

114TH CONGRESS
1ST SESSION

H. R. 3827

To improve the program under section 8 of the United States Housing Act of 1937 for using amounts for rental voucher assistance for project-based rental assistance, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 23, 2015

Ms. MAXINE WATERS of California introduced the following bill; which was referred to the Committee on Financial Services

A BILL

To improve the program under section 8 of the United States Housing Act of 1937 for using amounts for rental voucher assistance for project-based rental assistance, and for other purposes.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Project-Based Voucher
5 Improvement Act of 2015”.

1 **SEC. 2. UNITS OWNED BY PUBLIC HOUSING AGENCIES.**

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

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

7 “(11) LEASING OF UNITS OWNED BY PHA.—

8 “(A) INSPECTIONS AND RENT DETERMINA-
9 TIONS.—If”; and

10 (2) by adding at the end the following new sub-
11 paragraph:

12 “(B) UNITS OWNED BY PHA.—For pur-
13 poses of this subsection, the term ‘owned by a
14 public housing agency’ means, with respect to a
15 dwelling unit, that the dwelling unit is in a
16 project that is owned by such agency, by an en-
17 tity wholly controlled by such agency, or by a
18 limited liability company or limited partnership
19 in which such agency (or an entity wholly con-
20 trolled by such agency) holds a controlling in-
21 terest in the managing member or general part-
22 ner. A dwelling unit shall not be deemed to be
23 owned by a public housing agency for purposes
24 of this subsection because the agency holds a
25 fee interest as ground lessor in the property on
26 which the unit is situated, holds a security in-

1 terest under a mortgage or deed of trust on the
 2 unit, or holds a non-controlling interest in an
 3 entity which owns the unit or in the managing
 4 member or general partner of an entity which
 5 owns the unit.”.

6 **SEC. 3. PHA PROJECT-BASED ASSISTANCE.**

7 (a) IN GENERAL.—Paragraph (13) of section 8(o) of
 8 the United States Housing Act of 1937 (42 U.S.C.
 9 1437f(o)(13)) is amended—

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

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

14 (3) by striking subparagraph (B) and inserting
 15 the following new subparagraph:

16 “(B) PERCENTAGE LIMITATION.—

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

22 “(ii) EXCEPTION.—A public housing
 23 agency may use up to an additional 10
 24 percent of the authorized units for the
 25 agency for project-based assistance under

1 this paragraph, to provide units that house
2 individuals and families that meet the defi-
3 nition of homeless under section 103 of the
4 McKinney-Vento Homeless Assistance Act
5 (42 U.S.C. 11302), that house families
6 with veterans, that provide supportive
7 housing to persons with disabilities or el-
8 derly persons, or that are located in areas
9 where vouchers under this subsection are
10 difficult to use, as specified in subpara-
11 graph (D)(ii)(II). Any units of project-
12 based assistance that are attached to units
13 previously subject to federally required
14 rent restrictions or receiving another type
15 of long-term housing subsidy provided by
16 the Secretary shall not count toward the
17 percentage limitation under clause (i) of
18 this subparagraph. The Secretary may, by
19 regulation, establish additional categories
20 for the exception under this clause.”;

21 (4) by striking subparagraph (D) and inserting
22 the following new subparagraph:

23 “(D) INCOME-MIXING REQUIREMENT.—

24 “(i) IN GENERAL.—Except as pro-
25 vided in clause (ii), not more than the

1 greater of 25 dwelling units or 25 percent
2 of the dwelling units in any project may be
3 assisted under a housing assistance pay-
4 ment contract for project-based assistance
5 pursuant to this paragraph. For purposes
6 of this subparagraph, the term ‘project’
7 means a single building, multiple contig-
8 uous buildings, or multiple buildings on
9 contiguous parcels of land.

10 “(ii) EXCEPTIONS.—

11 “(I) CERTAIN FAMILIES.—The
12 limitation under clause (i) shall not
13 apply to dwelling units assisted under
14 a contract that are exclusively made
15 available to elderly families or to
16 households eligible for supportive serv-
17 ices that are made available to the as-
18 sisted residents of the project, accord-
19 ing to standards for such services the
20 Secretary may establish.

21 “(II) CERTAIN AREAS.—With re-
22 spect to areas in which tenant-based
23 vouchers for assistance under this
24 subsection are difficult to use, as de-
25 termined by the Secretary, and with

1 respect to census tracts with a poverty
2 rate of 20 percent or less, clause (i)
3 shall be applied by substituting ‘40
4 percent’ for ‘25 percent’, and the Sec-
5 retary may, by regulation, establish
6 additional conditions.

7 “(III) CERTAIN CONTRACTS.—

8 The limitation under clause (i) shall
9 not apply with respect to contracts or
10 renewal of contracts under which a
11 greater percentage of the dwelling
12 units in a project were assisted under
13 a housing assistance payment contract
14 for project-based assistance pursuant
15 to this paragraph on the date of the
16 enactment of the Project-Based
17 Voucher Improvement Act of 2015.

18 “(IV) CERTAIN PROPERTIES.—

19 Any units of project-based assistance
20 under this paragraph that are at-
21 tached to units previously subject to
22 federally required rent restrictions or
23 receiving other project-based assist-
24 ance provided by the Secretary shall
25 not count toward the percentage limi-

tation imposed by this subparagraph
(D).

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

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

“(F) CONTRACT TERM.—

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

“(I) the availability of sufficient
appropriated funds for the purpose of
renewing expiring contracts for assist-
ance payments, as provided in appro-
priation Acts and in the agency’s an-
nual contributions contract with the

1 Secretary, provided that in the event
2 of insufficient appropriated funds,
3 payments due under contracts under
4 this paragraph shall take priority if
5 other cost-saving measures that do
6 not require the termination of an ex-
7 isting contract are available to the
8 agency; and

9 “(II) compliance with the inspec-
10 tion requirements under paragraph
11 (8), except that the agency shall not
12 be required to make biennial inspec-
13 tions of each assisted unit in the de-
14 velopment.

15 “(ii) ADDITION OF ELIGIBLE UNITS.—
16 Subject to the limitations of subparagraphs
17 (B) and (D), the agency and the owner
18 may add eligible units within the same
19 project to a housing assistance payments
20 contract at any time during the term
21 thereof without being subject to any addi-
22 tional competitive selection procedures.

23 “(iii) HOUSING UNDER CONSTRU-
24 TION OR RECENTLY CONSTRUCTED.—An
25 agency may enter into a housing assistance

1 payments contract with an owner for any
2 unit that does not qualify as existing hous-
3 ing and is under construction or recently
4 has been constructed whether or not the
5 agency has executed an agreement to enter
6 into a contract with the owner, provided
7 that the owner demonstrates compliance
8 with applicable requirements prior to exe-
9 cution of the housing assistance payments
10 contract. This clause shall not subject a
11 housing assistance payments contract for
12 existing housing under this paragraph to
13 such requirements or otherwise limit the
14 extent to which a unit may be assisted as
15 existing housing.

16 “(iv) ADDITIONAL CONDITIONS.—The
17 contract may specify additional conditions,
18 including with respect to continuation, ter-
19 mination, or expiration, and shall specify
20 that upon termination or expiration of the
21 contract without extension, each assisted
22 family may elect to use its assistance
23 under this subsection to remain in the
24 same project if its unit complies with the
25 inspection requirements under paragraph

1 (8), the rent for the unit is reasonable as
2 required by paragraph (10)(A), and the
3 family pays its required share of the rent
4 and the amount, if any, by which the unit
5 rent (including the amount allowed for ten-
6 ant-based utilities) exceeds the applicable
7 payment standard.”;

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

10 (7) by striking subparagraph (I) and inserting
11 the following new subparagraph:

12 “(I) RENT ADJUSTMENTS.—A housing as-
13 sistance payments contract pursuant to this
14 paragraph entered into after the date of the en-
15 actment of the Project-Based Voucher Improve-
16 ment Act of 2015 shall provide for annual rent
17 adjustments upon the request of the owner, ex-
18 cept that—

19 “(i) by agreement of the parties, a
20 contract may allow a public housing agency
21 to adjust the rent for covered units using
22 an operating cost adjustment factor estab-
23 lished by the Secretary pursuant to section
24 524(c) of the Multifamily Assisted Housing
25 Reform and Affordability Act of 1997

1 (which shall not result in a negative ad-
2 justment), in which case the contract may
3 require an additional adjustment, if re-
4 quested, up to the reasonable rent periodi-
5 cally during the term of the contract, and
6 shall require such an adjustment, if re-
7 quested, upon extension pursuant to sub-
8 paragraph (G);

9 “(ii) the adjusted rent shall not ex-
10 ceed the maximum rent permitted under
11 subparagraph (H);

12 “(iii) the contract may provide that
13 the maximum rent permitted for a dwelling
14 unit shall not be less than the initial rent
15 for the dwelling unit under the initial
16 housing assistance payments contract cov-
17 ering the units; and

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

20 (8) in subparagraph (J)—

21 (A) in the first sentence—

22 (i) by striking “shall” and inserting
23 “may”; and

24 (ii) by inserting before the period the
25 following “or may permit owners to select

1 applicants from site-based waiting lists as
2 specified in this subparagraph”;

3 (B) by striking the third sentence and in-
4 serting the following: “The agency or owner
5 may establish preferences or criteria for selec-
6 tion for a unit assisted under this paragraph
7 that are consistent with the public housing
8 agency plan for the agency approved under sec-
9 tion 5A and that give preference to families
10 who qualify for voluntary services, including
11 disability-specific services, offered in conjunc-
12 tion with assisted units.”; and

13 (C) by striking the fifth and sixth sen-
14 tences and inserting the following: “A public
15 housing agency may establish and utilize proce-
16 dures for owner-maintained site-based waiting
17 lists, under which applicants may apply at, or
18 otherwise designate to the public housing agen-
19 cy, the project or projects in which they seek to
20 reside, except that all eligible applicants on the
21 waiting list of an agency for assistance under
22 this subsection shall be permitted to place their
23 names on such separate list, subject to policies
24 and procedures established by the Secretary. All
25 such procedures shall comply with title VI of

1 the Civil Rights Act of 1964, the Fair Housing
2 Act, section 504 of the Rehabilitation Act of
3 1973, and other applicable civil rights laws. The
4 owner or manager of a project assisted under
5 this paragraph shall not admit any family to a
6 dwelling unit assisted under a contract pursu-
7 ant to this paragraph other than a family re-
8 ferred by the public housing agency from its
9 waiting list, or a family on a site-based waiting
10 list that complies with the requirements of this
11 subparagraph. A public housing agency shall
12 disclose to each applicant all other options in
13 the selection of a project in which to reside that
14 are provided by the public housing agency and
15 are available to the applicant.”;

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

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

22 “(N) STRUCTURE OWNED BY AGENCY.—A
23 public housing agency engaged in an initiative
24 to improve, develop, or replace a public housing
25 property or site may attach assistance to an ex-

1 isting, newly constructed, or rehabilitated struc-
2 ture in which the agency has an ownership in-
3 terest or which the agency has control of with-
4 out following a competitive process, provided
5 that the agency has notified the public of its in-
6 tent through its public housing agency plan and
7 subject to the limitations and requirements of
8 this paragraph.

9 “(O) SPECIAL PURPOSE VOUCHERS.—A
10 public housing agency that administers vouch-
11 ers authorized under subsection (o)(19) or (x)
12 of this section may provide such assistance in
13 accordance with the limitations and require-
14 ments of this paragraph, without additional re-
15 quirements for approval by the Secretary.”.

16 (b) EFFECTIVE DATE.—The Secretary of Housing
17 and Urban Development shall issue notice or regulations
18 to implement subsection (a) of this section and such sub-
19 section shall take effect upon such issuance.

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