

112TH CONGRESS
2D SESSION

S. 3513

To promote the development of local strategies to coordinate use of assistance under sections 8 and 9 of the United States Housing Act of 1937 with public and private resources, to enable eligible families to achieve economic independence and self-sufficiency, and for other purposes.

IN THE SENATE OF THE UNITED STATES

AUGUST 2, 2012

Mr. REED introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To promote the development of local strategies to coordinate use of assistance under sections 8 and 9 of the United States Housing Act of 1937 with public and private resources, to enable eligible families to achieve economic independence and self-sufficiency, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Self-Sufficiency
5 Act”.

1 **SEC. 2. FAMILY SELF-SUFFICIENCY PROGRAM.**

2 (a) IN GENERAL.—Section 23 of the United States
3 Housing Act of 1937 (42 U.S.C. 1437u) is amended—

4 (1) in subsection (a)—

5 (A) by striking “public housing and”; and

6 (B) by striking “the certificate and vouch-
7 er programs under section 8” and inserting
8 “sections 8 and 9”;

9 (2) by amending subsection (b) to read as fol-
10 lows:

11 “(b) CONTINUATION OF PRIOR MANDATORY PRO-
12 GRAMS.—

13 “(1) IN GENERAL.—Each public housing agen-
14 cy that was required to administer a mandatory
15 local Family Self-Sufficiency program on the date of
16 enactment of the Family Self-Sufficiency Act, shall
17 operate such local program for, at a minimum, the
18 number of families the agency was required to serve
19 on the date of enactment of such Act, subject only
20 to the availability under appropriations Acts of suffi-
21 cient amounts for housing assistance and the re-
22 quirements of paragraph (2).

23 “(2) REDUCTION.—The number of families for
24 which an agency is required to operate such local
25 program under paragraph (1) shall be decreased by
26 one for each family that, after the date of enactment

1 of the Family Self-Sufficiency Act fulfills its obliga-
 2 tions under the contract of participation.

3 “(3) EXCEPTION.—The Secretary shall not re-
 4 quire a public housing agency to carry out a manda-
 5 tory program for a period of time upon the request
 6 of the public housing agency and upon a determina-
 7 tion by the Secretary that implementation is not fea-
 8 sible because of local circumstances, which may in-
 9 clude—

10 “(A) lack of supportive services accessible
 11 to eligible families, which shall include insuffi-
 12 cient availability of resources for programs
 13 under title I of the Workforce Investment Act
 14 of 1998 (29 U.S.C. 2801 et seq.);

15 “(B) lack of funding for reasonable admin-
 16 istrative costs;

17 “(C) lack of cooperation by other units of
 18 State or local government; or

19 “(D) any other circumstances that the Sec-
 20 retary may consider appropriate.”;

21 (3) by striking subsection (i);

22 (4) by redesignating subsections (c), (d), (e),
 23 (f), (g), and (h) as subsections (d), (e), (f), (g), (h),
 24 and (i) respectively;

1 (5) by inserting after subsection (b), as pre-
 2 viously amended, the following:

3 “(c) ELIGIBILITY.—

4 “(1) ELIGIBLE FAMILIES.—A family is eligible
 5 to participate in a local Family Self-Sufficiency pro-
 6 gram under this section if—

7 “(A) at least 1 adult family member seeks
 8 to become and remain employed in suitable em-
 9 ployment or to increase earnings; and

10 “(B) the family resides in a unit assisted
 11 under sections 8 or 9.

12 “(2) ELIGIBLE ENTITIES.—The following enti-
 13 ties are eligible to administer a local Family Self-
 14 Sufficiency program under this section:

15 “(A) A public housing agency admin-
 16 istering housing assistance to an eligible family
 17 under section 8 or 9.

18 “(B) The owner or sponsor of a multi-
 19 family property receiving rental assistance
 20 under section 8, in accordance with the require-
 21 ments under subsection (l).”;

22 (6) in subsection (d), as redesignated—

23 (A) in paragraph (1)—

(i) by striking “public housing agency” the first time it appears and inserting “eligible entity”;

(ii) by striking “the certificate and voucher programs of the public housing agency under section 8 or residing in public housing administered by the agency” in the first sentence and inserting “sections 8 or 9”; and

(iii) by striking the third sentence and inserting the following: “Housing assistance may not be terminated as a consequence of either successful completion of the contract of participation or failure to complete such contract.”;

(B) in paragraph (2)—

(i) in the matter preceding subparagraph (A)—

(I) in the first sentence, by striking “provide” and inserting “coordinate the provision of”; and

(II) in the second sentence—

(aa) by striking “provided during” and inserting “for”;

1 (bb) by striking “section 8
2 or residing in public housing”
3 and inserting “sections 8 or 9”;
4 and

5 (cc) by inserting “, but is
6 not limited to” after “may in-
7 clude”;

8 (ii) in subparagraph (D), by inserting
9 “or attainment of a GED” after “high
10 school”;

11 (iii) by striking subparagraph (G);

12 (iv) by redesignating subparagraphs
13 (E), (F), (I), and (J) as subparagraphs
14 (F), (G), (J), and (L) respectively;

15 (v) by adding the following after sub-
16 paragraph (D):

17 “(E) education in pursuit of a post-sec-
18 ondary degree or certification;”;

19 (vi) by adding the following subpara-
20 graph after subparagraph (H):

21 “(I) health and mental health services as
22 needed;”;

23 (vii) by adding the following subpara-
24 graph after subparagraph (J), as so redes-
25 ignated:

1 “(K) homeownership education and assist-
 2 ance; and”;

3 (viii) by striking “and” at the end of
 4 subparagraph (J), as so redesignated; and

5 (ix) in subparagraph (H), by inserting
 6 “financial literacy and” after “training
 7 in”;

8 (C) in paragraph (3), in the second sen-
 9 tence—

10 (i) by striking “public housing agen-
 11 cy” and inserting “eligible entity”; and

12 (ii) by striking “of the agency”;

13 (D) by amending paragraph (4) to read as
 14 follows:

15 “(4) EMPLOYMENT.—The contract of participa-
 16 tion shall require participants to seek and maintain
 17 suitable employment.”; and

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

19 “(5) NONPARTICIPATION.—Assistance under
 20 sections 8 or 9 for a family that elects not to partici-
 21 pate in a local program shall not be delayed by rea-
 22 son of such election.”;

23 (7) in subsection (e), as so redesignated—

24 (A) in paragraph (1), by striking “whose
 25 monthly adjusted income does not exceed 50

1 percent” and all that follows through the period
2 at the end of the third sentence, and inserting
3 “shall be calculated under the rental provisions
4 of section 3 or section 8(o), as applicable.”;

5 (B) in paragraph (2)—

6 (i) by striking the first sentence and
7 inserting the following: “For each partici-
8 pating family, an amount equal to any in-
9 crease in the amount of rent paid by the
10 family in accordance with the provisions of
11 section 3 or 8(o), as applicable, that is at-
12 tributable to increases in earned income by
13 the participating family, shall be placed in
14 an interest-bearing escrow account estab-
15 lished by the eligible entity on behalf of the
16 participating family. Notwithstanding any
17 other provision of law, an eligible entity
18 may use funds it controls under section 8
19 or 9 for purposes of making the escrow de-
20 posit for participating families residing in
21 units assisted under section 8 or 9, respec-
22 tively, provided such funds are offset by
23 the increase in the amount of rent paid by
24 the participating family.”;

1 (ii) by striking the second sentence,
 2 and inserting the following: “All family
 3 self-sufficiency programs administered
 4 under this section shall include an escrow
 5 account.”;

6 (iii) in the fourth sentence, by striking
 7 “subsection (c)” and inserting “subsection
 8 (d)”; and

9 (iv) in the last sentence—

10 (I) by striking “A public housing
 11 agency” and inserting “An eligible en-
 12 tity”; and

13 (II) by striking “the public hous-
 14 ing agency” and inserting “such eligi-
 15 ble entity”; and

16 (C) by amending paragraph (3) to read as
 17 follows:

18 “(3) FORFEITED ESCROW.—Any amount placed
 19 in an escrow account established by an eligible entity
 20 for a participating family as required under para-
 21 graph (2), that exists after the end of a contract of
 22 participation by a participant that does not qualify
 23 to receive the escrow, shall be used for the purposes
 24 of this section in accordance with the regulations
 25 promulgated by the Secretary.”;

(8) in subsection (f), as so redesignated, by striking “, unless the income of the family equals or exceeds 80 percent of the median income of the area (as determined by the Secretary with adjustments for smaller and larger families)”;

(9) in subsection (g), as so redesignated—

(A) in paragraph (1)—

(i) by striking “public housing agency” and inserting “eligible entity”;

(ii) by striking “the public housing agency” and inserting “such eligible entity”; and

(iii) by striking “subsection (g)” and inserting “subsection (h)”;

(B) in paragraph (2)—

(i) by striking “public housing agency” and inserting “eligible entity” each place that term appears;

(ii) by striking “or the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act”;

(iii) by inserting “primary, secondary, and post-secondary” after “public and private”; and

1 (iv) in the second sentence, by insert-
 2 ing “and tenants served by the program,”
 3 after “the unit of general local govern-
 4 ment”;

5 (10) in subsection (h), as so redesignated—

6 (A) in paragraph (1)—

7 (i) by striking “public housing agen-
 8 cy” and inserting “eligible entity”;

9 (ii) by striking “to the Secretary, for
 10 approval by the Secretary,”; and

11 (iii) by striking “participating in the”
 12 and inserting “carrying out a local”;

13 (B) in paragraph (2)—

14 (i) by striking “public housing agen-
 15 cy” and inserting “eligible entity”;

16 (ii) by striking “subsection (f)” and
 17 inserting “subsection (g)”;

18 (iii) by striking “residents of the pub-
 19 lic housing” and inserting “the current
 20 and prospective participants of the pro-
 21 gram”; and

22 (iv) by striking “or the Job Opportu-
 23 nities and Basic Skills Training Program
 24 under part F of title IV of the Social Secu-
 25 rity Act”; and

1 (C) in paragraph (3)—

2 (i) in subparagraph (C)—

3 (I) by striking “subsection
4 (c)(2)” and inserting “subsection
5 (d)(2)”;

6 (II) by striking “provided to”
7 and inserting “coordinated on behalf
8 of participating”; and

9 (III) by striking “the section 8
10 and public housing programs” and in-
11 serting “sections 8 and 9”;

12 (ii) in subparagraph (D)—

13 (I) by striking “subsection (d)”
14 and inserting “subsection (e)”; and

15 (II) by striking “public housing
16 agency” and inserting “eligible enti-
17 ty”;

18 (iii) in subparagraph (E), by striking
19 “deliver” and inserting “coordinate”;

20 (iv) in subparagraph (H), by striking
21 “the Job Opportunities and Basic Skills
22 Training Program under part F of title IV
23 of the Social Security Act and”; and

24 (v) in subparagraph (I), by striking
25 “public housing or section 8 assistance”

1 and inserting “assistance under section 8
2 or 9”;

3 (11) by amending subsection (i), as so redesign-
4 nated, to read as follows:

5 “(i) FAMILY SELF-SUFFICIENCY FEES.—

6 “(1) IN GENERAL.—Subject to appropriations,
7 the Secretary shall establish a fee to be awarded by
8 formula or as otherwise determined by the Sec-
9 retary, for the costs incurred by an eligible entity in
10 administering the self-sufficiency program under this
11 section.

12 “(2) ELIGIBILITY FOR FEE.—The fee estab-
13 lished under paragraph (1) shall provide funding for
14 family self-sufficiency coordinators as follows:

15 “(A) BASE FEE.—An eligible entity serv-
16 ing 25 or more participants in the Family Self-
17 Sufficiency program under this section is eligi-
18 ble to receive a fee equal to the costs, as deter-
19 mined by the Secretary, of one full-time family
20 self-sufficiency coordinator position. The Sec-
21 retary may, by regulation or notice, determine
22 the policy concerning the fee for an eligible en-
23 tity serving fewer than 25 such participants, in-
24 cluding providing prorated fees or allowing such

1 entities to combine their programs under this
2 section for purposes of employing a coordinator.

3 “(B) ADDITIONAL FEE.—An eligible entity
4 that meets performance standards set by the
5 Secretary is eligible to receive an additional fee
6 sufficient to cover the costs of filling a second
7 family self-sufficiency coordinator position if
8 such entity has 75 or more participating fami-
9 lies, and an additional coordinator for each ad-
10 ditional 50 participating families, or such other
11 ratio as may be established by the Secretary
12 based on the fee allocation evaluation under
13 subparagraph (F).

14 “(C) INITIAL YEAR.—For the first year in
15 which an eligible entity implements a Family
16 Self-Sufficiency program under this section for
17 its residents, such entity is eligible for funding
18 to cover the costs of up to one family self-suffi-
19 ciency coordinator, based on the size specified
20 in its action plan for such program in accord-
21 ance with subparagraph (A).

22 “(D) STATE AND REGIONAL AGENCIES.—
23 For purposes of calculating the family self-suffi-
24 ciency portion of the administrative fee under
25 this paragraph, each administratively distinct

1 part of a State or regional eligible entity may
2 be treated as a separate agency.

3 “(E) DETERMINATION OF NUMBER OF CO-
4 ORDINATORS.—In determining whether an eligi-
5 ble entity meets a specific threshold for funding
6 pursuant to this paragraph, the Secretary shall
7 consider the number of participants enrolled by
8 the eligible entity in its Family Self-Sufficiency
9 program as well as other criteria determined by
10 the Secretary.

11 “(F) FEE ALLOCATION EVALUATION.—The
12 Secretary shall submit to the Congress a report
13 evaluating the fee allocation under this sub-
14 section, and make recommendations based on
15 this evaluation and other related findings to
16 modify such allocation within 4 years after the
17 date of enactment of the Family Self-Suffi-
18 ciency Act, and not less frequently than every
19 4 years thereafter. The report requirement
20 under this subparagraph shall terminate after
21 the Secretary has submitted 2 such reports to
22 the Congress.

23 “(3) ALLOCATION.—

1 “(A) IN GENERAL.—Funds allocated by
2 the Secretary under this subsection shall be al-
3 located in the following order of priority:

4 “(i) FIRST PRIORITY.—Renewal of the
5 full cost of all coordinators in the previous
6 year at each eligible entity with an existing
7 Family Self-Sufficiency program that
8 meets applicable size and performance
9 standards set by the Secretary.

10 “(ii) SECOND PRIORITY.—New or in-
11 cremental coordinator funding authorized
12 under this section, up to 3 coordinators
13 per eligible entity.

14 “(iii) FINAL PRIORITY.—Any other
15 new or incremental coordinator funding
16 authorized under this section.

17 “(B) GUIDANCE.—If the first priority, as
18 described in subparagraph (A)(i), cannot be
19 fully satisfied, the Secretary may prorate the
20 funding for each eligible entity, as long as—

21 “(i) each eligible entity that has re-
22 ceived funding for at least 1 coordinator in
23 the prior fiscal year is provided sufficient
24 funding for at least 1 coordinator as part
25 of any such proration; or

1 “(ii) each eligible entity that has re-
2 ceived funding for at least 1 full-time coor-
3 dinator in the prior fiscal year is provided
4 sufficient funding for at least 1 full-time
5 coordinator as part of any such proration.

6 “(4) RECAPTURE OR OFFSET.—Any fees allo-
7 cated under this subsection by the Secretary in a fis-
8 cal year that have not been spent by the end of the
9 subsequent fiscal year or such other time period as
10 determined by the Secretary may be recaptured by
11 the Secretary and shall be available for providing ad-
12 ditional fees pursuant to paragraph (2)(B), or may
13 be offset as determined by the Secretary.

14 “(5) PERFORMANCE REPORTING.—Programs
15 under this section shall be required to report the
16 number of families enrolled and graduated, the num-
17 ber of established escrow accounts and positive es-
18 crow balances, and any other information that the
19 Secretary may require. Program performance shall
20 be reviewed periodically as determined by the Sec-
21 retary.

22 “(6) INCENTIVES FOR INNOVATION AND HIGH
23 PERFORMANCE.—The Secretary may reserve up to 5
24 percent of the amounts made available for adminis-
25 trative fees under this subsection to provide support

1 to or reward Family Self-Sufficiency programs based
 2 on the rate of successful completion, increased
 3 earned income, or other factors as may be estab-
 4 lished by the Secretary.”;

5 (12) in subsection (j)—

6 (A) by striking “public housing agency”
 7 and inserting “eligible entity”;

8 (B) by striking “public housing” before
 9 “units”;

10 (C) by striking “in public housing projects
 11 administered by the agency”;

12 (D) by inserting “or coordination” before
 13 “of supportive services”; and

14 (E) by striking the last sentence;

15 (13) in subsection (k), by striking “public hous-
 16 ing agencies” and inserting “eligible entities”;

17 (14) by striking subsection (n);

18 (15) by striking subsection (o);

19 (16) by redesignating subsections (l) and (m) as
 20 subsection (m) and (n), respectively;

21 (17) by inserting after subsection (k), the fol-
 22 lowing:

23 “(l) PROGRAMS FOR TENANTS IN PRIVATELY-
 24 OWNED PROPERTIES WITH PROJECT-BASED ASSIST-
 25 ANCE.—

1 “(1) VOLUNTARY AVAILABILITY OF FSS PRO-
2 GRAM.—The owner of a privately-owned property
3 may voluntarily make a local Family Self-Sufficiency
4 program available to the tenants of such property by
5 entering into a cooperative agreement with a local
6 public housing agency that administers a Family
7 Self-Sufficiency program.

8 “(2) COOPERATIVE AGREEMENT.—Any coopera-
9 tive agreement entered into pursuant to paragraph
10 (1) shall require the public housing agency to open
11 its Family Self-Sufficiency program waiting list to
12 any eligible family residing in the owner’s property
13 who is assisted under project-based section 8.

14 “(3) TREATMENT OF FAMILIES ASSISTED
15 UNDER THIS SUBSECTION.—A public housing agency
16 that enters into a cooperative agreement pursuant to
17 paragraph (1) may count any family participating in
18 its Family Self-Sufficiency program as a result of
19 such agreement as part of the calculation of the ad-
20 ministrative fee under subsection (i).

21 “(4) ESCROW.—The cooperative agreement en-
22 tered into pursuant to paragraph (1) shall provide
23 for the calculation and tracking of the escrow for
24 participating residents and for the owner to make
25 available, upon request of the public housing agency,

escrow for participating residents, in accordance with subsection (e)(2), residing in units assisted under section 8.

“(5) NO EXISTING LOCAL PROGRAM OPTION.—

If there is no existing local Family Self-Sufficiency program or public housing agency willing and able to enter into a cooperative agreement with an owner pursuant to paragraph (1), such owner may administer a Family Self-Sufficiency program under this section without being eligible for funding under subsection (i). If such owner administers a program that serves at least 25 participants, that owner shall be eligible for funding under subsection (i) or may use funding from residual receipt accounts for the property for hiring a service coordinator for the program.

“(6) EXCEPTION.—This subsection shall not apply to properties assisted under section 8(o)(13).

“(7) SUSPENSION OF ENROLLMENT.—In any year, the Secretary may suspend the enrollment of new families in Family Self-Sufficiency programs under this subsection based on a determination that insufficient funding is available for this purpose.”; and

(18) in subsection (m), as so redesignated—

1 (A) by striking “REPORTS.—” and all that
2 follows through “Each public housing agency”
3 and inserting “REPORTS.—Each eligible enti-
4 ty”;

5 (B) by striking “The report shall include”
6 and inserting “The contents of the report shall
7 be determined by the Secretary and shall in-
8 clude.”; and

9 (C) in paragraph (2), by inserting before
10 the first period the following: “and describing
11 any additional research needs of the Secretary
12 to evaluate the effectiveness of the program”.

13 (b) EFFECTIVE DATE.—This Act, and any amend-
14 ments made by this Act, shall take effect on publication
15 in the Federal Register of a notice by the Secretary of
16 Housing and Urban Development to implement such
17 amendments.

18 **SEC. 3. AUTHORIZATION OF APPROPRIATIONS.**

19 There are authorized to be appropriated to carry out
20 the amendments made by this Act \$100,000,000 for each
21 of fiscal years 2013 through 2017.

○