people can afford housing on the private market, and I think the people on that side of the aisle do not agree with that kind of philosophy, I do not think anybody would vote for a $12 or $13 minimum wage, I am not too sure how many people would on this side either, but until we do something like that, there are going to be millions of people in this country working 40 or 50 hours a week, paying taxes and not having enough money to get housing on the private market. For them, public housing is the only possible permanent home.

Ms. VELÁZQUEZ. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from North Carolina [Mr. WATT].

Mr. WATT of North Carolina. Mr. Chairman, I rise in support of the Velázquez amendment and urge my colleagues to support the amendment.

The bill provides for a minimum rent of $50 per month. Ms. Velázquez's amendment provides for a minimum rent of $25 a month. And I am sure, and I am glad, that most American citizens probably cannot relate to what all this bickering is about. Twenty five dollars a month, $325 a year, is peanuts to most people, and that is fortunate in America.

But there are some of us who remember when $325 a year, $25 a month, was a major, major difference between our ability to eat and not eat. And it is important to us to look out for people in

our country who for whatever reason, often for reasons not of their own making, they are between jobs, they are down on their luck, so to speak, as we used to say, and they simply do not have the money.

So, we are talking about for some people in this country, the issue of whether they have housing or whether they do not have housing, whether we put more people on the street or whether we provide some compassion and provisions for them to have a roof above their heads.

For that reason, I want to applaud the gentlewoman from New York, [Ms. VELÁZQUEZ], for bringing this amendment to us and encourage my colleagues in the House to support the amendment. It will make this bill a better bill.

Ms. VELÁZQUEZ. Mr. Chairman, I yield myself 1 minute.

My colleagues, once again we are telling disadvantaged families that they do not matter, that they are expendable, all in the name of a capital gains tax cut.

I call on all of my colleagues to ask themselves if there is anyplace left for compassion in this Congress.

Mr. Chairman, I yield back the balance of my time.

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

Let us, if we can, fix the parameters of this debate. Under the terms of H.R. 2 we ask every tenant to pay a minimum rent. That minimum rent can be set by the local housing authority at between $25 and $50 per month. There are people who object to the fact that a minimum rent is established, or that it is established at that range from $25 to $50 a month.

The amendment of the gentlewoman from New York would suggest that the minimum rent ought to be from $0 to $25, so that their minimum rent might be $5 a month or $4 a month.

The very idea that we have been talking about so much over the last 4 days is that we need additional help for more people, that there is need out there for more people. But when we say to a family who receives public housing, and very often the additional benefit of utilities, that they do not have to do anything, they do not even have to pay a minimum rent of $25 or $30 or $35, what we are saying to the people who are on the waiting list, to people who cannot even get into public housing to begin with and who are paying market rate is, they are going to have to wait out there a whole lot longer because this family is not willing to do its fair share.

Now, in this bill we establish exemptions. We establish exemptions. We say in the bill, and I am going to read exactly from the bill, if I can:

The local housing agency shall grant an exemption to any family unable to pay such amount because of financial hardship which shall include situations in which, one, the family has lost eligibility or is awaiting an eligibility determination for Federal, State or local programs. Two, the family would be evicted as a result of the imposition of the minimum rent requirement under the subsection. Three, the income of the family has decreased because of changed circumstances, because of loss of employment. Four, a death in the family has occurred, as well as other situations as may be determined by the agency.

So, we are providing the broad exemptions that families might possibly need if they were faced with the hardship of having to pay $25 or $30 or $35 or $40 or $50 as a minimum rent for the use of their unit, and in addition to the utilities.

Mr. BAKER. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Louisiana.

Mr. BAKER. Mr. Chairman, I just wanted to return briefly for a moment to the issue of permanent versus temporary housing. The gentleman raised the issue in his remarks that it is difficult to justify to the hundreds of people who may be waiting, who are willing and anxious to occupy the housing and pay $25, where an individual who may be fully competent of paying is paying nothing; that this bill then sets in motion a minimum requirement that just like a homeowner, they must make some contribution toward their shelter.

It is not that we are going to be callous. We are going to look at their individual situation, and if they have a problem, tell us about it. Sure, we might waive the rent requirement for a month or two while they get back on their feet, but again, this is not a permanent situation.

The gentleman earlier said that public housing should be permanent. There could be no more significant philosophic difference on this issue than that single point. Taxpayers will agree to help a person who is having a bad day and say to them, ''We will help you with social programs, with shelter, whatever it takes to get you back on your feet, but we are not going to pay for a retirement community where you refuse to take actions to improve your own circumstance.''

Tolerance is fine, help is fine, but saying to someone that they make no contribution toward their housing at all, forever, there is a limit to which taxpayers will not go, and I think we are finding it.

I thank the gentleman for yielding.

Mr. LAZIO of New York. Mr. Chairman, I again yield myself such time as I may consume, to note that the amendment of the gentlewoman from New York goes beyond once again where the administration is, because the administration sets a minimum rent of $25. It also goes beyond, interestingly, where the Democratic substitute is at right now, and I would suggest that maybe the Democratic substitute, for those people who would support this amendment, perhaps they would want to amend their substitute now to reflect the gentlewoman's concerns.

The reality is; the reality is that we are asking for a sense of mutual obligation and responsibility just like we were talking about in terms of community service and community work; that yes, they will be helped; yes, they will receive an apartment; yes, they often will receive their utilities also paid for, but in return we ask for something. We are going to ask for community service. We are going to ask them, subject to their ability to pay and their ability to ask for a hardship exemption if they cannot pay, to pay at least a minimum rent of between $25 and $50.

□ 1315

I wonder what kind of a statement that makes. If we say that people cannot pay that, that that is asking too much, what kind of a statement does that make to people that are equally poor, have an equally low income, and are not fortunate enough to be in public housing? They may be paying not $25 or $50 but they may be paying $200 or $300 or $400 monthly, or maybe more than that, for their apartment to keep a roof over their heads.

I know the gentleman from Massachusetts had a question. I will be happy to yield briefly for the gentleman, because again, we both had equal time. We have limited time here.

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

Mr. LAZIO of New York. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. I appreciate the gentleman yielding.

Mr. Chairman, I do not think people are objecting, Mr. Chairman, to the idea that there should be minimum rents. I think what the gentlewoman from New York is trying to point out is that there are circumstances in places like Texas, I would venture to guess maybe Louisiana, I know in Florida, where the monthly payments on welfare are below $200; in the State of Texas, it is $188; that becomes a significant portion, and going up to $50 in those circumstances really can mean whether the child is going to get enough food to eat.

Mr. LAZIO of New York. Reclaiming my time, Mr. Chairman, that is precisely why we have hardship exemptions which would allow a housing authority in a special case to say you might not have to pay anything at all that particular month, but for those people who have the capacity to pay, that they will pay.

I just want to mention, many people are familiar with PHDAA, an association of relatively large housing authorities. They went out and surveyed their membership. About 800 housing authorities, local housing authorities, charged more than $25. In no case, in no case, none, did anyone get evicted because of a failure to pay that minimum rent.

So the idea, the concept, that people are going to be thrown out because they are being asked to pay $25 a month or $30 a month with hardship exemptions if they have special circumstances is not factually correct. It

is not borne out by the evidence. It does identify the division between the two sides of this debate, between those who say that people ought to be asked to do what they possibly can, and those people who think that people ought to be asked to do nothing.

Ms. VELÁZQUEZ. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentlewoman from New York.

Ms. VELÁZQUEZ. Mr. Chairman, does the gentleman think that the local housing authorities are facing budgetary constraints? And this is not that they do not want to grant exemptions, just that we cannot trust that they will do that because they are facing fiscal and budgetary constraints.

Mr. LAZIO of New York. If I can reclaim my time, I think once again the information that I just provided to this body was that over half of the membership of large housing authorities who charge minimum rents in excess of $25, in their experience, universally, not one person was evicted who was asked to pay minimum rent. In this case, in addition to that, we have in this bill protections, additional protections, additional exemptions that can be given to a family in time of particular need. It is the least that we can ask.

Even the administration, and I would suggest even the Democratic substitute, acknowledges the fact that a minimum needs to be set, and it mocks the idea of having a minimum when we say that the minimum ought to be between zero and $25. For that reason, I would have to oppose the gentlewoman's amendment.

The CHAIRMAN. The question is on the amendment offered by the gentlewoman from New York [Ms. VELÁZQUEZ].

The amendment was rejected.

The CHAIRMAN. Are there further amendments to title II?

AMENDMENT OFFERED BY MR. MORAN OF VIRGINIA

Mr. MORAN of Virginia. Mr. Chairman, I offer amendment No. 51.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 51 offered by Mr. MORAN of Virginia:

Page 99, after line 11, insert the following new subsection:

(e) OPTIONAL TIME LIMITATION ON OCCUPANCY BY FAMILIES FOR PHA'S WITH WAITING LISTS OF 1 YEAR OR LONGER.—

(1) 5-YEAR LIMITATION.—A public housing agency described in paragraph (2) may, at the option of the agency and on an agency-wide basis, limit the duration of occupancy in public housing of each family to 60 consecutive months. Occupancy in public housing occurring before the effective date of this Act shall not count toward such 60 months.

(2) APPLICABILITY ONLY TO PHA'S WITH WAITING LISTS OF 1 YEAR OR LONGER.—A public housing agency described in this paragraph is an agency that, upon the conclusion of the 60-month period referred to in paragraph (1) for any family, has a waiting list for occupancy in public housing dwelling units that contains a sufficient number of families such that the last family on such list who will be provided a public housing dwelling unit will be provided the unit 1 year or more from such date (based on the turnover rate for public housing dwelling units of the agency).

(3) EXCEPTIONS FOR WORKING, ELDERLY, AND DISABLED FAMILIES.—The provisions of paragraph (1) shall not apply to—

(A) any family that contains an adult member who, during the 60-month period referred to in such paragraph, obtains employment; except that, if at any time during the 12-month period beginning upon the commencement of such employment, the family does not contain an adult member who has employment, the provisions of paragraph (1) shall apply and the nonconsecutive months during which the family did not contain an employed member shall be treated for purposes of such paragraph as being consecutive;

(B) any elderly family; or

(C) any disabled family.

(4) PREFERENCES FOR FAMILIES MOVING TO FIND EMPLOYMENT.—A public housing agency may, in establishing preferences under section 321(d), provide a preference for any family that—

(A) occupied a public housing dwelling unit owned or operated by a different public housing agency, but was limited in the duration of such occupancy by reason of paragraph (1) of this subsection; and

(B) is determined by the agency to have moved to the jurisdiction of the agency to obtain employment.

(5) PREFERENCES FOR FAMILIES MOVING TO FIND EMPLOYMENT.—A public housing agency may, in establishing preferences under section 321(d), provide a preference for any family that—

(A) occupied a public housing dwelling unit owned or operated by a different public housing agency, but was limited in the duration of such occupancy by reason of paragraph (1) of this subsection; and

(B) is determined by the agency to have moved to the jurisdiction of the agency to obtain employment.

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

(A) EMPLOYMENT.—The term ''employment'' means employment in a position that—

(i) is not a job training or work program required under a welfare program; and

(ii) involves an average of 20 or more hours of work per week.

(B) WELFARE PROGRAM.—The term ''welfare program'' means a program for aid or assistance under a State program funded under part A of title IV of the Social Security Act (as in effect before or after the effective date of the amendments made by section 103(a) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996).

Mr. MORAN of Virginia. Mr. Chairman, Federal low-income housing assistance programs were originally designed to be transitional, helping people find temporary, decent shelter. They were never intended to be permanent. The reality today, though, is that many families know no other experience than a public housing environment.

Today, in too many cases this housing assistance is creating reverse incentives for its beneficiaries to improve their situation and become self-sufficient. According to HUD, 40 percent of the residents of public housing leave within 3 years, 31 percent leave within 10 years, and about one-third live in public housing for more than 10 years.

This amendment will not affect the majority of residents, and it completely exempts the elderly and the handicapped. But because of the Federal budget constraints that have been imposed, we cannot increase the number of federally assisted low-income housing units. It is not going to happen.

We need to determine how, though, we can justify extending indefinitely public housing assistance to residents who may be capable of improving their economic well-being while we deny others who are equally deserving.

The fact is that there are three times as many people on waiting lists equally deserving as there are people in public-assisted housing units. Within my congressional district there is a 2-year waiting list and it has been closed, leaving thousands of families, equally deserving, unable to even apply.

This is not fair. Across the country thousands of well-deserving and eligible families, many spending more than 50 percent of their income on substandard housing, have been told they have to wait at least 2 years, and then hopefully they can get on a waiting list.

Mr. Chairman, we do not know what the total of such families are, precisely, but we know that in most cases waiting lists are closed. Let us be fair. Let us open up access to more deserving families. Across the Nation 13 million households were eligible to receive Federal housing assistance last year, slightly more than 4 million. Less than a third did receive such assistance.

The amendment that I am offering gives local housing authorities the option, the option, it is up to them, to impose a 5-year time limit on those individuals and families who are not elderly, not disabled, and who are not already employed at least 20 hours a week. The amendment builds on the self-sufficiency contract that is part of this bill.

Adoption of this amendment is going to enable local housing authorities to use an incentive to encourage tenants to use assisted housing in the way it was originally intended. Since housing assistance to some tenants could be limited to 5 years, a higher number of rental units can be recycled more frequently. Publicly assisted housing can be more accessible to more people.

It is the fairest thing we can do. I urge support for the amendment.

Mr. LAZIO of New York. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I would like to say that the gentleman from Virginia needs to be complimented by this body. There are few Members who are more active in the area of housing, who understand the consequences of bad housing, than the gentleman from Virginia who has in his background experience at the local level in dealing with housing authorities and with assisted housing.

The gentleman's points are valid points. The wait lists are long. The

amount of people that are there in public housing for a generation, permanently, are too great. In fact, I think what the gentleman's amendment seeks to do is to end the sense of generations being in public housing. It is a statement that public housing should not be considered a way of life, but sort of a step up or transition to self-sufficiency, in an effort to try and recycle that benefit so as many Americans as possible can use it in their time of need.

Unfortunately, the way the system works now, when a family moves into public housing there is not much incentive for them to move back out, back into the system, because we do not deal with the root causes of poverty. We just deal with the symptom of shelter. In that sense, because there is no incentive or no time limitation, no encouragement to move through the system, there are literally millions of Americans that are waiting and do not have the benefit of having a subsidized unit.

I wanted to just, if I could, yield to the gentleman from Virginia, if he could just speak to exactly the tenants that might be affected by this. Would it be just anybody? Would it be seniors and elderly? I wonder if he can just describe that.

Mr. MORAN of Virginia. Mr. Chairman, will the gentleman yield?

Mr. LAZIO of New York. I yield to the gentleman from Virginia.

Mr. MORAN of Virginia. Mr. Chairman, no seniors would be affected, no people who are disabled, no one who would have difficulty in achieving an income. There are a lot of people in assisted housing that simply do not have the ability to support themselves because of disabilities, or because of age or whatever. This only applies to families that are able bodied, that have been able to use assisted housing for 5 years, and it also only applies, I would emphasize to the chairman and thank him for his kind words, it only applies if there are waiting lists.

If there are no waiting lists, in other words, if there are no equally deserving families waiting to use that unit, it does not apply, so that it takes no assisted housing units off the market. All it does is to expand assisted housing to more people who are equally deserving.

Mr. LAZIO of New York. I thank the gentleman. Let me say, Mr. Chairman, I think this is a very valid, very progressive amendment. I think the gentleman speaks to some of the concerns that many of us have in terms of assuring that more Americans have the benefit of public housing.

I should say, I am concerned a bit about the fact that we were not able to move last year's bill through conference to the President's desk for signature. I think we tried to certainly develop some broad reforms that boldly moved forward and helped to transform the entire population in public housing.

I am a little concerned about the amendment offered by the gentleman. While I think it is a very good amendment, I am only concerned that it not be sort of veto bait, or it would stop the momentum of the reforms we have in this bill, because we are trying so desperately in this bill to create that sense of self-sufficiency, self-reliance, of building work skills, of transitioning back to the work force where people can have the choice of moving out of public housing and into the work force, where they make their own choices for housing, employment, and different choices for their family.

So I just voice that concern, which is not a policy concern, but really a concern that may affect the ability for us to move this bill through the Chamber, given what I anticipate might be the opposition by some Members from the Democratic side of the aisle and potentially over in the other body, and perhaps in the White House.

I just lay that out there as a potential concern. At the same time, I want to compliment the gentleman from Virginia for his work on this amendment, for his work on housing in general, for his sense that public housing ought to be a place where there are law-abiding people, where we do not tolerate failure and do not tolerate crime, and it is integrated into the community, and is looked upon not as something that people run away from or look the other way from, but in fact as a magnet to help strengthen the community.

Mr. MORAN of Virginia. If the gentleman will continue to yield, Mr. Chairman, so it is the gentleman's considered judgment that even though this amendment might pass in the House, that it might jeopardize final enactment of this bill?

If that is the case, Mr. Chairman, that is an important consideration. I want to hear from my colleague, the gentleman from Massachusetts [Mr. KENNEDY], on the bill, but I will respond subsequently.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I move to strike the requisite number of words.

First of all, Mr. Chairman, I want to just acknowledge the fine work that my good friend, the gentleman from Virginia [Mr. MORAN], has done on housing and a number of other issues in his career in the Congress. I appreciate it, and have worked very closely with him on a number of issues.

This is one where we have a very, very strong disagreement in terms of the ultimate resolution or consequences that this amendment could bring down upon what I believe are some of the most poor and vulnerable people in this country.

While I think he does this with the best instincts to try to prod people to go back to work, I think the difficulties that this could ultimately impose on the poorest people in this country are really almost unimaginable, when I think of the innovation and creativity that this body has come up with over the course of the last few days on this housing bill alone, to find every way possible to punish the poor, in the thought that somehow if we punish them enough that they will finally work their way out of poverty.

□ 1330

That is ultimately the goal of these amendments. It is not just this amendment. It is the amendment to go minimum rents $25 to $50. It is a very tough amendment to argue against. My colleagues say there is a lot of very poor people that are on welfare. They get $188 a month, going up to $50, that is going to take away some of their food. My colleagues say, no, if we raise that minimum rent, boy, we will get them to go to work; let us go out and kick out all the poor people.

In this bill we are going to go from 75 percent targeting to people with 30 percent of median incomes or less. That is the very poor people of the country. That is the vast majority of people that live in public housing, the vast majority of people that get section 8 vouchers. And yet what we are going to do is say, no, with the rate, the way to fix the public housing programs is to jack up the rents on those people that are there, and then what we are going to do is bring in a lot wealthier people to occupy the units.

It is a brave new world we are establishing. Boy oh boy, I will bet that sooner or later we are going to have public housing that looks terrific. The only trouble is no poor people are going to live in it. What we are going to end up with is a system where we have made ourselves look good and we can walk around and boast about the fact that we have gotten all these work incentives for the poor which basically take a cattle prod to the poor. And then what we are going to do, because the justification of actually lowering the dollar amounts on how much goes into the housing bill is because of the budget agreement, which is an argument we went through late last evening.

The truth of the matter is we are going to spend under this budget agreement $35 billion on capital gains tax reductions. So there is an incentive. We have an incentive for the rich to get richer by giving them an incentive to get richer by lowering their taxes. But the way we are going to get the poor to work harder is to get the cattle prod out and give them a little jab. That is essentially what this bill does. That is effectively what I think the ultimate resolution of this amendment will be, that we are going to then go out, if we look at the facts, it would be one thing if we had millions of people in public housing who were just sitting there languishing.

The amendment, I believe, addresses a nonexistent problem. The median stay of households in public housing is 4 years. Most households, over 71 percent, live in public housing less than 10 years. And 40 percent stay less than 3 years. Those who remain longer are

generally the elderly and disabled. I am sure that we could go out, and I am sure the gentleman from Virginia [Mr. MORAN] has found individual cases where there is an exemption. That should not be. But to try and suggest that at a period of time where we have a new welfare reform bill which is going to throw people off of welfare, where we have a legal immigrant program which is essentially going to deny legal immigrants even SSI benefits, and then we are going to come back and now say we are going to take away your housing, I mean, what are we going to do?

Then we have also cut the homeless budget by 25 percent. So what we end up with is people on the street. Then everybody drives around in their cars and they look around at all the people on the street and think, gosh, that is terrible. My goodness, this homeless situation is terrible in America, and, boy, I wish those people down in Washington would pass some laws to take care of homelessness because this is a shame.

I mean, Mr. Chairman, ultimately it is unpopular for us to stand up here and fight on all these issues. It sounds like we are defending the status quo. But underneath the status quo is a basic fundamental judgment that we say we are going to take care of poor and vulnerable people. If they want to castigate us as looking like all we are trying to maintain is the status quo because we try to stand up for very poor and vulnerable people, so be it. But that is what the value judgment is. And I am proud to stand with it.

Mr. PAUL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, we have been debating the housing bill now for quite a few days. And it seems like we spend most of our time, probably 99 percent of our time, debating two versions of government housing. For those of us who believe that more houses and better houses could be produced in a free market and in a free society, it is a bit frustrating. But the debate goes on.

I sincerely believe that everybody in the debate has the best of motivation, the desire is to be compassionate and to help poor people get homes. The tragedy is that we have been doing this for a good many years and have had very little success and this attempt now, again well motivated, to change the management of the housing program to a more local management program really leaves a lot to be desired.

On one side of the aisle we find out that the biggest complaint is that we do not have enough money, and the complaint is that the budget has been greatly reduced. But the way I read the figures, the numbers are going up over $5 billion this year, so there is going to be a lot more money in this HUD program compared to last. It is said on the other side that we are going to save $100 million in management at the same time we are spending a lot more money. Much has been said about how do we protect the rights of the individuals receiving public housing, and I have recognized that this is a very serious concern. Yet when we have a government program, it is virtually impossible to really honor and respect. And straightforward protection of individual rights is very difficult.

I am concerned about the victims' rights, those people who lose their income, who lose their job because of government spending and government programs. It is said that we are trying very hard to take money from the rich and give it to the poor so the poor have houses. But quite frankly, I am convinced that most of the taxation comes from poor people. We have a regressive tax system. We have a monetary system where inflation hurts the poor more than the rich. And there is a transfer of wealth to government housing programs.

Unfortunately, everybody agrees the poor are not getting houses. And so many of the wealthy benefit from these programs. It is the rich beneficiaries, those who receive the rents and those who get to build the buildings are the most concerned that this government housing program continues.

Until we recognize the failure of government programs, I think we are going to continue to do the wrong things for a long time to come because there is no evidence on either side that we are really challenging the concept of public housing. There are two visions of one type of program on government housing. Some day somewhere along the line in this House we have to get around to debating the vision of a free society, a free society with a free market and low taxes, and a sound monetary system will provide more houses for the poor than any other system.

Much has been said about the corporate welfare and much has been recognized that corporations do benefit. But I am on the record very clearly that I would not endorse anything where a corporation or the wealthy get direct benefits from these government programs, whether it is the housing program or Eximbank or whatever.

I am also very cautious to define corporate welfare somewhat differently than others. Because when we give somebody a tax break and allow them to keep some of their own money, this is not welfare. It is when we take money from the poor people and allow it to gravitate into the hands of the wealthy, that is the welfare that has to be addressed and that is the part that we seem to fail to look at endlessly whether it is the housing program or any other program.

It is true, I think that it is very possible for all of us to have a vision which is designed to be compassionate and concerned about the injustice in the system. I do not challenge the views of anyone, but neither should my motivations be challenged because I come down on the side of saying that a free society and a constitutional government would not accept any of these programs because they have not worked and they continue to fail.

The real cost of this program and all programs unfairly falls on the poor people. Yet we continue endlessly to do this and we never suggest that maybe, maybe there is an alternative to what we are doing. We have so many amendments tinkering with how we protect the rights of the poor. I think that inevitably is going to fail because we are not smart enough to tinker with the work requirements.

Quite frankly, I have been supportive of a work requirement as an agreement to come into public housing, very, very reluctantly and not enthusiastically, because I am convinced that the management of a work program of 8 hours a month is going to outcost everything that we are doing.

Mr. NADLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to this amendment. I would like to simply address something the gentleman from Texas said a moment ago. He said that while if we lower taxes, if we had lower interest rates, if we changed our general economics, you would do a lot for housing for the poor. Maybe and maybe not. I am not going to address that.

The fact of the matter is that whatever we do in our general policies, maybe eventually if we change them in the right direction, I tend not to agree with the gentleman as to what the right direction is, maybe eventually we would be providing, the private sector would be building more housing for the poor. It would be very nice if that were so and if that could be made so.

But the fact is that today in many, many areas of the country, maybe in the whole country, I do not know, but certainly in many areas of the country, it is simply impossible for the private sector without subsidy to produce housing affordable by low income working people, not to mention by people who may be on public assistance or on SSI or disabled or what have you.

It simply is impossible in many areas of the country today for the private sector, and they will tell you that, any builder in New York or any place, in many places, they will tell you that given the cost of building, the cost of land, the cost of money, the cost of labor, et cetera, they cannot build housing other than for upper income people and maybe the top of the middle class, certainly not for low income people.

As long as that is true, we are going to need government subsidized housing programs for low income and moderate income people. That was the basic idea of the Housing Act of 1937. That is still the basic idea of public policy today. I hope it remains so, that it is ultimately our responsibility, as a collective people represented through government, to help those who, given their best efforts, cannot help themselves.

Should we require their best efforts? Of course. But for those who may be

working at minimum wage jobs or even at jobs that pay $10 an hour, $11 an hour and cannot afford housing in the private market, we should help them. It is our duty to help them, to the extent that they cannot help themselves, because everybody has a right, assuming they contribute what they can, to food and clothing and shelter. I would add health care.

Public housing may have been conceived in 1937 initially. I was not around. It may have been conceived initially as temporary until the Depression was over, until things changed. But the fact is that we need public housing today and we need it on a permanent basis for many, many people who cannot and will not be able to earn enough money to get out of it, to pay for decent housing in the private sector.

For working people, this amendment is a bad idea if it were applied to them, but there are also people who are not working. What about someone who is 45 years old and is disabled? We just passed welfare reform. Under the welfare reform bill, people are mandatorily kicked off the welfare rolls after 5 years.

Now, we did not pass sufficient job training funding to enable these people, all of them or most of them, to get decent jobs. We did not pass sufficient child care funding to enable single mothers with children, all of them or most of them, to be able to take care, to have someplace secure to put their kids in a decent environment when they go to work. Those things we did not do. They are too expensive.

Now to add that someone who is on welfare, who is trying to get off welfare, who is trying to get a job and we have a 4.9-percent official unemployment rate in this country, the lowest it has been in decades, but what is really a 12-percent unemployment rate, if we count the people who are not officially in the job market because they have been discouraged, they could not find a job for 6 months or 8 months or 1 year and stop looking, for the people who never got into it because they have no marketable skills where they dropped out of high school and they are on street corners hustling or something, if we count those who are employed part time when they need full-time jobs, the real unemployment rate in terms of people who need jobs, want jobs and cannot get them is probably closer to 12 percent.

As long as that is true, until we find a way of telling Mr. Greenspan that when we have higher economic growth, it is a good thing, not a terrible thing, that creating more jobs or higher wages is a good thing, not a bad thing, until we change those policies, until we can generate jobs for whoever wants them, we have a need for welfare programs. We have a need for low income housing programs without time cutoffs and certainly that goes for working people.

So let us address those problems. Because what happens under the Moran amendment to someone who may not be working, is trying to find a job and cannot and is thrown off welfare and is thrown out of their home?

Mr. Chairman, I submit this is not a very well targeted amendment, although well intentioned.

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Mr. KENNEDY of Massachusetts. Mr. Chairman, I ask unanimous consent that, first, the gentleman from Virginia [Mr. MORAN], be given 3 minutes to respond to some of the issues that have been brought up and perhaps be able to work out this amendment with the gentleman from New York [Mr. LAZIO].

I also would have a question of the gentleman from New York with regard to what the gentleman's intentions are for the rest of the day, if in fact this amendment can be dealt with in the next few minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts [Mr. KENNEDY] that the gentleman from Virginia [Mr. MORAN] be given 3 additional minutes to speak in addition to the time he has already spent?

There was no objection.

Mr. KENNEDY of Massachusetts. Mr. Chairman, would it be appropriate if we could clarify with the gentleman from New York what the intent of the chairman would be for the next half-hour or so?

The CHAIRMAN. The gentleman from Virginia [Mr. MORAN] has the floor.

Mr. LAZIO of New York. Mr. Chairman, may I be recognized for a unanimous-consent request?

The CHAIRMAN. Does the gentleman from Virginia [Mr. MORAN] yield for a unanimous-consent request?

Mr. MORAN of Virginia. Mr. Chairman, I yield to the chairman for a unanimous-consent request.

Mr. LAZIO of New York. I thank the gentleman for yielding. I was going to ask for a unanimous consent to give us additional time, but if I can take some of the gentleman's time, I will be glad to extend that if he needs additional time.

It is my intention that we rise in about 10 or 15 minutes, or 2 p.m., to conduct the other business of the House and that we reconvene.

I know the gentleman is enthusiastically looking forward to finishing this bill, and we are hopeful of addressing it again tomorrow and I hope we can wrap it up tomorrow.

I think the gentleman's amendment which might be next might be best held off until tomorrow. I am happy to start it now, but I think for continuity purposes, the gentleman from Massachusetts may want to have his amendment heard tomorrow.

Mr. KENNEDY of Massachusetts. If the gentleman from Virginia will yield, but the only concern I have is that sometimes what we might see happen is not get to this targeting amendment tomorrow but rather sometime on Tuesday, prior to when the vast majority of the membership comes back.

I know that the floor manager over there, from the office of the gentleman from Texas [Mr. ARMEY], would never think of doing such a thing, but nevertheless we might fall into that category, which would be unfortunate because I do think this gets to the heart of the debate.

So I want to work out with the chairman some assurance that we would have an opportunity to debate this.

Mr. LAZIO of New York. Mr. Chairman, I cannot imagine that virtually every Member on this side of the aisle would not want to be present to hear the gentleman from Massachusetts make his case on his amendment, so I think the gentleman's concern is probably unfounded.

Mr. KENNEDY of Massachusetts. I thank the gentleman, Mr. Chairman.

Mr. MORAN of Virginia. Mr. Chairman, I ask unanimous consent to strike the requisite number of words, at which time I think we would conclude debate on this amendment. That would be my purpose.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

Mr. MORAN of Virginia. Mr. Chairman, first of all, as the gentleman from Massachusetts suggested, there are some issues that need to be cleared up.

My two friends and colleagues on my side have entered a good deal of rhetorical information into this debate. Some of it was not specific to this particular amendment, though, I would suggest. In the first place, we talk about punishing low-income families, and I would suggest to the gentleman from Massachusetts that while there are 1 million low-income families who are in publicly assisted housing, there are three times that many who are equally low-income who are not in publicly assisted housing. And if we are talking about punishing people, those people are effectively being punished by being denied assisted housing, and that is the purpose of this amendment.

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

Mr. MORAN of Virginia. I yield to the gentleman from Massachusetts.

Mr. KENNEDY of Massachusetts. Mr. Chairman, I would point out briefly that that gets to the heart of this debate, and that is ultimately what H.R. 2 is about, is picking up the pieces after we have cut the housing budget in this country last year with no debate, no hearings, from $28 to $20 billion.

When we do that, then ultimately we are not going to ever get to meeting the needs of the millions of families that the gentleman is talking about. But the gentleman's amendment is not going to do anything more to meet those needs.

Mr. MORAN of Virginia. Mr. Chairman, reclaiming my time, I thank the gentleman for his comments on the underlying bill. They are not particularly

pertinent to this particular amendment because this amendment opens up access to people. It only applies when there are equally deserving people who have not had the access to assisted housing, many of whom are paying 50 percent of their income.

I would suggest to my colleague from New York, when he talks about handicapped people, and so on, being affected, they are all exempted from this amendment, the handicapped, the elderly. There are a number of exceptions. I would suggest to my colleague to read the amendment and he will be assured of that fact.

Now, let me address myself to the comments of the chairman. The chairman suggested that passage of this bill might be jeopardized by inclusion of this amendment. I think this amendment might very well pass within the House, but he may very well be right and I would accept his judgment in terms of enactment. I want this bill to be enacted, and I would just like to take a couple of minutes to tell my colleagues why.

I lost a very close friend in Alexandria who was a police officer. He was shot in a public housing project at a place, a unit, which had been dealing drugs for years. It was an intergenerational business, apparently. We were helpless to do anything about it. And I will never forget his wife at the hospital looking up to me and saying how will I ever tell his two sons that daddy will never come home again. And the reason that happened is because we did not act responsibly on publicly assisted housing.

This does. The many screening and eviction procedures that are allowed under this bill are absolutely necessary, and the people that they benefit the most, the most, are people living in publicly assisted communities. They desperately need the housing authority to exercise responsible judgments and to exclude people who are going to tear down the quality of life for a lot of them, to exclude criminals and drug addicts and people who are drug dealers. That needs to be done. It will be done by this bill.

There are a number of other provisions in this bill which make a lot of sense. They are more important than this particular provision, as important as I think this is. I will leave this at this, this amendment, but I would ask the gentleman from New York, if I do withdraw it at this time, would the gentleman attempt to get some type of pilot demonstration program within the conference that might enable us to get some experience on how such an amendment would work?

Mr. LAZIO of New York. Mr. Chairman, will the gentleman yield?

Mr. MORAN of Virginia. I yield to the gentleman from New York.

Mr. LAZIO of New York. Mr. Chairman, I think that the gentleman's idea and obviously his passion are right on the mark, and I will do whatever I can to work in conference, if this bill is adopted, and I am hopeful it will, with the VA's strong support, that we will be able to begin to make some headway and create some type of demonstration project so that we can establish that this works just the way the gentleman says it will.

I will also commit to the gentleman that if for any reason that does not bear fruit, and I am hopeful that it will and I will fight for it, that we will hold hearings, my committee will hold hearings and I hope the gentleman will testify before that hearing.

Mr. MORAN of Virginia. With that assurance, Mr. Chairman, I ask unanimous consent to withdraw my amendment.

The CHAIRMAN. Is there objection to the request of the gentleman from Virginia?

There was no objection.

The CHAIRMAN. The amendment offered by the gentleman from Virginia [Mr. MORAN] is withdrawn.

Mr. BLUNT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I had intended to come and speak in favor of the amendment. I would now speak in favor of the demonstration project idea if the amendment is to be withdrawn. I was the chairman of the Missouri Housing Development Commission for some time. We worked with housing authorities. We had even in 1985 a billion dollars in bonded obligations to assist with housing.

I think we stand here today with a housing program that is well-intentioned but has failed. It has become a place where people go and stay not because of disability or age or infirmity, but because of no sense of being able to leave that system or having to leave that system.

I think the idea of rotating people in and out of public housing, being sure that all people have access to public housing that would qualify for public housing, and also effectively giving notice to people who move into public housing on the first day that they are likely not there to stay, that there is some end in sight to their being in that particular subsidized environment, is a positive aspect.

I think the problems we see in public housing with crime, with a lack of role model, with a life based on that kind of dependence on a government program, is largely eliminated by the concept that the gentleman from Virginia has offered as an amendment and now offers as a pilot program, that we look to see what would happen if, in fact, people are on a list, not only a waiting list for public housing, but a list that would have some opportunity to really become part of that system, a system where people are moving in and out as they move toward more and more independence; a system which, as the bill of the gentleman from New York, allows people to seek greater economic opportunity without being penalized for that opportunity by agreeing to a fixed rent instead of 30 percent of their income. Whatever their income is, of course, they would still have that option.

I think we see a housing program, again, that was well-intentioned, that has not worked as it should work. It is time to make that program work better. And under this proposal, this is not a proposal that eliminates funding for public housing. In fact, this is a proposal that substantially increases funding for public housing. It just makes a commitment for housing that works better; makes a commitment for housing that does not lead to the many problems that people that are in public housing today have been victims of.

I think the bill is a good bill. I thought the amendment was a good amendment. I want to speak in favor of the gentleman's idea that there be a pilot in this bill that would allow that to become part of what we are trying to do in housing and let us see if it works, Mr. Chairman.

Mr. MORAN of Virginia. Mr. Chairman, will the gentleman yield?

Mr. BLUNT. I yield to the gentleman from Virginia.

Mr. MORAN of Virginia. Mr. Chairman, I want to thank the gentleman for his remarks, his insight and for sharing his experience with the Missouri Housing Authority with us. I thank the gentleman for his remarks.

The CHAIRMAN. If there are no further amendments to title II, the Clerk will designate title III.

The text of title III is as follows:

TITLE III—CHOICE-BASED RENTAL HOUSING AND HOMEOWNERSHIP ASSISTANCE FOR LOW-INCOME FAMILIES

Subtitle A—Allocation

SEC. 301. AUTHORITY TO PROVIDE HOUSING ASSISTANCE AMOUNTS.

To the extent that amounts to carry out this title are made available, the Secretary may enter into contracts with public housing agencies for each fiscal year to provide housing assistance under this title.

SEC. 302. CONTRACTS WITH PHA'S.

(a) CONDITION OF ASSISTANCE.—The Secretary may provide amounts under this title to a public housing agency for a fiscal year only if the Secretary has entered into a contract under this section with the public housing agency, under which the Secretary shall provide such agency with amounts (in the amount of the allocation for the agency determined pursuant to section 304) for housing assistance under this title for low-income families.

(b) USE FOR HOUSING ASSISTANCE.—A contract under this section shall require a public housing agency to use amounts provided under this title to provide housing assistance in any manner authorized under this title.

(c) ANNUAL OBLIGATION OF AUTHORITY.—A contract under this title shall provide amounts for housing assistance for 1 fiscal year covered by the contract.

(d) ENFORCEMENT OF HOUSING QUALITY REQUIREMENTS.—Each contract under this section shall require the public housing agency administering assistance provided under the contract—

(1) to ensure compliance, under each housing assistance payments contract entered into pursuant to the contract under this section, with the provisions of the housing assistance payments contract included pursuant to section 351(c)(4); and

(2) to establish procedures for assisted families to notify the agency of any noncompliance with such provisions.

SEC. 303. ELIGIBILITY OF PHA'S FOR ASSISTANCE AMOUNTS.

The Secretary may provide amounts available for housing assistance under this title pursuant to the formula established under section 304(a) to a public housing agency only if—

(1) the agency has submitted a local housing management plan to the Secretary for such fiscal year and applied to the Secretary for such assistance;

(2) the plan has been determined to comply with the requirements under section 106 and the Secretary has not notified the agency that the plan fails to comply with such requirements;

(3) no member of the board of directors or other governing body of the agency, or the executive director, has been convicted of a felony; and

(4) the agency has not been disqualified for assistance pursuant to title V.

SEC. 304. ALLOCATION OF AMOUNTS.

(a) FORMULA ALLOCATION.—

(1) IN GENERAL.—When amounts for assistance under this title are first made available for reservation, after reserving amounts in accordance with subsections (b)(3) and (c), the Secretary shall allocate such amounts, only among public housing agencies meeting the requirements under this title to receive such assistance, on the basis of a formula that is established in accordance with paragraph (2) and based upon appropriate criteria to reflect the needs of different States, areas, and communities, using the most recent data available from the Bureau of the Census of the Department of Commerce and 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. The Secretary may establish a minimum allocation amount, in which case only the public housing agencies that, pursuant to the formula, are provided an amount equal to or greater than the minimum allocation amount, shall receive an allocation.

(2) REGULATIONS.—The formula under this subsection shall be established by regulation issued by the Secretary. Notwithstanding sections 563(a) and 565(a) of title 5, United States Code, any proposed regulation containing such formula shall be issued pursuant to a negotiated rulemaking procedure under subchapter III of chapter 5 of such title and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.

(b) ALLOCATION CONSIDERATIONS.—

(1) LIMITATION ON REALLOCATION FOR ANOTHER STATE.—Any amounts allocated for a State or areas or communities within a State that are not likely to be used within the fiscal year for which the amounts are provided shall not be reallocated for use in another State, unless the Secretary determines that other areas or communities within the same State (that are eligible for amounts under this title) cannot use the amounts within the same fiscal year.

(2) EFFECT OF RECEIPT OF TENANT-BASED ASSISTANCE FOR DISABLED FAMILIES.—The Secretary may not consider the receipt by a public housing agency of assistance under section 811(b)(1) of the Cranston-Gonzalez National Affordable Housing Act, or the amount received, in approving amounts under this title for the agency or in determining the amount of such assistance to be provided to the agency.

(3) EXEMPTION FROM FORMULA ALLOCATION.—The formula allocation requirements of subsection (a) shall not apply to any assistance under this title that is approved in appropriation Acts of uses that the Secretary determines are incapable of geographic allocation, including amendments of existing housing assistance payments contracts, renewal of such contracts, assistance to families that would otherwise lose assistance due to the decision of the project owner to prepay the project mortgage or not to renew the housing assistant payments contract, assistance to prevent displacement from public or assisted housing or to provide replacement housing in connection with the demolition or disposition of public housing, assistance for relocation from public housing, assistance in connection with protection of crime witnesses, assistance for conversion from leased housing contracts under section 23 of the United States Housing Act of 1937 (as in effect before the enactment of the Housing and Community Development Act of 1974), and assistance in support of the property disposition and portfolio management functions of the Secretary.

(c) RECAPTURE OF AMOUNTS.—

(1) AUTHORITY.—In each fiscal year, from any budget authority made available for assistance under this title or section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) that is obligated to a public housing agency but remains unobligated by the agency upon the expiration of the 8-month period beginning upon the initial availability of such amounts for obligation by the agency, the Secretary may deobligate an amount, as determined by the Secretary, not exceeding 50 percent of such unobligated amount.

(2) USE.—The Secretary may reallocate and transfer any amounts deobligated under paragraph (1) only to public housing agencies in areas that the Secretary determines have received less funding than other areas, based on the relative needs of all areas.

SEC. 305. ADMINISTRATIVE FEES.

(a) FEE FOR ONGOING COSTS OF ADMINISTRATION.—

(1) IN GENERAL.—The Secretary shall establish fees for the costs of administering the choice-based housing assistance program under this title.

(2) FISCAL YEAR 1998.—

(A) CALCULATION.—For fiscal year 1998, the fee for each month for which a dwelling unit is covered by a contract for assistance under this title shall be—

(i) in the case of a public housing agency that, on an annual basis, is administering a program for not more than 600 dwelling units, 7.65 percent of the base amount; and

(ii) in the case of an agency that, on an annual basis, is administering a program for more than 600 dwelling units—

(I) for the first 600 units, 7.65 percent of the base amount; and

(II) for any additional dwelling units under the program, 7.0 percent of the base amount.

(B) BASE AMOUNT.—For purposes of this paragraph, the base amount shall be the higher of—

(i) the fair market rental established under section 8(c) of the United States Housing Act of 1937 (as in effect immediately before the effective date of the repeal under section 601(b) of this Act) for fiscal year 1993 for a 2-bedroom existing rental dwelling unit in the market area of the agency, and

(ii) the amount that is the lesser of (I) such fair market rental for fiscal year 1994 or (II) 103.5 percent of the amount determined under clause (i),

adjusted based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary. The Secretary may require that the base amount be not less than a minimum amount and not more than a maximum amount.

(3) SUBSEQUENT FISCAL YEARS.—For subsequent fiscal years, the Secretary shall publish a notice in the Federal Register, for each geographic area, establishing the amount of the fee that would apply for public housing agencies administering the program, based on changes in wage data or other objectively measurable data that reflect the costs of administering the program, as determined by the Secretary.

(4) INCREASE.—The Secretary may increase the fee is necessary to reflect the higher costs of administering small programs and programs operating over large geographic areas.

(b) FEE FOR PRELIMINARY EXPENSES.—The Secretary shall also establish reasonable fees (as determined by the Secretary) for—

(1) the costs of preliminary expenses, in the amount of $500, for a public housing agency, but only in the first year that the agency administers a choice-based housing assistance program under this title, and only if, immediately before the effective date of this Act, the agency was not administering a tenant-based rental assistance program under the United States Housing Act of 1937 (as in effect immediately before such effective date), in connection with its initial increment of assistance received;

(2) the costs incurred in assisting families who experience difficulty (as determined by the Secretary) in obtaining appropriate housing under the programs; and

(3) extraordinary costs approved by the Secretary.

(c) TRANSFER OF FEES IN CASES OF CONCURRENT GEOGRAPHICAL JURISDICTION.—In each fiscal year, if any public housing agency provides tenant-based rental assistance under section 8 of the United States Housing Act of 1937 or housing assistance under this title on behalf of a family who uses such assistance for a dwelling unit that is located within the jurisdictional of such agency but is also within the jurisdiction of another public housing agency, the Secretary shall take such steps as may be necessary to ensure that the public housing agency that provides the services for a family receives all or part of the administrative fee under this section (as appropriate).

SEC. 306. AUTHORIZATIONS OF APPROPRIATIONS.

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing assistance under this title, such sums as may be necessary for each of fiscal years 1998, 2000, 2001, and 2002 to provide amounts for incremental assistance under this title, for renewal of expiring contracts under section 302 of this Act and renewal under this title of expiring contracts for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect the effective date of the repeal under section 601(b) of this Act), and for replacement needs for public housing under title II.

(b) ASSISTANCE FOR DISABLED FAMILIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated, for choice-based housing assistance under this title to be used in accordance with paragraph (2), $50,000,000 for fiscal year 1998, and such sums as may be necessary for each subsequent fiscal year.

(2) USE.—The Secretary shall provide amounts made available under paragraph (1) to public housing agencies only for use to provide housing assistance under this title for nonelderly disabled families (including such families relocating pursuant to designation of a public housing development under section 227 or the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992 and other nonelderly disabled families who have applied to the agency for housing assistance under this title).

(3) ALLOCATION OF AMOUNTS.—The Secretary shall allocate and provide amounts made available under paragraph (1) to public housing agencies as the Secretary determines appropriate based on the relative levels of need among the authorities for assistance for families described in paragraph (1).

(c) ASSISTANCE FOR WITNESS RELOCATION.—Of the amounts made available for choice-based housing assistance under this title for each fiscal year, the Secretary, in consultation with the Inspector General, shall make available such sums as may be necessary for such housing assistance for the relocation of witnesses in connection with efforts to combat crime in public and assisted housing pursuant to requests from law enforcement and prosecutive agencies.

SEC. 307. CONVERSION OF SECTION 8 ASSISTANCE.

(a) IN GENERAL.—Any amounts made available to a public housing agency under a contract for annual contributions for assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act) that have not been obligated for such assistance by such agency before such effective date shall be used to provide assistance under this title, except to the extent the Secretary determines such use is inconsistent with existing commitments.

(b) EXCEPTION.—Subsection (a) shall not apply to any amounts made available under a contract for housing constructed or substantially rehabilitated pursuant to section 8(b)(2) of the United States Housing Act of 1937, as in effect before October 1, 1983.

SEC. 308. RECAPTURE AND REUSE OF ANNUAL CONTRACT PROJECT RESERVES UNDER CHOICE-BASED HOUSING ASSISTANCE AND SECTION 8 TENANT-BASED ASSISTANCE PROGRAMS.

To the extent that the Secretary determines that the amount in the reserve account for annual contributions contracts (for housing assistance under this title or tenant-based assistance under section 8 of the United States Housing Act of 1937) that is under contract with a public housing agency for such assistance is in excess of the amounts needed by the agency, the Secretary shall recapture such excess amount. The Secretary may hold recaptured amounts in reserve until needed to enter into, amend, or renew contracts under this title or to amend or renew contracts under section 8 of such Act for tenant-based assistance with any agency.

SUBTITLE B—CHOICE-BASED HOUSING ASSISTANCE FOR ELIGIBLE FAMILIES

SEC. 321. ELIGIBLE FAMILIES AND PREFERENCES FOR ASSISTANCE.

(a) LOW-INCOME REQUIREMENT.—Housing assistance under this title may be provided only on behalf of a family that—

(1) at the time that such assistance is initially provided on behalf of the family, is determined by the public housing agency to be a low-income family; or

(2) qualifies to receive such assistance under any other provision of Federal law.

(b) INCOME TARGETING.—Of the families initially assisted under this title by a public housing agency in any year, not less than 40 percent shall be families whose incomes do not exceed 30 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.

(c) REVIEWS OF FAMILY INCOMES.—

(1) IN GENERAL.—Reviews of family incomes for purposes of this title shall be subject to the provisions of section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 and shall be conducted upon the initial provision of housing assistance for the family and thereafter not less than annually.

(2) PROCEDURES.—Each public housing agency administering housing assistance under this title shall establish procedures that are appropriate and necessary to ensure that income data provided to the agency and owners by families applying for or receiving housing assistance from the agency is complete and accurate.

(d) PREFERENCES FOR ASSISTANCE.—

(1) AUTHORITY TO ESTABLISH.—Any public housing agency that receives amounts under this title may establish a system for making housing assistance available on behalf of eligible families that provides preference for such assistance to eligible families having certain characteristics.

(2) CONTENT.—Each system of preferences established pursuant to this subsection shall be based upon local housing needs and priorities, as determined by the public housing agency using generally accepted data sources, including any information obtained pursuant to an opportunity for public comment as provided under section 106(e) and under the requirements applicable to the comprehensive housing affordability strategy for the relevant jurisdiction.

(3) SENSE OF THE CONGRESS.—It is the sense of the Congress that, to the greatest extent practicable, public housing agencies involved in the selection of tenants under the provisions of this title should adopt preferences for individuals who are victims of domestic violence.

(e) 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 public housing agency may require that any family not living within the jurisdiction of the public housing agency at the time the family applies for assistance from the agency shall, during the 12-month period beginning on the date of initial receipt of housing assistance made available on behalf of the family from such agency, lease and occupy an eligible dwelling unit located within the jurisdiction served by the agency. The agency 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 public housing agency and that, at the time of the move, has been selected to receive, or is receiving, assistance provided by another agency, the agency 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 agency under that agency'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 public housing agencies 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 agency in the preceding fiscal year as a result of this subsection.

(f) CONFIDENTIALITY FOR VICTIMS OF DOMESTIC VIOLENCE.—A public housing agency shall be subject to the restrictions regarding release of information relating to the identity and new residence of any family receiving housing assistance who was a victim of domestic violence that are applicable to shelters pursuant to the Family Violence Prevention and Services Act. The agency shall work with the United States Postal Service to establish procedures consistent with the confidentiality provisions in the Violence Against Women Act of 1994.

SEC. 322. RESIDENT CONTRIBUTION.

(a) AMOUNT.—

(1) MONTHLY RENT CONTRIBUTION.—An assisted family shall contribute on a monthly basis for the rental of an assisted dwelling unit an amount that the public housing agency determines is appropriate with respect to the family and the unit, but which—

(A) shall not be less than the minimum monthly rental contribution determined under subsection (b); and

(B) shall not exceed the greatest of—

(i) 30 percent of the monthly adjusted income of the family;

(ii) 10 percent of the monthly income of the family; and

(iii) if the family is receiving payments for welfare assistance from a public agency and a part of such payments, adjusted in accordance with the actual housing costs of the family, is specifically designated by such agency to meet the housing costs of the family, the portion of such payments that is so designated.

(2) 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) for such family) such entire excess rental amount.

(b) MINIMUM MONTHLY RENTAL CONTRIBUTION.—

(1) IN GENERAL.—The public housing agency 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 agency considers appropriate;

(B) shall be not less than $25, nor more than $50; and

(C) may be increased annually by the agency, 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 PROVISIONS.—

(A) IN GENERAL.—Notwithstanding paragraph (1), a public housing agency shall 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 financial hardship, which shall include situations in which (i) the family has lost eligibility for or is awaiting an eligibility determination for a Federal, State, or local assistance program; (ii) the family would be evicted as a result of imposition of the minimum rent; (iii) the income of the family has decreased because of changed circumstance, including loss of employment; and (iv) a death in the family has occurred; and other situations as may be determined by the agency.

(B) WAITING PERIOD.—If an assisted family requests a hardship exemption under this paragraph and the public housing agency reasonably determines the hardship to be of

a temporary nature, an exemption shall not be granted during the 90-day period beginning upon the making of a request for the exemption. An assisted family may not be evicted during such 90-day period for nonpayment of rent. In such a case, if the assisted family thereafter demonstrates that the financial hardship is of a long-term basis, the agency shall retroactively exempt the family from the applicability of the minimum rent requirement for such 90-day period.

(c) TREATMENT OF CHANGES IN RENTAL CONTRIBUTION.—

(1) NOTIFICATION OF CHANGES.—A public housing agency shall promptly notify the owner of an assisted dwelling unit of any change in the resident contribution by the assisted family residing in the unit that takes effect immediately or at a later date.

(2) COLLECTION OF RETROACTIVE CHANGES.—In the case of any change in the rental contribution of an assisted family that affects rental payments previously made, the public housing agency shall collect any additional amounts required to be paid by the family under such change directly from the family and shall refund any excess rental contribution paid by the family directly to the family.

(d) PHASE-IN OF RENT CONTRIBUTION INCREASES.—

(1) IN GENERAL.—Except as provided in paragraph (2), for any family that is receiving tenant-based rental assistance under section 8 of the United Stats Housing Act of 1937 upon the initial applicability of the provisions of this title to such family, if the monthly contribution for rental of an assisted dwelling unit to be paid by the family upon such initial applicability 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) shall apply to each family described in paragraph (1) of this subsection, notwithstanding such paragraph.

SEC. 323. RENTAL INDICATORS.

(a) IN GENERAL.—The Secretary shall establish and issue rental indicators under this section periodically, but not less than annually, for existing rental dwelling units that are eligible dwelling units. The Secretary shall establish and issue the rental indicators by housing market area (as the Secretary shall establish) for various sizes and types of dwelling units.

(b) AMOUNT.—For a market area, the rental indicator established under subsection (a) for a dwelling unit of a particular size and type in the market area shall be a dollar amount that reflects the rental amount for a standard quality rental unit of such size and type in the market area that is an eligible dwelling unit.

(c) EFFECTIVE DATE.—The Secretary shall cause the proposed rental indicators established under subsection (a) for each market area to be published in the Federal Register with reasonable time for public comment, and such rental indicators shall become effective upon the date of publication in final form in the Federal Register.

(d) ANNUAL ADJUSTMENT.—Eash rental indicator in effect under this section shall be adjusted to be effective on October 1 of each year to reflect changes, based on the most recent available data trended so that the indicators will be current for the year to which they apply, in rents for existing rental dwelling units of various sizes and types in the market area suitable for occupancy by families assisted under this title.

SEC. 324. LEASE TERMS.

Rental assistance may be provided for an eligible dwelling unit only if the assisted family and the owner of the dwelling unit enter into a lease for the unit that—

(1) provides for a single lease term of 12 months and continued tenancy after such term under a periodic tenancy on a month-to-month basis;

(2) contains terms and conditions specifying that termination of tenancy during the term of a lease shall be subject to the provisions set forth in sections 642 and 643; and

(3) is set forth in the standard form, which is used in the local housing market area by the owner and applies generally to any other tenants in the property who are not assisted families, together with any addendum necessary to include the many terms required under this section.

A lease may include any addenda appropriate to set forth the provisions under this title.

SEC. 325. TERMINATION OF TENANCY.

Each housing assistance payments contract shall provide that the owner shall conduct the termination of tenancy of any tenant of an assisted dwelling unit under the contract in accordance with applicable State or local laws, including providing any notice of termination required under such laws.

SEC. 326. ELIGIBLE OWNERS.

(a) OWNERSHIP ENTITY.—Rental assistance under this title maybe provided for any eligible dwelling unit for which the owner is any public agency, private person or entity (including a cooperative), nonprofit organization, agency of the Federal Government, or public housing agency.

(b) INELIGIBLE OWNERS.—

(1) IN GENERAL.—Notwithstanding subsection (a), a public housing agency—

(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 or participation takes effect.

If the public housing agency takes action under subparagraph (B), the agency 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.

(2) PROHIBITION OF SALE OR RENTAL TO RELATED PARTIES.—The Secretary shall establish guidelines to prevent housing assistance payments for a dwelling unit that is owned by any spouse, child, or other party who allows an owner described in paragraph (1) to maintain control of the unit.

SEC. 327. SELECTION OF DWELLING UNITS.

(a) FAMILY CHOICE.—The determination of the dwelling unit in which an assisted family resides and for which housing assistance is provided under this title shall be made solely by the assisted family, subject to the provisions of this title and any applicable law.

(b) DEED RESTRICTIONS.—Housing assistance may not be used in any manner that abrogates any local deed restriction that applies to any housing consisting of 1 to 4 dwelling units. Nothing in this section may be construed to affect the provisions of applicability of the Fair Housing Act.

SEC. 328. ELIGIBLE DWELLING UNITS.

(a) IN GENERAL.—A dwelling unit shall be an eligible dwelling unit for purposes of this title only if the public housing agency to provide housing assistance for the dwelling unit determines that the dwelling unit—

(1) is an existing dwelling unit that is not located within a nursing home or the grounds of any penal, reformatory, medical, mental, or similar public or private institution; and

(2) complies—

(A) in the case of a dwelling unit located in a jurisdiction which has in effect laws, regulations, standards, or codes regarding habitability of residential dwellings, with such applicable laws, regulations, standards, or codes; or

(B) in the case of a dwelling unit 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 (c).

Each public housing agency providing housing assistance shall identify, in the local housing management plan for the agency, whether the agency is utilizing the standard under subparagraph (A) or (B) of paragraph (2).

(b) DETERMINATIONS.—

(1) IN GENERAL.—A public housing agency shall make the determinations required under subsection (a) pursuant to an inspection of the dwelling unit conducted before any assistance payment is made for the unit.

(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 public housing agency. The performance of the agency in meeting the 15-day inspection deadline shall be taken into account in assessing the performance of the agency.

(c) FEDERAL HOUSING QUALITY STANDARDS.—The Secretary shall establish housing quality standards under this subsection that ensure that assisted 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 232(b). The Secretary shall differentiate between major and minor violations of such standards.

(d) ANNUAL INSPECTIONS.—Each public housing agency providing housing assistance shall make an annual inspection of each assisted dwelling unit during the term of the housing assistance payments contracts for the unit to determine whether the unit is maintained in accordance with the requirements under subsection (a)(2). The agency shall retain the records of the inspection for a reasonable time and shall make the records available upon request to the Secretary, the Inspector General for the Department of Housing and Urban Development, and any auditor conducting an audit under section 541.

(e) INSPECTION GUIDELINES.—The Secretary shall establish procedural guidelines and performance standards to facilitate inspections of dwelling units and conform such inspections with practices utilized in the private housing market. Such guidelines and standards shall take into consideration variations in local laws and practices of public housing agencies and shall provide flexibility to authorities appropriate to facilitate efficient provision of assistance under this title.

(f) RULE OF CONSTRUCTION.—This section may not be construed to prevent the provision of housing assistance in connection with supportive services for elderly or disabled families.

SEC. 329. HOMEOWNERSHIP OPTION.

(a) IN GENERAL.—A public housing agency providing housing assistance under this title may provide homeownership assistance to assist eligible families to purchase a dwelling unit (including purchase under lease-purchase homeownership plans).

(b) REQUIREMENTS.—A public housing agency providing homeownership assistance under this section shall, as a condition of an eligible family receiving such assistance, require the family to—

(1) demonstrate that the family has sufficient income from employment or other sources (other than public assistance), as determined in accordance with requirements established by the agency; and

(2) meet any other initial or continuing requirements established by the public housing agency.

(c) DOWNPAYMENT REQUIREMENT.—

(1) IN GENERAL.—A public housing agency may establish minimum downpayment requirements, if appropriate, in connection with loans made for the purchase of dwelling units for which homeownership assistance is provided under this section. If the agency establishes a minimum downpayment requirement, the agency shall permit the family to use grant amounts, gifts from relatives, contributions from private sources, and similar amounts as downpayment amounts in such purchase, subject to the requirement of paragraph (2).

(2) DIRECT FAMILY CONTRIBUTION.—In purchasing housing pursuant to this section subject to a downpayment requirement, 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.

(d) INELIGIBILITY UNDER OTHER PROGRAMS.—A family may not receive homeownership assistance pursuant to this section during any period when assistance is being provided for the family under other Federal homwownership assistance programs, as determined by the Secretary, including assistance under the HOME Investment Partnerships Act, the Homeownership and Opportunity Through HOPE Act, title II of the Housing and Community Development Act of 1987, and section 502 of the Housing Act of 1949.

SEC. 330. ASSISTANCE FOR RENTAL OR MANUFACTURED HOMES.

(a) AUTHORITY.—Nothing in this title may be construed to prevent a public housing agency from providing housing assistance under this title on behalf of a low-income family for the rental of—

(1) a manufactured home that is the principal residence of the family and the real property on which the home is located; or

(2) the real property on which is located a manufactured home, which is owned by the family and is the principal residence of the family.

(b) ASSISTANCE FOR CERTAIN FAMILIES OWNING MANUFACTURED HOMES.—

(1) AUTHORITY.—Notwithstanding section 351 or any other provision of this title, a public housing agency that receives amounts under a contract under section 302 may enter into a housing assistance payment contract to make assistance payments under this title to a family that owns a manufactured home, but only as provided in paragraph (2).

(2) LIMITATIONS.—In the case only of a low-income family that owns a manufactured home, rents the real property on which it is located, and to whom housing assistance under this title has been made available for the rental of such property, the public housing agency making such assistance available shall enter into a contract to make housing assistance payments under this title directly to the family (rather than to the owner of such real property) if—

(A) the owner of the real property refuses to enter into a contract to receive housing assistance payments pursuant to section 351(a);

(B) the family was residing in such manufactured home on such real property at the time such housing assistance was initially made available on behalf of the family;

(C) the family provides such assurances to the agency, as the Secretary may require, to ensure that amounts from the housing assistance payments are used for rental of the real property; and

(D) the rental of the real property otherwise complies with the requirements for assistance under this title.

A contract pursuant to this subsection shall be subject to the provisions of section 351 and any other provisions applicable to housing assistance payments contracts under this title, except that the Secretary may provide such exceptions as the Secretary considers appropriate to facilitate the provisions of assistance under this subsection.

SUBTITLE C—PAYMENT OF HOUSING ASSISTANCE ON BEHALF OF ASSISTED FAMILIES

SEC. 351. HOUSING ASSISTANCE PAYMENTS CONTRACTS.

(a) IN GENERAL.—Each public housing agency that received amounts under a contract under section 302 may enter into housing assistance payments contracts with owners of existing dwelling units to make housing assistance payments to such owners in accordance with this title.

(b) PHA ACTING AS OWNER.—A public housing agency may enter into a housing assistance payments contract to make housing assistance payments under this title to itself (or any agency or instrumentality thereof) as the owner of dwelling units (other than public housing), and the agency shall be subject to the same requirements that are applicable to other owners, except that the determinations under section 328(a) and 354(b) shall be made by a competent party not affiliated with the agency, and the agency shall be responsible for any expenses of such determinations.

(c) PROVISIONS.—Each housing assistance payments contract shall—

(1) have a term of not more than 12 months;

(2) require that the assisted dwelling unit may be rented only pursuant to a lease that complies with the requirements of section 324;

(3) comply with the requirements of sections 325, 642, and 643 (relating to termination of tenancy);

(4) require the owner to maintain the dwelling unit in accordance with the applicable standards under section 328(a)(2); and

(5) provide that the screening and selection of eligible families for assisted dwelling units shall be the function of the owner.

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, the amount of the monthly assistance payment shall be the amount by which such payment standard exceeds the amount of the resident contribution determined in accordance with section 322(a)(1).

(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 public housing agency. Amounts in the escrow account shall be made available to the assisted family on an annual basis.

(3) DEFICIT REDUCTION.—The public housing agency making housing assistance payments on behalf of such assisted family in a fiscal year shall reserve from amounts made available to the agency 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 public housing agencies 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.

SEC. 353. PAYMENT STANDARDS.

(a) ESTABLISHMENT.—Each public housing agency providing housing assistance under this title shall establish payment standards under this section for various areas, and sizes and types of dwelling units, for use in determining the amount of monthly housing assistance payment to be provided on behalf of assisted families.

(b) USE OF RENTAL INDICATORS.—The payment standard for each size and type of housing for each market area shall be an amount that is not less than 80 percent, and not greater than 120 percent, of the rental indicator established under section 323 for such size and type for such area.

(c) REVIEW.—If the Secretary determines, at any time, that a significant percentage of the assisted families who are assisted by a public housing agency and are occupying dwelling units of a particular size are paying more than 30 percent of their adjusted incomes for rent, the Secretary shall review the payment standard established by the agency for such size dwellings. If, pursuant to the review, the Secretary determines that such payment standard is not appropriate to serve the needs of the low-income population of the jurisdiction served by the agency (taking into consideration rental costs in the area), as identified in the approved community improvement plan of the agency, the Secretary may require the public housing agency to modify the payment standard.

SEC. 354. REASONABLE RENTS.

(a) ESTABLISHMENT.—The rent charged for a dwelling unit for which rental assistance is provided under this title shall be established pursuant to negotiation and agreement between the assisted family and the owner of the dwelling unit.

(b) REASONABLENESS.—

(1) DETERMINATION.—A public housing agency providing rental assistance under this title for a dwelling unit shall, before commencing assistance payments for a unit (with respect to initial contract rents and any rent revisions), determine whether the rent charged for the unit exceeds the rents charged for comparable units in the applicable private unassisted market.

(2) UNREASONABLE RENTS.—If the agency determines that the rent charged for a dwelling unit exceeds such comparable rents, the agency shall—

(A) inform the assisted family renting the unit that such rent exceeds the rents for comparable unassisted units in the markets; and

(B) refuse to provide housing assistance payments for such unit.

SEC. 355. PROHIBITION OF ASSISTANCE FOR VACANT RENTAL UNITS.

If an assisted family vacates a dwelling unit for which rental assistance is provided under a housing assistance payments contract before the expiration of the term of the lease for the unit, rental assistance pursuant to such contract may not be provided for the unit after the month during which the unit was vacated.

SUBTITLE D—GENERAL AND MISCELLANEOUS PROVISIONS

SEC. 371. DEFINITIONS.

For purposes of this title:

(1) ASSISTED DWELLING UNIT.—The term ''assisted dwelling unit'' means a dwelling unit in which an assisted family resides and for which housing assistance payments are made under this title.

(2) ASSISTED FAMILY.—The term ''assisted family'' means an eligible family on whose behalf housing assistance payments are made under this title or who has been selected and approved for housing assistance.

(3) CHOICE-BASED.—The term ''choice-based'' means, with respect to housing assistance, that the assistance is not attached to a dwelling unit but can be used for any eligible dwelling unit selected by the eligible family.

(4) ELIGIBLE DWELLING UNIT.—The term ''eligible dwelling unit'' means a dwelling unit that complies with the requirements under section 328 for consideration as an eligible dwelling unit.

(5) ELIGIBLE FAMILY.—The term ''eligible family'' means a family that meets the requirements under section 321(a) for assistance under this title.

(6) HOMEOWNERSHIP ASSISTANCE.—The term ''homeownership assistance'' means housing assistance provided under section 329 for the ownership of a dwelling unit.

(7) HOUSING ASSISTANCE.—The term ''housing assistance'' means choice-based assistance provided under this title on behalf of low-income families for the rental or ownership of an eligible dwelling unit.

(8) HOUSING ASSISTANCE PAYMENTS CONTRACT.—The term ''housing assistance payments contract'' means a contract under section 351 between a public housing agency (or the Secretary) and an owner to make housing assistance payments under this title to the owner on behalf of an assisted family.

(9) PUBLIC HOUSING AGENCY.—The terms ''public housing agency'' and ''agency'' have the meaning given such terms in section 103, except that the terms include—

(A) a consortia of public housing agencies that the Secretary determines has the capacity and capability to administer a program for housing assistance under this title in an efficient manner;

(B) any other entity that, upon the effective date of this Act, was administering any program for tenant-based rental assistance under section 8 of the United States Housing Act of 1937 (as in effect before the effective date of the repeal under section 601(b) of this Act), pursuant to a contract with the Secretary or a public housing agency; and

(C) with respect to any area in which no public housing agency has been organized or where the Secretary determines that a public housing agency is unwilling or unable to implement this title, or is not performing effectively—

(i) the Secretary or another entity that by contract agrees to receive assistance amounts under this title and enter into housing assistance payments contracts with owners and perform the other functions of public housing agency under this title; or

(ii) notwithstanding any provision of State or local law, a public housing agency for another area that contracts with the Secretary to administer a program for housing assistance under this title, without regard to any otherwise applicable limitations on its area of operation.

(10) OWNER.—The term ''owner'' means the person or entity having the legal right to lease or sublease dwelling units. Such term includes any principals, general partners, primary shareholders, and other similar participants in any entity owning a multifamily housing project, as well as the entity itself.

(11) RENT.—The terms ''rent'' and ''rental'' include, with respect to members of a cooperative, the charges under the occupancy agreements between such members and the cooperative.

(12) RENTAL ASSISTANCE.—The term ''rental assistance'' means housing assistance provided under this title for the rental of a dwelling unit.

SEC. 372. RENTAL ASSISTANCE FRAUD RECOVERIES.

(a) AUTHORITY TO RETAIN RECOVERED AMOUNTS.—The Secretary shall permit public housing agencies administering housing assistance under this title to retain, out of amounts obtained by the authorities from tenants that are due as a result of fraud and abuse, an amount (determined in accordance with regulations issued by the Secretary) equal to the greater of—

(1) 50 percent of the amount actually collected; or

(2) the actual, reasonable, and necessary expenses related to the collection, including costs of investigation, legal fees, and collection agency fees.

(b) USE.—Amounts retained by an agency shall be made available for use in support of the affected program or project, in accordance with regulations issued by the Secretary. If the Secretary is the principal party initiating or sustaining an action to recover amounts from families or owners, the provisions of this section shall not apply.

(c) RECOVERY.—Amounts may be recovered under this section—

(1) by an agency through a lawsuit (including settlement of the lawsuit) brought by the agency or through court-ordered restitution pursuant to a criminal proceeding resulting from an agency's investigation where the agency seeks prosecution of a family or where an agency seeks prosecution of an owner;

(2) through administrative repayment agreements with a family or owner entered into as a result of an administrative grievance procedure conducted by an impartial decisionmaker in accordance with section 110; or

(3) through an agreement between the parties.

SEC. 373. STUDY REGARDING GEOGRAPHIC CONCENTRATION OF ASSISTED FAMILIES.

(a) IN GENERAL.—The Secretary shall conduct a study of the geographic areas in the State of Illinois served by the Housing Authority of Cook County and the Chicago Housing Authority and submit to the Congress a report and a specific proposal, which addresses and resolves the issues of—

(1) the adverse impact on local communities due to geographic concentration of assisted households under the tenant-based housing programs under section 8 of the United States Housing Act of 1937 (as in effect upon the enactment of this Act) and under this title; and

(2) facilitating the deconcentration of such assisted households by providing broader housing choices to such households.

The study shall be completed, and the report shall be submitted, not later than 90 days after the date of the enactment of this Act.

(b) CONCENTRATION.—For purposes of this section, the term ''concentration'' means, with respect to any area within a census tract, that—

(1) 15 percent or more of the households residing within such area have incomes which do not exceed the poverty level; or

(2) 15 percent or more of the total affordable housing stock located within such area is assisted housing.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 374, STUDY REGARDING RENTAL ASSISTANCE.

The Secretary shall conduct a nationwide study of the choice-based housing assistance program under this title and the tenant-based rental assistance program under section 8 of the United States Housing Act of 1937 (as in effect pursuant to section 601(c) and 602(b)). The study shall, for various localities—

(1) determine who are the providers of the housing in which families assisted under such programs reside;

(2) describe and analyze the physical and demographic characteristics of the housing in which such assistance is used, including, for housing in which at least one such assisted family resides, the total number of units in the housing and the number of units in the housing for which such assistance is provided;

(3) determine the total number of units for which such assistance is provided;

(4) describe the durations that families remain on waiting lists before being provided such housing assistance; and

(5) assess the extent and quality of participation of housing owners in such assistance programs in relation to the local housing market, including comparing—

(A) the quality of the housing assisted to the housing generally available in the same market; and

(B) the extent to which housing is available to be occupied using such assistance to the extent to which housing is generally available in the same market.

The Secretary shall submit a report describing the results of the study to the Congress not later than the expiration of the 2-year period beginning on the date of the enactment of this Act.

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. ROGERS] having assumed the chair, Mr. GOODLATTE, Chairman 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. 2) 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.

FLOOD PREVENTION AND FAMILY PROTECTION ACT OF 1997

Mr. LINDER. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 142 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 142

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. 478) to amend the Endangered Species Act of 1973 to improve the ability of individuals and local, State, and Federal agencies to comply with that Act in building, operating, maintaining, or repairing flood control projects, facilities, or structures. 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 Resources. 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 Resources now printed in the bill. Each section of the committee amendment in the nature of a substitute shall be considered as read. During 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. 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. 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.

The SPEAKER pro tempore. The gentleman from Georgia [Mr. LINDER] is recognized for 1 hour.

Mr. LINDER. Mr. Speaker, for the purposes of debate only, I yield the customary 30 minutes to the gentlewoman from New York [Ms. SLAUGHTER], pending which I yield myself such time as I might consume. During consideration of this resolution, all time yielded is for the purpose of debate only.

Mr. Speaker, House Resolution 142 is an open rule providing for consideration of H.R. 478, the Flood Prevention and Family Protection Act of 1997. This rule provides for 1 hour of general debate divided equally between the chairman and the ranking minority member of the Committee on Resources.

House Resolution 142 makes in order the Committee on Resources amendment in the nature of a substitute as an original bill for the purpose of amendment.

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The rule also provides that the Committee on Resources amendment in the nature of a substitute shall be considered as read.

Mr. Speaker, this rule continues the approach of according priority in recognition to Members who have preprinted their amendments in the CONGRESSIONAL RECORD. It is not a requirement, but I believe it will facilitate consideration of amendments.

Finally, House Resolution 142 provides for one motion to recommit with or without instructions, as is the right of the minority Members of the House.

Mr. Speaker, this is a standard open rule and the Rules Committee has ensured that all Members who wish to modify the bill through the amendment process have every opportunity to offer their amendments.

The legislation that this rule brings to the floor will amend the Endangered Species Act of 1973 to improve the ability of individuals, local, State, and Federal agencies to comply with the act in building, operating, maintaining, or repairing flood control projects, facilities, or structures. In short, H.R. 478 will simply allow flood control experts the ability to repair and maintain existing man-made flood control structures in order to help protect American citizens and their homes, businesses, and farms from the destruction of rising flood waters.

Let me be very clear. We all support species protection, and the Endangered Species Act has been instrumental in the preservation of a number of threatened species since becoming law. However, in some cases the programs of the Endangered Species Act have had an effect which is opposite the intent, and they often have a detrimental impact on the affected communities. It is also compromising human lives.

This is one such case in which we should make a small modification where human lives are at stake. Unfortunately, the rigidity of current law has placed obstacles in front of those who wish to repair and maintain flood control structures.

We heard testimony in the Committee on Rules of the opportunities to avoid flood tragedies that were lost because bureaucratic redtape delayed necessary levy repairs. Rather than taking the proactive endeavors that would repair levees, State and local officials were bogged down in studies and mitigation requirements that have resulted in levee failures, significant economic damage, and the loss of human life.

It is my hope that this modification in the Endangered Species Act will save lives, safeguard property, protect species whose habitats are near flood control structures, and significantly reduce the demand for massive annual appropriations for emergency relief.

H.R. 478 was favorably reported out of the Committee on Resources by the vote of 23 to 9, and the open rule was unanimously approved by the Committee on Rules. I urge my colleagues to support the rule so that we may proceed with general debate and consideration of the merits of this very important bill.

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

Ms. SLAUGHTER. Mr. Speaker, I thank the gentleman from Georgia for yielding me the customary 30 minutes, and I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this open rule and urge my colleagues to support it so that all our alternatives and potential improvements to this legislation may be considered.

The bill made in order by the rule, however, concerns me a great deal. Even the name of the bill, ''the Flood Prevention and Family Protection Act'' is misleading. This legislation will neither prevent floods nor will it protect families from floodwater. Instead, it takes political advantage of the recent tragedies associated with flooding in various States and uses them to attack one of our Nation's landmark environmental laws, the Endangered Species Act.

This bill is overbroad, and would open a gaping hole in the Endangered Species Act. It would permanently exempt the reconstruction, operation, maintenance, and repair of all dams, hydroelectric facilities, levees, canals, and other water-related projects from the safeguards and protections of the Endangered Species Act, whether these projects are Federal or non-Federal. There are literally thousands of dams and other structures nationwide that have flood control as a purpose. Under this ill-advised legislation, almost all water-related projects, from repairing levees to operating massive hydroelectric facilities, would be exempt from the Endangered Species Act, meaning that no consultation whatsoever would be required regarding those projects' potential effects on endangered species or their habitats.

Moreover, the bill is unnecessary. The Endangered Species Act is already flexible enough to allow expedited review for improvements or upgrading to existing structures in impending emergencies. And, most important, the act already allows exemptions for the replacement and repair of public facilities in Presidentially declared disaster areas. And the Fish and Wildlife Service has already issued a policy statement clarifying that flood-fighting and levee repairs are automatically exempted from the Endangered Species Act if they are needed to save lives and property.

However, it is important for us to point out that the Endangered Species