H.R. 988: Mr. GUTIERREZ and Mr. HINCHEY.

H.R. 1002: Mr. MORAN of Virginia, Mr. BISHOP, Ms. KILPATRICK, and Mr. MENENDEZ.

H.R. 1015: Mr. MILLER of California, Ms. WOOLSEY, Mr. NADLER, Mrs. MINK of Hawaii, Mr. WEYGAND, and Mr. RUSH.

H.R. 1018: Mr. DELLUMS and Mr. EHLERS.

H.R. 1023: Mr. PASCRELL, Mr. COOK, Mr. BAESLER, Mr. DAVIS of Florida, Mr. CAMP, Mr. CHAMBLISS, Mr. LEWIS of California, Mr. JOHN, Mr. MICA, Mr. GILLMOR, Mr. WELDON of Florida, Mr. MORAN of Virginia, Mr. INGLIS of South Carolina, and Mr. MURTHA.

H.R. 1042: Mr. HASTERT, Ms. CHRISTIAN-GREEN, Mr. FROST, Mr. RUSH, Mr. JACKSON, Mr. HYDE, Mr. MANZULLO, Mr. LAHOOD, and Mr. SHIMKUS.

H.R. 1080: Mr. FRELINGHUYSEN.

H.R. 1125: Mr. MCINTYRE and Mr. SHAYS.

H.R. 1130: Mrs. MEEK of Florida, Mr. VENTO, Mr. HINCHEY, Mr. MATSUI, Mr. OBERSTAR, and Mr. RAHALL.

H.R. 1134: Mr. BEREUTER.

H.R. 1140: Mr. ALLEN and Mr. SAM JOHNSON.

H.R. 1156: Mr. PASCRELL.

H.R. 1169: Mr. BILBRAY and Mrs. MORELLA.

H.R. 1178: Mr. HINOJOSA.

H.R. 1202: Mr. CAMPBELL, Ms. PRYCE of Ohio, Mr. DELLUMS, Ms. FURSE, Mr. GALLEGLY, Mr. NADLER, Mr. ACKERMAN, and Mr. WAXMAN.

H.R. 1228: Mr. OWENS.

H.R. 1232: Mr. SOLOMON, Mr. DEUTSCH, Ms. RIVERS, Mr. KUCINICH, and Mr. BOYD.

H.R. 1234: Mr. PAYNE, Mr. FILNER, Ms. WATERS, Ms. NORTON, Mr. WATT of North Carolina, Mr. FORD, Mr. LEWIS of Georgia, and Ms. CHRISTIAN-GREEN.

H.R. 1260: Mr. TORRES, Ms. VELAZQUEZ, Mr. MORAN of Virginia, Mr. GREEN, Mr. OXLEY, Mr. DELAY, Mr. RANGEL, Mr. MEEHAN, Mr. BISHOP, Mr. GREENWOOD, Mr. LEVIN, Mr. BILBRAY, Mr. CUMMINGS, Mr. WYNN, Mr. MOAKLEY, and Mr. MATSUI.

H.R. 1270: Mr. SOLOMON, Mr. PAXON, Ms. STABENOW, and Mr. WHITE.

H.R. 1283: Mr. DAVIS of Virginia, Mr. DOOLITTLE, Mr. EHLERS, Mr. SHADEGG, Mr. GILLMOR, Mr. FAWELL, Ms. DUNN of Washington, Mr. COLLINS, and Mr. MCINTOSH.

H.R. 1288: Mr. FALEOMAVAEGA and Ms. SLAUGHTER.

H.R. 1321: Mr. HAMILTON, Mr. BEREUTER, and Mr. MEEHAN.

H.R. 1322: Mr. CONDIT, Ms. MOLINARI, and Mr. SAXTON.

H.R. 1323: Ms. LOFGREN and Ms. SLAUGHTER.

H.R. 1342: Mr. NETHERCUTT, Mr. HILL, Mr. MORAN of Kansas, Mr. BARRETT of Nebraska, Mr. BOB SCHAFFER, Mr. CHAMBLISS, Mr. LUCAS of Oklahoma, Mr. THUNE, Mr. COMBEST, and Mrs. CHENOWETH.

H.R. 1349: Ms. LOFGREN, Mr. FILNER, and Mr. RUSH.

H.R. 1360: Ms. MOLINARI, Ms. LOFGREN, and Mr. STARK.

H.R. 1369: Mr. ENGLISH of Pennsylvania, Mr. SMITH of New Jersey, Mr. FROST, and Mr. WHITFIELD.

H.R. 1375: Mr. BISHOP, Mr. MASCARA, Mr. EHLERS, and Mr. MCCOLLUM.

H.R. 1376: Mr. TORRES, Mr. MANTON, Mr. MENENDEZ, Mr. RUSH, and Mr. BARRETT of Wisconsin.

H.R. 1378: Mr. NORWOOD, Mr. DOOLITTLE, Mr. GRAHAM, Mr. RIGGS, Mr. BALLENGER, Mr. DICKEY, Mr. SNOWBARGER, Mr. SKEEN, Mr. CALLAHAN, Mrs. NORTHUP, Mr. BONO, Mr. ROHRABACHER, Mr. PAUL, Mr. GREENWOOD, Mr. SESSIONS, Mr. WHITE, Mr. GIBBONS, Mr. BRYANT, Mr. EVERETT, Mr. DAVIS of Virginia, Mr. COOK, Mr. BUNNING of Kentucky, Mr. WAMP, Mrs. FOWLER, Mr. GOSS, Mr. CHAMBLISS, Mr. MCINTOSH, Mr. LATHAM, Mr. DUNCAN, Mr. LUCAS of Oklahoma, and Mr. BLUNT.

H.R. 1438: Mr. LUTHER, Ms. RIVERS, Ms. LOFGREN, Mrs. MORELLA, and Mr. PETRI.

H.R. 1450: Ms. KAPTUR.

H.R. 1456: Mr. COMBEST.

H.J. Res. 54: Mr. MCGOVERN and Mr. MOAKLEY.

H.J. Res. 71: Mr. CONDIT, Ms. MOLINARI, and Mr. SAXTON.

H. Con. Res. 13: Mr. ENGLISH of Pennsylvania, Mrs. THURMAN, Mr. LAFALCE, Mr. DEUTSCH, Mr. WELDON of Pennsylvania, Mrs. JOHNSON of Connecticut, Mr. CAPPS, Mr. DUNCAN, Mr. SISISKY, Mr. BARCIA of Michigan, Mr. BLAGOJEVICH, and Mr. LAMPSON.

H. Con. Res. 23: Mr. WATT of North Carolina.

H. Con. Res. 40: Mr. PRICE of North Carolina and Mr. BLUMENAUER.

H. Con. Res. 52: Mr. BALDACCI, Mr. NEY, Mr. HILLIARD, Mr. ADAM SMITH of Washington, Mr. FORBES, Mr. BENTSEN, Ms. LOFGREN, and Mr. GREEN.

H. Con. Res. 65: Mr. DICKS, Mr. ALLEN, Ms. LOFGREN, and Mr. ADAM SMITH of Washington.

H. Res. 38: Mr. MILLER of California, Mr. EHRLICH, Mrs. MALONEY of New York, Mr. GOODLATTE, Mr. REYES, Mrs. KENNELLY of Connecticut, Mr. MALONEY of Connecticut, Mr. DAVIS of Illinois, Mr. MOAKLEY, Mr. WEYGAND, Ms. MILLENDER-MCDONALD, Mr. PAYNE, Mr. NEAL of Massachusetts, Mr. HINOJOSA, and Mr. KILDEE.

H. Res. 39: Mr. KUCINICH.

H. Res. 96: Mr. WAXMAN, Mrs. MINK of Hawaii, Ms. FURSE, Mr. SHAYS, Mrs. MORELLA, Mr. ALLEN, and Mr. EVANS.

H. Res. 131: Ms. WOOLSEY, Mr. FILNER, Mr. MARTINEZ, Mr. MATSUI, Ms. CHRISTIAN-GREEN, Mr. FROST, and Ms. SLAUGHTER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 695: Mr. SOLOMON.

H.R. 1031: Mrs. CLAYTON.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H.R. 2

OFFERED BY: MS. DEGETTE

AMENDMENT NO. 1: Page 71, line 19, before the semicolon insert ''and including child care services for public housing residents''.

H.R. 2

OFFERED BY: MR. DELAY

AMENDMENT NO. 2: Page 99, after line 11, insert the following new subsection:

(e) TIME LIMITATION ON OCCUPANCY BY FAMILIES RECEIVING WELFARE ASSISTANCE.—

(1) 2-YEAR LIMITATION.—Each public housing agency shall limit the duration of occupancy in a public housing dwelling unit of any family that includes an individual who, as an adult, receives assistance under any welfare program (or programs) for 24 consecutive months occurring after the effective date of this Act, to such 24 consecutive months.

(2) TREATMENT OF TEMPORARY STOPPAGE OF ASSISTANCE.—For purposes of paragraph (1), nonconsecutive months in which an individual receives assistance under a welfare program shall be treated as being consecutive if such months are separated by a period of 6 months or less during which the individual does not receive such assistance.

(3) INAPPLICABILITY TO PHA'S WITHOUT WAITING LISTS.—The provisions of paragraph (1) shall not apply to any public housing agency that, upon the conclusion of the 24-month period referred to in such paragraph for any family, does not have any eligible families on a waiting list for occupancy in such public housing who are without units because of a lack of available units.

(4) 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 24-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.

(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.

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

(A) 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).

(B) 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.

H.R. 2

OFFERED BY: MR. FRANK

AMENDMENT NO. 3: Page 35, after line 23, insert the following new subsection:

(h) EFFECTIVENESS ONLY IF FUNDED.—

(1) APPLICABILITY OF REQUIREMENTS ONLY IN YEARS FUNDED.—Subject only to paragraph (2) and notwithstanding any other provision of this section, this section shall be effective for any fiscal year only if amounts are or have been provided in appropriation Acts for such fiscal year specifically for covering all costs of public housing agencies of entering into, monitoring, and enforcing agreements under this section and other costs arising from such agreements. There are authorized to be appropriated for each fiscal year such sums as may be necessary for providing assistance to public housing agencies to cover such costs.

(2) EFFECT OF FAILURE TO FUND.—If, for any fiscal year, the amounts required under paragraph (1) are not provided, this section shall be applied for such fiscal year as follows:

(A) SUBSTITUTION OF OPTION FOR REQUIREMENTS.—The following substitutions shall apply:

(i) Substitute ''may'' for ''shall'' in each of the following places:

(I) The first place such term appears in subsection (a)(1).

(II) In subsection (b)(1).

(III) The first place such term appears in subsection (d)(1).

(IV) In subsection (e).

(ii) In subsection (a)(2), substitute ''Any'' for ''The''.

(iii) In subsection (a)(3), substitute ''any requirement'' for ''the requirement''.

(iv) In subsection (b)(2), substitute ''any target date'' for ''the target date''.

(v) In the second sentence of subsection (d)(1), substitute ''any such agreement'' for ''the agreement''.

(vi) In subsection (d)(2)—

(I) in the matter preceding subparagraph (A), substitute ''Any'' for ''An'';

(II) in subparagraph (B), substitute ''any requirements'' for ''the requirements''; and

(III) in subparagraph (C), substitute ''Any'' for ''The''.

(vii) In subsection (e)—

(I) in paragraph (1), substitute ''any requirement'' for ''the requirement''; and

(II) in paragraph (2), substitute ''any conditions'' for ''the conditions''.

(B) TREATMENT OF CONTRACTS.—If a public housing agency so chooses (in the sole discretion of the agency), any requirement under subsection (a) or (b) that is contained in any community work and family self-sufficiency contract under subsection (d) previously entered into by the agency or in any provision previously incorporated pursuant to subsection (e) into any lease for public housing of the agency or housing assisted under title III by the agency shall be treated, for such fiscal year, as not having any force or effect.

H.R. 2

OFFERED BY: MR. FRANK

AMENDMENT NO. 4: Page 89, after line 13, insert the following:

(e) OPERATING FUND AMOUNTS.—For each of fiscal years 1998, 1999, 2000, 2001, and 2002, the Congress shall provide for the allocations from the operating fund for grants such amounts as are necessary to enable public housing agencies to fully serve family, elderly, and disabled households with the range of income levels reflected in their local housing management plans and permissible under this Act, based on public policy and not on the need to generate revenue. Such amount shall not, for any fiscal year, be less than—

(1) for any fiscal year described in subsection (b)(2), the full amount for all public housing agencies determined in accordance with the performance funding system under section 9 of the United States Housing Act of 1937, as in effect upon the date of the enactment of this Act, as revised pursuant to subparagraphs (C) and (D) of subsection (d)(1); or

(2) for any fiscal year described in subsection (b)(1), the full amount for all public housing agencies determined under subsection 204(b)(1).

The minimum amount required, under paragraph (1) or (2) shall not be reduced for any fiscal year by estimates of the Department of Housing and Urban Development of cost reductions or of increases in income that have not been realized in advance of the fiscal year.

H.R. 2

OFFERED BY: MR. FRANK

AMENDMENT NO. 5: Page 102, strike line 1 and all that follows through line 7 on 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.

H.R. 2

OFFERED BY: MR. GUTIERREZ

AMENDMENT NO. 6: Page 170, line 24, after ''agency'' insert ''or other state and local government entities''

H.R. 2

OFFERED BY: MR. GUTIERREZ

AMENDMENT NO. 7: Page 287, after line 15, insert the following:

(6) TENANT RENTS.—

(A) IN GENERAL.—An owner of qualified housing may provide, with respect to such housing, that, notwithstanding section 3(a)(1) of the United States Housing Act of 1937, the rent paid by tenants of assisted dwelling units in such housing shall be the lower of the amount provided under such section 3(a)(1) or 60 percent of the fair market rental established pursuant to section 8(c)(1) of such Act for the area and size of dwelling unit occupied by the tenant. Upon the request of an owner, the Secretary may provide for rent limitations under this paragraph for qualified housing that are higher or lower than 60 percent of the fair market rental on the basis of the Secretary's finding that such variations are necessary to carry out the provisions of this paragraph and are consistent with the purposes of this paragraph.

(B) QUALIFIED HOUSING.—For purposes of this subparagraph, the term ''qualified housing'' means housing for which—

(i) section 8 project-based assistance is provided; and

(ii) not more than 15 percent of the tenants have rents, at the time the owner first limits rents pursuant to subparagraph (A), in an amount exceeding the maximum amount provided pursuant to the limitation under subparagraph (A).

(C) LIMITATION BASED ON TENANTS INCOMES.—If, at any time, in a housing project for which section 8 project-based assistance is provided, more than 40 percent of the tenants would be paying a rent limited by 60 percent of the fair market rental, any rent limitation applicable under this paragraph to such project shall not thereafter apply to any tenant not subject at such time to the rent limitation, until the percentage of tenants in the project eligible for such limited rent decreases to below 40 percent.

(D) INAPPLICABILITY TO ELDERLY-ONLY PROJECTS.—The provisions of this paragraph shall not apply with respect to any housing project that is designated for occupancy only by elderly families.

Page 287, line 16, strike ''(6)'' and insert ''(7)''.

H.R. 2

OFFERED BY: MR. JACKSON OF ILLINOIS

AMENDMENT NO. 8: Page 25, line 25, strike the second comma and all that follows through the comma in line 3 on page 26.

Page 27, after line 10, insert the following:

(4) RIGHTS OF OCCUPANCY.—This subsection may not be construed (nor may any provision of subsection (d) or (e)) to create a right on the part of any public housing agency to evict or terminate assistance for a family solely on the basis of any failure of the family to comply with the community work requirement under paragraph (1).

Page 33, line 14, before the comma insert ''(except to the extent that this section specifically limits any authority to evict or terminate assistance)''.

H.R. 2

OFFERED BY: MR. JACKSON OF ILLINOIS

AMENDMENT NO. 9: Page 27, line 7, strike ''or''.

Page 27, line 10, strike the period and insert ''; or''.

Page 27, after line 10, insert the following:

(E) a single parent, grandparent, or spouse of an otherwise exempt individual, who is the primary caretaker of 1 or more—

(i) children who are 6 years of age or under;

(ii) elderly persons; or

(iii) persons with disabilities.

Page 29, line 3, strike ''or''.

Page 29, line 6, strike the period and insert ''; or''.

Page 29, after line 6, insert the following:

(5) a single parent, grandparent, or spouse of an otherwise exempt individual, who is the primary caretaker of 1 or more—

(A) children who are 6 years of age or under;

(B) elderly persons; or

(C) persons with disabilities.

H.R. 2

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

(AMENDMENT IN THE NATURE OF A SUBSTITUTE)

AMENDMENT NO. 10: Strike out all after the enacting clause and insert in lieu thereof the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Housing Management Reform Act of 1997''.

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

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.

TITLE I—PUBLIC HOUSING AND RENT REFORMS

Sec. 101. Establishment of capital and operating funds.
Sec. 102. Determination of rental amounts for residents.
Sec. 103. Minimum rents for public housing and section 8.
Sec. 104. Public housing ceiling rents.
Sec. 105. Disallowance of earned income from public housing and section 8 rent and family contribution determinations.
Sec. 106. Public housing homeownership.
Sec. 107. Public housing agency plan.
Sec. 108. PHMAP indicators for small PHA's.
Sec. 109. PHMAP self-sufficiency indicator.
Sec. 110. Expansion of powers for dealing with PHA's.
Sec. 111. Public housing site-based waiting lists.
Sec. 112. Community service requirements for public housing and section 8 programs.
Sec. 113. Comprehensive improvement assistance program streamlining.
Sec. 114. Flexibility for PHA funding.
Sec. 115. Replacement housing resources.
Sec. 116. Repeal of one-for-one replacement housing requirement.
Sec. 117. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for developments.
Sec. 118. Performance evaluation board.
Sec. 119. Economic development and supportive services for public housing residents.

Sec. 120. Penalty for slow expenditure of modernization funds.
Sec. 121. Designation of PHA's as troubled.
Sec. 122. Volunteer services under the 1937 Act.
Sec. 123. Authorization of appropriations for operation safe home program.

TITLE II—SECTION 8 STREAMLINING

Sec. 201. Permanent repeal of Federal preferences.
Sec. 202. Income targeting for public housing and section 8 programs.
Sec. 203. Merger of tenant-based assistance programs.
Sec. 204. Section 8 administrative fees.
Sec. 205. Section 8 homeownership.
Sec. 206. Welfare to work certificates.
Sec. 207. Effect of failure to comply with public assistance requirements.
Sec. 208. Streamlining section 8 tenant-based assistance.
Sec. 209. Nondiscrimination against certificate and voucher holders.
Sec. 210. Recapture and reuse of ACC project reserves under tenant-based assistance program.
Sec. 211. Expanding the coverage of the Public and Assisted Housing Drug Elimination Act of 1990.
Sec. 212. Study regarding rental assistance.

TITLE III—''ONE-STRIKE AND YOU'RE OUT'' OCCUPANCY PROVISIONS

Sec. 301. Screening of applicants.
Sec. 302. Termination of tenancy and assistance.
Sec. 303. Lease requirements.
Sec. 304. Availability of criminal records for public housing tenant screening and eviction.
Sec. 305. Definitions.
Sec. 306. Conforming amendments.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—The Congress finds that—

(1) we have a shared national interest in creating safe, decent and affordable housing because, for all Americans, housing is an essential building block toward holding a job, getting an education, participating in the community, and helping fulfill our national goals;

(2) the American people recognized this shared national interest in 1937, when we created a public housing program dedicated to meeting these needs while creating more hope and opportunity for the American people;

(3) for 60 years America's public housing system has provided safe, decent, and affordable housing for millions of low-income families, who have used public housing as a stepping stone toward greater stability, independence, and homeownership;

(4) today, more than 3,300 local public housing agencies—95 percent of all housing agencies throughout America—are providing a good place for families to live and fulfilling their historic mission;

(5) yet, for all our progress as a nation, today, only one out of four Americans who needs housing assistance receives it;

(6) at the same time, approximately 15 percent of the people who live in public housing nationwide live in housing with management designated as ''troubled'';

(7) for numerous developments at these troubled public housing agencies and elsewhere, families face a overwhelming mix of crime, drug trafficking, unemployment, and despair, where there is little hope for a better future or a better life;

(8) the past 60 years have resulted in a system where outdated rules and excessive government regulation are limiting our ability to propose innovative solutions and solve problems, not only at the relatively few local public housing agencies designated as troubled, but at the 3,300 that are working well;

(9) obstacles faced by those agencies that are working well—multiple reports and cumbersome regulations—make a compelling case for deregulation and for concentration by the Department of Housing and Urban Development on fulfillment of the program's basic mission;

(10) all told, the Department has drifted from its original mission, creating bureaucratic processes that encumber the people and organizations it is supposed to serve;

(11) under a framework enacted by Congress, the Department has begun major reforms to address these problems, with dramatic results;

(12) public housing agencies have begun to demolish and replace the worst public housing, reduce crime, promote resident self-sufficiency, upgrade management, and end the isolation of public housing developments from the working world;

(13) the Department has also recognized that for public housing to work better, the Department needs to work better, and has begun a major overhaul of its organization, streamlining operations, improving management, building stronger partnerships with state and local agencies and improving its ability to take enforcement actions where necessary to assure that its programs serve their intended purposes; and

(14) for these dramatic reforms to succeed, permanent legislation is now needed to continue the transformation of public housing agencies, strip away outdated rules, provide necessary enforcement tools, and empower the Department and local agencies to meet the needs of America's families.

(b) PURPOSE.—It is the purpose of this Act—

(1) to completely overhaul the framework and rules that were put in place to govern public housing 60 years ago;

(2) to revolutionize the way public housing serves its clients, fits in the community, builds opportunity, and prepares families for a better life;

(3) to reaffirm America's historic commitment to safe, decent, and affordable housing and to remove the obstacles to meeting that goal;

(4) to continue the complete and total overhaul of management of the Department;

(5) to dramatically deregulate and reorganize the Federal Government's management and oversight of America's public housing;

(6) to ensure that local public housing agencies spend more time delivering vital services to residents and less time complying with unessential regulations or filing unessential reports;

(7) to achieve greater accountability of taxpayer funds by empowering the Federal Government to take firmer, quicker, and more effective actions to improve the management of troubled local housing authorities and to crack down on poor performance;

(8) to preserve public housing as a rental resource for low-income Americans, while breaking down the extreme social isolation of public housing from mainstream America;

(9) to provide for revitalization of severely distressed public housing, or its replacement with replacement housing or tenant-based assistance;

(10) to integrate public housing reform with welfare reform so that welfare recipients—many of whom are public housing residents—can better chart a path to independence and self-sufficiency;

(11) to anchor in a permanent statute needed changes that will result in the continued transformation of the public housing and tenant-based assistance programs—including deregulating well-performing housing agencies, ensuring accountability to the public, providing sanctions for poor performers, and providing additional management tools;

(12) to streamline and simplify the tenant-based Section 8 program and to make this program workable for providing homeownership; and

(13) through these comprehensive measures, to reform the United States Housing Act of 1937 and the programs thereunder.

TITLE I—PUBLIC HOUSING AND RENT REFORMS

SEC. 101. ESTABLISHMENT OF CAPITAL AND OPERATING FUNDS.

(a) CAPITAL FUND.—Section 14(a) of the United States Housing Act of 1937 is amended—

(1) by redesignating paragraphs (1) through (5) as subparagraphs (A) through (E), respectively;

(2) by inserting the paragraph designation ''(2)'' before ''It is the purpose''; and

(3) by inserting the following new paragraph (1) immediately after the subsection designation ''(a)'':

''(1) The Secretary shall establish a Capital Fund under this section for the purpose of making assistance available to public housing agencies in accordance with this section.''.

(b) OPERATING FUND.—Section 9(a) of the United States Housing Act of 1937 is amended by striking ''SEC. 9. (a)(1)(A) In addition to'' and inserting the following:

''SEC. 9. (a) The Secretary shall establish an Operating Fund under this section for the purpose of making assistance available to public housing agencies in accordance with this section.

''(1)(A) In addition to''.

SEC. 102. DETERMINATION OF RENTAL AMOUNTS FOR RESIDENTS OF PUBLIC HOUSING.

(a) IN GENERAL.—Section 3 of the United States Housing Act of 1937 is amended—

(1) in subsection (a)(1), by revising subparagraph (A) to read as follows:

''(A)(i) if the family is assisted under section 8 of this Act, 30 percent of the family's monthly adjusted income; or

''(ii) if the family resides in public housing, an amount established by the public housing agency not to exceed 30 percent of the family's monthly adjusted income;''; and

(2) in subsection (b)(5)—

(A) after the semicolon following subparagraph (F), by inserting ''and'';

(B) in subparagraph (G), by striking ''; and'' and inserting a period; and

(C) by striking subparagraph (H).

(b) REVISED OPERATING SUBSIDY FORMULA.—The Secretary, in consultation with interested parties, shall establish a revised formula for allocating operating assistance under section 9 of the United States Housing Act of 1937, which formula may include such factors as:

(1) standards for the costs of operation and reasonable projections of income, taking into account the character and location of the public housing project and characteristics of the families served, or the costs of providing comparable services as determined with criteria or a formula representing the operations of a prototype well-managed public housing project;

(2) the number of public housing dwelling units owned and operated by the public housing agency, the percentage of those units that are occupied by very low-income families, and, if applicable, the reduction in the number of public housing units as a result of any conversion to a system of tenant-based assistance;

(3) the degree of household poverty served by a public housing agency;

(4) the extent to which the public housing agency provides programs and activities designed to promote the economic self-sufficiency and management skills of public housing tenants;

(5) the number of dwelling units owned and operated by the public housing agency that are chronically vacant and the amount of assistance appropriate for those units;

(6) the costs of the public housing agency associated with anti-crime and anti-drug activities, including the costs of providing adequate security for public housing tenants;

(7) the ability of the public housing agency to effectively administer the Operating Fund distribution of the public housing agency;

(8) incentives to public housing agencies for good management;

(9) standards for the costs of operation of assisted housing compared to unassisted housing; and

(10) an incentive to encourage public housing agencies to increase nonrental income and to increase rental income attributable to their units by encouraging occupancy by families whose incomes have increase while in occupancy and newly admitted families; such incentive shall provide that the agency shall derive the full benefit of any increase in nonrental or rental income, and such increase shall not result in a decrease in amounts provided to the agency under this title; in addition, an agency shall be permitted to retain, from each fiscal year, the full benefit of such an increase in nonrental or rental income, except to the extent that such benefit exceeds (A) 100 percent of the total amount of the operating amounts for which the agency is eligible under this section, and (B) the maximum balance permitted for the agency's operating reserve under this section and any regulations issued under this section.

(c) TRANSITION PROVISION.—Prior to the establishment and implementation of an operating subsidy formula under subsection (b), if a public housing agency establishes a rental amount that is less than 30 percent of the family's monthly adjusted income pursuant to section 3(a)(1)(A)(ii) of the United States Housing Act of 1937, as amended by subsection (a)(1), the Secretary shall not take into account any reduction of or increase in the public housing agency's per unit dwelling rental income resulting from the use of such rental amount when calculating the contributions under section 9 of the United States Housing Act of 1937 for the public housing agency for the operation of the public housing.

SEC. 103. MINIMUM RENTS FOR PUBLIC HOUSING AND SECTION 8 PROGRAMS.

The second sentence of section 3(a)(1) of the United States Housing Act of 1937 is amended—

(1) at the end of subparagraph (B), by striking ''or'';

(2) in subsection (C), by striking the period and inserting ''; or''; and

(3) by inserting the following at the end:

''(D) $25.

Where establishing the rent or family contribution based on subparagraph (D) would otherwise result in undue hardship (as defined by the Secretary or the public housing agency) for one or more categories of affected families described in the next sentence, the Secretary or the public housing agency may exempt one or more such categories from the requirements of this paragraph and may require a lower minimum monthly rental contribution for one or more such categories. The categories of families described in this sentence shall include families subject to 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 the imposition of the minimum rent requirement under subsection (c); (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 families subject to such situations as may be determined by the Secretary or the agency. Where the rent or contribution of a family would otherwise be based on subparagraph (D) and a member of the family is an immigrant lawfully admitted for permanent residence (as those terms are defined in sections 101(a)(15) and 101(a)(20) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(15) and 8 U.S.C. 1101(a)(20)) who would have been entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996, notwithstanding any other provision of this section, a public housing agency shall exempt the family from the requirements of this paragraph.''.

SEC. 104. PUBLIC HOUSING CEILING RENTS.

(a) Section 3(a)(2)(A) of the United States Housing Act of 1937, as amended by section 402(b)(1) of The Balanced Budget Downpayment Act, I, is amended to read as follows:

''(A) adopt ceiling rents that reflect the reasonable market value of the housing, but that are not less than—

''(i) for housing other than housing predominantly for elderly or disabled families (or both), 75 percent of the monthly cost to operate the housing of the agency;

''(ii) for housing predominantly for elderly or disabled families (or both), 100 percent of the monthly cost to operate the housing of the agency; and

''(iii) the monthly cost to make a deposit to a replacement reserve (in the sole discretion of the public housing agency); and''.

(b) Notwithstanding section 402(f) of The Balanced Budget Downpayment Act, I, the amendments made by section 402(b) of that Act shall remain in effect after fiscal year 1997.

SEC. 105. DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING AND SECTION 8 RENT AND FAMILY CONTRIBUTION DETERMINATIONS.

(a) IN GENERAL.—Section 3 of the United States Housing Act of 1937 is amended—

(1) by striking the undesignated paragraph at the end of subsection (c)(3) (as added by section 515(b) of Public Law 101-625); and

(2) by adding at the end the following new subsection:

''(d) DISALLOWANCE OF EARNED INCOME FROM PUBLIC HOUSING AND SECTION 8 RENT AND FAMILY CONTRIBUTION DETERMINATIONS.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, the rent payable under subsection (a) by, the family contribution determined in accordance with subsection (a) for, a family—

''(A) that—

''(i) occupies a unit in a public housing project; or

''(ii) receives assistance under section 8; and

''(B) whose income increases as a result of employment of a member of the family who was previously unemployed for one or more years (including a family whose income increases as a result of the participation of a family member in any family self-sufficiency or other job training program);may not be increased as a result of the increased income due to such employment during the 18-month period beginning on the date on which the employment is commenced.

''(2) PHASE-IN OF RATE INCREASES.—After the expiration of the 18-month period referred to in paragraph (1), rent increases due to the continued employment of the family member described in paragraph (1)(b) shall be phased in over a subsequent 3-year period.

''(3) OVERALL LIMITATION.—Rent payable under subsection (a) shall not exceed the amount determined under subsection (a).''.

(b) APPLICABILITY OF AMENDMENT.—

(1) PUBLIC HOUSING.—Notwithstanding the amendment made by subsection (a), any tenant of public housing participating in the program under the authority contained in the undesignated paragraph at the end of the section 3(c)(3) of the United States Housing Act of 1937, as that paragraph existed on the day before the date of enactment this Act, shall be governed by that authority after that date.

(2) SECTION 8.—The amendments made by subsection (a) shall apply to tenant-based assistance provided by a public housing agency under section 8 of the United States Housing Act of 1937 on and after October 1, 1998, but shall apply only to the extent approved in appropriation Acts.

SEC. 106. PUBLIC HOUSING HOMEOWNERSHIP.

Section 5(h) of the United States Housing Act of 1937 is amended—

(1) in the first sentence, by striking ''lower income tenants,'' and inserting the following: ''low-income tenants, or to any organization serving as a conduit for sales to such tenants,''; and

(2) by adding the following two sentences at the end: ''In the case of purchase by an entity that is an organization serving as a conduit for sales to such tenants, the entity shall sell the units to low-income families within five years from the date of its acquisition of the units. The entity shall use any net proceeds from the resale and from managing the units, as determined in accordance with guidelines of the Secretary, for housing purposes, such as funding resident organizations and reserves for capital replacements.''.

SEC. 107. PUBLIC HOUSING AGENCY PLAN.

The United States Housing Act of 1937 is amended by inserting after section 5 the following new section:

''SEC. 5A. PUBLIC HOUSING AGENCY PLAN.

''(a) CONTENTS OF PLAN.—(1) Each public housing agency shall submit to the Secretary a public housing agency plan that shall consist of the following parts, as applicable—

''(A) A statement of the housing needs of low-income and very low-income families residing in the community served by the public housing agency, and of other low-income families on the waiting list of the agency (including the housing needs of elderly families and disabled families), and the means by which the agency intends, to the maximum extent practicable, to address such needs.

''(B) The procedures for outreach efforts (including efforts that are planned and that have been executed) to homeless families and to entities providing assistance to homeless families, in the jurisdiction of the public housing agency.

''(C) For assistance under section 14, a 5-year comprehensive plan, as described in section 14(e)(1).

''(D) For assistance under section 14, the annual statement, as required under section 14(e)(3).

''(E) An annual description of the public housing agency's plans for the following activities—

''(i) demolition and disposition under section 18;

''(ii) homeownership under section 5(h); and

''(iii) designated housing under section 7.

''(F) An annual submission by the public housing agency consisting of the following information—

''(i) tenant selection admission and assignment policies, including any admission preferences;

''(ii) rent policies, including income and rent calculation methodology, minimum rents, ceiling rents, and income exclusions, disregards, or deductions;

''(iii) any cooperation agreements between the public housing agency and State welfare and employment agencies to target services to public housing residents (public housing agencies shall use best efforts to enter into such agreements); and

''(iv) anti-crime and security plans, including—

''(I) a strategic plan for addressing crime on or affecting the sites owned by the agency, which shall provide, on a development-by-development basis, for measures to ensure the safety of public housing residents, shall be established, with respect to each development, in consultation with the police officer or officers in command for the precinct in which the development is located, shall describe the need for measures to ensure the safety of public housing residents and for crime prevention measures, describe any such activities conducted, or to be conducted, by the agency, and provide for coordination between the public housing agency and the appropriate police precincts for carrying out such measures and activities;

''(II) a statement of activities in furtherance of the strategic plan to be carried out with assistance under the Public and Assisted Housing Drug Elimination Act of 1990;

''(III) performance criteria regrading the effective use of such assistance; and

''(IV) any plans for the provision of anti-crime assistance to be provided by the local government in addition to the assistance otherwise required to be provided by the agreement for local cooperation under section 5(e)(2) or other applicable law.

Where a public housing agency has no changes to report in any of the information required under this subparagraph since the previous annual submission, the public agency shall only state in its annual submission that it has made no changes. If the Secretary determines, at any time, that the security needs of a development are not being adequately addressed by the strategic crime plan for the agency under clause (iv)(I), or that the local police precinct is not complying with the plan, the Secretary may mediate between the public housing agency and the local precinct to resolve any issues of conflict. If after such mediation has occurred and the Secretary determines that the security needs of the development are not adequately addressed, the Secretary may require the public housing agency to submit an amended plan.

''(G) Other appropriate information that the Secretary requires for each public housing agency that is—

''(i) at risk of being designated as troubled under section 6(j); or

''(ii) designated as troubled under section 6(j).

''(H) Other information required by the Secretary in connection with the provision of assistance under section 9.

''(I) An annual certification by the public housing agency that it has met the citizen participation requirements under subsection (b).

''(J) An annual certification by the public housing agency that it will carry out the public housing agency plan in conformity with title VI of the Civil Rights Act of 1964, the Fair Housing Act, section 504 of the Rehabilitation Act of 1973, and title II of the Americans with Disabilities Act of 1990, and will affirmatively further fair housing.

''(K) An annual certification by the public housing agency that the public housing agency plan is consistent with the approved Consolidated Plan for the locality.

''(2) The Secretary may provide for more frequent submissions where the public housing agency proposes to amend any parts of the public housing agency plan.

''(b) CITIZEN PARTICIPATION REQUIREMENTS.—In developing the public housing agency plan under subsection (a), each public housing agency shall consult with appropriate local government officials and with tenants of the housing projects, which shall include at least one public hearing that shall be held prior to the adoption of the plan, and afford tenants and interested parties an opportunity to summarize their priorities and concerns, to ensure their due consideration in the planning process of the public housing agency.

''(c) PERFORMANCE REPORTS.—The Secretary shall require the public housing agency to submit any information that the Secretary determines is appropriate or necessary to assess the management performance of public housing agencies and resident management corporations under section 6(j) and to monitor assistance provided under this Act. To the maximum extent feasible, the Secretary shall require such information in one report, as part of the annual submission of the agency under subsection (a).

''(d) STANDARDS FOR DETERMINATION OF NONCOMPLIANCE.—After submission by a public housing agency of a public housing agency plan under subsection (a), the Secretary shall determine whether the plan complies with the requirements under this section. The Secretary may determine that a plan does not comply with the requirements under this section only if—

''(1) the plan is incomplete in significant matters required under this section;

''(2) there is evidence available to the Secretary that challenges, in a substantial manner, any information provided in the plan;

''(3) the Secretary determines that the plan does not comply with Federal law or violates the purposes of this Act because it fails to provide housing that will be viable on a long-term basis at a reasonable cost;

''(4) the plan plainly fails to adequately identify the needs of low-income families for housing assistance in the jurisdiction of the agency;

''(5) the plan plainly fails to adequately identify the capital improvement needs for public housing developments in the jurisdiction of the agency;

''(6) the activities identified in the plan are plainly inappropriate to address the needs identified in the plan; or

''(7) the plan is inconsistent with the requirements of this Act.

''(e) WAIVER AUTHORITY.—The Secretary may waive, or specify alternative requirements for, any requirements under this section that the Secretary determines are burdensome or unnecessary for public housing agencies that only administer tenant-based assistance and do not own or operate public housing.''.

SEC. 108. PHMAP INDICATORS FOR SMALL PHA'S.

Section 6(j)(1) of the United States Housing Act of 1937 is amended by—

(1) redesignating subparagraphs (A) through (I) as clauses (i) through (ix);

(2) redesignating clauses (1), (2), and (3) in clause (ix), as redesignated by paragraph (1), as subclauses (I), (II), and (III) respectively;

(3) in the fourth sentence, inserting immediately before clause (i), as redesignated, the following new subparagraph:

''(A) For public housing agencies that own or operate 250 or more public housing dwelling units—''; and

(4) adding the following new subparagraph at the end:

''(B) For public housing agencies that own and operate fewer than 250 public housing dwelling units—

''(i) The number and percentage of vacancies within an agency's inventory, including the progress that an agency has made within the previous 3 years to reduce such vacancies.

''(ii) The percentage of rents uncollected.

''(iii) The ability of the agency to produce and use accurate and timely records of monthly income and expenses and to maintain at least a 3-month reserve.

''(iv) The annual inspection of occupied units and the agency's ability to respond to maintenance work orders.

''(v) Any one additional factor that the Secretary may determine to be appropriate.''.

SEC. 109. PHMAP SELF-SUFFICIENCY INDICATOR.

Section 6(j)(1)(A) of the United States Housing Act of 1937, as amended by section 108 of this Act, is amended at the end by adding the following new clause:

''(x) The extent to which the agency coordinates and promotes participation by families in programs that assist them to achieve self-sufficiency.''.

SEC. 110. EXPANSION OF POWERS FOR DEALING WITH PHA'S IN SUBSTANTIAL DEFAULT.

(a) IN GENERAL.—Section 6(j)(3) of the United States Housing Act of 1937 is amended—

(1) in subparagraph (A)—

(A) by amending clause (i) to read as follows:

''(i) solicit competitive proposals from other public housing agencies and private housing management agents which, in the discretion of the Secretary, may be selected by existing public housing residents through administrative procedures established by the Secretary; if appropriate, these proposals shall provide for such agents to manage all, or part, of the housing administered by the public housing agency or all or part of the other programs of the agency;'';

(B) by redesignating clause (iv) as clause (v) and amending it to read as follows:

''(v) require the agency to make other arrangements acceptable to the Secretary and in the best interests of the public housing residents and families assisted under section 8 for managing all, or part, of the public housing administered by the agency or of the programs of the agency.''; and

(C) by inserting a new clause (iv) after clause (iii) to read as follows:

''(iv) take possession of all or part of the public housing agency, including all or part of any project or program of the agency, including any project or program under any other provision of this title; and''; and

(2) by striking subparagraphs (B) through (D) and inserting in lieu thereof the following:

''(B)(i) If a public housing agency is identified as troubled under this subsection, the Secretary shall notify the agency of the troubled status of the agency.

''(ii) Upon the expiration of the 1-year period beginning on the later of the date on which the agency receives notice from the Secretary of the troubled status of the agency under clause (i) and the date of enactment of the Public Housing Management Reform Act of 1997, the Secretary shall—

''(I) in the case of a troubled public housing agency with 1,250 or more units, petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

''(II) in the case of a troubled public housing agency with fewer than 1,250 units, either—

''(aa) petition for the appointment of a receiver pursuant to subparagraph (A)(ii); or

''(bb) appoint, on a competitive or noncompetitive basis, an individual or entity as an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project

or program of the agency), provided the Secretary has taken possession of all or part of the public housing agency (including all or part of any project or program of the agency) pursuant to subparagraph (A)(iv).

''(C) If a receiver is appointed pursuant to subparagraph (A)(ii), in addition to the powers accorded by the court appointing the receiver, the receiver—

''(i) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the receiver determines that reasonable efforts to renegotiate such contract have failed;

''(ii) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

''(iii) if determined to be appropriate by the Secretary, may seek the establishment, as permitted by applicable State and local law, of one or more new public housing agencies;

''(iv) if determined to be appropriate by the Secretary, may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies; and

''(v) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the receiver's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default.

''(D)(i) If the Secretary takes possession of all or part of the public housing agency, including all or part of any project or program of the agency, pursuant to subparagraph (A)(iv), the Secretary—

''(I) may abrogate any contract to which the United States or an agency of the United States is not a party that, in the written determination of the Secretary (which shall include the basis for such determination), substantially impedes correction of the substantial default, but only after the Secretary determines that reasonable efforts to renegotiate such contract have failed;

''(II) may demolish and dispose of all or part of the assets of the public housing agency (including all or part of any project of the agency) in accordance with section 18, including disposition by transfer of properties to resident-supported nonprofit entities;

''(III) may seek the establishment, as permitted by applicable State and local law, of one or more new public housing agencies;

''(IV) may seek consolidation of all or part of the agency (including all or part of any project or program of the agency), as permitted by applicable State and local laws, into other well-managed public housing agencies with the consent of such well-managed agencies;

''(V) shall not be required to comply with any State or local law relating to civil service requirements, employee rights (except civil rights), procurement, or financial or administrative controls that, in the Secretary's written determination (which shall include the basis for such determination), substantially impedes correction of the substantial default; and

''(VI) shall, without any action by a district court of the United States, have such additional authority as a district court of the United States would have the authority to confer upon a receiver to achieve the purposes of the receivership.

''(ii) If the Secretary, pursuant to subparagraph (B)(ii)(II)(bb), appoints an administrative receiver to assume the responsibilities of the Secretary for the administration of all or part of the public housing agency (including all or part of any project or program of the agency), the Secretary may delegate to the administrative receiver any or all of the powers given the Secretary by this subparagraph, as the Secretary determines to be appropriate.

''(iii) Regardless of any delegation under this subparagraph, an administrative receiver may not seek the establishment of one or more new public housing agencies pursuant to clause (i)(III) or the consolidation of all or part of an agency into other well-managed agencies pursuant to clause (i)(IV), unless the Secretary first approves an application by the administrative receiver to authorize such action.

''(E) The Secretary may make available to receivers and other entities selected or appointed pursuant to this paragraph such assistance as the Secretary determines in the discretion of the Secretary is necessary and available to remedy the substantial deterioration of living conditions in individual public housing developments or other related emergencies that endanger the health, safety, and welfare of public housing residents or families assisted under section 8. A decision made by the Secretary under this paragraph is not subject to review in any court of the United States, or in any court of any State, territory, or possession of the United States.

''(F) In any proceeding under subparagraph (A)(ii), upon a determination that a substantial default has occurred, and without regard to the availability of alternative remedies, the court shall appoint a receiver to conduct the affairs of all or part of the public housing agency in a manner consistent with this Act and in accordance with such further terms and conditions as the court may provide. The receiver appointed may be another public housing agency, a private management corporation, or any other person or appropriate entity. The court shall have power to grant appropriate temporary or preliminary relief pending final disposition of the petition by the Secretary.

''(G) The appointment of a receiver pursuant to this paragraph may be terminated, upon the petition of any party, when the court determines that all defaults have been cured or the public housing agency is capable again of discharging its duties.

''(H) If the Secretary (or an administrative receiver appointed by the Secretary) takes possession of a public housing agency (including all or part of any project or program of the agency), or if a receiver is appointed by a court, the Secretary or receiver shall be deemed to be acting not in the official capacity of that person or entity, but rather in the capacity of the public housing agency, and any liability incurred, regardless of whether the incident giving rise to that liability occurred while the Secretary or receiver was in possession of all or part of the public housing agency (including all or part of any project or program of the agency), shall be the liability of the public housing agency.''.

(b) EFFECTIVENESS.—The provisions of, and duties and authorities conferred or confirmed by, subsection (a) shall apply with respect to actions taken before, on, or after the effective date of this Act and shall apply to any receivers appointed for a public housing agency before the date of enactment of this Act.

(c) TECHNICAL CORRECTION REGARDING APPLICABILITY TO SECTION 8.—Section 8(h) of the United States Housing Act of 1937 is amended by inserting after ''6'' the following: ''(except as provided in section 6(j)(3))''.

SEC. 111. PUBLIC HOUSING SITE-BASED WAITING LISTS.

Section 6 of the United States Housing Act of 1937, as amended by section 306(a)(2) of this Act, is amended by inserting the following new subsection at the end:

''(q) A public housing agency may establish, in accordance with guidelines established by the Secretary, procedures for maintaining waiting lists for admissions to public housing developments of the agency, which may include a system whereby applicants may apply directly at or otherwise designate the development or developments in which they seek to reside. All such procedures must comply with all provisions of title VI of the Civil Rights Act of 1964, the Fair Housing Act, and other applicable civil rights laws.''.

SEC. 112. COMMUNITY SERVICE REQUIREMENTS FOR PUBLIC HOUSING AND SECTION 8 PROGRAMS.

Section 12 of the United States Housing Act of 1937 is amended by adding at the end the following new subsection:

''(c) COMMUNITY SERVICE REQUIREMENTS FOR PUBLIC HOUSING AND SECTION 8 PROGRAMS.—

''(1) IN GENERAL.—A public housing agency shall encourage each adult member of each family residing in public housing or assisted under section 8 to participate, for not less than 8 hours per month, in community service activities (not to include any political activity) within the community in which that adult resides.

''(2) EXEMPTIONS.—The requirement in paragraph (1) shall not apply to any adult who is—

''(A) at least 62 years of age;

''(B) a person with disabilities who is unable, as determined in accordance with guidelines established by the Secretary, to comply with this subsection;

''(C) working at least 20 hours per week, a student, receiving vocational training, or otherwise meeting work, training, or educational requirements of a public assistance program other than the program specified in subparagraph (E);

''(D) a single parent, grandparent, or the spouse of an otherwise exempt individual, who is the primary caretaker of one or more—

''(i) children who are 6 years of age or younger;

''(ii) persons who are at least 62 years of age; or

''(iii) persons with disabilities; or

''(E) in a family receiving assistance under the Temporary Assistance for Needy Families program under part A of title IV of the Social Security Act.''.

SEC. 113. COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM STREAMLINING.

(a) Section 14(d) of the United States Housing Act of 1937 is amended to read as follows:

''(d) No assistance may be made available under subsection (b) to a public housing agency that owns or operates fewer than 250 public housing units unless the agency has submitted a comprehensive plan in accordance with subsection (e)(1) and the Secretary has approved it in accordance with subsection (e)(2). The assistance shall be allocated to individual agencies on the basis of a formula established by the Secretary.''.

(b) Section 14 (f)(1) is repealed.

(c) Section 14 (g) is amended by striking ''(d)(3)'' and inserting ''(d)''.

(d) Section 14(h) is repealed.

(e) Section 14(i) is repealed.

(f) Section 14(k)(1) is amended by striking ''$75,000,000'' and inserting ''$100,000,000''.

SEC. 114. FLEXIBILITY FOR PHA FUNDING.

(a) EXPANSION OF USES OF FUNDING.—Section 14(q)(1) of the United States Housing Act of 1937 is amended—

(1) in the first sentence, by inserting after ''section 5,'' the following ''by section 24,'';

(2) in the first sentence, by inserting after ''public housing agency,'', the following: ''except for the provision of tenant-based assistance,''; and

(3) by inserting at the end the following: ''Notwithstanding the foregoing, (i) a public housing agency that owns or operates fewer than 250 units may use modernization assistance provided under section 14, development assistance provided under section 5(a), and operating subsidy provided under section 9, for any eligible activity authorized by this Act or by applicable appropriations Acts for a public housing agency, except for assistance under section 8, and (ii) any agency determined to be a troubled agency under section 6(j) may use amounts not appropriated under section 9 for any operating subsidy purpose authorized in section 9 only with the approval of the Secretary and provided that the housing is maintained and operated in a safe and sanitary condition.''.

(b) MIXED-FINANCE DEVELOPMENT.—Section 14(q)(2) of such Act is amended to read as follows:

''(2) MIXED FINANCE PUBLIC HOUSING.—

''(A) AUTHORITY.—The Secretary may, upon such terms and conditions as the Secretary may prescribe, authorize a public housing agency to provide for the use of capital and operating assistance provided under section 5, 14, or 9, assistance for demolition, site revitalization, or replacement housing provided under section 24, or assistance under applicable appropriation Acts for a public housing agency, to produce mixed-finance housing developments, or replace or revitalize existing public housing dwelling units with mixed-finance housing developments, but only if the agency submits to the Secretary a plan for such housing that is approved pursuant to subparagraph (C) by the Secretary.

''(B) MIXED-FINANCE HOUSING DEVELOPMENTS.—

''(i) For purposes of this paragraph, the term 'mixed-finance housing' means low-income housing or mixed-income housing for which the financing for development or revitalization is provided, in part, from entities other than the public housing agency.

''(ii) A mixed-finance housing development shall be produced or revitalized, and owned—

''(I) by a public housing agency or by an entity affiliated with a public housing agency;

''(II) by a partnership, a limited liability company, or other entity in which the public housing agency (or an entity affiliated with a public housing agency) is a general partner, is a managing member, or otherwise participates in the activities of the entity;

''(III) by any entity that grants to the public housing agency the option to purchase the public housing project during the 20-year period beginning on the date of initial occupancy of the public housing project in accordance with section 42(l)(7) of the Internal Revenue Code of 1986; or

''(IV) in accordance with such other terms and conditions as the Secretary may prescribe by regulation.

This clause may not be construed to require development or revitalization, and ownership, by the same entity.

''(C) MIXED-FINANCE HOUSING PLAN.—The Secretary may approve a plan for development or revitalization of mixed-finance housing under this paragraph only if the Secretary determines that—

''(i) the public housing agency has the ability, or has provided for an entity under subparagraph (B)(ii) that has the ability, to use the amounts provided for use under the plan for such housing, effectively, either directly or through contract management;

''(ii) the plan provides permanent financing commitments from a sufficient number of sources other than the public housing agency, which may include banks and other conventional lenders, States, units of general local government, State housing finance agencies, secondary market entities, and other financial institutions;

''(iii) the plan provides for use of amounts provided under subparagraph (A) by the public housing agency for financing the mixed-income housing in the form of grants, loans, advances, or other debt or equity investments, including collateral or credit enhancement of bonds issued by the agency or any State or local governmental agency for development or revitalization of the development; and

''(iv) the plan complies with any other criteria that the Secretary may establish.

''(D) RENT LEVELS FOR HOUSING FINANCED WITH LOW-INCOME HOUSING TAX CREDIT.—With respect to any dwelling unit in a mixed-finance housing development that is a low-income dwelling unit for which amounts from the Operating or Capital Fund are used and that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents of the unit shall be determined in accordance with this title, but shall not in any case exceed the amounts allowable under such section 42.

''(E) CARRY-OVER OF ASSISTANCE FOR REPLACED HOUSING.—In the case of a mixed-finance housing development that is replacement housing for public housing demolished or disposed of, or is the result of the revitalization of existing public housing, the share of capital and operating assistance received by the public housing agency that owned or operated the housing demolished, disposed of, or revitalized shall not be reduced because of such demolition, disposition, or revitalization after the commencement of such demolition, disposition, or revitalization, unless—

''(i) upon the expiration of the 18-month period beginning upon the approval of the plan under subparagraph (C) for the mixed-finance housing development, the agency does not have binding commitments for development or revitalization, or a construction contract, for such development;

''(ii) upon the expiration of the 4-year period beginning upon the approval of the plan, the mixed-finance housing development is not substantially ready for occupancy and is placed under the annual contributions contract for the agency; or

''(iii) the number of dwelling units in the mixed-finance housing development that are made available for occupancy only by low-income families is substantially less than the number of such dwelling units in the public housing demolished, disposed of, or revitalized.

The Secretary may extend the period under clause (i) or (ii) for a public housing agency if the Secretary determines that circumstances beyond the control of the agency caused the agency to fail to meet the deadline under such clause.''.

(c) CONFORMING AMENDMENTS.—Section 14(q) of such Act is amended—

(1) in paragraph (3), by striking ''mixed income'' and inserting ''mixed-finance''; and

(2) in paragraph (4), by striking ''mixed-income project'' and inserting ''mixed-finance development''.

(d) APPLICABILITY.—Section 14(q) of the United States Housing Act of 1937, as amended by this section, shall be effective with respect to any assistance provided to the public housing agency under sections 5 and 14 of the United States Housing Act of 1937 and applicable appropriations Acts for a public housing agency.

SEC. 115. REPLACEMENT HOUSING RESOURCES.

(a) OPERATING FUND.—Section 9(a)(3)(B) of the United States Housing Act of 1937 is amended—

(1) at the end of clause (iv), by striking ''and'';

(2) at the end of clause (v), by striking the period and inserting ''; and''; and

(3) by inserting at the end the following:

''(vi) where an existing unit under a contract is demolished or disposed of, the Secretary shall adjust the amount the public housing agency receives under this section; notwithstanding this requirement, the Secretary shall provide assistance under this section in accordance with the provisions of section 14(q)(2) (relating to mixed-finance public housing).''.

(b) COMPREHENSIVE GRANT PROGRAM.—Section 14(k)(2)(D)(ii) of such Act is amended to read as follows:

''(ii) Where an existing unit under a contract is demolished or disposed of, the Secretary shall adjust the amount the agency receives under the formula. Notwithstanding the preceding sentence, for the five-year period after demolition or disposition, the Secretary may provide for no adjustment, or a partial adjustment, of the amount the agency receives under the formula and shall require the agency to use any additional amount received as a result of this sentence for replacement housing or physical improvements necessary to preserve viable public housing.''.

SEC. 116. REPEAL OF ONE-FOR-ONE REPLACEMENT HOUSING REQUIREMENT.

Section 1002(d) of Public Law 104-19 is amended by striking ''and on or before September 30, 1997''.

SEC. 117. DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS.

Section 24 of the United States Housing Act of 1937 is amended—

(1) by amending the heading to read as follows: ''**DEMOLITION, SITE REVITALIZATION, REPLACEMENT HOUSING, AND TENANT-BASED ASSISTANCE GRANTS FOR DEVELOPMENTS**'';

(2) by amending subsections (a) through (c) to read as follows:

''(a) PURPOSE.—The purpose of this section is to provide assistance to public housing agencies for the purposes of—

''(1) reducing the density and improving the living environment for public housing residents of severely distressed public housing through the demolition of obsolete public housing developments (or portions thereof);

''(2) revitalizing sites (including remaining public housing dwelling units) on which such public housing developments are located and contributing to the improvement of the surrounding neighborhood;

''(3) providing housing that will avoid or decrease the concentration of very low-income families; and

''(4) providing tenant-based assistance in accordance with the provisions of section 8 for the purpose of providing replacement housing and assisting residents to be displaced by the demolition.

''(b) GRANT AUTHORITY.—The Secretary may make grants available to public housing agencies as provided in this section.

''(c) CONTRIBUTION REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant supplements the amount of assistance provided under this section (other than amounts

provided for demolition or tenant-based assistance) with an amount of funds from sources other than this Act equal to not less than 5 percent of the amount provided under this section, including amounts from other Federal sources, any State or local government sources, any private contributions, and the value of any in-kind services or administrative costs provided.''';

(3) by amending subsection (d)(1) to read as follows:

''(1) IN GENERAL.—The Secretary may make grants under this subsection to applicants for the purpose of carrying out demolition, revitalization, and replacement programs for severely distressed public housing under this section. The Secretary may make a grant for the revitalization or replacement of public housing only if the agency demonstrates that the neighborhood is or will be a viable residential community, as defined by the Secretary, after completion of the work assisted under this section and any other neighborhood improvements planned by the State or local government or otherwise to be provided. The Secretary may approve grants providing assistance for one eligible activity or a combination of eligible activities under this section, including assistance only for demolition and assistance only for tenant-based assistance in accordance with the provisions of section 8.'';

(4) in subsection (d)(2)(B)—

(A) by striking ''the redesign'' and inserting ''the abatement of environmental hazards, demolition, redesign''; and

(B) by striking ''is located'' and inserting ''is or was located'';

(5) in subsection (d)(2), by redesignating subparagraphs (C) through (I) as subparagraphs (D) through (J), respectively, and inserting the following new subparagraph after subparagraph (B):

''(C) replacement housing, which shall consist of public housing, homeownership units as permitted under the HOPE VI program (as previously authorized in appropriations Acts), tenant-based assistance in accordance with the provisions of section 8, or a combination;'';

(6)(A) in subsection (G), as redesignated by paragraph (5), by inserting before the semicolon the following: ''and any necessary supportive services, except that not more than 15 percent of any grant under this subsection may be used for such purposes.'';

(B) by inserting ''and'' at the end of subsection (H), as redesignated by paragraph (4); and

(C) by striking the semicolon at the end of subsection (I), as redesignated by paragraph (4), and all that follows up to the period;

(7) in paragraph (3), by striking the second sentence;

(8) by amending subsection (d)(4) to read as follows:

''(4) SELECTION CRITERIA.—

''(A) APPLICATIONS FOR DEMOLITION.—The Secretary shall establish selection criteria for applications that request assistance only for demolition, which shall include—

''(i) the need for demolition, taking into account the effect of the distressed development on the public housing agency and the community;

''(ii) the extent to which the public housing agency is not able to undertake such activities without a grant under this section;

''(iii) the extent of involvement of residents and State and local governments in determining the need for demolition; and

''(iv) such other factors as the Secretary determines appropriate.

''(B) APPLICATIONS FOR DEMOLITION, REVITALIZATION, AND REPLACEMENT.—The Secretary shall establish selection criteria for applications that request assistance for a combination of eligible activities, which shall include—

''(i) the relationship of the grant to the comprehensive plan for the locality;

''(ii) the extent to which the grant will result in a viable development which will foster the economic and social integration of public housing residents and the extent to which the development will enhance the community;

''(iii) the capability and record of the applicant public housing agency, its development team, or any alternative management agency for the agency, for managing large-scale redevelopment or modernization projects, meeting construction timetables, and obligating amounts in a timely manner;

''(iv) the extent to which the public housing agency is not able to undertake such activities without a grant under this section;

''(v) the extent of involvement of residents, State and local governments, private service providers, financing entities, and developers, in the development of a revitalization program for the development;

''(vi) the amount of funds and other resources to be leveraged by the grant; and

''(vii) such other factors as the Secretary determines appropriate.''

''(C) APPLICATIONS FOR TENANT-BASED ASSISTANCE.—Notwithstanding any other provision of this subsection, the Secretary may allocate tenant-based assistance under this section on a non-competitive basis in connection with the demolition or disposition of public housing.'';

(9) by amending subsection (e) to read as follows:

''(e) LONG TERM VIABILITY.—The Secretary may waive or revise rules established under this Act governing the development, management, and operation of public housing units, to permit a public housing agency to undertake measures that enhance the long-term viability of a severely distressed public housing project revitalized under this section; except that the Secretary may not waive or revise the rent limitation under section 3(a)(1)(A) or the targeting requirements under section 16(a).'';

(10) in subsection (f)—

(A) by striking ''OTHER'' and all that follows through ''(1)'';

(B) by striking paragraph (2); and

(C) by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2);

(11) by striking subsections (g) and (i) and redesignating subsection (h) as subsection (j);

(12) by inserting the following new subsections after subsection (f):

''(g) ADMINISTRATION BY OTHER ENTITIES.—The Secretary may require a grantee under this section to make arrangements satisfactory to the Secretary for use of an entity other than the public housing agency to carry out activities assisted under the revitalization plan, if the Secretary determines that such action will help to effectuate the purposes of this section.

''(h) TIMELY EXPENDITURES.—

''(1) WITHDRAWAL OF FUNDING.—If a grantee under this section or under the HOPE VI program does not sign the primary construction contract for the work included in the grant agreement within 18 months from the date of the grant agreement, the Secretary shall withdraw any grant amounts under the grant agreement which have not been obligated by the grantee. The Secretary shall redistribute any withdrawn amounts to one or more applicants eligible for assistance under this section. The Secretary may grant an extension of up to one additional year from the date of enactment of this Act if the 18-month period has expired as of the date of enactment, for delays caused by factors beyond the control of the grantee.

''(2) COMPLETION.—A grant agreement under this section shall provide for interim checkpoints and for completion of physical activities within four years of execution, and the Secretary shall enforce these requirements through default remedies up to and including withdrawal of funding. The Secretary may, however, provide for a longer timeframe, but only when necessary due to factors beyond the control of the grantee.

''(3) INAPPLICABILITY.—This subsection shall not apply to grants for tenant-based assistance under section 8.

''(i) INAPPLICABILITY OF SECTION 18.—Section 18 shall not apply to the demolition of developments removed from the inventory of the public housing agency under this section.'';

(13) by amending subsection (j)(1), as redesignated by paragraph (11)—

(A) in subparagraph (C), by inserting after ''nonprofit organization,'' the following: ''private program manager, a partner in a mixed-finance development,'';

(B) at the end of subparagraph (B), after the semicolon, by inserting ''and''; and

(C) at the end of subparagraph (C), by striking ''; and'' and all that follows up to the period;

(14) by amending subsection (j)(5), as redesignated by paragraph (11)—

(A) in subparagraph (A)—

(i) by striking ''(i)'';

(ii) by striking clauses (ii) through (iv); and

(iii) by inserting after ''physical plant of the project'' the following: '', where such distress cannot be remedied through assistance under section 14 because of inadequacy of available funding'';

(B) by amending subparagraph (A), as amended by subparagraph (A) of this paragraph (14), by striking ''appropriately'' and inserting ''inappropriately''; and

(C) by amending subparagraph (B) to read as follows:

''(B) that was a project as described in subparagraph (A) that has been demolished, but for which the Secretary has not provided replacement housing assistance (other than tenant-based assistance).'';

(15) by inserting at the end of subsection (j), as redesignated by paragraph (11), the following new paragraph:

''(6) SUPPORTIVE SERVICES.—The term 'supportive services' includes all activities that will promote upward mobility, self-sufficiency, and improved quality of life for the residents of the public housing development involved, including literacy training, job training, day care, and economic development activities.''; and

(16) by inserting the following new subsection at the end:

''(k) TECHNICAL ASSISTANCE AND PROGRAM OVERSIGHT.—Of the amount appropriated for any fiscal year for grants under this section, the Secretary may use up to 2.5 percent for technical assistance, program oversight, and fellowships for on-site public housing agency assistance and supplemental education. Technical assistance may be provided directly or indirectly by grants, contracts, or cooperative agreements, and may include training, and the cost of necessary travel for participants in such training, by or to officials of the Department of Housing and Urban Development, of public housing agencies, and of residents. The Secretary may use amounts under this paragraph for program oversight to contract with private program and construction management entities to assure that development activities are carried out in a timely and cost-effective manner.''.

SEC. 118. PERFORMANCE EVALUATION BOARD.

(a) ESTABLISHMENT.—There is hereby established a performance evaluation board to

assist the Secretary of Housing and Urban Development in improving and monitoring the system for evaluation of public housing authority performance, including by studying and making recommendations to the Secretary on the most effective, efficient and productive method or methods of evaluating the performance of public housing agencies, consistent with the overall goal of improving management of the public housing program.

(b) MEMBERSHIP.—

(1) IN GENERAL.—The board shall be composed of at least seven members with relevant experience who shall be appointed by the Secretary as soon as practicable, but not later than 90 days after enactment of this Act.

(2) APPOINTMENTS.—In appointing members of the board, the Secretary shall assure that each of the background areas set forth in paragraph (3) are represented.

(3) BACKGROUNDS.—Background areas to be represented are—

(A) major public housing organizations;

(B) public housing resident organizations;

(C) real estate management, finance, or development entities; and

(D) units of general local government.

(c) BOARD PROCEDURES.—

(1) CHAIRPERSON.—The Secretary shall appoint a chairperson from among members of the board.

(2) QUORUM.—A majority of the members of the board shall constitute a quorum for the transaction of business.

(3) VOTING.—Each member of the board shall be entitled to one vote, which shall be equal to the vote of each other member of the board.

(4) PROHIBITION OF ADDITIONAL PAY.—Members of the board shall serve without compensation, but shall be reimbursed for travel, subsistence, and other necessary expenses incurred in the performance of their duties as members of the board.

(d) POWERS.—

(1) HEARINGS.—The board may, for the purpose of carrying out this section, hold such hearings and sit and act at such times and places as the board determines appropriate.

(2) ASSISTANCE FROM FEDERAL AGENCIES.—.

(A) INFORMATION.—The board may request from any agency of the United States, and such agency is authorized to provide, such data and information as the board may require for carrying out its functions.

(B) STAFF SUPPORT.—Upon request of the chairperson of the board, to assist the board in carrying out its duties under this section, the Secretary may—

(i) provide an executive secretariat;

(ii) assign by detail or otherwise any of the personnel of the Department of Housing and Urban Development; and

(iii) obtain by personal services contracts or otherwise any technical or other assistance needed to carry out this section.

(e) ADVISORY COMMITTEE.—The board shall be considered an advisory committee within the meaning of the Federal Advisory Committee Act (5 U.S.C. App.).

(f) FUNCTIONS.—The board shall, as needed—

(1) examine and assess the need for further modifications to or replacement of the Public Housing Management Assessment program, established by the Secretary under section 6(j) of the United States Housing Act of 1937;

(2) examine and assess models used in other industries or public programs to assess the performance of recipients of assistance, including accreditation systems, and the applicability of those models to public housing;

(3) develop (either itself, or through another body) standards for professional competency for the public housing industry, including methods of assessing the qualifications of employees of public housing authorities, such as systems for certifying the qualifications of employees;

(4) develop a system for increasing the use of on-site physical inspections of public housing developments; and

(5) develop a system for increasing the use of independent audits, as part of the overall system for evaluating the performance of public housing agencies.

(g) REPORTS.—

(1) Not later than the expiration of the three-month period beginning upon the appointment of the seventh member of the board, and one year from such appointment, the board shall issue interim reports to the Secretary on its activities. The board shall make its final report and recommendations one year after its second interim report is issued. The final report shall include findings and recommendations of the board based upon the functions carried out under this section.

(2) After the board issues its final report, it may be convened by its chair, upon the request of the Secretary, to review implementation of the performance evaluation system and for other purposes.

(h) TERM.—The duration of the board shall be seven years.

(i) FUNDING.—The Secretary is authorized to use any amounts appropriated under the head Preserving Existing Housing Investment, or predecessor or successor appropriation accounts, without regard to any earmarks of funding, to carry out this section.

SEC. 119. ECONOMIC DEVELOPMENT AND SUPPORTIVE SERVICES FOR PUBLIC HOUSING RESIDENTS.

The United States Housing Act of 1937 is amended by adding the following new section after section 27:

"SEC. 28. ECONOMIC DEVELOPMENT AND SUPPORTIVE SERVICES FOR PUBLIC HOUSING RESIDENTS.

''(a) IN GENERAL.—To the extent provided in advance in appropriations Acts, the Secretary shall make grants for the purposes of providing a program of supportive services and resident self-sufficiency activities to enable residents of public housing to become economically self-sufficient and to assist elderly persons and persons with disabilities to maintain independent living, to the following eligible applicants:

''(1) public housing agencies;

''(2) resident councils;

''(3) resident management corporations or other eligible resident entities defined by the Secretary;

''(4) other applicants, as determined by the Secretary; and

''(5) any partnership of eligible applicants.

''(b) ELIGIBLE ACTIVITIES.—Grantees under this section may use grants for the provision of supportive service, economic development, and self-sufficiency activities conducted primarily for public housing residents in a manner that is easily accessible to those residents. Such activities shall include—

''(1) the provision of service coordinators and case managers;

''(2) the provision of services related to work readiness, including education, job training and counseling, job search skills, business development training and planning, tutoring, mentoring, adult literacy, computer access, personal and family counseling, health screening, work readiness health services, transportation, and child care;

''(3) economic and job development, including employer linkages and job placement, and the start-up of resident microenterprises, community credit unions, and revolving loan funds, including the licensing, bonding and insurance needed to operate such enterprises;

''(4) resident management activities, including related training and technical assistance; and

''(5) other activities designed to improve the self-sufficiency of residents, as may be determined in the sole discretion of the Secretary.

''(c) FUNDING DISTRIBUTION.—

''(1) IN GENERAL.—After reserving such amounts as the Secretary determines to be necessary for technical assistance and clearinghouse services under subsection (d), the Secretary shall distribute any remaining amounts made available under this section on a competitive basis. The Secretary may set a cap on the maximum grant amount permitted under this section, and may limit applications for grants under this section to selected applicants or categories of applicants.

''(2) SELECTION CRITERIA.—The Secretary shall establish selection criteria for applications that request assistance for one or more eligible activities under this section, which shall include—

''(A) the demonstrated capacity of the applicant to carry out a program of supportive services or resident empowerment activities;

''(B) the amount of funds and other resources to be leveraged by the grant;

''(C) the extent to which the grant will result in a quality program of supportive services or resident empowerment activities;

''(D) the extent to which any job training and placement services to be provided are coordinated with the provision of such services under the Job Training Partnership Act and the Wagner-Peyser Act; and

''(E) such other factors as the Secretary determines appropriate.

''(3) MATCHING REQUIREMENT.—The Secretary may not make any grant under this section to any applicant unless the applicant supplements every dollar provided under this subsection with an amount of funds from sources other than this section equal to at least twice the amount provided under this subsection, including amounts from other Federal sources, any State or local government sources, any private contributions, and the value of any in-kind services or administrative costs provided. Of the supplemental funds furnished by the applicant, not more than 50 percent may be in the form of in-kind services or administrative costs provided.

''(d) FUNDING FOR TECHNICAL ASSISTANCE.—The Secretary may set aside a portion of the amounts appropriated under this section, to be provided directly or indirectly by grants, contracts, or cooperative agreements, for technical assistance, which may include training and cost of necessary travel for participants in such training, by or to officials and employees of the Department and of public housing agencies, and to residents and to other eligible grantees, and for clearinghouse services in furtherance of the goals and activities of this section.

''(e) CONTRACT ADMINISTRATORS.—The Secretary may require resident councils, resident management corporations, or other eligible entities defined by the Secretary to utilize public housing agencies or other qualified organizations as contract administrators with respect to grants provided under this section.''.

SEC. 120. PENALTY FOR SLOW EXPENDITURE OF MODERNIZATION FUNDS.

Section 14(k)(5) of the United States Housing Act of 1937 is amended to read as follows:

''(5)(A) A public housing agency shall obligate any assistance received under this section within 18 months of the date funds become available to the agency for obligation. The Secretary may extend this time period by no more than one year if an agency's failure to obligate such assistance in a timely manner is attributable to events beyond the

control of the agency. The Secretary may also provide an exception for de minimis amounts to be obligated with the next year's funding; an agency that owns or administers fewer than 250 public housing units, to the extent necessary to permit the agency to accumulate sufficient funding to undertake activities; and any agency, to the extent necessary to permit the agency to accumulate sufficient funding to provide replacement housing.

''(B) A public housing agency shall not be awarded assistance under this section for any month in a year in which it has funds unobligated, in violation of subparagraph (A). During such a year, the Secretary shall withhold all assistance which would otherwise be provided to the agency. If the agency cures its default during the year, it shall be provided with the share attributable to the months remaining in the year. Any funds not so provided to the agency shall be provided to high-performing agencies as determined under section 6(j).

''(C) If the Secretary has consented, before the date of enactment of the Public Housing Management Reform Act of 1997, to an obligation period for any agency longer than provided under this paragraph, an agency which obligates its funds within such extended period shall not be considered to be in violation of subparagraph (A). Notwithstanding any prior consent of the Secretary, however, all funds appropriated in fiscal year 1995 and prior years shall be fully obligated by the end of fiscal year 1998, and all funds appropriated in fiscal years 1996 and 1997 shall be fully obligated by the end of fiscal year 1999.

''(D) A public housing agency shall spend any assistance received under this section within four years (plus the period of any extension approved by the Secretary under subparagraph (A)) of the date funds become available to the agency for obligation. The Secretary shall enforce this requirement through default remedies up to and including withdrawal of the funding. Any obligation entered into by an agency shall be subject to the right of the Secretary to recapture the amounts for violation by the agency of the requirements of this subparagraph.''.

SEC. 121. DESIGNATION OF PHA'S AS TROUBLED.

(a) Section 6(j)(1)(A) of the United States Housing Act of 1937, as amended by sections 108 and 109, is further amended—

(1) in subparagraph (A), by inserting the following after clause (x):

''(xi) Whether the agency is providing acceptable basic housing conditions, as determined by the Secretary.''; and

(2) in subparagraph (B)—

(A) by redesignating clause (v) as clause (vi); and

(B) by inserting the following after clause (iv):

''(v) Whether the agency is providing acceptable basic housing conditions, as determined by the Secretary.''.

(b) Section 6(j)(2)(A)(i) of such Act is amended by inserting the following after the first sentence: ''Such procedures shall provide that an agency that does not provide acceptable basic housing conditions shall be designated a troubled public housing agency.''.

(c) Section 6(j)(2)(A)(i) of such Act is amended in the first sentence—

(1) by inserting before ''the performance indicators'' the subclause designation ''(I)''; and

(2) by inserting before the period the following: ''; or (II) such other evaluation system as is determined by the Secretary to assess the condition of the public housing agency or resident management corporation, which system may be in addition to or in lieu of the performance indicators established under paragraph (1)''.

SEC. 122. VOLUNTEER SERVICES UNDER THE 1937 ACT.

(a) IN GENERAL.—Section 12(b) of the United States Housing Act of 1937 is amended by striking ''that—'' and all that follows up to the period and inserting ''who performs volunteer services in accordance with the requirements of the Community Improvement Volunteer Act of 1994''.

(b) CIVA AMENDMENT.—Section 7305 of the Community Improvement Volunteer Act of 1994 is amended—

(1) in paragraph (5), by striking ''and'' after the semicolon;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by inserting the following paragraph after paragraph (6):

''(7) the United States Housing Act of 1937.''.

SEC. 123. AUTHORIZATION OF APPROPRIATIONS FOR OPERATION SAFE HOME PROGRAM.

There are authorized to be appropriated to carry out the Operation Safe Home program $20,000,000 for fiscal year 1998 and such sums as may be necessary for fiscal years 1999, 2000, 2001, and 2002.

TITLE II—SECTION 8 STREAMLINING AND OTHER PROGRAM IMPROVEMENTS

SEC. 201. PERMANENT REPEAL OF FEDERAL PREFERENCES.

(a) Notwithstanding section 402(f) of The Balanced Budget Downpayment Act, I, the amendments made by section 402(d) of that Act shall remain in effect after fiscal year 1997, except that the amendments made by sections 402(d)(3) and 402(d)(6)(A)(iii), (iv), and (vi) of such Act shall remain in effect as amended by sections 203 and 116 of this Act, and section 402(d)(6)(v) shall be repealed by the amendments made to section 16 of the United States Housing Act of 1937 by section 202 of this Act.

(b) Section 6(c)(4)(A) of the United States Housing Act of 1937, as amended by section 402(d)(1) of The Balanced Budget Downpayment Act, I, is amended by striking ''is'' and all that follows through ''Act'' and inserting the following: ''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 under this subparagraph, under section 5A(b), and under the requirements of the approved Consolidated Plan for the locality''.

(c) Section 8(d)(1)(A) of the United States Housing Act of 1937, as amended by section 402(d)(2) of The Balanced Budget Downpayment Act, I, is amended by striking ''is'' and all that follows through ''Act'' and inserting the following: ''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 under this subparagraph, under section 5A(b), and under the requirements of the approved Consolidated Plan for the locality''.

SEC. 202. INCOME TARGETING FOR PUBLIC HOUSING AND SECTION 8 PROGRAMS.

(a) Section 16 of the United States Housing Act of 1937 is amended by revising the heading and subsections (a) through (c) to read as follows:

''SEC. 16. ELIGIBILITY FOR PUBLIC AND ASSISTED HOUSING.

''(a) PUBLIC HOUSING.—

''(1) PROGRAM REQUIREMENT.—Of the public housing units of a public housing agency made available for occupancy by eligible families in any fiscal year of the agency—

''(A) at least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

''(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area; except that, for any fiscal year, the Secretary may reduce to 80 percent the percentage under this subparagraph for a public housing agency if the agency demonstrates to the satisfaction of the Secretary that such reduction would be used for, and would result in, the enhancement of the long-term viability of the housing developments of the agency.

''(2) DEVELOPMENT REQUIREMENT.—At least 40 percent of the units in each public housing development shall be occupied by families with incomes which are less than 30 percent of the median income for the area, except that no family may be required to move to achieve compliance with this requirement.

''(b) SECTION 8 ASSISTANCE.—

''(1) TENANT-BASED, MODERATE REHABILITATION, AND PROJECT-BASED CERTIFICATE ASSISTANCE.—In any fiscal year of a public housing agency, at least 75 percent of all families who initially receive tenant-based assistance from the agency, assistance under the moderate rehabilitation program of the agency, or assistance under the project-based certificate program of the agency shall be families whose incomes do not exceed 30 percent of the median income for the area.

''(2) PROJECT-BASED ASSISTANCE.—Of the dwelling units in a project receiving section 8 assistance, other than assistance described in paragraph (1), that are made available for occupancy by eligible families in any year (as determined by the Secretary)—

''(A) at least 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the median income for the area; and

''(B) at least 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the median income for the area.

''(c) DEFINITION OF AREA MEDIAN INCOME.—The term 'area median income', as used in subsections (a) and (b), refers to the median income of an area, as determined by the Secretary, with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in subsections (a) and (b) if the Secretary determines that such variations are necessary because of unusually high or low family incomes.''.

(b) Section 16 of the United States Housing Act of 1937, as amended by this section, is further amended by inserting the following new heading after subsection designation (d): ''APPLICABILITY.—''.

SEC. 203. MERGER OF TENANT-BASED ASSISTANCE PROGRAMS.

(a) Section 8(o) of the United States Housing Act of 1937 is amended to read as follows:

''(o) RENTAL CERTIFICATES.—(1) A public housing agency may only enter into contracts for tenant-based rental assistance under this Act pursuant to this subsection. The Secretary may provide rental assistance using a payment standard in accordance with this subsection. The payment standard shall be used to determine the monthly assistance which may be paid for any family.

''(2)(A) The payment standard may not exceed the FMR/exception rent limit. The payment standard may not be less than 80 percent of the FMR/exception rent limit.

''(B) The term 'FMR/exception rent limit' means the section 8 existing housing fair market rent published by HUD in accordance with subsection (c)(1) or any exception rent approved by HUD for a designated part of the fair market rent area. HUD may approve an

exception rent of up to 120 percent of the published fair market rent.

''(3)(A) For assistance under this subsection provided by a public housing agency on and after October 1, 1998, to the extent approved in appropriations Acts, the monthly assistance payment for any family that moves to another unit in another complex or moves to a single family dwelling shall be the amount determined by subtracting the family contribution as determined in accordance with section 3(a) from the applicable payment standard, except that such monthly assistance payment shall not exceed the amount by which the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering) exceeds 10 percent of the family's monthly income.

''(B) For any family not covered by subparagraph (A), the monthly assistance payment for the family shall be determined by subtracting the family contribution as determined in accordance with section 3(a) from the lower of the applicable payment standard and the rent for the dwelling unit (including the amount allowed for utilities in the case of a unit with separate utility metering).

''(4) Assistance payments may be made only for:

''(A) a family determined to be a very low-income family at the time the family initially receives assistance, or

''(B) another low-income family in circumstances determined by the Secretary.

''(5) If a family vacates a dwelling unit before the expiration of a lease term, no assistance payment may be made with respect to the unit after the month during which the unit was vacated.

''(6) The Secretary shall require that:

''(A) the public housing agency shall inspect the unit before any assistance payment may be made to determine that the unit meets housing quality standards for decent, safe, and sanitary housing established by the Secretary for the purpose of this section, and

''(B) the public housing agency shall make annual or more frequent inspections during the contract term. No assistance payment may be made for a dwelling unit which fails to meet such quality standards.

''(7) The rent for units assisted under this subsection shall be reasonable in comparison with rents charged for comparable units in the private unassisted market. A public housing agency shall review all rents for units under consideration by families assisted under this subsection (and all rent increases for units under lease by families assisted under this subsection) to determine whether the rent (or rent increase) requested by an owner is reasonable. If a public housing agency determines that the rent (or rent increase) for a unit is not reasonable, the agency may not approve a lease for such unit.

''(8) Except as provided in paragraph (2) of this subsection, section 8(c) of this Act does not apply to assistance under this subsection.''.

(b) In Section 3(a)(1) of the United States Housing Act of 1937, the second sentence is revised as follows:

(1) by striking ''or paying rent under section 8(c)(3)(B)''; and

(2) by striking ''the highest of the following amounts, rounded to the nearest dollar:'' and inserting ''and the family contribution for a family assisted under section 8(o) or 8(y) shall be the highest of the following amounts, rounded to the next dollar:''.

(c) Section 8(b) of the United States Housing Act is amended—

(1) by striking ''Rental Certificates and Other Existing Housing Programs.—'' and inserting ''(1)''; and

(2) by striking the second sentence.

(d) Section 8 of the United States Housing Act of 1937 is amended—

(1) by striking subsection (c)(3)(B);

(2) in subsection (d)(2), by striking subparagraphs (A), (B), (C), (D) and (E); and by redesignating subparagraphs (F), (G) and (H) as subparagraphs (A), (B) and (C) respectively;

(3) in subsection (f)(6), as redesignated by section 306(b)(2) of this Act, by striking ''under subsection (b) or (o)''; and

(4) by striking subsection (j).

SEC. 204. SECTION 8 ADMINISTRATIVE FEES.

(a) Section 202(a)(1)(A) of the Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act, 1997 is amended by—

(1) striking ''7.5 percent'' and inserting ''7.65 percent'';

(2) striking ''a program of'' and inserting ''one or more such programs totaling''; and

(3) inserting before the final period, ''of such total units''.

(b) The amendments made by this section shall be effective as of October 1, 1997.

SEC. 205. SECTION 8 HOMEOWNERSHIP.

(a) AMENDMENTS TO SECTION 8(y).—Section 8(y) of the United States Housing Act of 1937 is amended—

(1) in paragraph (1), by striking ''A family receiving'' through ''if the family'' and inserting the following: ''A public housing agency providing tenant-based assistance on behalf of an eligible family under this section may provide assistance for an eligible family that purchases a dwelling unit (including a unit under a lease-purchase agreement) that will be owned by one or more members of the family, and will be occupied by the family, if the family'';

(2) in paragraph (1)(A), by inserting before the semicolon the following: '', or owns or is acquiring shares in a cooperative'';

(3) in paragraph (1), by amending paragraph (B) to read as follows:

''(B)(i) in the case of disabled families and elderly families, demonstrates that the family has income from employment or other sources, as determined in accordance with requirements of the Secretary, in such amount as may be established by the Secretary; and

''(ii) in the case of other families, demonstrates that the family has income from employment, as determined in accordance with requirements of the Secretary, in such amount as may be established by the Secretary;'';

(4) in paragraph (1)(C), by striking ''except as'' and inserting ''except in the case of disabled families and elderly families and as otherwise'';

(5) in paragraph (1), by inserting at the end the following: ''The Secretary or the public housing agency may target assistance under this subsection for program purposes, such as to families assisted in connection with the FHA multifamily demonstration under section 212 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997.'';

(6) by amending paragraph (2) to read as follows:

''(2) DETERMINATION OF AMOUNT OF ASSISTANCE.—The monthly assistance payment for any family shall be the amount determined by subtracting the family contribution as determined under section 3(a) of this Act from the lower of:

''(A) the applicable payment standard, or

''(B) the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, of the family.'';

(7) by redesignating paragraphs (6), (7), and (8), as paragraphs (9), (10), and (11), respectively;

(8) by striking paragraphs (3), (4), and (5) and inserting the following after paragraph (2):

''(3) INSPECTIONS AND CONTRACT CONDITIONS.—Each contract for the purchase of a unit to be assisted under this section shall provide for pre-purchase inspection of the unit by an independent professional and shall require that any cost of necessary repairs shall be paid by the seller. The requirement under section 8(o)(5)(B) for annual inspections of the unit shall not apply to units assisted under this section.

''(4) DOWNPAYMENT REQUIREMENT.—Each public housing agency providing assistance under this subsection shall require that each assisted family make a significant contribution, from its own resources, determined in accordance with guidelines established by the Secretary, to cover all or a portion of the downpayment required in connection with the purchase, which may include credit for work by one or more family members to improve the dwelling (''sweat equity'').

''(5) RESERVE FOR REPLACEMENTS.—The Secretary shall require each family to pay an amount equal to one percent of the monthly amount payable by the family for principal and interest on its acquisition loan into a reserve for repairs and replacements for five years after the date of purchase. Any amounts remaining in the reserve after five years shall be paid to the family.

''(6) APPLICATION OF NET PROCEEDS UPON SALE.—The Secretary shall require that the net proceeds upon sale by a family of a unit owned by the family while it received assistance under this subsection shall be divided between the public housing agency and the family. The Secretary shall establish guidelines for determining the amount to be received by the family and the amount to be received by the agency, which shall take into account the relative amount of assistance provided on behalf of the family in comparison with the amount paid by the family from its own resources. The Secretary shall require the agency to use any amounts received under this paragraph to provide assistance under subsection (o) or this subsection.

''(7) LIMITATION ON SIZE OF PROGRAM.—A public housing agency may permit no more than 10 percent of the families receiving tenant-based assistance provided by the agency to use the assistance for homeownership under this subsection. The Secretary may permit no more than 5 percent of all families receiving tenant-based assistance to use the assistance for homeownership under this subsection.

''(8) OTHER PROGRAM REQUIREMENTS.—The Secretary may establish such other requirements and limitations the Secretary determines to be appropriate in connection with the provision of assistance under this section, which may include limiting the term of assistance for a family. The Secretary may modify the requirements of this subsection where necessary to make appropriate adaptations for lease-purchase agreements. The Secretary shall establish performance measures and procedures to monitor the provision of assistance under this subsection in relation to the purpose of providing homeownership opportunities for eligible families.'';

(9) in paragraph (10)(A)), as redesignated by paragraph (7) of this section, is amended—

(A) by striking ''dwelling, (ii)'' and inserting ''dwelling, and (ii)''; and

(B) by striking '', (iii)'' and all that follows up to the period; and

(10) by inserting after paragraph (11), as redesignated by paragraph (7) of this section, the following:

''(12) SUNSET.—The authority to provide assistance to additional families under this subsection shall terminate on September 30,

2002. The Secretary shall then prepare a report evaluating the effectiveness of homeownership assistance under this subsection.''.

(b) FAMILY SELF-SUFFICIENCY ESCROW.—Section 23(d)(3) of the United States Housing Act of 1937 is repealed.

SEC. 206. WELFARE TO WORK CERTIFICATES.

(a) To the extent of amounts approved in appropriations Acts, the Secretary may provide funding for welfare to work certificates in accordance with this section. ''Certificates'' means tenant-based rental assistance in accordance with section 8(o) of the United States Housing Act of 1937.

(b) Funding under this section shall be used for a demonstration linking use of such certificate assistance with welfare reform initiatives to help families make the transition from welfare to work, and for technical assistance in connection with such demonstration.

(c) Funding may only be awarded upon joint application by a public housing agency and a State or local welfare agency. Allocation of demonstration funding is not subject to section 213 of the Housing and Community Development Act of 1974.

(d) Assistance provided under this section shall not be taken into account in determining the size of the family self-sufficiency program of a public housing agency under section 23 of the United States Housing Act of 1937.

(e) For purposes of the demonstration, the Secretary may waive, or specify alternative requirements for, requirements established by or under this Act concerning the certificate program, including requirements concerning the amount of assistance, the family contribution, and the rent payable by the family.

SEC. 207. EFFECT OF FAILURE TO COMPLY WITH PUBLIC ASSISTANCE REQUIREMENTS.

Section 3(a) of the United States Housing Act of 1937, as amended by section 103, is amended by inserting the following after paragraph (3):

''(4)(A) If the welfare or public assistance benefits of a covered family, as defined in subparagraph (G)(i), are reduced under a Federal, State, or local law regarding such an assistance program because any member of the family willfully failed to comply with program conditions requiring participation in a self-sufficiency program or requiring work activities as defined in subparagraphs (G)(ii) and (iii), the family may not, for the duration of the reduction, have the amount of rent or family contribution determined under this subsection reduced as the result of any decrease in the income of the family (to the extent that the decrease in income is the result of the benefits reduction).

''(B) If the welfare or public assistance benefits of a covered family are reduced under a Federal, State, or local law regarding the welfare or public assistance program because any member of the family willfully failed to comply with the self-sufficiency or work activities requirements, the portion of the amount of any increase in the earned income of the family occurring after such reduction up to the amount of the reduction for noncompliance shall not result in an increase in the amount of rent or family contribution determined under this subsection during the period the family would otherwise be eligible for welfare or public assistance benefits under the program.

''(C) Any covered family residing in public housing that is affected by the operation of this paragraph shall have the right to review the determination under this paragraph through the administrative grievance procedures established pursuant to section 6(k) for the public housing agency.

''(D) Subparagraph (A) shall not apply to any covered family before the public housing agency providing assistance under this Act on behalf of the family receives written notification from the relevant welfare or public assistance agency specifying that the benefits of the family have been reduced because of noncompliance with self-sufficiency program requirements and the level of such reduction.

''(E) Subparagraph (A) shall not apply in any case in which the benefits of a family are reduced because the welfare or public assistance program to which the Federal, State, or local law relates limits the period during which benefits may be provided under the program.

''(F) This paragraph may not be construed to authorize any public housing agency to limit the duration of tenancy in a public housing dwelling unit or of tenant-based assistance.

''(G) For purposes of this section—

''(i) The term 'covered family' means a family that—

''(I) receives benefits for welfare or public assistance from a State or other public agency under a program for which the Federal, State, or local law relating to the program requires, as a condition of eligibility for assistance under the program, participation of a member of the family in a self-sufficiency program or work activities; and

''(II) resides in a public housing dwelling unit or receives assistance under section 8.

''(ii) The term 'self-sufficiency program' means any program designed to encourage, assist, train, or facilitate the economic independence of participants and their families or to provide work for participants, including programs for job training, employment counseling, work placement, basic skills training, education, workfare, money or household management, apprenticeship, or other activities.

''(iii) The term 'work activities' means—

''(I) unsubsidized employment;

''(II) subsidized private sector employment;

''(III) subsidized public sector employment;

''(IV) work experience (including work associated with the refurbishing of publicly assisted housing) if sufficient private sector employment is not available;

''(V) on-the job training;

''(VI) job search and job readiness assistance;

''(VII) community service programs;

''(VIII) vocational education training (not to exceed 12 months with respect to any individual;

''(IX) job skills training directly related to employment;

''(X) education directly related to employment, in the case of a recipient who has not received a high school diploma or certificate of high school equivalency;

''(XI) satisfactory attendance at secondary school or in a course of study leading to a certificate of general equivalence, in the case of a recipient who has not completed secondary school or received such a certificate; and

''(XII) the provision of child care services to an individual who is participating in a community service program.''.

SEC. 208. STREAMLINING SECTION 8 TENANT-BASED ASSISTANCE.

(a) REPEAL OF TAKE-ONE, TAKE-ALL REQUIREMENT.—Section 8(t) of the United States Housing Act of 1937 is hereby repealed.

(b) EXEMPTION FROM NOTICE REQUIREMENTS FOR THE CERTIFICATE AND VOUCHER PROGRAMS.—Section 8(c) of such Act is amended—

(1) in paragraph (8), by inserting after ''section'' the following: ''(other than a contract for tenant-based assistance)''; and

(2) in the first sentence of paragraph (9), by striking ''(but not less than 90 days in the case of housing certificates or vouchers under subsection (b) or (o))'' and inserting '', other than a contract for tenant-based assistance under this section''.

(c) ENDLESS LEASE.—Section 8(d)(1)(B) of such Act is amended—

(1) in clause (ii), by inserting ''during the term of the lease,'' after ''(ii)''; and

(2) in clause (iii), by striking ''provide that'' and inserting ''during the term of the lease,''.

(d) REPEAL.—Section 203 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 is hereby repealed.

SEC. 209. NONDISCRIMINATION AGAINST CERTIFICATE AND VOUCHER HOLDERS.

In the case of any multifamily rental housing that is receiving, or (except for insurance referred to in paragraph (4)) has received within two years before the effective date of this section, the benefit of Federal assistance from an agency of the United States, the owner shall not refuse to lease a reasonable number of units to families under the tenant-based assistance program under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenants as families under that program. The Secretary shall establish reasonable time periods for applying the requirement of this section, taking into account the total amount of the assistance and the relative share of the assistance compared to the total cost of financing, developing, rehabilitating, or otherwise assisting a project. Federal assistance for purposes of this subsection shall mean—

(1) project-based assistance under the United States Housing Act of 1937;

(2) assistance under title I of the Housing and Community Development Act of 1974;

(3) assistance under title II of the Cranston-Gonzalez National Affordable Housing Act;

(4) mortgage insurance under the National Housing Act;

(5) low-income housing tax credits under section 42 of the Internal Revenue Code of 1986;

(6) assistance under title IV of the Stewart B. McKinney Homeless Assistance Act; and

(7) assistance under any other programs designated by the Secretary of Housing and Urban Development.

SEC. 210. RECAPTURE AND REUSE OF ACC PROJECT RESERVES UNDER TENANT-BASED ASSISTANCE PROGRAM.

Section 8(d) of the United States Housing Act of 1937 is amended by inserting at the end the following new paragraph:

''(5) To the extent that the Secretary determines that the amount in the ACC reserve account under a contract with a public housing agency for tenant-based assistance under this section is in excess of the amount needed by the agency, the Secretary shall recapture such excess amount. The Secretary may hold recaptured amounts in reserve until needed to amend or renew such contracts with any agency.''.

SEC. 211. EXPANDING THE COVERAGE OF THE PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION ACT OF 1990.

(a) SHORT TITLE, PURPOSES, AND AUTHORITY TO MAKE GRANTS.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended by striking the chapter heading and all that follows through section 5123 and inserting the following:

"CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME

"SEC. 5121. SHORT TITLE.

''This chapter may be cited as the 'Community Partnerships Against Crime Act of 1997'.

"SEC. 5122. PURPOSES.

''The purposes of this chapter are to—

''(1) improve the quality of life for the vast majority of law-abiding public housing residents by reducing the levels of fear, violence, and crime in their communities;

''(2) broaden the scope of the Public and Assisted Housing Drug Elimination Act of 1990 to apply to all types of crime, and not simply crime that is drug-related; and

''(3) reduce crime and disorder in and around public housing through the expansion of community-oriented policing activities and problem solving.

"SEC. 5123. AUTHORITY TO MAKE GRANTS.

''The Secretary of Housing and Urban Development may make grants in accordance with the provisions of this chapter for use in eliminating crime in and around public housing and other federally assisted low-income housing projects to (1) public housing agencies, and (2) private, for-profit and nonprofit owners of federally assisted low-income housing.''.

(b) ELIGIBLE ACTIVITIES.—

(1) IN GENERAL.—Section 5124(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(a)) is amended—

(A) in the matter preceding paragraph (1), by inserting ''and around'' after ''used in'';

(B) in paragraph (3), by inserting before the semicolon the following: '', including fencing, lighting, locking, and surveillance systems'';

(C) in paragraph (4), by striking subparagraph (A) and inserting the following new subparagraph:

''(A) to investigate crime; and'';

(D) in paragraph (6)—

(i) by striking ''in and around public or other federally assisted low-income housing projects''; and

(ii) by striking ''and'' after the semicolon; and

(E) by striking paragraph (7) and inserting the following new paragraphs:

''(7) providing funding to nonprofit public housing resident management corporations and resident councils to develop security and crime prevention programs involving site residents;

''(8) the employment or utilization of one or more individuals, including law enforcement officers, made available by contract or other cooperative arrangement with State or local law enforcement agencies, to engage in community- and problem-oriented policing involving interaction with members of the community in proactive crime control and prevention activities;

''(9) programs and activities for or involving youth, including training, education, recreation and sports, career planning, and entrepreneurship and employment activities and after school and cultural programs; and

''(10) service programs for residents that address the contributing factors of crime, including programs for job training, education, drug and alcohol treatment, and other appropriate social services.''.

(2) OTHER PHA-OWNED HOUSING.—Section 5124(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903(b)) is amended—

(A) in the matter preceding paragraph (1)—

(i) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(ii) by striking ''paragraphs (1) through (7)'' and inserting ''paragraphs (1) through (10)''; and

(B) in paragraph (2), by striking ''drug-related'' and inserting ''criminal''.

(c) GRANT PROCEDURES.—Section 5125 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11904) is amended to read as follows:

"SEC. 5125. GRANT PROCEDURES.

''(a) PHA'S WITH 250 OR MORE UNITS.—

''(1) GRANTS.—In each fiscal year, the Secretary shall make a grant under this chapter from any amounts available under section 5131(b)(1) for the fiscal year to each of the following public housing agencies:

''(A) NEW APPLICANTS.—Each public housing agency that owns or operates 250 or more public housing dwelling units and has—

''(i) submitted an application to the Secretary for a grant for such fiscal year, which includes a 5-year crime deterrence and reduction plan under paragraph (2); and

''(ii) had such application and plan approved by the Secretary.

''(B) RENEWALS.—Each public housing agency that owns or operates 250 or more public housing dwelling units and for which—

''(i) a grant was made under this chapter for the preceding Federal fiscal year;

''(ii) the term of the 5-year crime deterrence and reduction plan applicable to such grant includes the fiscal year for which the grant under this subsection is to be made; and

''(iii) the Secretary has determined, pursuant to a performance review under paragraph (4), that during the preceding fiscal year the agency has substantially fulfilled the requirements under subparagraphs (A) and (B) of paragraph (4).

Notwithstanding subparagraphs (A) and (B), the Secretary may make a grant under this chapter to a public housing agency that owns or operates 250 or more public housing dwelling units only if the agency includes in the application for the grant information that demonstrates, to the satisfaction of the Secretary, that the agency has a need for the grant amounts based on generally recognized crime statistics showing that (I) the crime rate for the public housing developments of the agency (or the immediate neighborhoods in which such developments are located) is higher than the crime rate for the jurisdiction in which the agency operates, (II) the crime rate for the developments (or such neighborhoods) is increasing over a period of sufficient duration to indicate a general trend, or (III) the operation of the program under this chapter substantially contributes to the reduction of crime.

''(2) 5-YEAR CRIME DETERRENCE AND REDUCTION PLAN.—Each application for a grant under this subsection shall contain a 5-year crime deterrence and reduction plan. The plan shall be developed with the participation of residents and appropriate law enforcement officials. The plan shall describe, for the public housing agency submitting the plan—

''(A) the nature of the crime problem in public housing owned or operated by the public housing agency;

''(B) the building or buildings of the public housing agency affected by the crime problem;

''(C) the impact of the crime problem on residents of such building or buildings; and

''(D) the actions to be taken during the term of the plan to reduce and deter such crime, which shall include actions involving residents, law enforcement, and service providers.

The term of a plan shall be the period consisting of 5 consecutive fiscal years, which begins with the first fiscal year for which funding under this chapter is provided to carry out the plan.

''(3) AMOUNT.—In any fiscal year, the amount of the grant for a public housing agency receiving a grant pursuant to paragraph (1) shall be the amount that bears the same ratio to the total amount made available under section 5131(b)(1) as the total number of public dwelling units owned or operated by such agency bears to the total number of dwelling units owned or operated by all public housing agencies that own or operate 250 or more public housing dwelling units that are approved for such fiscal year.

''(4) PERFORMANCE REVIEW.—For each fiscal year, the Secretary shall conduct a performance review of the activities carried out by each public housing agency receiving a grant pursuant to this subsection to determine whether the agency—

''(A) has carried out such activities in a timely manner and in accordance with its 5-year crime deterrence and reduction plan; and

''(B) has a continuing capacity to carry out such plan in a timely manner.

''(5) SUBMISSION OF APPLICATIONS.—The Secretary shall establish such deadlines and requirements for submission of applications under this subsection.

''(6) REVIEW AND DETERMINATION.—The Secretary shall review each application submitted under this subsection upon submission and shall approve the application unless the application and the 5-year crime deterrence and reduction plan are inconsistent with the purposes of this chapter or any requirements established by the Secretary or the information in the application or plan is not substantially complete. Upon approving or determining not to approve an application and plan submitted under this subsection, the Secretary shall notify the public housing agency submitting the application and plan of such approval or disapproval.

''(7) DISAPPROVAL OF APPLICATIONS.—If the Secretary notifies an agency that the application and plan of the agency is not approved, not later than the expiration of the 15-day period beginning upon such notice of disapproval, the Secretary shall also notify the agency, in writing, of the reasons for the disapproval, the actions that the agency could take to comply with the criteria for approval, and the deadlines for such actions.

''(8) FAILURE TO APPROVE OR DISAPPROVE.—If the Secretary fails to notify an agency of approval or disapproval of an application and plan submitted under this subsection before the expiration of the 60-day period beginning upon the submission of the plan or fails to provide notice under paragraph (7) within the 15-day period under such paragraph to an agency whose application has been disapproved, the application and plan shall be considered to have been approved for purposes of this section.

''(b) PHA'S WITH FEWER THAN 250 UNITS AND OWNERS OF FEDERALLY ASSISTED LOW-INCOME HOUSING.—

''(1) APPLICATIONS AND PLANS.—To be eligible to receive a grant under this chapter, a public housing agency that owns or operates fewer than 250 public housing dwelling units or an owner of federally assisted low-income housing shall submit an application to the Secretary at such time, in such manner, and accompanied by such additional information as the Secretary may require. The application shall include a plan for addressing the problem of crime in and around the housing for which the application is submitted, describing in detail activities to be conducted during the fiscal year for which the grant is requested.

''(2) GRANTS FOR PHA'S WITH FEWER THAN 250 UNITS.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(2), make grants under this chapter to public housing agencies that own or operate fewer than 250 public housing dwelling units and have submitted applications under paragraph (1) that the Secretary

has approved pursuant to the criteria under paragraph (4).

''(3) GRANTS FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In each fiscal year the Secretary may, to the extent amounts are available under section 5131(b)(3), make grants under this chapter to owners of federally assisted low-income housing that have submitted applications under paragraph (1) that the Secretary has approved pursuant to the criteria under paragraphs (4) and (5).

''(4) CRITERIA FOR APPROVAL OF APPLICATIONS.—The Secretary shall determine whether to approve each application under this subsection on the basis of—

''(A) the extent of the crime problem in and around the housing for which the application is made;

''(B) the quality of the plan to address the crime problem in the housing for which the application is made;

''(C) the capability of the applicant to carry out the plan; and

''(D) the extent to which the tenants of the housing, the local government, local community-based nonprofit organizations, local tenant organizations representing residents of neighboring projects that are owned or assisted by the Secretary, and the local community support and participate in the design and implementation of the activities proposed to be funded under the application.

In each fiscal year, the Secretary may give preference to applications under this subsection for housing made by applicants who received a grant for such housing for the preceding fiscal year under this subsection or under the provisions of this chapter as in effect immediately before the date of the enactment of the Housing Opportunity and Responsibility Act of 1997.

''(5) ADDITIONAL CRITERIA FOR FEDERALLY ASSISTED LOW-INCOME HOUSING.—In addition to the selection criteria under paragraph (4), the Secretary may establish other criteria for evaluating applications submitted by owners of federally assisted low-income housing, except that such additional criteria shall be designed only to reflect—

''(A) relevant differences between the financial resources and other characteristics of public housing agencies and owners of federally assisted low-income housing; or

''(B) relevant differences between the problem of crime in public housing administered by such authorities and the problem of crime in federally assisted low-income housing.''.

(d) DEFINITIONS.—Section 5126 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11905) is amended—

(1) by striking paragraphs (1) and (2);

(2) in paragraph (4)(A), by striking ''section'' before ''221(d)(4)'';

(3) by redesignating paragraphs (3) and (4) (as so amended) as paragraphs (1) and (2), respectively; and

(4) by adding at the end the following new paragraph:

''(3) PUBLIC HOUSING AGENCY.—The term 'public housing agency' has the meaning given the term in section 3 of the United States Housing Act of 1937.''.

(e) IMPLEMENTATION.—Section 5127 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11906) is amended by striking ''Cranston-Gonzalez National Affordable Housing Act'' and inserting ''Public Housing Management Reform Act of 1997''.

(f) REPORTS.—Section 5128 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11907) is amended—

(1) by striking ''drug-related crime in'' and inserting ''crime in and around''; and

(2) by striking ''described in section 5125(a)'' and inserting ''for the grantee submitted under subsection (a) or (b) of section 5125, as applicable''.

(g) FUNDING AND PROGRAM SUNSET.—Chapter 2 of subtitle C of title V of the Anti-Drug Abuse Act of 1988 is amended by striking section 5130 (42 U.S.C. 11909) and inserting the following new section:

''SEC. 5130. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this chapter $290,000,000 for each of fiscal years 1998, 1999, 2000, 2001, and 2002.

''(b) ALLOCATION.—Of any amounts available, or that the Secretary is authorized to use, to carry out this chapter in any fiscal year—

''(1) 85 percent shall be available only for assistance pursuant to section 5125(a) to public housing agencies that own or operate 250 or more public housing dwelling units;

''(2) 10 percent shall be available only for assistance pursuant to section 5125(b)(2) to public housing agencies that own or operate fewer than 250 public housing dwelling units; and

''(3) 5 percent shall be available only for assistance to federally assisted low-income housing pursuant to section 5125(b)(3).

''(c) RETENTION OF PROCEEDS OF ASSET FORFEITURES BY INSPECTOR GENERAL.—Notwithstanding section 3302 of title 31, United States Code, or any other provision of law affecting the crediting of collections, the proceeds of forfeiture proceedings and funds transferred to the Office of Inspector General of the Department of Housing and Urban Development, as a participating agency, from the Department of Justice Assets Forfeiture Fund or the Department of the Treasury Forfeiture Fund, as an equitable share from the forfeiture of property in investigations in which the Office of Inspector General participates, shall be deposited to the credit of the Office of Inspector General for Operation Safe Home activities authorized under the Inspector General Act of 1978, as amended, to remain available until expended.''.

(h) CONFORMING AMENDMENTS.—The table of contents in section 5001 of the Anti-Drug Abuse Act of 1988 (Public Law 100–690; 102 Stat. 4295) is amended—

(1) by striking the item relating to the heading for chapter 2 of subtitle C of title V and inserting the following:

''CHAPTER 2—COMMUNITY PARTNERSHIPS AGAINST CRIME'';

(2) by striking the item relating to section 5122 and inserting the following new item:

''Sec. 5122. Purposes.'';

(3) by striking the item relating to section 5125 and inserting the following new item:

''Sec. 5125. Grant procedures.'';

and

(4) by striking the item relating to section 5130 and inserting the following new item:

''Sec. 5130. Funding.''.

(i) TREATMENT OF NOFA.—The cap limiting assistance under the Notice of Funding Availability issued by the Department of Housing and Urban Development in the Federal Register of April 8, 1996, shall not apply to a public housing agency within an area designated as a high intensity drug trafficking area under section 1005(c) of the Anti-Drug Abuse Act of 1988 (21 U.S.C. 1504(c)).

(j) EFFECTIVE DATE.—This section and the amendments made by this section shall take effect on the date of the enactment of this Act.

SEC. 212. STUDY REGARDING RENTAL ASSISTANCE.

The Secretary shall conduct a nationwide study of 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 program 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 program 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.

TITLE III—''ONE-STRIKE AND YOU'RE OUT'' OCCUPANCY PROVISIONS

SEC. 301. SCREENING OF APPLICANTS.

(a) INELIGIBILITY BECAUSE OF PAST EVICTIONS.—Any household or member of a household evicted from federally assisted housing (as defined in section 305) by reason of drug-related criminal activity (as defined in section 305) or for other serious violations of the terms or conditions of the lease shall not be eligible for federally assisted housing—

(1) in the case of eviction by reason of drug-related criminal activity, for a period of not less than three years from the date of the eviction unless the evicted member of the household successfully completes a rehabilitation program; and

(2) for other evictions, for a reasonable period of time as determined by the public housing agency or owner of the federally assisted housing, as applicable.

The requirements of paragraphs (1) and (2) may be waived if the circumstances leading to eviction no longer exist.

(b) INELIGIBILITY OF ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, or both, as determined by the Secretary, shall establish standards that prohibit admission to the program or admission to federally assisted housing for any household with a member—

(1) who the public housing agency or the owner determines is engaging in the illegal use of a controlled substance; or

(2) with respect to whom the public housing agency or the owner determines that it has reasonable cause to believe that such household member's illegal use (or pattern of illegal use) of a controlled substance, or abuse (or pattern of abuse) of alcohol would interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(c) CONSIDERATION OF REHABILITATION.—In determining whether, pursuant to subsection (b)(2), to deny admission to the program or to federally assisted housing to any household based on a pattern of illegal use of a controlled substance or a pattern of abuse of alcohol by a household member, a public housing agency or an owner may consider whether such household member—

(1) has successfully completed an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in

the illegal use of a controlled substance or abuse of alcohol (as applicable);

(2) has otherwise been rehabilitated successfully and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable); or

(3) is participating in an accredited drug or alcohol rehabilitation program (as applicable) and is no longer engaging in the illegal use of a controlled substance or abuse of alcohol (as applicable).

(d) AUTHORITY TO DENY ADMISSION TO THE PROGRAM OR TO FEDERALLY ASSISTED HOUSING FOR CERTAIN CRIMINAL OFFENDERS.—In addition to the provisions of subsections (a) and (b) and in addition to any other authority to screen applicants, in selecting among applicants for admission to the program or to federally assisted housing, if the public housing agency or owner of such housing, as applicable, determines that an applicant or any member of the applicant's household is or was, during a reasonable time preceding the date when the applicant household would otherwise be selected for admission, engaged in any drug-related or violent criminal activity or other criminal activity which would adversely affect the health, safety, or right to peaceful enjoyment of the premises by other residents, the owner or public housing agency may—

(1) deny such applicant admission to the program or to federally assisted housing; and

(2) after expiration of the reasonable period beginning upon such activity, require the applicant, as a condition of admission to the program or to federally assisted housing, to submit to the owner or public housing agency evidence sufficient (as the Secretary shall by regulation provide) to ensure that the individual or individuals in the applicant's household who engaged in such criminal activity for which denial was made under this subsection have not engaged in any such criminal activity during such reasonable time.

(e) AUTHORITY TO REQUIRE ACCESS TO CRIMINAL RECORDS.——A public housing agency may require, as a condition of providing admission to the public housing program, that each adult member of the household provide a signed, written authorization for the public housing agency to obtain records described in section 304 regarding such member of the household from the National Crime Information Center, police departments, and other law enforcement agencies.

SEC. 302. TERMINATION OF TENANCY AND ASSISTANCE.

(a) TERMINATION OF TENANCY AND ASSISTANCE FOR ILLEGAL DRUG USERS AND ALCOHOL ABUSERS.—Notwithstanding any other provision of law, a public housing agency or an owner of federally assisted housing, as applicable, shall establish standards or lease provisions for continued assistance or occupancy in federally assisted housing that allow a public housing agency or the owner, as applicable, to terminate the tenancy or assistance for any household with a member—

(1) who the public housing agency or owner determines is engaging in the illegal use of a controlled substance; or

(2) whose illegal use of a controlled substance, or whose abuse of alcohol, is determined by the public housing agency or owner to interfere with the health, safety, or right to peaceful enjoyment of the premises by other residents.

(b) TERMINATION OF ASSISTANCE FOR SERIOUS LEASE VIOLATION.—Notwithstanding any other provision of law, the public housing agency must terminate tenant-based assistance for all household members if the household is evicted from assisted housing for serious violation of the lease.

SEC. 303. LEASE REQUIREMENTS.

In addition to any other applicable lease requirements, each lease for a dwelling unit in federally assisted housing shall provide that—

(1) the owner may not terminate the tenancy except for serious or repeated violation of the terms and conditions of the lease, violation of applicable Federal, State, or local law, or other good cause; and

(2) grounds for termination of tenancy shall include any activity, engaged in by the tenant, any member of the tenant's household, any guest, or any other person under the control of any member of the household, that—

(A) threatens the health or safety of, or right to peaceful enjoyment of the premises by, other tenants or employees of the public housing agency, owner or other manager of the housing,

(B) threatens the health or safety of, or right to peaceful enjoyment of their residences by, persons residing in the immediate vicinity of the premises, or

(C) is drug-related or violent criminal activity on or off the premises.

SEC. 304. AVAILABILITY OF CRIMINAL RECORDS FOR PUBLIC HOUSING TENANT SCREENING AND EVICTION.

(a) IN GENERAL.—

(1) PROVISION OF INFORMATION.—Notwithstanding any other provision of law other than paragraphs (2) and (3), upon the request of a public housing agency, the National Crime Information Center, a police department, and any other law enforcement agency shall provide to the public housing agency information regarding the criminal conviction records of an adult applicant for, or tenants of, the public housing for purposes of applicant screening, lease enforcement, and eviction, but only if the public housing agency requests such information and presents to such Center, department, or agency a written authorization, signed by such applicant, for the release of such information to such public housing agency.

(2) EXCEPTION.—A law enforcement agency described in paragraph (1) shall provide information under this paragraph relating to any criminal conviction of a juvenile only to the extent that the release of such information is authorized under the law of the applicable State, tribe, or locality.

(b) CONFIDENTIALITY.—A public housing agency receiving information under this section may use such information only for the purposes provided in this section and such information may not be disclosed to any person who is not an officer, employee, or authorized representative of the public housing agency and who has a job-related need to have access to the information in connection with admission of applicants, eviction of tenants, or termination of assistance. However, for judicial eviction proceedings, disclosures may be made to the extent necessary. The Secretary shall, by regulation, establish procedures necessary to ensure that information provided under this section to any public housing agency is used, and confidentiality of such information is maintained, as required under this section.

(c) OPPORTUNITY TO DISPUTE.—Before an adverse action is taken with regard to assistance for public housing on the basis of a criminal record, the public housing agency shall provide the tenant or applicant with a copy of the criminal record and an opportunity to dispute the accuracy and relevance of that record.

(d) FEE.—A public housing agency may be charged a reasonable fee for information provided under subsection (a).

(e) RECORDS MANAGEMENT.—Each public housing agency that receives criminal record information under this section shall establish and implement a system of records management that ensures that any criminal record received by the agency is—

(1) maintained confidentially;

(2) not misused or improperly disseminated; and

(3) destroyed in a timely fashion, once the purpose for which the record was requested has been accomplished.

(f) PENALTY.—Any person who knowingly and willfully requests or obtains any information concerning an applicant for, or resident of, public housing pursuant to the authority under this section under false pretenses, or any person who knowingly or willfully discloses any such information in any manner to any individual not entitled under any law to receive it, shall be guilty of a misdemeanor and fined not more than $5,000. The term ''person'' as used in this subsection shall include an officer, employee, or authorized representative of any public housing agency.

(g) CIVIL ACTION.—Any applicant for, or resident of, public housing affected by (1) a negligent or knowing disclosure of information referred to in this section about such person by an officer or employee of any public housing agency, which disclosure is not authorized by this section, or (2) any other negligent or knowing action that is inconsistent with this section, may bring a civil action for damages and such other relief as may be appropriate against any public housing agency responsible for such unauthorized action. The district court of the United States in the district in which the affected applicant or resident resides, in which such unauthorized action occurred, or in which the officer or employee alleged to be responsible for any such unauthorized action resides, shall have jurisdiction in such matters. Appropriate relief that may be ordered by such district courts shall include reasonable attorney's fees and other litigation costs.

(h) DEFINITION OF ADULT.—For purposes of this section, the term ''adult'' means a person who is 18 years of age or older, or who has been convicted of a crime as an adult under any Federal, State, or tribal law.

SEC. 305. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) FEDERALLY ASSISTED HOUSING.—The term ''federally assisted housing'' means a unit in—

(A) public housing under the United States Housing Act of 1937;

(B) housing assisted under section 8 of the United States Housing Act of 1937 including both tenant-based assistance and project-based assistance;

(C) housing that is assisted under section 202 of the Housing Act of 1959 (as amended by section 801 of the Cranston-Gonzalez National Affordable Housing Act);

(D) housing that is assisted under section 202 of the Housing Act of 1959, as such section existed before enactment of the Cranston-Gonzalez National Affordable Housing Act;

(E) housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act;

(F) housing financed by a loan or mortgage insured under section 221(d)(3) of the National Housing Act that bears interest at a rate determined under the proviso of section 221(d)(5) of such Act;

(G) housing with a mortgage insured, assisted, or held by the Secretary or a State or State agency under section 236 of the National Housing Act; and

(H) for purposes only of subsections 301(c), 301(d), 303, and 304, housing assisted under section 515 of the Housing Act of 1949.

(2) DRUG-RELATED CRIMINAL ACTIVITY.—The term ''drug-related criminal activity'' means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in section 102 of the Controlled Substances Act (21 U.S.C. 802)).

(3) OWNER.—The term ''owner'' means, with respect to federally assisted housing, the entity or private person, including a cooperative or public housing agency, that has the legal right to lease or sublease dwelling units in such housing.

SEC. 306. CONFORMING AMENDMENTS.

(a) CONSOLIDATION OF PUBLIC HOUSING ONE STRIKE PROVISIONS.—Section 6 of the United States Housing Act of 1937 is amended—

(1) by striking subsections (l)(4) and (l)(5) and the last sentence of subsection (l), and redesignating paragraphs (6) and (7) as paragraphs (4) and (5);

(2) by striking subsection (q); and

(3) by striking subsection (r).

(b) CONSOLIDATION OF SECTION 8 ONE STRIKE PROVISIONS.—Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) is amended—

(1) by striking subsections (d)(1)(B)(ii) and (d)(1)(B)(iii), and redesignating clauses (iv) and (v) as clauses (ii) and (iii); and

(2) by striking subsection (f)(5) and redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(c) CONSOLIDATION OF ONE STRIKE ELIGIBILITY PROVISIONS.—Section 16 of the United States Housing Act of 1937 is amended by striking subsection (e).

TITLE IV—TREATMENT OF AMOUNTS

SEC. 401. REQUIREMENT OF APPROPRIATIONS.

Notwithstanding any other provision of this Act, any provision of this Act or of any amendment made by this Act that otherwise provides amounts or makes amounts available shall be effective only to the extent or in such amounts as are or have been provided in advance in appropriation Acts.

H.R. 2

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 11: Page 96, strike line 1 and all that follows through page 97, line 22, and insert the following:

(c) INCOME MIX.—

(1) PHA-WIDE REQUIREMENT.—Of the public housing dwelling units of a public housing agency made available for occupancy by eligible families in any fiscal year of the agency—

(A) not less than 40 percent shall be occupied by families whose incomes do not exceed 30 percent of the area median income; and

(B) not less than 90 percent shall be occupied by families whose incomes do not exceed 60 percent of the area median income.

(2) PROHIBITION OF CONCENTRATION OF LOW-INCOME FAMILIES.—A public housing agency may not, in complying with the requirements under paragraph (1), concentrate very low-income families (or other families with relatively low incomes) in public housing dwelling units in certain public housing developments or certain buildings within developments. The Secretary may review the income and occupancy characteristics of the public housing developments, and the buildings of such developments, of public housing agencies to ensure compliance with the provisions of this paragraph.

(3) AREA MEDIAN INCOME.—For purposes of this subsection, the term ''area median income'' means the median income of an area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in this subsection if the Secretary finds determines that such variations are necessary because of unusually high or low family incomes.

H.R. 2

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 12: Page 174, line 20, insert ''**VERY**'' before ''**LOW-INCOME**''.

Page 175, line 11, insert ''very'' before ''low-income''.

Page 187, line 5, insert ''VERY'' before ''LOW-INCOME''.

Page 187, line 10, insert ''very'' before ''low-income''.

Page 187, strike lines 13 through 22 and insert the following:

(b) INCOME TARGETING.—

(1) PHA-WIDE REQUIREMENT.—Of all the families who initially receive housing assistance under this title from a public housing agency in any fiscal year of the agency, not less than 75 percent shall be families whose incomes do not exceed 30 percent of the area median income.

(2) AREA MEDIAN INCOME.—For purposes of this subsection, the term ''area median income'' means the median income of an area, as determined by the Secretary with adjustments for smaller and larger families, except that the Secretary may establish income ceilings higher or lower than the percentages specified in subsection (a) if the Secretary finds determines that such variations are necessary because of unusually high or low family incomes.

Page 205, line 7, insert ''very'' before ''low-income''.

Page 205, line 24, insert ''very'' before ''low-''.

Page 211, line 6, insert ''very'' before ''low-income''.

Page 214, line 1, insert ''very'' before ''low-income''.

H.R. 2

OFFERED BY: MR. KENNEDY OF MASSACHUSETTS

AMENDMENT NO. 13: Page 220, strike line 12 and all that follows through line 12 on page 237 (and redesignate subsequent provisions and any references to such provisions, and conform the table of contents, accordingly).

H.R. 2

OFFERED BY: MR. KLINK

AMENDMENT NO. 14: Page 335, after line 6, insert the following new section:

SEC. 709. CONSULTATION WITH LOCAL GOVERNMENTS.

The Department of Housing and Urban Development Act (42 U.S.C. 3531 et seq.) is amended by inserting after section 12 the following new section:

''CONSULTATION WITH LOCAL GOVERNMENTS REGARDING LOW-INCOME HOUSING ASSISTANCE FOR MULTIFAMILY HOUSING PROJECTS

''SEC. 13. (a) IN GENERAL.—After the completion of any selection process regarding low-income housing assistance, but before making any new commitment or obligation for low-income housing assistance for a multifamily housing project selected for such assistance, the Secretary shall—

''(1) notify the chief executive officer (or other appropriate official) of the unit of general local government in which the housing to be assisted is located (or to be located) of such commitment or obligation; and

''(2) pursuant to the request of such unit of general local government, provide such information as may reasonably be requested by such unit of general local government regarding the assisted housing project (except to the extent otherwise prohibited by law) and consult with representatives of such local government regarding the assisted housing project.

This section may not be construed to authorize the release of any covered selection information during any selection process which is otherwise prohibited under section 12.

''(b) DEFINITIONS.—For purposes of this section, the following definitions shall apply:

''(1) COVERED SELECTION INFORMATION.—The term 'covered selection information' has the meaning given such term in section 12(e).

''(2) LOW-INCOME HOUSING ASSISTANCE.—The term 'low-income housing assistance' means any grant, loan, subsidy, guarantee, insurance, or other financial assistance for new or existing housing provided under a program administered by the Secretary, under which occupancy or ownership of some or all of the dwelling units in the housing assisted is limited, restricted, or determined (pursuant to the laws or regulations relating to such assistance) based on the income of the individual or family occupying or purchasing the unit.

''(3) MULTIFAMILY HOUSING PROJECT.—The term 'multifamily housing project' means a property that consists of 5 or more dwelling units.

''(4) NEW.—The term 'new', when used in reference to the commitment or obligation of low-income housing assistance for a multifamily housing project, means that, at the time such commitment or obligation is made—

''(A) such project is not receiving such low-income housing assistance and is not subject to a contract or agreement under the program for such low-income housing assistance; and

''(B) such commitment or obligation is not made pursuant to the renewal of a previous contract, obligation, or commitment for such assistance for such project.

''(5) SELECTION PROCESS.—The term 'selection process' has the meaning given such term in section 12(e).

''(6) UNIT OF GENERAL LOCAL GOVERNMENT.—The term 'unit of general local government' means any city, town, township, county, parish, village, or other general purpose political subdivision of a State.''.

H.R. 2

OFFERED BY: MR. LAZIO

AMENDMENT NO. 15 Page 78, line 22, after ''used'' insert '', to the extent or in such amounts as are or have been provided in advance in appropriations Acts,''.

Page 79, after line 19, insert the following new subsection:

(e) ELIGIBLE ACTIVITIES FOR INCREASED INCOME.—Any public housing agency that derives increased nonrental or rental income, as referred to in subsection (c)(2)(B) or (d)(1)(D) of section 204 or pursuant to provision of mixed-income developments under section 221(c)(2), may use such amounts for any eligible activity under paragraph(1) or (2) of subsection (a) of this section or for providing choice-based housing assistance under title III.

Page 116, line 6, after ''used'' insert '', to the extent or in such amounts as are or have been provided in advance in appropriations Acts,''.

Page 137, line 14, strike ''for financial assistance under this title'' and insert ''under section 282(1) for use under the capital fund''.

Page 164, after line 16, insert the following:

(n) TREATMENT OF PREVIOUS SELECTIONS.—A public housing agency that has been selected to receive amounts under the notice of funding availability for fiscal year 1996 amounts for the HOPE VI program (provided under the heading ''PUBLIC HOUSING DEMOLITION, SITE REVITALIZATION, AND REPLACEMENT HOUSING GRANTS'' in title II of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1996 (42 U.S.C. 14371

note) (enacted as section 101(e) of Omnibus Consolidated Rescission and Appropriations Act of 1996 (Public Law 104–134; 100 Stat. 1321–269)) may apply to the Secretary of Housing and Urban Development for a waiver of the total development cost rehabilitation requirement otherwise applicable under such program, and the Secretary may waive such requirement, but only (1) to the extent that a designated site for use of such amounts does not have dwelling units that are considered to be obsolete under Department of Housing and Urban Development regulations in effect upon the date of the enactment of this Act, and (2) if the Secretary determines that the public housing agency will continue to comply with the purposes of the program notwithstanding such waiver.

Page 170, line 24, strike ''bond issued by the agency'' and insert ''bonds issued by the agency or any State or local governmental agency''.

Page 171, strike lines 5 though 10 and insert the following:

With respect to any dwelling unit in a mixed-finance housing development that is a low-income dwelling unit for which amounts from a block grant under this title are used and that is assisted pursuant to the low-income housing tax credit under section 42 of the Internal Revenue Code of 1986, the rents charged to the residents of the unit shall be determined in accordance with this title, but shall not in any case exceed the amounts allowable under such section 42.

Page 173, line 24, strike ''and'' and all that follows through line 2 on page 174, and insert a period.

Page 184, strikes line 7 and 8 and insert the following:

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 before the effective date of the repeal under section 601(b) of this Act), and for replacement needs for public housing under title II.

Page 184, line 22, after ''227'' insert the following: ''or the establishment of occupancy restrictions in accordance with section 658 of the Housing and Community Development Act of 1992''.

Page 224, strike lines 21 through 25 and insert the following:

(c) RENT POLICY.—A participating jurisdiction shall ensure that the rental contributions charged to families assisted with amounts received pursuant to this title—

(1) do not exceed the amount that would be chargeable under title II to such families were such families residing in public housing assisted under such title; or

(2) are established, pursuant to approval by the Secretary of a proposed rent structure included in the application under section 406, at levels that are reasonable and designed to eliminate any disincentives for members of the family to obtain employment and attain economic self-sufficiency.

Page 228, line 18, strike ''section'' and insert ''title''.

Page 228, after line 25, insert the following:

(k) COMMUNITY WORK REQUIREMENT.—

(1) APPLICABILITY OF REQUIREMENTS FOR PHA'S.—Except as provided in paragraph (2), participating jurisdictions, families assisted with amounts received pursuant to this title, and dwelling units assisted with amounts received pursuant to this title, shall be subject to the provisions of section 105 to the same extent that such provisions apply with respect to public housing agencies, families residing in public housing dwelling units and families assisted under title III, and public housing dwelling units and dwelling units assisted under title III.

(2) LOCAL COMMUNITY SERVICE ALTERNATIVE.—Paragraph (1) shall not apply to a participating jurisdiction that, pursuant to approval by the Secretary of a proposal included in the application under section 406, is carrying out a local program that is designed to foster community service by families assisted with amounts received pursuant to this title.

(l) INCOME TARGETING.—In providing housing assistance using amounts received pursuant to this title in any fiscal year, a participating jurisdiction shall ensure that the number of families having incomes that do not exceed 30 percent of the area median income that are initially assisted under this title during such fiscal year is not less than substantially the same number of families having such incomes that would be initially assisted in such jurisdiction during such fiscal year under titles II and III pursuant to sections 222(c) and 321(b)).

Page 233, line 7, after the period insert the following: ''Upon approving or disapproving an application under this paragraph, the Secretary shall make such determination publicly available in writing together with a written statement of the reasons for such determination.''.

Page 320, line 13, strike the period and insert ''; or''.

Page 320, after line 13, insert the following:

(C) with respect only to activity engaged in by the tenant or any member of the tenant's household, is criminal activity on or off the premises.

Page 335, after line 6, insert the following new section:

SEC. 709. PROTECTION OF SENIOR HOMEOWNERS UNDER REVERSE MORTGAGE PROGRAM.

(a) DISCLOSURE REQUIREMENTS; PROHIBITION OF FUNDING OF UNNECESSARY OR EXCESSIVE COSTS.—Section 255(d) of the National Housing Act (12 U.S.C. 1715z–20(d)) is amended—

(1) in paragraph (2)—

(A) in subparagraph (B), by striking ''and'' at the end;

(B) by redesignating subparagraph (C) as subparagraph (D); and

(C) by inserting after subparagraph (B) the following:

''(C) has received full disclosure of all costs to the mortgagor for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services; and'';

(2) in paragraph (9)(F), by striking ''and'';

(3) in paragraph (10), by striking the period at the end and inserting ''; and''; and

(4) by adding at the end the following:

''(11) have been made with such restrictions as the Secretary determines to be appropriate to ensure that the mortgagor does not fund any unnecessary or excessive costs for obtaining the mortgage, including any costs of estate planning, financial advice, or other related services; such restrictions shall include a requirement that the mortgagee ask the mortgagor about any fees that the mortgagor has incurred in connection with obtaining the mortgage and a requirement that the mortgagee be responsible for ensuring that the disclosures required by subsection (d)(2)(C) are made.''.

(b) IMPLEMENTATION.—

(1) NOTICE.—The Secretary of Housing and Urban Development shall, by interim notice, implement the amendments made by subsection (a) in an expeditious manner, as determined by the Secretary. Such notice shall not be effective after the date of the effectiveness of the final regulations issued under paragraph (2) of this subsection.

(2) REGULATIONS.—The Secretary shall, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, issue final regulations to implement the amendments made by subsection (a). Such regulations shall be issued only after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2) and (b)(B) of such section.)

H.R. 2

OFFERED BY: MR. MCCOLLUM

AMENDMENT NO. 16: Page 327, strike lines 23 through 25, and insert the following new title after section VII.

SECTION VIII. OCCUPANCY STANDARDS

(a) NATIONAL STANDARD PROHIBITED.—The Secretary shall not directly or indirectly establish a national occupancy standard.

(b) STATE STANDARD.—If a State establishes an occupancy standard, such standard shall be presumed reasonable for the purpose of determining familial status discrimination in residential rental dwellings.

(c) ABSENCE OF STATE STANDARD.—If a State fails to establish an occupancy standard, an occupancy standard that is established by a housing provider and that is not in contravention of the guidance enunciated in the Memorandum from the General Counsel of the Department of Housing and Urban Development to all regional counsel, of March 20, 1991, shall be presumed reasonable for the purpose of determining familial status discrimination, except that for purposes of this section, the paragraph on page 4 of such memorandum under the heading ''State and local law'' shall not apply.

(d) DEFINITIONS.—

(1) OCCUPANCY STANDARD.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''occupancy standard'' means a law, regulation, or housing provider policy that establishes a limit on the number of residents a housing provider can manage in a dwelling for any 1 or more of the following purposes:

(i) Providing a decent home and services for each resident.

(ii) Enhancing the livability of a dwelling for all residents, including the dwelling for each particular resident.

(iii) Avoiding undue physical deterioration of the dwelling and property.

(B) EXCEPTION.—The term ''occupancy standard'' does not include a Federal, State, or local restriction regarding the maximum number of persons permitted to occupy a dwelling for the sole purpose of protecting the health and safety of the residents of a dwelling, including building and housing code provisions.

(2) INFANT.—The term ''infant'' means a child who—

(A) is less than 6 months old; and

(B) sleeps in the same bedroom as the child's parent, guardian, legal custodian, or person applying for that status with respect to that child.

(e) INAPPLICABILITY.—

(1) PURPOSEFUL DISCRIMINATION.—This section does not apply to any purposeful discrimination on the basis of race, color, religion, sex, familial status, handicap, or national origin.

(2) DISCRIMINATION ON THE BASIS OF HANDICAP.—Nothing in this section shall be construed to affect the decision of the United States Supreme Court set forth in City of Edmonds, WA v. Oxford House, Inc. (115 S. Ct. 1776 (1995)).

H.R. 2

OFFERED BY: MR. MCCOLLUM

AMENDMENT NO. 17: Page 327, strike lines 23 through 25, and insert the following:

(a) NATIONAL STANDARD PROHIBITED.—The Secretary shall not directly or indirectly establish a national occupancy standard.

(b) STATE STANDARD.—If a State establishes an occupancy standard, such standard shall be presumed reasonable for the purpose of determining familial status discrimination in residential rental dwelling.

(c) ABSENCE OF STATE STANDARD.—If a State fails to establish an occupancy standard, an occupancy standard of 2 persons per bedroom plus infants that is established by a housing provider shall be presumed reasonable for the purpose of determining familial status discrimination in residential rental dwellings.

(d) DEFINITIONS.—

(1) OCCUPANCY STANDARD.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the term ''occupancy standard'' means a law, regulation, or housing provider policy that establishes a limit on the number of residents a housing provider can manage in a dwelling for any 1 or more of the following purposes:

(i) Providing a decent home and services for each resident.

(ii) Enhancing the livability of a dwelling for all residents, including the dwelling for each particular resident.

(iii) Avoiding undue physical deterioration of the dwelling and property.

(B) EXCEPTION.—The term ''occupancy standard'' does not include a Federal, State, or local restriction regarding the maximum number of persons permitted to occupy a dwelling for the sole purpose of protecting the health and safety of the residents of a dwelling, including building and housing code provisions.

(2) INFANT.—The term ''infant'' means a child who—

(A) is less than 6 months old; and

(B) sleeps in the same bedroom as the child's parent, guardian, legal custodian, or person applying for that status with respect to that child.

(e) INAPPLICABILITY.—

(1) PURPOSEFUL DISCRIMINATION.—This section does not apply to any purposeful discrimination on the basis of race, color, religion, sex, familial status, handicap, or national origin.

(2) DISCRIMINATION ON THE BASIS OF HANDICAP.—Nothing in this section shall be construed to affect the decision of the United States Supreme Court set forth in City of Edmonds, WA v. Oxford House, Inc. (115 S. Ct 1776 (1995)).

H.R. 2

OFFERED BY: MR. NADLER

AMENDMENT NO. 18: Page 184, strike lines 5 through 8 and insert the following:

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with housing assistance under this title for each of fiscal years 1998, 1999, 2000, 2001, and 2002—

(1) such sums as may be necessary to renew any contracts for choice-based assistance under this title or tenant-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the repeal under section 601(b) of this Act) that expire during such fiscal year, only for use for such purpose; and

(2) $305,000,000, only for use for incremental assistance under this title.

H.R. 2

OFFERED BY: MR. SCHUMER

AMENDMENT NO. 19: Page 184, strike lines 5 through 8 and insert the following:

(a) IN GENERAL.—There is authorized to be appropriated for providing public housing agencies with housing assistance under this title for each of fiscal years 1998, 1999, 2000, 2001, and 2002—

(1) such sums as may be necessary to renew any contracts for choice-based assistance under this title or tenant-based assistance under section 8 of the United States Housing Act of 1937 (as in effect before the repeal under section 601(b) of this Act) that expire during such fiscal year, only for use for such purpose; and

(2) $305,000,000, only for use for incremental assistance under this title.

H.R. 2

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 20: Page 332, after line 2, insert the following:

SEC. 706. REGIONAL COOPERATION UNDER CDBG ECONOMIC DEVELOPMENT INITIATIVE.

Section 108(q)(4) (42 U.S.C. 5308(q)(4)) of the Housing and Community Development Act of 1974 is amended—

(1) by striking ''and'' after the semicolon in subparagraph (C);

(2) by redesignating subparagraph (D) as subparagraph (E); and

(3) by inserting after subparagraph (C) the following:

''(D) when applicable as determined by the Secretary, the extent of regional cooperation demonstrated by the proposed plan; and''.

H.R. 2

OFFERED BY: MR. TRAFICANT

AMENDMENT NO. 21: Page 335, after line 6, insert the following new section:

SEC. 709. HOUSING COUNSELING.

(a) EXTENSION OF EMERGENCY HOMEOWNERSHIP COUNSELING.—Section 106(c)(9) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(9)) is amended by striking ''September 30, 1994'' and inserting ''September 30, 1999''.

(b) EXTENSION OF PREPURCHASE AND FORECLOSURE PREVENTION COUNSELING DEMONSTRATION.—Section 106(d)(13) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d)(12)) is amended by striking ''fiscal year 1994'' and inserting ''fiscal year 1999''.

(c) NOTIFICATION OF DELINQUENCY ON VETERANS HOME LOANS.—

Subparagraph (C) of section 106(c)(5) of the Housing and Urban Development Act of 1968 is amended to read as follows:

''(C) NOTIFICATION—Notification under subparagraph (A) shall not be required with respect to any loan for which the eligible homeowner pays the amount overdue before the expiration of the 45-day period under subparagraph (B)(ii).''.

H.R. 2

OFFERED BY: MR. VENTO

AMENDMENT NO. 22: Page 40, line 19, strike ''and''.

Page 40, line 19, insert the following new subparagraph:

(G) the procedures for coordination with entities providing assistance to homeless families in the jurisdiction of the agency; and

Page 40, line 20, strike ''(G)'' and insert ''(H)''.

H.R. 2

OFFERED BY: MR. VENTO

AMENDMENT NO. 23: Page 104, line 24, insert after ''program'' the following:

'', including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996''.

H.R. 2

OFFERED BY: MR. VENTO

AMENDMENT NO. 24: Page 193, line 21, insert after ''program'' the following:

'', including a family that includes a member who is an alien lawfully admitted for permanent residence under the Immigration and Nationality Act who would be entitled to public benefits but for title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996''.

H.R. 2

OFFERED BY: MR. VENTO

AMENDMENT NO. 25: Page 244, strike line 1 and all that follows through line 8 on page 254, and insert the following:

Subtitle C—Public Housing Management Assessment Program

H.R. 2

OFFERED BY: MS. WATERS

AMENDMENT NO. 26: Page 57, strike lines 14 through 22 and insert the following:

(b) EXCLUSION FROM ADMINISTRATIVE PROCEDURE OF GRIEVANCES CONCERNING EVICTIONS FROM PUBLIC HOUSING INVOLVING HEALTH, SAFETY, OR PEACEFUL ENJOYMENT.—A public housing agency may exclude from its procedure established under subsection (a) any grievance, in any jurisdiction which requires that prior to eviction, a tenant be given a hearing in court, which the Secretary determines provides the basic elements of due process (which the Secretary shall establish by rule under section 553 of title 5, United States Code), concerning an eviction from or termination of tenancy in public housing that involves any activity that threatens the health, safety, or right to peaceful enjoyment of the premises of other tenants or employees of the public housing agency or any drug-related criminal activity on or off such premises.

H.R. 2

OFFERED BY: MR. WATT OF NORTH CAROLINA

AMENDMENT NO. 27: Page 25, line 21, strike ''**COMMUNITY WORK AND**''.

Page 25, strike line 23 and all that follows through page 27, line 10.

Page 32, line 2, strike ''subsection (a) and''.

Page 33, line 3, strike ''COMMUNITY WORK AND''.

Page 33, line 6, strike ''community work and''.

Page 33, strike line 23 and all that follows through page 34, line 2.

Page 34, strike lines 23 and 24.

H.R. 867

OFFERED BY: MR. BURTON

AMENDMENT NO. 1: In section 475(5)(E) of the Social Security Act, as proposed to be added by section 3(a) of the bill—

(1) add ''or'' at the end of clause (i);

(2) strike ''; or'' at the end of clause (ii) and insert a period followed by close quotation marks and a period; and

(3) strike clause (iii).

H.R. 867

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 2: Add at any appropriate place the following:

''In making adoptive or foster parent placements, the state or appropriate entity shall make efforts to ensure that such prospective adoptive or foster parent is sensitive to the child's ethnic background.''

H.R. 867

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 3: Add at any appropriate place the following:

SEC. PRIORITY IN PROVIDING SUBSTANCE ABUSE TREATMENT

Section 1927 of the Public Health Service Act (42 U.S.C. 300x-27) is amended—

(1) in the heading, by inserting ''**AND CARETAKER PARENTS**'' AFTER ''**WOMEN**'', and

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by inserting ''and all caretaker parents who are referred for treatment by the State or local child welfare agency'' after ''referred for''; and

(ii) by striking ''is given'' and inserting ''are given''; and

(B) in paragraph (2)—

(i) by striking ''such women'' and inserting ''such pregnant women and caretaker parents''; and

(ii) by striking ''the women'' and inserting ''the pregnant women and caretaker parents''.

H.R. 867

OFFERED BY: MS. JACKSON-LEE OF TEXAS

AMENDMENT NO. 4: Add at any appropriate place the following:

SEC. CRIMINAL RECORDS CHECKS FOR PROSPECTIVE FOSTER AND ADOPTIVE PARENTS AND GROUP CARE STAFF

Section 471(a) of the Social Security Act (42 U.S.C. 671(a)) is amended—

(1) in paragraph (18), by striking ''and'' at the end;

(2) in paragraph (19), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(20) provides procedures for criminal records checks and checks of a State's child abuse registry for any prospective foster parent or adoptive parent, and any employee of a child-care institution before the foster care or adoptive parent, or the child-care institution may be finally approved for placement of a child on whose behalf foster care maintenance payments or adoption assistance payments are to be made under the State plan under this part, including procedures requiring that—

''(A) in any case in which a criminal record check reveals a criminal conviction for child abuse or neglect, or spousal abuse, a criminal conviction for crimes against children, or a criminal conviction for a crime involving violence, including rape, sexual or other assault, or homicide, approval shall be granted; and

''(B) in any case in which a criminal record check reveals a criminal conviction for a felony or misdemeanor not involving violence, or a check of any State child abuse registry indicates that a substantiated report of abuse or neglect, final approval may be granted only after consideration of the nature of the offense or incident, the length of time that has elapsed since the commission of the offense or the occurrence of the incident, the individual's life experiences during the period since the commission of the offense or the occurrence of the incident, and any risk to the child.''.

H.R. 867

OFFERED BY: MRS. MORELLA

AMENDMENT NO. 5: At the end of the bill, add the following:

SEC. KINSHIP CARE DEMONSTRATION PROJECTS.

(a) IN GENERAL.—Part E of title IV of the Social Security Act (42 U.S.C. 670–679) is amended by inserting after section 477 the following:

''SEC. 478. KINSHIP CARE DEMONSTRATION PROJECTS.

''(a) PURPOSE.—The purpose of this section is to allow and encourage States to develop effective alternatives to foster care for children who might be eligible for foster care but who have adult relatives who can provide safe and appropriate care for the child.

''(b) DEMONSTRATION AUTHORITY.—The Secretary may authorize any State to conduct a demonstration project designed to determine whether it is feasible to establish kinship care as an alternative to foster care for a child who—

''(1) has been removed from home as a result of a judicial determination that continuation in the home would be contrary to the welfare of the child;

''(2) would otherwise be placed in foster care; and

''(3) has adult relatives willing to provide safe and appropriate care for the child.

''(c) KINSHIP CARE DEFINED.—As used in this section, the term 'kinship care' means safe and appropriate care (including long-term care) of a child by 1 or more adult relatives of the child who have legal custody of the child, or physical custody of the child pending transfer to the adult relative of legal custody of the child.

''(d) PROJECT REQUIREMENTS.—In my demonstration project authorized to be conducted under this section, the State—

''(1) should examine the provision of alternative financial and service supports to families providing kinship care; and

''(2) shall establish such procedures as may be necessary to assure the safety of children who are placed in kinship care.

''(e) WAIVER AUTHORITY.—The Secretary may waive compliance with any requirement of this part which (if applied) would prevent a State from carrying out a demonstration project under this section or prevent the State from effectively achieving the purpose of such a project, except that the Secretary may not waive—

''(1) any provision of section 422(b)(10), section 479, or this section; or

''(2) any provision of this part, to the extent that the waiver would impair the entitlement of any qualified child or family to benefits under a State plan approved under this part.

''(f) PAYMENTS TO STATES; COST NEUTRALITY.—In lieu of any payment under section 473 for expenses incurred by a State during a quarter with respect to a demonstration project authorized to be conducted under this section, the Secretary shall pay to the State an amount equal to the total amount that would be paid to the State for the quarter under this part, in the absence of the project, with respect to the children and families participating in the project.

''(g) USE OF FUNDS.—A State may use funds paid under this section for any purpose related to the provision of services and financial support for families participating in a demonstration project under this section.

''(h) DURATION OF PROJECT.—A demonstration project under this section may be conducted for not more than 5 years.

''(i) APPLICATION.—Any State seeking to conduct a demonstration project under this section shall submit to the Secretary an application, in such form as the Secretary may require, which includes—

''(1) a description of the proposed project, the geographic area in which the proposed project would be conducted, the children or families who would be served by the proposed project, the procedures to be used to assure the safety of such children, and the services which would be provided by the proposed project (which shall provide, where appropriate, for random assignment of children and families to groups served under the project and to control groups);

''(2) a statement of the period during which the proposed project would be conducted, and how, at the termination of the project, the safety and stability of the children and families who participated in the project will be protected;

''(3) a discussion of the benefits that are expected from the proposed project (compared to a continuation of activities under the State plan approved under this part);

''(4) an estimate of the savings to the State of the proposed project;

''(5) a statement of program requirements for which waivers would be needed to permit the proposed project to be conducted;

''(6) a description of the proposed evaluation design; and

''(7) such additional information as the Secretary may require.

''(j) STATE EVALUATIONS AND REPORTS.—Each State authorized to conduct a demonstration project under this section shall—

''(1) obtain an evaluation by an independent contractor of the effectiveness of the project, using an evaluation design approved by the Secretary which provides for—

''(A) comparison of outcomes for children and families (and groups of children and families) under the project, and such outcomes under the State plan approved under this part, for purposes of assessing the effectiveness of the project in achieving program goals; and

''(B) any other information that the Secretary may require;

''(2) obtain an evaluation by an independent contractor of the effectiveness of the State in assuring the safety of the children participating in the project; and

''(3) provide interim and final evaluation reports to the Secretary, at such times and in such manner as the Secretary may require.

''(k) REPORT TO THE CONGRESS.—Not later than 4 years after the date of the enactment of this section, the Secretary shall submit to the Congress a report that contains the recommendations of the Secretary for changes in law with respect to kinship care and placements.''.

(b) CONFORMING AMENDMENTS.—Title IV of the Social Security Act (42 U.S.C. 601 et seq.) is amended—

(1) in section 422(b)—

(A) by striking the period at the end of the paragraph (9) (as added by section 544(3) of the Improving America's Schools Act of 1994 (Public Law 103–382; 108 Stat. 4057)) and inserting a semicolon;

(B) by redesignating paragraph (10) as paragraph (11); and

(C) by redesignating paragraph (9), as added by section 202(a)(3) of the Social Security Act Amendments of 1994 (Public Law 103–432, 108 Stat. 4453), as paragraph (10);

(2) in sections 424(b), 425(a), and 472(d), by striking ''422(b)(9)'' each place it appears and inserting ''422(b)(10)''; and

(3) in section 471(a)—

(A) by striking ''and'' at the end of paragraph (17);

(B) by striking the period at the end of paragraph (18) (as added by section 1808(a) of the Small Business Job Protection Act of 1996 (Public Law 104–188; 110 Stat. 1903)) and inserting ''; and''; and

(C) by redesignating paragraph (18) (as added by section 505(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2278)) as paragraph (19).

H.R. 867

OFFERED BY: MR. TIAHRT

AMENDMENT NO. 6: Strike the matter proposed to be added by section 3(a)(3) of the bill and insert the following:

''(E) in the case of a child who has been in foster care under the responsibility of the State during 12 of the most recent 18 months, and a child in such foster care who has not attained 13 years of age (or such greater age as the State may establish) and with respect whom reasonable efforts of the type described in section 471(a)(15)(A)(i) are discontinued or not made, the State shall seek to terminate all parental rights with respect to the child, unless—

''(i) at the option of the State, the child is being cared for by a relative; or

''(ii) a State court or State agency has documented a compelling reason for determining that filing such a petition would not be in the best interests of the child.''.