

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 3700
OFFERED BY MR. LUETKEMEYER OF MISSOURI**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Housing Opportunity Through Modernization Act of
4 2015”.

5 (b) TABLE OF CONTENTS.—The table of contents for
6 this Act is as follows:

Sec. 1. Short title and table of contents.

TITLE I—SECTION 8 RENTAL ASSISTANCE AND PUBLIC HOUSING

- Sec. 101. Inspection of dwelling units.
- Sec. 102. Income reviews.
- Sec. 103. Limitation on public housing tenancy for over-income families.
- Sec. 104. Limitation on eligibility for assistance based on assets.
- Sec. 105. Units owned by public housing agencies.
- Sec. 106. PHA project-based assistance.
- Sec. 107. Establishment of fair market rent.
- Sec. 108. Collection of utility data.
- Sec. 109. Public housing Capital and Operating Funds.
- Sec. 110. Family unification program for children aging out of foster care.

TITLE II—RURAL HOUSING

Sec. 201. Delegation of guaranteed rural housing loan approval.

TITLE III—FHA MORTGAGE INSURANCE FOR CONDOMINIUMS

Sec. 301. Modification of FHA requirements for mortgage insurance for condominiums.

TITLE IV—HOUSING REFORMS FOR THE HOMELESS AND FOR
VETERANS

- Sec. 401. Definition of geographic area for Continuum of Care Program.
- Sec. 402. Inclusion of public housing agencies and local redevelopment authorities in emergency solutions grants.
- Sec. 403. Special assistant for Veterans Affairs in the Department of Housing and Urban Development.
- Sec. 404. Annual supplemental report on veterans homelessness.

TITLE V—MISCELLANEOUS

- Sec. 501. Inclusion of Disaster Housing Assistance Program in certain fraud and abuse prevention measures.
- Sec. 502. Energy efficiency requirements under Self-Help Homeownership Opportunity program.
- Sec. 503. Data exchange standardization for improved interoperability.

1 **TITLE I—SECTION 8 RENTAL AS-** 2 **SISTANCE AND PUBLIC HOUS-** 3 **ING**

4 **SEC. 101. INSPECTION OF DWELLING UNITS.**

5 (a) IN GENERAL.—Section 8(o)(8) of the United
6 States Housing Act of 1937 (42 U.S.C. 1437f(o)(8)) is
7 amended—

8 (1) by striking subparagraph (A) and inserting
9 the following new subparagraph:

10 “(A) INITIAL INSPECTION.—

11 “(i) IN GENERAL.—For each dwelling
12 unit for which a housing assistance pay-
13 ment contract is established under this
14 subsection, the public housing agency (or
15 other entity pursuant to paragraph (11))
16 shall inspect the unit before any assistance
17 payment is made to determine whether the
18 dwelling unit meets the housing quality
19 standards under subparagraph (B), except

1 as provided in clause (ii) or (iii) of this
2 subparagraph.

3 “(ii) CORRECTION OF NON-LIFE-
4 THREATENING CONDITIONS.—In the case
5 of any dwelling unit that is determined,
6 pursuant to an inspection under clause (i),
7 not to meet the housing quality standards
8 under subparagraph (B), assistance pay-
9 ments may be made for the unit notwith-
10 standing subparagraph (C) if failure to
11 meet such standards is a result only of
12 non-life-threatening conditions, as such
13 conditions are established by the Secretary.
14 A public housing agency making assistance
15 payments pursuant to this clause for a
16 dwelling unit shall, 30 days after the be-
17 ginning of the period for which such pay-
18 ments are made, withhold any assistance
19 payments for the unit if any deficiency re-
20 sulting in noncompliance with the housing
21 quality standards has not been corrected
22 by such time. The public housing agency
23 shall recommence assistance payments
24 when such deficiency has been corrected,
25 and may use any payments withheld to

1 make assistance payments relating to the
2 period during which payments were with-
3 held.

4 “(iii) USE OF ALTERNATIVE INSPEC-
5 TION METHOD FOR INTERIM PERIOD.—In
6 the case of any property that within the
7 previous 24 months has met the require-
8 ments of an inspection that qualifies as an
9 alternative inspection method pursuant to
10 subparagraph (E), a public housing agency
11 may authorize occupancy before the inspec-
12 tion under clause (i) has been completed,
13 and may make assistance payments retro-
14 active to the beginning of the lease term
15 after the unit has been determined pursu-
16 ant to an inspection under clause (i) to
17 meet the housing quality standards under
18 subparagraph (B). This clause may not be
19 construed to exempt any dwelling unit
20 from compliance with the requirements of
21 subparagraph (D)”;

22 (2) by redesignating subparagraph (G) as sub-
23 paragraph (H); and

24 (3) by inserting after subparagraph (F) the fol-
25 lowing new subparagraph:

1 “(G) ENFORCEMENT OF HOUSING QUALITY
2 STANDARDS.—

3 “(i) DETERMINATION OF NONCOMPLI-
4 ANCE.—A dwelling unit that is covered by
5 a housing assistance payments contract
6 under this subsection shall be considered,
7 for purposes of subparagraphs (D) and
8 (F), to be in noncompliance with the hous-
9 ing quality standards under subparagraph
10 (B) if—

11 “(I) the public housing agency or
12 an inspector authorized by the State
13 or unit of local government deter-
14 mines upon inspection of the unit that
15 the unit fails to comply with such
16 standards;

17 “(II) the agency or inspector no-
18 tifies the owner of the unit in writing
19 of such failure to comply; and

20 “(III) the failure to comply is not
21 corrected—

22 “(aa) in the case of any
23 such failure that is a result of
24 life-threatening conditions, within

1 24 hours after such notice has
2 been provided; and

3 “(bb) in the case of any
4 such failure that is a result of
5 non-life-threatening conditions,
6 within 30 days after such notice
7 has been provided or such other
8 reasonable longer period as the
9 public housing agency may estab-
10 lish.

11 “(ii) WITHHOLDING OF ASSISTANCE
12 AMOUNTS DURING CORRECTION.—The
13 public housing agency may withhold assist-
14 ance amounts under this subsection with
15 respect to a dwelling unit for which a no-
16 tice pursuant to clause (i)(II), of failure to
17 comply with housing quality standards
18 under subparagraph (B) as determined
19 pursuant to an inspection conducted under
20 subparagraph (D) or (F), has been pro-
21 vided. If the unit is brought into compli-
22 ance with such housing quality standards
23 during the periods referred to in clause
24 (i)(III), the public housing agency shall re-
25 commence assistance payments and may

1 use any amounts withheld during the cor-
2 rection period to make assistance payments
3 relating to the period during which pay-
4 ments were withheld.

5 “(iii) ABATEMENT OF ASSISTANCE
6 AMOUNTS.—The public housing agency
7 shall abate all of the assistance amounts
8 under this subsection with respect to a
9 dwelling unit that is determined, pursuant
10 to clause (i) of this subparagraph, to be in
11 noncompliance with housing quality stand-
12 ards under subparagraph (B). Upon com-
13 pletion of repairs by the public housing
14 agency or the owner sufficient so that the
15 dwelling unit complies with such housing
16 quality standards, the agency shall recom-
17 mence payments under the housing assist-
18 ance payments contract to the owner of the
19 dwelling unit.

20 “(iv) NOTIFICATION.—If a public
21 housing agency providing assistance under
22 this subsection abates rental assistance
23 payments pursuant to clause (iii) with re-
24 spect to a dwelling unit, the agency shall,
25 upon commencement of such abatement—

1 “(I) notify the tenant and the
2 owner of the dwelling unit that—

3 “(aa) such abatement has
4 commenced; and

5 “(bb) if the dwelling unit is
6 not brought into compliance with
7 housing quality standards within
8 60 days after the effective date of
9 the determination of noncompli-
10 ance under clause (i) or such rea-
11 sonable longer period as the
12 agency may establish, the tenant
13 will have to move; and

14 “(II) issue the tenant the nec-
15 essary forms to allow the tenant to
16 move to another dwelling unit and
17 transfer the rental assistance to that
18 unit.

19 “(v) PROTECTION OF TENANTS.—An
20 owner of a dwelling unit may not terminate
21 the tenancy of any tenant because of the
22 withholding or abatement of assistance
23 pursuant to this subparagraph. During the
24 period that assistance is abated pursuant

1 to this subparagraph, the tenant may ter-
2minate the tenancy by notifying the owner.

3 “(vi) TERMINATION OF LEASE OR AS-
4SISTANCE PAYMENTS CONTRACT.—If as-
5sistance amounts under this section for a
6dwelling unit are abated pursuant to clause
7(iii) and the owner does not correct the
8noncompliance within 60 days after the ef-
9fective date of the determination of non-
10compliance under clause (i), or such other
11reasonable longer period as the public
12housing agency may establish, the agency
13shall terminate the housing assistance pay-
14ments contract for the dwelling unit.

15 “(vii) RELOCATION.—

16 “(I) LEASE OF NEW UNIT.—The
17agency shall provide the family resid-
18ing in such a dwelling unit a period of
1990 days or such longer period as the
20public housing agency determines is
21reasonably necessary to lease a new
22unit, beginning upon termination of
23the contract, to lease a new residence
24with tenant-based rental assistance
25under this section.

1 “(II) AVAILABILITY OF PUBLIC
2 HOUSING UNITS.—If the family is un-
3 able to lease such a new residence
4 during such period, the public housing
5 agency shall, at the option of the fam-
6 ily, provide such family a preference
7 for occupancy in a dwelling unit of
8 public housing that is owned or oper-
9 ated by the agency that first becomes
10 available for occupancy after the expi-
11 ration of such period.

12 “(III) ASSISTANCE IN FINDING
13 UNIT.—The public housing agency
14 may provide assistance to the family
15 in finding a new residence, including
16 use of up to two months of any assist-
17 ance amounts withheld or abated pur-
18 suant to clause (ii) or (iii), respec-
19 tively, for costs directly associated
20 with relocation of the family to a new
21 residence, which shall include security
22 deposits as necessary and may include
23 reimbursements for reasonable moving
24 expenses incurred by the household,
25 as established by the Secretary. The

1 agency may require that a family re-
2 ceiving assistance for a security de-
3 posit shall remit, to the extent of such
4 assistance, the amount of any security
5 deposit refunds made by the owner of
6 the dwelling unit for which the lease
7 was terminated.

8 “(viii) TENANT-CAUSED DAMAGES.—
9 If a public housing agency determines that
10 any damage to a dwelling unit that results
11 in a failure of the dwelling unit to comply
12 with housing quality standards under sub-
13 paragraph (B), other than any damage re-
14 sulting from ordinary use, was caused by
15 the tenant, any member of the tenant’s
16 household, or any guest or other person
17 under the tenant’s control, the agency may
18 waive the applicability of this subpara-
19 graph, except that this clause shall not ex-
20 onerate a tenant from any liability other-
21 wise existing under applicable law for dam-
22 ages to the premises caused by such ten-
23 ant.

24 “(ix) APPLICABILITY.—This subpara-
25 graph shall apply to any dwelling unit for

1 which a housing assistance payments con-
2 tract is entered into or renewed after the
3 date of the effectiveness of the regulations
4 implementing this subparagraph.”.

5 (b) **EFFECTIVE DATE.**—The Secretary of Housing
6 and Urban Development shall issue notice or regulations
7 to implement subsection (a) of this section and such sub-
8 section shall take effect upon such issuance.

9 **SEC. 102. INCOME REVIEWS.**

10 (a) **INCOME REVIEWS FOR PUBLIC HOUSING AND**
11 **SECTION 8 PROGRAMS.**—Section 3 of the United States
12 Housing Act of 1937 (42 U.S.C. 1437a) is amended—

13 (1) in subsection (a)—

14 (A) in the second sentence of paragraph
15 (1), by striking “at least annually” and insert-
16 ing “pursuant to paragraph (6)”; and

17 (B) by adding at the end the following new
18 paragraphs:

19 “(6) **REVIEWS OF FAMILY INCOME.**—

20 “(A) **FREQUENCY.**—Reviews of family in-
21 come for purposes of this section shall be
22 made—

23 “(i) in the case of all families, upon
24 the initial provision of housing assistance
25 for the family;

1 “(ii) annually thereafter, except as
2 provided in paragraph (1) with respect to
3 fixed-income families;

4 “(iii) upon the request of the family,
5 at any time the income or deductions
6 (under subsection (b)(5)) of the family
7 change by an amount that is estimated to
8 result in a decrease of 10 percent (or such
9 lower amount as the Secretary may, by no-
10 tice, establish, or permit the public housing
11 agency or owner to establish) or more in
12 annual adjusted income; and

13 “(iv) at any time the income or deduc-
14 tions (under subsection (b)(5)) of the fam-
15 ily change by an amount that is estimated
16 to result in an increase of 10 percent or
17 more in annual adjusted income, or such
18 other amount as the Secretary may by no-
19 tice establish, except that any increase in
20 the earned income of a family shall not be
21 considered for purposes of this clause (ex-
22 cept that earned income may be considered
23 if the increase corresponds to previous de-
24 creases under clause (iii)), except that a
25 public housing agency or owner may elect

1 not to conduct such review in the last three
2 months of a certification period.

3 “(B) IN GENERAL.—Reviews of family in-
4 come for purposes of this section shall be sub-
5 ject to the provisions of section 904 of the
6 Stewart B. McKinney Homeless Assistance
7 Amendments Act of 1988 (42 U.S.C. 3544).

8 “(7) CALCULATION OF INCOME.—

9 “(A) USE OF CURRENT YEAR INCOME.—In
10 determining family income for initial occupancy
11 or provision of housing assistance pursuant to
12 clause (i) of paragraph (6)(A) or pursuant to
13 reviews pursuant to clause (iii) or (iv) of such
14 paragraph, a public housing agency or owner
15 shall use the income of the family as estimated
16 by the agency or owner for the upcoming year.

17 “(B) USE OF PRIOR YEAR INCOME.—In
18 determining family income for annual reviews
19 pursuant to paragraph (6)(A)(ii), a public hous-
20 ing agency or owner shall, except as otherwise
21 provided in this paragraph and paragraph (1),
22 use the income of the family as determined by
23 the agency or owner for the preceding year,
24 taking into consideration any redetermination

1 of income during such prior year pursuant to
2 clause (iii) or (iv) of paragraph (6)(A).

3 “(C) OTHER INCOME.—In determining the
4 income for any family based on the prior year’s
5 income, with respect to prior year calculations
6 of income not subject to subparagraph (B), a
7 public housing agency or owner may make other
8 adjustments as it considers appropriate to re-
9 flect current income.

10 “(D) SAFE HARBOR.—A public housing
11 agency or owner may, to the extent such infor-
12 mation is available to the public housing agency
13 or owner, determine the family’s income prior
14 to the application of any deductions based on
15 timely income determinations made for pur-
16 poses of other means-tested Federal public as-
17 sistance programs (including the program for
18 block grants to States for temporary assistance
19 for needy families under part A of title IV of
20 the Social Security Act, a program for Medicaid
21 assistance under a State plan approved under
22 title XIX of the Social Security Act, and the
23 supplemental nutrition assistance program (as
24 such term is defined in section 3 of the Food
25 and Nutrition Act of 2008 (7 U.S.C. 2012)).

1 The Secretary shall, in consultation with other
2 appropriate Federal agencies, develop proce-
3 dures to enable public housing agencies and
4 owners to have access to such income deter-
5 minations made by other means-tested Federal
6 programs that the Secretary determines to have
7 comparable reliability. Exchanges of such infor-
8 mation shall be subject to the same limitations
9 and tenant protections provided under section
10 904 of the Stewart B. McKinney Homeless As-
11 sistance Act Amendments of 1988 (42 U.S.C.
12 3544) with respect to information obtained
13 under the requirements of section 303(i) of the
14 Social Security Act (42 U.S.C. 503(i)).

15 “(E) PHA AND OWNER COMPLIANCE.—A
16 public housing agency or owner may not be con-
17 sidered to fail to comply with this paragraph or
18 paragraph (6) due solely to any de minimis er-
19 rors made by the agency or owner in calculating
20 family incomes.”;

21 (2) by striking subsections (d) and (e); and

22 (3) by redesignating subsection (f) as sub-
23 section (d).

24 (b) CERTIFICATION REGARDING HARDSHIP EXCEP-
25 TION TO MINIMUM MONTHLY RENT.—Not later than the

1 expiration of the 6-month period beginning on the date
2 of the enactment of this Act, the Secretary of Housing
3 and Urban Development shall submit to the Congress a
4 certification that the hardship and tenant protection provi-
5 sions in clause (i) of section 3(a)(3)(B) of the United
6 States Housing Act of 1937 (42 U.S.C.
7 1437a(a)(3)(B)(i)) are being enforced at such time and
8 that the Secretary will continue to provide due consider-
9 ation to the hardship circumstances of persons assisted
10 under relevant programs of this Act.

11 (c) INCOME; ADJUSTED INCOME.—Section 3(b) of
12 the United States Housing Act of 1937 (42 U.S.C.
13 1437a(b)) is amended by striking paragraphs (4) and (5)
14 and inserting the following new paragraphs:

15 “(4) INCOME.—The term ‘income’ means, with
16 respect to a family, income received from all sources
17 by each member of the household who is 18 years
18 of age or older or is the head of household or spouse
19 of the head of the household, plus unearned income
20 by or on behalf of each dependent who is less than
21 18 years of age, as determined in accordance with
22 criteria prescribed by the Secretary, in consultation
23 with the Secretary of Agriculture, subject to the fol-
24 lowing requirements:

1 “(A) INCLUDED AMOUNTS.—Such term in-
2 cludes recurring gifts and receipts, actual in-
3 come from assets, and profit or loss from a
4 business.

5 “(B) EXCLUDED AMOUNTS.—Such term
6 does not include—

7 “(i) any imputed return on assets, ex-
8 cept to the extent that net family assets
9 exceed \$50,000, except that such amount
10 (as it may have been previously adjusted)
11 shall be adjusted for inflation annually by
12 the Secretary in accordance with an infla-
13 tionary index selected by the Secretary;

14 “(ii) any amounts that would be eligi-
15 ble for exclusion under section 1613(a)(7)
16 of the Social Security Act (42 U.S.C.
17 1382b(a)(7));

18 “(iii) deferred disability benefits from
19 the Department of Veterans Affairs that
20 are received in a lump sum amount or in
21 prospective monthly amounts;

22 “(iv) any expenses related to aid and
23 attendance under section 1521 of title 38,
24 United States Code, to veterans who are in
25 need of regular aid and attendance; and

1 “(v) exclusions from income as estab-
2 lished by the Secretary by regulation or
3 notice, or any amount required by Federal
4 law to be excluded from consideration as
5 income.

6 “(C) EARNED INCOME OF STUDENTS.—

7 Such term does not include—

8 “(i) earned income, up to an amount
9 as the Secretary may by regulation estab-
10 lish, of any dependent earned during any
11 period that such dependent is attending
12 school or vocational training on a full-time
13 basis; or

14 “(ii) any grant-in-aid or scholarship
15 amounts related to such attendance used—

16 “(I) for the cost of tuition or
17 books; or

18 “(II) in such amounts as the Sec-
19 retary may allow, for the cost of room
20 and board.

21 “(D) EDUCATIONAL SAVINGS ACCOUNTS.—

22 Income shall be determined without regard to
23 any amounts in or from, or any benefits from,
24 any Coverdell education savings account under
25 section 530 of the Internal Revenue Code of

1 1986 or any qualified tuition program under
2 section 529 of such Code.

3 “(E) RECORDKEEPING.—The Secretary
4 may not require a public housing agency or
5 owner to maintain records of any amounts ex-
6 cluded from income pursuant to this subpara-
7 graph.

8 “(5) ADJUSTED INCOME.—The term ‘adjusted
9 income’ means, with respect to a family, the amount
10 (as determined by the public housing agency or
11 owner) of the income of the members of the family
12 residing in a dwelling unit or the persons on a lease,
13 after any deductions from income as follows:

14 “(A) ELDERLY AND DISABLED FAMI-
15 LIES.—\$525 in the case of any family that is
16 an elderly family or a disabled family.

17 “(B) DEPENDENTS.—In the case of any
18 family, \$525 for each member who—

19 “(i) is less than 18 years of age or at-
20 tending school or vocational training on a
21 full-time basis; or

22 “(ii) is a person who is 18 years of
23 age or older, resides in the household, and
24 is certified as disabled and unable to work

1 by the public housing agency of jurisdic-
2 tion.

3 “(C) CHILD CARE.—The amount, if any,
4 that exceeds 5 percent of annual family income
5 that is used to pay for unreimbursed child care
6 expenses, which shall include child care for pre-
7 school-age children, for before- and after-care
8 for children in school, and for other child care
9 necessary to enable a member of the family to
10 be employed or further his or her education.

11 “(D) HEALTH AND MEDICAL EXPENSES.—
12 The amount, if any, by which 10 percent of an-
13 nual family income is exceeded by the sum of—

14 “(i) in the case of any elderly or dis-
15 abled family, any unreimbursed health and
16 medical care expenses; and

17 “(ii) any unreimbursed reasonable at-
18 tendant care and auxiliary apparatus ex-
19 penses for each handicapped member of
20 the family, if determined necessary by the
21 public housing agency or owner to enable
22 any member of such family to be employed.

23 The Secretary may provide hardship exemptions
24 for impacted families by regulation, if the Sec-
25 retary determines calculated rents endanger

1 families unable to pay such amount because of
2 financial hardship. Such regulations shall be
3 promulgated in consultation with tenant organi-
4 zations, industry participants, and the Sec-
5 retary of Health and Human Services, with an
6 adequate comment period provided for inter-
7 ested parties.

8 “(E) PERMISSIVE DEDUCTIONS.—Such ad-
9 ditional deductions as a public housing agency
10 may, at its discretion, establish, except that the
11 Secretary shall establish procedures to ensure
12 that such deductions do not materially increase
13 Federal expenditures.

14 The Secretary shall annually calculate the amounts
15 of the deductions under subparagraphs (A) and (B),
16 as such amounts may have been previously cal-
17 culated, by applying an inflationary factor as the
18 Secretary shall, by regulation, establish, except that
19 the actual deduction determined for each year shall
20 be established by rounding such amount to the next
21 lowest multiple of \$25.”

22 (d) HOUSING CHOICE VOUCHER PROGRAM.—Section
23 8(o) of the United States Housing Act of 1937 (42 U.S.C.
24 1437f(o)) is amended—

1 (1) in paragraph (1)(D), by inserting before the
2 period at the end the following: “, except that a pub-
3 lic housing agency may establish a payment stand-
4 ard of not more than 120 percent of the fair market
5 rent where necessary as a reasonable accommodation
6 for a person with a disability, without approval of
7 the Secretary. A public housing agency may use a
8 payment standard that is greater than 120 percent
9 of the fair market rent as a reasonable accommoda-
10 tion for a person with a disability, but only with the
11 approval of the Secretary. In connection with the use
12 of any increased payment standard established or
13 approved pursuant to either of the preceding two
14 sentences as a reasonable accommodation for a per-
15 son with a disability, the Secretary may not estab-
16 lish additional requirements regarding the amount of
17 adjusted income paid by such person for rent”; and

18 (2) in paragraph (5)—

19 (A) in the paragraph heading, by striking
20 “ANNUAL REVIEW” and inserting “REVIEWS”;

21 (B) in subparagraph (A)—

22 (i) by striking “the provisions of” and
23 inserting “paragraphs (1), (6), and (7) of
24 section 3(a) and to”; and

1 (ii) by striking “and shall be con-
2 ducted” and all that follows through the
3 end of the subparagraph and inserting a
4 period; and

5 (C) in subparagraph (B), by striking the
6 second sentence.

7 (e) ENHANCED VOUCHER PROGRAM.—Section
8 8(t)(1)(D) of the United States Housing Act of 1937 (42
9 U.S.C. 1437f(t)(1)(D)) is amended by striking “income”
10 each place such term appears and inserting “annual ad-
11 justed income”.

12 (f) PROJECT-BASED HOUSING.—Paragraph (3) of
13 section 8(c) of the United States Housing Act of 1937
14 (42 U.S.C. 1437f(c)(3)) is amended by striking the last
15 sentence.

16 (g) IMPACT ON PUBLIC HOUSING REVENUES.—

17 (1) ADJUSTMENTS TO OPERATING FORMULA.—

18 If the Secretary of Housing and Urban Development
19 determines that the application of subsections (a)
20 through (e) of this section results in a material and
21 disproportionate reduction in the rental income of
22 certain public housing agencies during the first year
23 in which such subsections are implemented, the Sec-
24 retary may make appropriate adjustments in the for-

1 mula income for such year of those agencies experi-
2 encing such a reduction.

3 (2) HUD REPORTS ON REVENUE AND COST IM-
4 PACT.—In each of the first two years after the first
5 year in which subsections (a) through (e) are imple-
6 mented, the Secretary of Housing and Urban Devel-
7 opment shall submit a report to Congress identifying
8 and calculating the impact of changes made by such
9 subsections and section 104 of this Act on the reve-
10 nues and costs of operating public housing units, the
11 voucher program for rental assistance under section
12 8 of the United States Housing Act of 1937, and
13 the program under such section 8 for project-based
14 rental assistance. If such report identifies a material
15 reduction in the net income of public housing agen-
16 cies nationwide or a material increase in the costs of
17 funding the voucher program or the project-based
18 assistance program, the Secretary shall include in
19 such report recommendations for legislative changes
20 to reduce or eliminate such a reduction.

21 (h) EFFECTIVE DATE.—The Secretary of Housing
22 and Urban Development shall issue notice or regulations
23 to implement this section and this section shall take effect
24 after such issuance, except that this section may only take
25 effect upon the commencement of a calendar year.

1 **SEC. 103. LIMITATION ON PUBLIC HOUSING TENANCY FOR**
2 **OVER-INCOME FAMILIES.**

3 Subsection (a) of section 16 of the United States
4 Housing Act of 1937 (42 U.S.C. 1437n(a)) is amended
5 by adding at the end the following new paragraph:

6 “(5) LIMITATIONS ON TENANCY FOR OVER-IN-
7 COME FAMILIES.—

8 “(A) LIMITATIONS.—Except as provided in
9 subparagraph (D), in the case of any family re-
10 siding in a dwelling unit of public housing
11 whose income for the most recent two consecu-
12 tive years, as determined pursuant to income
13 reviews conducted pursuant to section 3(a)(6),
14 has exceeded the applicable income limitation
15 under subparagraph (C), the public housing
16 agency shall—

17 “(i) notwithstanding any other provi-
18 sion of this Act, charge such family as
19 monthly rent for the unit occupied by such
20 family an amount equal to the greater of—

21 “(I) the applicable fair market
22 rental established under section 8(c)
23 for a dwelling unit in the same mar-
24 ket area of the same size; or

25 “(II) the amount of the monthly
26 subsidy provided under this Act for

1 the dwelling unit, which shall include
2 any amounts from the Operating
3 Fund and Capital Fund under section
4 9 used for the unit, as determined by
5 the agency in accordance with regula-
6 tions that the Secretary shall issue to
7 carry out this subclause; or

8 “(ii) terminate the tenancy of such
9 family in public housing not later than 6
10 months after the income determination de-
11 scribed in subparagraph (A).

12 “(B) NOTICE.—In the case of any family
13 residing in a dwelling unit of public housing
14 whose income for a year has exceeded the appli-
15 cable income limitation under subparagraph
16 (C), upon the conclusion of such year the public
17 housing agency shall provide written notice to
18 such family of the requirements under subpara-
19 graph (A).

20 “(C) INCOME LIMITATION.—The income
21 limitation under this subparagraph shall be 120
22 percent of the median income for the area, as
23 determined by the Secretary with adjustments
24 for smaller and larger families, except that the
25 Secretary may establish income limitations

1 higher or lower than 120 percent of such me-
2 dian income on the basis of the Secretary's
3 findings that such variations are necessary be-
4 cause of prevailing levels of construction costs,
5 or unusually high or low family incomes, va-
6 cancy rates, or rental costs.

7 “(D) EXCEPTION.—Subparagraph (A)
8 shall not apply to a family occupying a dwelling
9 unit in public housing pursuant to paragraph
10 (5) of section 3(a) (42 U.S.C. 1437a(a)(5)).

11 “(E) REPORTS ON OVER-INCOME FAMILIES
12 AND WAITING LISTS.—The Secretary shall re-
13 quire that each public housing agency shall—

14 “(i) submit a report annually, in a
15 format required by the Secretary, that
16 specifies—

17 “(I) the number of families resid-
18 ing, as of the end of the year for
19 which the report is submitted, in pub-
20 lic housing administered by the agen-
21 cy who had incomes exceeding the ap-
22 plicable income limitation under sub-
23 paragraph (C); and

24 “(II) the number of families, as
25 of the end of such year, on the wait-

1 ing lists for admission to public hous-
2 ing projects of the agency; and
3 “(ii) make the information reported
4 pursuant to clause (i) publicly available.”.

5 **SEC. 104. LIMITATION ON ELIGIBILITY FOR ASSISTANCE**
6 **BASED ON ASSETS.**

7 Section 16 of the United States Housing Act of 1937
8 (42 U.S.C. 1437n) is amended by inserting after sub-
9 section (d) the following new subsection:

10 “(e) **ELIGIBILITY FOR ASSISTANCE BASED ON AS-**
11 **SETS.—**

12 “(1) **LIMITATION ON ASSETS.—**Subject to para-
13 graph (3) and notwithstanding any other provision
14 of this Act, a dwelling unit assisted under this Act
15 may not be rented and assistance under this Act
16 may not be provided, either initially or at each recer-
17 tification of family income, to any family—

18 “(A) whose net family assets exceed
19 \$100,000, as such amount is adjusted annually
20 by applying an inflationary factor as the Sec-
21 retary considers appropriate; or

22 “(B) who has a present ownership interest
23 in, a legal right to reside in, and the effective
24 legal authority to sell, real property that is suit-
25 able for occupancy by the family as a residence,

1 except that the prohibition under this subpara-
2 graph shall not apply to—

3 “(i) any property for which the family
4 is receiving assistance under subsection (y)
5 or (o)(12) of section 8 of this Act;

6 “(ii) any person that is a victim of do-
7 mestic violence; or

8 “(iii) any family that is offering such
9 property for sale.

10 “(2) NET FAMILY ASSETS.—

11 “(A) IN GENERAL.—For purposes of this
12 subsection, the term ‘net family assets’ means,
13 for all members of the household, the net cash
14 value of all assets after deducting reasonable
15 costs that would be incurred in disposing of real
16 property, savings, stocks, bonds, and other
17 forms of capital investment. Such term does not
18 include interests in Indian trust land, equity in
19 property for which the family is receiving assist-
20 ance under subsection (y) or (o)(12) of section
21 8, equity accounts in homeownership programs
22 of the Department of Housing and Urban De-
23 velopment, or Family Self Sufficiency accounts.

24 “(B) EXCLUSIONS.—Such term does not
25 include—

1 “(i) the value of personal property, ex-
2 cept for items of personal property of sig-
3 nificant value, as the Secretary may estab-
4 lish or the public housing agency may de-
5 termine;

6 “(ii) the value of any retirement ac-
7 count;

8 “(iii) real property for which the fam-
9 ily does not have the effective legal author-
10 ity necessary to sell such property;

11 “(iv) any amounts recovered in any
12 civil action or settlement based on a claim
13 of malpractice, negligence, or other breach
14 of duty owed to a member of the family
15 and arising out of law, that resulted in a
16 member of the family being disabled;

17 “(v) the value of any Coverdell edu-
18 cation savings account under section 530
19 of the Internal Revenue Code of 1986 or
20 any qualified tuition program under sec-
21 tion 529 of such Code; and

22 “(vi) such other exclusions as the Sec-
23 retary may establish.

24 “(C) TRUST FUNDS.—In cases in which a
25 trust fund has been established and the trust is

1 not revocable by, or under the control of, any
2 member of the family or household, the value of
3 the trust fund shall not be considered an asset
4 of a family if the fund continues to be held in
5 trust. Any income distributed from the trust
6 fund shall be considered income for purposes of
7 section 3(b) and any calculations of annual
8 family income, except in the case of medical ex-
9 penses for a minor.

10 “(3) SELF-CERTIFICATION.—

11 “(A) NET FAMILY ASSETS.—A public
12 housing agency or owner may determine the net
13 assets of a family, for purposes of this section,
14 based on a certification by the family that the
15 net assets of such family do not exceed
16 \$50,000, as such amount is adjusted annually
17 by applying an inflationary factor as the Sec-
18 retary considers appropriate.

19 “(B) NO CURRENT REAL PROPERTY OWN-
20 ERSHIP.—A public housing agency or owner
21 may determine compliance with paragraph
22 (1)(B) based on a certification by the family
23 that such family does not have any current
24 ownership interest in any real property at the

1 time the agency or owner reviews the family's
2 income.

3 “(C) STANDARDIZED FORMS.—The Sec-
4 retary may develop standardized forms for the
5 certifications referred to in subparagraphs (A)
6 and (B).

7 “(4) COMPLIANCE FOR PUBLIC HOUSING
8 DWELLING UNITS.—When recertifying family income
9 with respect to families residing in public housing
10 dwelling units, a public housing agency may, in the
11 discretion of the agency and only pursuant to a pol-
12 icy that is set forth in the public housing agency
13 plan under section 5A for the agency, choose not to
14 enforce the limitation under paragraph (1).

15 “(5) ENFORCEMENT.—When recertifying the
16 income of a family residing in a dwelling unit as-
17 sisted under this Act, a public housing agency or
18 owner may choose not to enforce the limitation
19 under paragraph (1) or may establish exceptions to
20 such limitation based on eligibility criteria, but only
21 pursuant to a policy that is set forth in the public
22 housing agency plan under section 5A for the agency
23 or under a policy adopted by the owner. Eligibility
24 criteria for establishing exceptions may provide for
25 separate treatment based on family type and may be

1 based on different factors, such as age, disability, in-
2 come, the ability of the family to find suitable alter-
3 native housing, and whether supportive services are
4 being provided.

5 “(6) AUTHORITY TO DELAY EVICTIONS.—In the
6 case of a family residing in a dwelling unit assisted
7 under this Act who does not comply with the limita-
8 tion under paragraph (1), the public housing agency
9 or project owner may delay eviction or termination
10 of the family based on such noncompliance for a pe-
11 riod of not more than 6 months.”.

12 **SEC. 105. UNITS OWNED BY PUBLIC HOUSING AGENCIES.**

13 Paragraph (11) of section 8(o) of the United States
14 Housing Act of 1937 (42 U.S.C. 1437f(o)(11)) is amend-
15 ed—

16 (1) by striking “(11) LEASING OF UNITS
17 OWNED BY PHA.—If” and inserting the following:

18 “(11) LEASING OF UNITS OWNED BY PHA.—
19 “(A) INSPECTIONS AND RENT DETERMINA-
20 TIONS.—If”; and

21 (2) by adding at the end the following new sub-
22 paragraph:

23 “(B) UNITS OWNED BY PHA.—For pur-
24 poses of this subsection, the term ‘owned by a
25 public housing agency’ means, with respect to a

1 dwelling unit, that the dwelling unit is in a
2 project that is owned by such agency, by an en-
3 tity wholly controlled by such agency, or by a
4 limited liability company or limited partnership
5 in which such agency (or an entity wholly con-
6 trolled by such agency) holds a controlling in-
7 terest in the managing member or general part-
8 ner. A dwelling unit shall not be deemed to be
9 owned by a public housing agency for purposes
10 of this subsection because the agency holds a
11 fee interest as ground lessor in the property on
12 which the unit is situated, holds a security in-
13 terest under a mortgage or deed of trust on the
14 unit, or holds a non-controlling interest in an
15 entity which owns the unit or in the managing
16 member or general partner of an entity which
17 owns the unit.”.

18 **SEC. 106. PHA PROJECT-BASED ASSISTANCE.**

19 (a) IN GENERAL.—Paragraph (13) of section 8(o) of
20 the United States Housing Act of 1937 (42 U.S.C.
21 1437f(o)(13)) is amended—

22 (1) by striking “structure” each place such
23 term appears and inserting “project”;

24 (2) by striking “structures” each place such
25 term appears and inserting “projects”;

1 (3) by striking subparagraph (B) and inserting
2 the following new subparagraph:

3 “(B) PERCENTAGE LIMITATION.—

4 “(i) IN GENERAL.—Subject to clause
5 (ii), a public housing agency may use for
6 project-based assistance under this para-
7 graph not more than 20 percent of the au-
8 thorized units for the agency.

9 “(ii) EXCEPTION.—A public housing
10 agency may use up to an additional 10
11 percent of the authorized units for the
12 agency for project-based assistance under
13 this paragraph, to provide units that house
14 individuals and families that meet the defi-
15 nition of homeless under section 103 of the
16 McKinney-Vento Homeless Assistance Act
17 (42 U.S.C. 11302), that house families
18 with veterans, that provide supportive
19 housing to persons with disabilities or el-
20 derly persons, or that are located in areas
21 where vouchers under this subsection are
22 difficult to use, as specified in subpara-
23 graph (D)(ii)(II). Any units of project-
24 based assistance that are attached to units
25 previously subject to federally required

1 rent restrictions or receiving another type
2 of long-term housing subsidy provided by
3 the Secretary shall not count toward the
4 percentage limitation under clause (i) of
5 this subparagraph. The Secretary may, by
6 regulation, establish additional categories
7 for the exception under this clause.”;

8 (4) by striking subparagraph (D) and inserting
9 the following new subparagraph:

10 “(D) INCOME-MIXING REQUIREMENT.—

11 “(i) IN GENERAL.—Except as pro-
12 vided in clause (ii), not more than the
13 greater of 25 dwelling units or 25 percent
14 of the dwelling units in any project may be
15 assisted under a housing assistance pay-
16 ment contract for project-based assistance
17 pursuant to this paragraph. For purposes
18 of this subparagraph, the term ‘project’
19 means a single building, multiple contig-
20 uous buildings, or multiple buildings on
21 contiguous parcels of land.

22 “(ii) EXCEPTIONS.—

23 “(I) CERTAIN FAMILIES.—The
24 limitation under clause (i) shall not
25 apply to dwelling units assisted under

1 a contract that are exclusively made
2 available to elderly families or to
3 households eligible for supportive serv-
4 ices that are made available to the as-
5 sisted residents of the project, accord-
6 ing to standards for such services the
7 Secretary may establish.

8 “(II) CERTAIN AREAS.—With re-
9 spect to areas in which tenant-based
10 vouchers for assistance under this
11 subsection are difficult to use, as de-
12 termined by the Secretary, and with
13 respect to census tracts with a poverty
14 rate of 20 percent or less, clause (i)
15 shall be applied by substituting ‘40
16 percent’ for ‘25 percent’, and the Sec-
17 retary may, by regulation, establish
18 additional conditions.

19 “(III) CERTAIN CONTRACTS.—
20 The limitation under clause (i) shall
21 not apply with respect to contracts or
22 renewal of contracts under which a
23 greater percentage of the dwelling
24 units in a project were assisted under
25 a housing assistance payment contract

1 for project-based assistance pursuant
2 to this paragraph on the date of the
3 enactment of the Housing Oppor-
4 tunity Through Modernization Act of
5 2015.

6 “(IV) CERTAIN PROPERTIES.—
7 Any units of project-based assistance
8 under this paragraph that are at-
9 tached to units previously subject to
10 federally required rent restrictions or
11 receiving other project-based assist-
12 ance provided by the Secretary shall
13 not count toward the percentage limi-
14 tation imposed by this subparagraph
15 (D).

16 “(iii) ADDITIONAL MONITORING AND
17 OVERSIGHT REQUIREMENTS.—The Sec-
18 retary may establish additional require-
19 ments for monitoring and oversight of
20 projects in which more than 40 percent of
21 the dwelling units are assisted under a
22 housing assistance payment contract for
23 project-based assistance pursuant to this
24 paragraph.”;

1 (5) by striking subparagraph (F) and inserting
2 the following new subparagraph:

3 “(F) CONTRACT TERM.—

4 “(i) TERM.—A housing assistance
5 payment contract pursuant to this para-
6 graph between a public housing agency
7 and the owner of a project may have a
8 term of up to 20 years, subject to—

9 “(I) the availability of sufficient
10 appropriated funds for the purpose of
11 renewing expiring contracts for assist-
12 ance payments, as provided in appro-
13 priation Acts and in the agency’s an-
14 nual contributions contract with the
15 Secretary, provided that in the event
16 of insufficient appropriated funds,
17 payments due under contracts under
18 this paragraph shall take priority if
19 other cost-saving measures that do
20 not require the termination of an ex-
21 isting contract are available to the
22 agency; and

23 “(II) compliance with the inspec-
24 tion requirements under paragraph
25 (8), except that the agency shall not

1 be required to make biennial inspec-
2 tions of each assisted unit in the de-
3 velopment.

4 “(ii) ADDITION OF ELIGIBLE UNITS.—
5 Subject to the limitations of subparagraphs
6 (B) and (D), the agency and the owner
7 may add eligible units within the same
8 project to a housing assistance payments
9 contract at any time during the term
10 thereof without being subject to any addi-
11 tional competitive selection procedures.

12 “(iii) HOUSING UNDER CONSTRU-
13 TION OR RECENTLY CONSTRUCTED.—An
14 agency may enter into a housing assistance
15 payments contract with an owner for any
16 unit that does not qualify as existing hous-
17 ing and is under construction or recently
18 has been constructed whether or not the
19 agency has executed an agreement to enter
20 into a contract with the owner, provided
21 that the owner demonstrates compliance
22 with applicable requirements prior to exe-
23 cution of the housing assistance payments
24 contract. This clause shall not subject a
25 housing assistance payments contract for

1 existing housing under this paragraph to
2 such requirements or otherwise limit the
3 extent to which a unit may be assisted as
4 existing housing.

5 “(iv) ADDITIONAL CONDITIONS.—The
6 contract may specify additional conditions,
7 including with respect to continuation, ter-
8 mination, or expiration, and shall specify
9 that upon termination or expiration of the
10 contract without extension, each assisted
11 family may elect to use its assistance
12 under this subsection to remain in the
13 same project if its unit complies with the
14 inspection requirements under paragraph
15 (8), the rent for the unit is reasonable as
16 required by paragraph (10)(A), and the
17 family pays its required share of the rent
18 and the amount, if any, by which the unit
19 rent (including the amount allowed for ten-
20 ant-based utilities) exceeds the applicable
21 payment standard.”;

22 (6) in subparagraph (G), by striking “15 years”
23 and inserting “20 years”;

24 (7) by striking subparagraph (I) and inserting
25 the following new subparagraph:

1 “(I) RENT ADJUSTMENTS.—A housing as-
2 sistance payments contract pursuant to this
3 paragraph entered into after the date of the en-
4 actment of the Housing Opportunity Through
5 Modernization Act of 2015 shall provide for an-
6 nual rent adjustments upon the request of the
7 owner, except that—

8 “(i) by agreement of the parties, a
9 contract may allow a public housing agency
10 to adjust the rent for covered units using
11 an operating cost adjustment factor estab-
12 lished by the Secretary pursuant to section
13 524(c) of the Multifamily Assisted Housing
14 Reform and Affordability Act of 1997
15 (which shall not result in a negative ad-
16 justment), in which case the contract may
17 require an additional adjustment, if re-
18 quested, up to the reasonable rent periodi-
19 cally during the term of the contract, and
20 shall require such an adjustment, if re-
21 quested, upon extension pursuant to sub-
22 paragraph (G);

23 “(ii) the adjusted rent shall not ex-
24 ceed the maximum rent permitted under
25 subparagraph (H);

1 “(iii) the contract may provide that
2 the maximum rent permitted for a dwelling
3 unit shall not be less than the initial rent
4 for the dwelling unit under the initial
5 housing assistance payments contract cov-
6 ering the units; and

7 “(iv) the provisions of subsection
8 (c)(2)(C) shall not apply.”;

9 (8) in subparagraph (J)—

10 (A) in the first sentence—

11 (i) by striking “shall” and inserting
12 “may”; and

13 (ii) by inserting before the period the
14 following “or may permit owners to select
15 applicants from site-based waiting lists as
16 specified in this subparagraph”;

17 (B) by striking the third sentence and in-
18 serting the following: “The agency or owner
19 may establish preferences or criteria for selec-
20 tion for a unit assisted under this paragraph
21 that are consistent with the public housing
22 agency plan for the agency approved under sec-
23 tion 5A and that give preference to families
24 who qualify for voluntary services, including

1 disability-specific services, offered in conjunc-
2 tion with assisted units.”; and

3 (C) by striking the fifth and sixth sen-
4 tences and inserting the following: “A public
5 housing agency may establish and utilize proce-
6 dures for owner-maintained site-based waiting
7 lists, under which applicants may apply at, or
8 otherwise designate to the public housing agen-
9 cy, the project or projects in which they seek to
10 reside, except that all eligible applicants on the
11 waiting list of an agency for assistance under
12 this subsection shall be permitted to place their
13 names on such separate list, subject to policies
14 and procedures established by the Secretary. All
15 such procedures shall comply with title VI of
16 the Civil Rights Act of 1964, the Fair Housing
17 Act, section 504 of the Rehabilitation Act of
18 1973, and other applicable civil rights laws. The
19 owner or manager of a project assisted under
20 this paragraph shall not admit any family to a
21 dwelling unit assisted under a contract pursu-
22 ant to this paragraph other than a family re-
23 ferred by the public housing agency from its
24 waiting list, or a family on a site-based waiting
25 list that complies with the requirements of this

1 subparagraph. A public housing agency shall
2 disclose to each applicant all other options in
3 the selection of a project in which to reside that
4 are provided by the public housing agency and
5 are available to the applicant.”;

6 (9) in subparagraph (M)(ii), by inserting before
7 the period at the end the following: “relating to
8 funding other than housing assistance payments”;
9 and

10 (10) by adding at the end the following new
11 subparagraphs:

12 “(N) STRUCTURE OWNED BY AGENCY.—A
13 public housing agency engaged in an initiative
14 to improve, develop, or replace a public housing
15 property or site may attach assistance to an ex-
16 isting, newly constructed, or rehabilitated struc-
17 ture in which the agency has an ownership in-
18 terest or which the agency has control of with-
19 out following a competitive process, provided
20 that the agency has notified the public of its in-
21 tent through its public housing agency plan and
22 subject to the limitations and requirements of
23 this paragraph.

24 “(O) SPECIAL PURPOSE VOUCHERS.—A
25 public housing agency that administers vouch-

1 ers authorized under subsection (o)(19) or (x)
2 of this section may provide such assistance in
3 accordance with the limitations and require-
4 ments of this paragraph, without additional re-
5 quirements for approval by the Secretary.”.

6 (b) **EFFECTIVE DATE.**—The Secretary of Housing
7 and Urban Development shall issue notice or regulations
8 to implement subsection (a) of this section and such sub-
9 section shall take effect upon such issuance.

10 **SEC. 107. ESTABLISHMENT OF FAIR MARKET RENT.**

11 (a) **IN GENERAL.**—Paragraph (1) of section 8(c) of
12 the United States Housing Act of 1937 (42 U.S.C.
13 1437f(c)(1)) is amended—

14 (1) by inserting “(A)” after the paragraph des-
15 ignation;

16 (2) by striking the fourth, seventh, eighth, and
17 ninth sentences; and

18 (3) by adding at the end the following:

19 “(B) Fair market rentals for an area shall be pub-
20 lished not less than annually by the Secretary on the site
21 of the Department on the World Wide Web and in any
22 other manner specified by the Secretary. Notice that such
23 fair market rentals are being published shall be published
24 in the Federal Register, and such fair market rentals shall
25 become effective no earlier than 30 days after the date

1 of such publication. The Secretary shall establish a proce-
2 dure for public housing agencies and other interested par-
3 ties to comment on such fair market rentals and to re-
4 quest, within a time specified by the Secretary, reevalua-
5 tion of the fair market rentals in a jurisdiction before such
6 rentals become effective. The Secretary shall cause to be
7 published for comment in the Federal Register notices of
8 proposed material changes in the methodology for esti-
9 mating fair market rentals and notices specifying the final
10 decisions regarding such proposed substantial methodo-
11 logical changes and responses to public comments.”.

12 (b) PAYMENT STANDARD.—Subparagraph (B) of sec-
13 tion 8(o)(1) of the United States Housing Act of 1937
14 (42 U.S.C. 1437f(o)(1)(B)) is amended by inserting be-
15 fore the period at the end the following: “, except that
16 no public housing agency shall be required as a result of
17 a reduction in the fair market rental to reduce the pay-
18 ment standard applied to a family continuing to reside in
19 a unit for which the family was receiving assistance under
20 this section at the time the fair market rental was reduced.
21 The Secretary shall allow public housing agencies to re-
22 quest exception payment standards within fair market
23 rental areas subject to criteria and procedures established
24 by the Secretary”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect upon the date of the enact-
3 ment of this Act.

4 **SEC. 108. COLLECTION OF UTILITY DATA.**

5 Section 8(o) of the United States Housing Act of
6 1937 (42 U.S.C. 1437f(o)) is amended by adding at the
7 end the following new paragraph:

8 “(20) COLLECTION OF UTILITY DATA.—

9 “(A) PUBLICATION.—The Secretary shall,
10 to the extent that data can be collected cost ef-
11 fectively, regularly publish such data regarding
12 utility consumption and costs in local areas as
13 the Secretary determines will be useful for the
14 establishment of allowances for tenant-paid util-
15 ities for families assisted under this subsection.

16 “(B) USE OF DATA.—The Secretary shall
17 provide such data in a manner that—

18 “(i) avoids unnecessary administrative
19 burdens for public housing agencies and
20 owners; and

21 “(ii) protects families in various unit
22 sizes and building types, and using various
23 utilities, from high rent and utility cost
24 burdens relative to income.”.

1 **SEC. 109. PUBLIC HOUSING CAPITAL AND OPERATING**
2 **FUNDS.**

3 (a) CAPITAL FUND REPLACEMENT RESERVES.—Sec-
4 tion 9 of the United States Housing Act of 1937 (42
5 U.S.C. 1437g) is amended—

6 (1) in subsection (j), by adding at the end the
7 following new paragraph:

8 “(7) TREATMENT OF REPLACEMENT RE-
9 SERVE.—The requirements of this subsection shall
10 not apply to funds held in replacement reserves es-
11 tablished pursuant to subsection (n).”; and

12 (2) by adding at the end the following new sub-
13 section:

14 “(n) ESTABLISHMENT OF REPLACEMENT RE-
15 SERVES.—

16 “(1) IN GENERAL.—Public housing agencies
17 shall be permitted to establish a replacement reserve
18 to fund any of the capital activities listed in sub-
19 section (d)(1).

20 “(2) SOURCE AND AMOUNT OF FUNDS FOR RE-
21 PLACEMENT RESERVE.—At any time, a public hous-
22 ing agency may deposit funds from such agency’s
23 Capital Fund into a replacement reserve, subject to
24 the following:

25 “(A) At the discretion of the Secretary,
26 public housing agencies may transfer and hold

1 in a replacement reserve funds originating from
2 additional sources.

3 “(B) No minimum transfer of funds to a
4 replacement reserve shall be required.

5 “(C) At any time, a public housing agency
6 may not hold in a replacement reserve more
7 than the amount the public housing authority
8 has determined necessary to satisfy the antici-
9 pated capital needs of properties in its portfolio
10 assisted under this section, as outlined in its
11 Capital Fund 5-Year Action Plan, or a com-
12 parable plan, as determined by the Secretary.

13 “(D) The Secretary may establish, by reg-
14 ulation, a maximum replacement reserve level
15 or levels that are below amounts determined
16 under subparagraph (C), which may be based
17 upon the size of the portfolio assisted under
18 this section or other factors.

19 “(3) TRANSFER OF OPERATING FUNDS.—In
20 first establishing a replacement reserve, the Sec-
21 retary may allow public housing agencies to transfer
22 more than 20 percent of its operating funds into its
23 replacement reserve.

24 “(4) EXPENDITURE.—Funds in a replacement
25 reserve may be used for purposes authorized by sub-

1 section (d)(1) and contained in its Capital Fund 5-
2 Year Action Plan.

3 “(5) MANAGEMENT AND REPORT.—The Sec-
4 retary shall establish appropriate accounting and re-
5 porting requirements to ensure that public housing
6 agencies are spending funds on eligible projects and
7 that funds in the replacement reserve are connected
8 to capital needs.”.

9 (b) FLEXIBILITY OF OPERATING FUND AMOUNTS.—
10 Paragraph (1) of section 9(g) of the United States Hous-
11 ing Act of 1937 (42 U.S.C. 1437g(g)(1)) is amended—

12 (1) by striking “(1)” and all that follows
13 through “—Of” and inserting the following:

14 “(1) FLEXIBILITY IN USE OF FUNDS.—

15 “(A) FLEXIBILITY FOR CAPITAL FUND
16 AMOUNTS.—Of”; and

17 (2) by adding at the end the following new sub-
18 paragraph:

19 “(B) FLEXIBILITY FOR OPERATING FUND
20 AMOUNTS.—Of any amounts appropriated for
21 fiscal year 2016 or any fiscal year thereafter
22 that are allocated for fiscal year 2016 or any
23 fiscal year thereafter from the Operating Fund
24 for any public housing agency, the agency may
25 use not more than 20 percent for activities that

1 are eligible under subsection (d) for assistance
2 with amounts from the Capital Fund, but only
3 if the public housing plan under section 5A for
4 the agency provides for such use.”.

5 **SEC. 110. FAMILY UNIFICATION PROGRAM FOR CHILDREN**
6 **AGING OUT OF FOSTER CARE.**

7 Section 8(x) of the United States Housing Act of
8 1937 (42 U.S.C. 1437f(x)) is amended—

9 (1) in paragraph (2)(B)—

10 (A) by striking “18 months” and inserting
11 “36 months”;

12 (B) by striking “21 years of age” and in-
13 serting “24 years of age”; and

14 (C) by inserting after “have left foster
15 care” the following: “, or will leave foster care
16 within 90 days, in accordance with a transition
17 plan described in section 475(5)(H) of the So-
18 cial Security Act, and is homeless or is at risk
19 of becoming homeless”;

20 (2) by redesignating paragraph (4) as para-
21 graph (5); and

22 (3) by inserting after paragraph (3) the fol-
23 lowing new paragraph:

24 “(4) COORDINATION BETWEEN PUBLIC HOUS-
25 ING AGENCIES AND PUBLIC CHILD WELFARE AGEN-

1 CIES.—The Secretary shall, not later than the expi-
2 ration of the 180-day period beginning on the date
3 of the enactment of the Housing Opportunity
4 Through Modernization Act of 2015 and after con-
5 sultation with other appropriate Federal agencies,
6 issue guidance to improve coordination between pub-
7 lic housing agencies and public child welfare agen-
8 cies in carrying out the program under this sub-
9 section, which shall provide guidance on—

10 “(A) identifying eligible recipients for as-
11 sistance under this subsection;

12 “(B) coordinating with other local youth
13 and family providers in the community and par-
14 ticipating in the Continuum of Care program
15 established under subtitle C of title IV of the
16 McKinney-Vento Homeless Assistance Act (42
17 U.S.C. 11381 et seq.);

18 “(C) implementing housing strategies to
19 assist eligible families and youth;

20 “(D) aligning system goals to improve out-
21 comes for families and youth and reducing
22 lapses in housing for families and youth; and

23 “(E) identifying resources that are avail-
24 able to eligible families and youth to provide
25 supportive services available through parts B

1 and E of title IV of the Social Security Act (42
2 U.S.C. 621 et seq.; 670 et seq.) or that the
3 head of household of a family or youth may be
4 entitled to receive under section 477 of the So-
5 cial Security Act (42 U.S.C. 677).”.

6 **TITLE II—RURAL HOUSING**

7 **SEC. 201. DELEGATION OF GUARANTEED RURAL HOUSING**

8 **LOAN APPROVAL.**

9 Subsection (h) of section 502 of the Housing Act of
10 1949 (42 U.S.C. 1472(h)) is amended by adding at the
11 end the following new paragraph:

12 “(18) DELEGATION OF APPROVAL.—The Sec-
13 retary may delegate, in part or in full, the Sec-
14 retary’s authority to approve and execute binding
15 Rural Housing Service loan guarantees pursuant to
16 this subsection to certain preferred lenders, in ac-
17 cordance with standards established by the Sec-
18 retary.”.

1 **TITLE III—FHA MORTGAGE IN-**
2 **SURANCE FOR CONDOMIN-**
3 **IUMS**

4 **SEC. 301. MODIFICATION OF FHA REQUIREMENTS FOR**
5 **MORTGAGE INSURANCE FOR CONDOMIN-**
6 **IUMS.**

7 Section 203 of the National Housing Act (12 U.S.C.
8 1709) is amended by adding at the end the following new
9 subsection:

10 “(y) REQUIREMENTS FOR MORTGAGES FOR CON-
11 DOMINIUMS.—

12 “(1) PROJECT RECERTIFICATION REQUIRE-
13 MENTS.—Notwithstanding any other law, regulation,
14 or guideline of the Secretary, including chapter 2.4
15 of the Condominium Project Approval and Proc-
16 essing Guide of the FHA, the Secretary shall
17 streamline the project certification requirements that
18 are applicable to the insurance under this section for
19 mortgages for condominium projects so that recer-
20 tifications are substantially less burdensome than
21 certifications. The Secretary shall consider length-
22 ening the time between certifications for approved
23 properties, and allowing updating of information
24 rather than resubmission.

1 “(2) COMMERCIAL SPACE REQUIREMENTS.—
2 Notwithstanding any other law, regulation, or guide-
3 line of the Secretary, including chapter 2.1.3 of the
4 Condominium Project Approval and Processing
5 Guide of the FHA, in providing for exceptions to the
6 requirement for the insurance of a mortgage on a
7 condominium property under this section regarding
8 the percentage of the floor space of a condominium
9 property that may be used for nonresidential or com-
10 mercial purposes, the Secretary shall provide that—

11 “(A) any request for such an exception and
12 the determination of the disposition of such re-
13 quest may be made, at the option of the re-
14 quester, under the direct endorsement lender
15 review and approval process or under the HUD
16 review and approval process through the appli-
17 cable field office of the Department; and

18 “(B) in determining whether to allow such
19 an exception for a condominium property, fac-
20 tors relating to the economy for the locality in
21 which such project is located or specific to
22 project, including the total number of family
23 units in the project, shall be considered.

24 Not later than the expiration of the 90-day period
25 beginning on the date of the enactment of this para-

1 graph, the Secretary shall issue regulations to imple-
2 ment this paragraph, which shall include any stand-
3 ards, training requirements, and remedies and pen-
4 alties that the Secretary considers appropriate.

5 “(3) TRANSFER FEES.—Notwithstanding any
6 other law, regulation, or guideline of the Secretary,
7 including chapter 1.8.8 of the Condominium Project
8 Approval and Processing Guide of the FHA and sec-
9 tion 203.41 of the Secretary’s regulations (24
10 C.F.R. 203.41), existing standards of the Federal
11 Housing Finance Agency relating to encumbrances
12 under private transfer fee covenants shall apply to
13 the insurance of mortgages by the Secretary under
14 this section to the same extent and in the same
15 manner that such standards apply to the pur-
16 chasing, investing in, and otherwise dealing in mort-
17 gages by the Federal National Mortgage Association
18 and the Federal Home Loan Mortgage Corporation.
19 If the provisions of part 1228 of the Director of the
20 Federal Housing Finance Agency’s regulations (12
21 C.F.R. part 1228) are amended or otherwise
22 changed after the date of the enactment of this
23 paragraph, the Secretary of Housing and Urban De-
24 velopment shall adopt any such amendments or
25 changes for purposes of this paragraph, unless the

1 Secretary causes to be published in the Federal Reg-
2 ister a notice explaining why the Secretary will dis-
3 regard such amendments or changes within 90 days
4 after the effective date of such amendments or
5 changes.

6 “(4) OWNER-OCCUPANCY REQUIREMENT.—

7 “(A) ESTABLISHMENT OF PERCENTAGE
8 REQUIREMENT.—Not later than the expiration
9 of the 90-day period beginning on the date of
10 the enactment of this paragraph, the Secretary
11 shall, by rule, notice, or mortgagee letter, issue
12 guidance regarding the percentage of units that
13 must be occupied by the owners as a principal
14 residence or a secondary residence (as such
15 terms are defined by the Secretary), or must
16 have been sold to owners who intend to meet
17 such occupancy requirements, including jus-
18 tifications for the percentage requirements, in
19 order for a condominium project to be accept-
20 able to the Secretary for insurance under this
21 section of a mortgage within such condominium
22 property.

23 “(B) FAILURE TO ACT.—If the Secretary
24 fails to issue the guidance required under sub-
25 paragraph (A) before the expiration of the 90-

1 day period specified in such clause, the fol-
2 lowing provisions shall apply:

3 “(i) 35 PERCENT REQUIREMENT.—In
4 order for a condominium project to be ac-
5 ceptable to the Secretary for insurance
6 under this section, at least 35 percent of
7 all family units (including units not cov-
8 ered by FHA-insured mortgages) must be
9 occupied by the owners as a principal resi-
10 dence or a secondary residence (as such
11 terms are defined by the Secretary), or
12 must have been sold to owners who intend
13 to meet such occupancy requirement.

14 “(ii) OTHER CONSIDERATIONS.—The
15 Secretary may increase the percentage ap-
16 plicable pursuant to clause (i) to a condo-
17 minium project on a project-by-project or
18 regional basis, and in determining such
19 percentage for a project shall consider fac-
20 tors relating to the economy for the local-
21 ity in which such project is located or spe-
22 cific to project, including the total number
23 of family units in the project.”.

1 **TITLE IV—HOUSING REFORMS**
2 **FOR THE HOMELESS AND FOR**
3 **VETERANS**

4 **SEC. 401. DEFINITION OF GEOGRAPHIC AREA FOR CON-**
5 **TINUUM OF CARE PROGRAM.**

6 Subtitle C of the McKinney-Vento Homeless Assist-
7 ance Act is amended—

8 (1) by redesignating sections 432 and 433 (42
9 U.S.C. 11387, 11388) as sections 433 and 434, re-
10 spectively; and

11 (2) by inserting after section 431 (42 U.S.C.
12 11386e) the following new section:

13 **“SEC. 432. GEOGRAPHIC AREAS.**

14 “(a) REQUIREMENT TO DEFINE.—For purposes of
15 this subtitle, the term ‘geographic area’ shall have such
16 meaning as the Secretary shall by notice provide.

17 “(b) ISSUANCE OF NOTICE.—Not later than the expi-
18 ration of the 90-day period beginning on the date of the
19 enactment of the Housing Opportunity Through Mod-
20 ernization Act of 2015, the Secretary shall issue a notice
21 setting forth the definition required by subsection (a).”.

1 **SEC. 402. INCLUSION OF PUBLIC HOUSING AGENCIES AND**
2 **LOCAL REDEVELOPMENT AUTHORITIES IN**
3 **EMERGENCY SOLUTIONS GRANTS.**

4 Section 414(c) of the McKinney-Vento Homeless As-
5 sistance Act (42 U.S.C. 11373(c)) is amended—

6 (1) in the subsection heading, by inserting “,
7 PUBLIC HOUSING AGENCIES, AND LOCAL REDEVEL-
8 OPMENT AUTHORITIES” after “ORGANIZATIONS”;
9 and

10 (2) in the first sentence, by inserting before the
11 period at the end the following: “, to public housing
12 agencies (as defined under section 3(b)(6) of the
13 United States Housing Act of 1937), or to local re-
14 development authorities (as defined under State
15 law)”.

16 **SEC. 403. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN**
17 **THE DEPARTMENT OF HOUSING AND URBAN**
18 **DEVELOPMENT.**

19 (a) TRANSFER OF POSITION TO OFFICE OF THE SEC-
20 RETARY.—Section 4 of the Department of Housing and
21 Urban Development Act (42 U.S.C. 3533) is amended by
22 adding at the end the following new subsection:

23 “(h) SPECIAL ASSISTANT FOR VETERANS AF-
24 FAIRS.—

1 “(1) POSITION.—There shall be in the Office of
2 the Secretary a Special Assistant for Veterans Af-
3 fairs, who shall report directly to the Secretary.

4 “(2) APPOINTMENT.—The Special Assistant for
5 Veterans Affairs shall be appointed based solely on
6 merit and shall be covered under the provisions of
7 title 5, United States Code, governing appointments
8 in the competitive service.

9 “(3) RESPONSIBILITIES.—The Special Assist-
10 ant for Veterans Affairs shall be responsible for—

11 “(A) ensuring veterans have fair access to
12 housing and homeless assistance under each
13 program of the Department providing either
14 such assistance;

15 “(B) coordinating all programs and activi-
16 ties of the Department relating to veterans;

17 “(C) serving as a liaison for the Depart-
18 ment with the Department of Veterans Affairs,
19 including establishing and maintaining relation-
20 ships with the Secretary of Veterans Affairs;

21 “(D) serving as a liaison for the Depart-
22 ment, and establishing and maintaining rela-
23 tionships with the United States Interagency
24 Council on Homelessness and officials of State,

1 local, regional, and nongovernmental organiza-
2 tions concerned with veterans;

3 “(E) providing information and advice re-
4 garding—

5 “(i) sponsoring housing projects for
6 veterans assisted under programs adminis-
7 tered by the Department; or

8 “(ii) assisting veterans in obtaining
9 housing or homeless assistance under pro-
10 grams administered by the Department;

11 “(F) coordinating with the Secretary of
12 Housing and Urban Development and the Sec-
13 retary of Veterans Affairs in carrying out sec-
14 tion 404 of the Housing Opportunity Through
15 Modernization Act of 2015; and

16 “(G) carrying out such other duties as may
17 be assigned to the Special Assistant by the Sec-
18 retary or by law.”.

19 (b) TRANSFER OF POSITION IN OFFICE OF DEPUTY
20 ASSISTANT SECRETARY FOR SPECIAL NEEDS.—On the
21 date that the initial Special Assistant for Veterans Affairs
22 is appointed pursuant to section 4(h)(2) of the Depart-
23 ment of Housing and Urban Development Act, as added
24 by subsection (a) of this section, the position of Special
25 Assistant for Veterans Programs in the Office of the Dep-

1 uty Assistant Secretary for Special Needs of the Depart-
2 ment of Housing and Urban Development shall be termi-
3 nated.

4 **SEC. 404. ANNUAL SUPPLEMENTAL REPORT ON VETERANS**

5 **HOMELESSNESS.**

6 (a) IN GENERAL.—The Secretary of Housing and
7 Urban Development and the Secretary of Veterans Af-
8 fairs, in coordination with the United States Interagency
9 Council on Homelessness, shall submit annually to the
10 Committees of the Congress specified in subsection (b),
11 together with the annual reports required by such Secre-
12 taries under section 203(c)(1) of the McKinney-Vento
13 Homeless Assistance Act (42 U.S.C. 11313(c)(1)), a sup-
14 plemental report that includes the following information
15 with respect to the preceding year:

16 (1) The same information, for such preceding
17 year, that was included with respect to 2010 in the
18 report by the Secretary of Housing and Urban De-
19 velopment and the Secretary of Veterans Affairs en-
20 titled “Veterans Homelessness: A Supplemental Re-
21 port to the 2010 Annual Homeless Assessment Re-
22 port to Congress”.

23 (2) Information regarding the activities of the
24 Department of Housing and Urban Development re-

1 lating to veterans during such preceding year, as fol-
2 lows:

3 (A) The number of veterans provided as-
4 sistance under the housing choice voucher pro-
5 gram for Veterans Affairs supported housing
6 under section 8(o)(19) of the United States
7 Housing Act of 1937 (42 U.S.C. 1437f(o)(19)),
8 the socioeconomic characteristics of such home-
9 less veterans, and the number, types, and loca-
10 tions of entities contracted under such section
11 to administer the vouchers.

12 (B) A summary description of the special
13 considerations made for veterans under public
14 housing agency plans submitted pursuant to
15 section 5A of the United States Housing Act of
16 1937 (42 U.S.C. 1437e-1) and under com-
17 prehensive housing affordability strategies sub-
18 mitted pursuant to section 105 of the Cranston-
19 Gonzalez National Affordable Housing Act (42
20 U.S.C. 12705).

21 (C) A description of the activities of the
22 Special Assistant for Veterans Affairs of the
23 Department of Housing and Urban Develop-
24 ment.

1 (D) A description of the efforts of the De-
2 partment of Housing and Urban Development
3 and the other members of the United States
4 Interagency Council on Homelessness to coordi-
5 nate the delivery of housing and services to vet-
6 erans.

7 (E) The cost to the Department of Hous-
8 ing and Urban Development of administering
9 the programs and activities relating to veterans.

10 (F) Any other information that the Sec-
11 retary of Housing and Urban Development and
12 the Secretary of Veterans Affairs consider rel-
13 evant in assessing the programs and activities
14 of the Department of Housing and Urban De-
15 velopment relating to veterans.

16 (b) COMMITTEES.—The Committees of the Congress
17 specified in this subsection are as follows:

18 (1) The Committee on Banking, Housing, and
19 Urban Affairs of the Senate.

20 (2) The Committee on Veterans' Affairs of the
21 Senate.

22 (3) The Committee on Appropriations of the
23 Senate.

24 (4) The Committee on Financial Services of the
25 House of Representatives.

1 (5) The Committee on Veterans' Affairs of the
2 House of Representatives.

3 (6) The Committee on Appropriations of the
4 House of Representatives.

5 **TITLE V—MISCELLANEOUS**

6 **SEC. 501. INCLUSION OF DISASTER HOUSING ASSISTANCE** 7 **PROGRAM IN CERTAIN FRAUD AND ABUSE** 8 **PREVENTION MEASURES.**

9 The Disaster Housing Assistance Program adminis-
10 tered by the Department of Housing and Urban Develop-
11 ment shall be considered a “program of the Department
12 of Housing and Urban Development” under section 904
13 of the Stewart B. McKinney Homeless Assistance Amend-
14 ments Act of 1988 (42 U.S.C. 3544) for the purpose of
15 income verifications.

16 **SEC. 502. ENERGY EFFICIENCY REQUIREMENTS UNDER** 17 **SELF-HELP HOMEOWNERSHIP OPPORTUNITY** 18 **PROGRAM.**

19 Section 11 of the Housing Opportunity Program Ex-
20 tension Act of 1996 (42 U.S.C. 12805 note) is amended
21 by inserting after subsection (f) the following new sub-
22 section:

23 “(g) **ENERGY EFFICIENCY REQUIREMENTS.**—The
24 Secretary may not require any dwelling developed using
25 amounts from a grant made under this section to meet

1 any energy efficiency standards other than the standards
2 applicable at such time pursuant to section 109 of the
3 Cranston-Gonzalez National Affordable Housing Act (42
4 U.S.C. 12709) to housing specified in subsection (a) of
5 such section.”.

6 **SEC. 503. DATA EXCHANGE STANDARDIZATION FOR IM-**
7 **PROVED INTEROPERABILITY.**

8 (a) DATA EXCHANGE STANDARDIZATION.—Title I of
9 the United States Housing Act of 1937 (42 U.S.C. 1437
10 et seq.), as amended by the preceding provisions of this
11 Act, is further amended by adding at the end the following
12 new section:

13 **“SEC. 38. DATA EXCHANGE STANDARDS FOR IMPROVED**
14 **INTEROPERABILITY.**

15 “(a) DESIGNATION.—The Secretary shall, in con-
16 sultation with an interagency work group established by
17 the Office of Management and Budget, and considering
18 State government perspectives, designate data exchange
19 standards to govern, under this Act—

20 “(1) necessary categories of information that
21 State agencies operating related programs are re-
22 quired under applicable law to electronically ex-
23 change with another State agency; and

24 “(2) Federal reporting and data exchange re-
25 quired under applicable law.

1 “(b) REQUIREMENTS.—The data exchange standards
2 required by subsection (a) shall, to the maximum extent
3 practicable—

4 “(1) incorporate a widely accepted, nonpropri-
5 etary, searchable, computer-readable format, such as
6 the eXtensible Markup Language;

7 “(2) contain interoperable standards developed
8 and maintained by intergovernmental partnerships,
9 such as the National Information Exchange Model;

10 “(3) incorporate interoperable standards devel-
11 oped and maintained by Federal entities with au-
12 thority over contracting and financial assistance;

13 “(4) be consistent with and implement applica-
14 ble accounting principles;

15 “(5) be implemented in a manner that is cost-
16 effective and improves program efficiency and effec-
17 tiveness; and

18 “(6) be capable of being continually upgraded
19 as necessary.

20 “(c) RULES OF CONSTRUCTION.—Nothing in this
21 section requires a change to existing data exchange stand-
22 ards for Federal reporting found to be effective and effi-
23 cient.”.

24 (b) APPLICABILITY.—

1 (1) IN GENERAL.—Not later than 2 years after
2 the date of the enactment of this Act, the Secretary
3 of Housing and Urban Development shall issue a
4 proposed rule to carry out the amendments made by
5 subsection (a).

6 (2) REQUIREMENTS.—The rule shall—

7 (A) identify federally required data ex-
8 changes;

9 (B) include specification and timing of ex-
10 changes to be standardized;

11 (C) address the factors used in deter-
12 mining whether and when to standardize data
13 exchanges;

14 (D) specify State implementation options;
15 and

16 (E) describe future milestones.

