

HCDA -- TITLE I AND TITLE II

TITLE I - HOUSING ASSISTANCE

SUBTITLE A - GENERAL PROVISIONS

SEC. 101. LOW-INCOME HOUSING AUTHORIZATION.

(a) Aggregate Budget Authority. - Section 5(c)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(6)) is amended by adding at the end the following new sentence: 'The aggregate amount of budget authority that may be obligated for assistance referred to in paragraph (7) is increased (to the extent approved in appropriation Acts) by \$14,710,990,520 on October 1, 1992, and by \$15,328,852,122 on October 1993.'

(b) Utilization of Budget Authority. - Section 5(c)(7) of the United States Housing Act of 1937 (42 U.S.C. 1437c(c)(7)) is amended by striking the paragraph designation and all that follows through the end of subparagraph (B) and inserting the following:

'(7)(A) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1993, the Secretary shall, to the extent approved in appropriation Acts, reserve authority to enter into obligations aggregating -

'(i) for public housing grants under subsection (a)(2), not more than \$830,900,800, of which amount not more than \$257,320,000 shall be available for Indian housing;

'(ii) for assistance under section 8, not more than \$1,977,662,720, of which \$20,000,000 shall be available for 15-year contracts for project-based assistance to be used for a multicultural tenant empowerment and homeownership project located in the District of Columbia, except that assistance provided for such project shall not be considered for purposes of the percentage limitations under section 8(i)(2); except that not more than 49 percent of any amounts appropriated under this clause may be used for vouchers under section 8(o);

'(iii) for comprehensive improvement assistance grants under section 14(k), not more than \$3,100,000,000;

'(iv) for assistance under section 8 for property disposition, not more than \$93,032,000;

'(v) for assistance under section 8 for loan management, not more than \$202,000,000;

'(vi) for extensions of contracts expiring under section 8, not more than \$6,746,135,000, which shall be for 5-year contracts for assistance under section 8 and for loan

management assistance under such section;

' (vii) for amendments to contracts under section 8, not more than \$1,350,000,000;

' (viii) for public housing lease adjustments and amendments, not more than \$83,055,000;

' (ix) for conversions from leased housing contracts under section 23 of this Act (as in effect immediately before the enactment of the Housing and Community Development Act of 1974) to assistance under section 8, not more than \$12,767,000; and

' (x) for grants under section 24 for revitalization of severely distressed public housing, not more than \$300,000,000.

' (B) Using the additional budget authority provided under paragraph (6) and the balances of budget authority that become available during fiscal year 1994, the Secretary shall, to the extent approved in appropriation Acts, reserve authority to enter into obligations aggregating -

' (i) for public housing grants under subsection (a) (2), not more than \$865,798,634, of which amount not more than \$268,127,440 shall be available for Indian housing;

' (ii) for assistance under section 8, not more than \$2,060,724,554, of which \$20,000,000 shall be available for 15-year contracts for project-based assistance to be used for a multicultural tenant empowerment and homeownership project located in the District of Columbia, except that assistance provided for such project shall not be considered for purposes of the percentage limitations under section 8(i) (2); except that not more than 49 percent of any amounts appropriated under this clause may be used for vouchers under section 8(o);

' (iii) for comprehensive improvement assistance grants under section 14(k), not more than \$3,230,200,000;

' (iv) for assistance under section 8 for property disposition, not more than \$96,939,344;

' (v) for assistance under section 8 for loan management, not more than \$210,484,000;

' (vi) for extensions of contracts expiring under section 8, not more than \$7,029,472,670, which shall be for 5-year contracts for assistance under section 8 and for loan management assistance under such section;

' (vii) for amendments to contracts under section 8, not more than \$1,406,700,000;

' (viii) for public housing lease adjustments and amendments,

not more than \$86,543,310;

'(ix) for conversions from leased housing contracts under section 23 of this Act (as in effect immediately before the enactment of the Housing and Community Development Act of 1974) to assistance under section 8, not more than \$13,303,214; and

'(x) for grants under section 24 for revitalization of severely distressed public housing, not more than \$312,600,000.'

SEC. 102. EXTENSION OF CEILING RENTS.

(a) Removal of 5-Year Limit. - Section 3(a)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)(A)) is amended by striking 'for not more than a 5-year period'.

(b) Extension of Previous Ceiling Rents. - Section 3(a)(2)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)(B)) is amended -

(1) by striking the first sentence; and

(2) in the last sentence, by striking 'for the 5-year period beginning on such date of enactment' and inserting 'without time limitation'.

SEC. 103. DEFINITIONS OF INCOME AND ADJUSTED INCOME AND APPLICABILITY TO INDIAN HOUSING PROGRAMS.

(a) In General . -

(1) Income . - Section 3(b)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(4)) is amended by inserting after 'family' the following: 'and any amounts which would be eligible for exclusion under section 1613(a)(7) of the Social Security Act (42 U.S.C. 1382b(a)(7))'.

(2) Adjusted income . - Section 3(b)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(5)) is amended -

(A) by striking subparagraph (D) and inserting the following new subparagraph:

'(D) child care expenses to the extent necessary to enable another member of the family to be employed or to further his or her education;';

(B) by striking 'and' at the end of subparagraph (E);

(C) by striking the period at the end of subparagraph (F) and inserting '; and'; and

(D) by inserting after subparagraph (F) the following new

subparagraph:

'(G) excessive travel expenses, not to exceed \$25 per family per week, for employment- or education-related travel, except that this subparagraph shall apply only to families assisted by Indian housing authorities.'

(3) Budget compliance . - To the extent that the amendments made by paragraphs (1) and (2) result in additional costs under this title, such amendments shall be effective only to the extent that amounts to cover such additional costs are provided in advance in appropriation Acts.

(b) Applicability of Definitions to Indian Housing . -

(1) In general. - In accordance with section 201(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437aa(b)(2)), the provisions of sections 572, 573, and 574 of the Cranston-Gonzalez National Affordable Housing Act shall apply to public housing developed or operated pursuant to a contract between the Secretary of Housing and Urban Development and an Indian Housing Authority.

(2) Effective date. - Paragraph (1) shall take effect as if such provision were enacted upon the date of the enactment of the Cranston-Gonzalez National Affordable Housing Act.

SEC. 104. PUBLIC AND SECTION 8 HOUSING TENANT PREFERENCE RULES.

Not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue regulations implementing the amendments made by sections 501 and 545 of the Cranston-Gonzalez National Affordable Housing Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon issuance.

SEC. 105. INCOME ELIGIBILITY FOR ASSISTED HOUSING.

(a) Exemption from Waiting List Requirements . - Section 16(c) of the United States Housing Act of 1937 (42 U.S.C. 1437n(c)) is amended -

(1) in the first sentence, by striking the second comma and inserting 'and';

(2) in the first sentence, by striking ', and shall' and inserting '. In developing such admission procedures, the Secretary shall'; and

(3) by inserting before the period at the end of the penultimate sentence the following: '; except that such

prohibition shall not apply with respect to families selected for occupancy in public housing under the system of preferences established by the agency pursuant to section 6(c)(4)(A)(ii)'.

(b) Exemption from Eligibility Restrictions . - Section 16(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437n(d)(2)) is amended by inserting before the period ', to scattered site public housing dwelling units sold or intended to be sold to public housing tenants under section 5(h) of this title.'

SEC. 106. FAMILY SELF-SUFFICIENCY PROGRAM.

(a) Reservation of Operating Subsidies. - The last sentence of section 23(h)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(h)(2)) is amended to read as follows: 'Of any amounts appropriated under section 9(c) for fiscal year 1993, \$25,000,000 is authorized to be used for costs under this paragraph, and of any amounts appropriated under such section for fiscal year 1994, \$25,900,000 is authorized to be used for costs under this paragraph.'

(b) Exception to Required Establishment of Program. - Section 23(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)(2)) is amended by striking subparagraphs (A) through (D) and inserting the following:

'(A) lack of supportive services accessible to eligible families, which shall include insufficient availability of resources for programs under the Job Training Partnerships Act or the Job Opportunities and Basic Skills Training Program under part F of title IV of the Social Security Act;

'(B) lack of funding for reasonable administrative costs;

'(C) lack of cooperation by other units of State or local government; or

'(D) any other circumstances that the Secretary may consider appropriate.

In allocating assistance available for reservation under this Act, the Secretary may not refuse to provide assistance or decrease the amount of assistance that would otherwise be provided to any public housing agency because the agency has provided a certification under this paragraph or because, pursuant to a certification, the agency has failed to carry out a self-sufficiency program.'

(c) Nonparticipation . - Section 23(b) of the United States Housing Act of 1937 (42 U.S.C. 1437u(b)) is amended by adding at the end the following new paragraph:

'(4) Nonparticipation . - Assistance under the certificate

or voucher programs under section 8 for a family that elects not to participate in a local program shall not be delayed by reason of such election.'

(d) Contract of Participation. - Section 23(c)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437u(c)(1)) is amended -

(1) in the second sentence, by inserting after 'program' the following: ', shall establish specific interim and final goals by which compliance with and performance of the contract may be measured,'; and

(2) by striking the last sentence and inserting the following new sentences: 'The contract shall provide that the public housing agency may terminate or withhold assistance under section 8 and services under paragraph (2) of this subsection if the public housing agency determines, through an administrative grievance procedure in accordance with the requirements of section 6(k), that the family has failed to comply with the requirements of the contract without good cause (which may include a loss or reduction in access to supportive services, or a change in circumstances that makes the family or individual unsuitable for participation).'

(e) Supportive Services. - The first sentence of section 23(c)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(c)(2)) is amended by striking 'to each participating family' the second place it appears.

(f) Escrow Savings Accounts. - Section 23(d)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(d)(2)) is amended in the last sentence by striking 'only after' and all that follows through the end of the sentence and inserting the following: 'after the family ceases to receive income assistance under Federal or State welfare programs, upon successful performance of the obligations of the family under the contract of participation entered into by the family under subsection (c), as determined according to the specific goals and terms included in the contract, and under other circumstances in which the Secretary determines an exception for good cause is warranted. A public housing agency establishing such escrow accounts may make certain amounts in the accounts available to the participating families before full performance of the contract obligations based on compliance with, and completion of, specific interim goals included in the contract; except that any such amounts shall be used by the participating families for purposes consistent with the contracts of participation, as determined by the public housing agency.'

(g) Incentives for Participation . - Section 23(d) of the United States Housing Act of 1937 (42 U.S.C. 1437u(d)) is amended -

(1) by striking the subsection designation and heading and inserting the following:

'(d) Incentives for Participation . - '; and

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

'(3) Plan . - Each public housing agency carrying out a local program under this section shall establish a plan to offer incentives to families to encourage families to participate in the program. The plan shall require the establishment of escrow savings accounts under paragraph (2) and may include any other incentives designed by the public housing agency.'

(h) Action Plan. - Section 23(g) (3) of the United States Housing Act of 1937 (42 U.S.C. 1437u(g) (3)) is amended -

(1) in subparagraph (F), by striking 'and' at the end;

(2) in subparagraph (G), by striking the period at the end and inserting '; and';

(3) by redesignating subparagraphs (D) through (G) (as so amended) as subparagraphs (E) through (H), respectively;

(4) by inserting after subparagraph (C) the following new subparagraph:

'(D) a description of the incentives pursuant to subsection (d) offered by the public housing agency to families to encourage participation in the program;'; and

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

'(I) assurances satisfactory to the Secretary that nonparticipating families will retain their rights to public housing or section 8 assistance notwithstanding the provisions of this section.'

(i) Definitions. - Section 23(n) of the United States Housing Act of 1937 (42 U.S.C. 1437u(n)) is amended -

(1) by redesignating paragraphs (3) and (4) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (2) the following new paragraph:

'(3) The term 'eligible family' means a family whose head of household is not elderly, disabled, pregnant, a primary caregiver for children under the age of 3, or for whom the family self-sufficiency program would otherwise be unsuitable. Notwithstanding the preceding sentence, a public housing agency may enroll such families if they choose to participate in the program.'; and

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

'(6) The term 'vacant unit' means a dwelling unit that has been vacant for not less than 9 consecutive months.'

(j) Indian Housing. - Section 23(o)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437u(o)(2)) is amended to read as follows:

'(2) Applicability to indian public housing authorities. - Notwithstanding any other provision of law, the provisions of this section shall be optional for Indian housing authorities.'

SUBTITLE B - PUBLIC AND INDIAN HOUSING

SEC. 111. MAJOR RECONSTRUCTION OF OBSOLETE PROJECTS.

(a) In General. - Section 5(j)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437c(j)(2)) is amended to read as follows:

'(2) (A) Notwithstanding any other provision of law, the Secretary may reserve not more than 20 percent of any amounts appropriated for development of public housing in each fiscal year for the substantial redesign, reconstruction, or redevelopment of existing obsolete public housing projects or buildings and for the costs of improving the management and operation of projects undergoing redesign, reconstruction, or redevelopment under this paragraph (to the extent that such improvement is necessary to maintain the physical improvements resulting from such redesign, reconstruction, or redevelopment).

'(B) For purposes of this paragraph, the term 'obsolete public housing project or building' means a public housing project or building (i) having design or marketability problems resulting in vacancy in more than 25 percent of the units, or (ii) (I) for which the costs for redesign, reconstruction, or redevelopment (including any costs for lead-based paint abatement activities) exceed 70 percent of the total development cost limits for new construction of similar units in the area, and (II) which has an occupancy density or a building height that is significantly in excess of that which prevails in the neighborhood in which the project is located, a bedroom configuration that could be altered to better serve the needs of families seeking occupancy to dwellings of the public housing agency, significant security problems in and around the project, or significant physical deterioration or inefficient energy and utility systems.

'(C) The Secretary shall allocate amounts reserved under this section to public housing agencies on the basis of a competition among public housing agencies applying for such amounts. The competition shall be based on -

'(i) the management capability of the public housing agency to carry out the redesign, reconstruction, or redevelopment;

'(ii) the expected term of the useful life of the project or building after redesign, reconstruction or redevelopment; and

'(iii) the likelihood of achieving full occupancy within the projects or buildings of the agency that are to be assisted under this paragraph.

'(D) The Secretary shall establish limitations on the total costs of any project or building receiving amounts under this paragraph for redesign, reconstruction, and redevelopment. The cost limitations shall not be related to the total development cost system for new development or to the cost limits for modernization and shall recognize the higher direct costs of such work.

'(E) Assistance may not be provided under this paragraph for any project or building assisted under section 14.

'(F) (i) For each fiscal year for which amounts are reserved or appropriated for the purposes of this paragraph, the Secretary shall establish performance goals to evaluate the effectiveness of the use of such amounts. The goals shall -

'(I) be designed to maximize the effectiveness of the expenditures in a quantifiable manner; and

'(II) describe the number of units to be redesigned, redeveloped, and reconstructed with such amounts and improvements in the management of projects so assisted to be accomplished with such amounts.

'(ii) Not later than 60 days after the end of each such fiscal year, the Secretary shall submit a report to the Congress, which shall describe the performance goals established for the fiscal year, the activities carried out with such amounts, and a statement of whether the performance goals were met. If the performance goals were not met, the report shall contain -

'(I) an explanation of why the goals were not met and a description of any managerial deficiencies or legal problems that contributed to not meeting such goals;

'(II) plans and a schedule for achieving the level of performance under such performance goals;

'(III) recommendations for legislative or regulatory changes necessary to achieve the performance goals or improve performance; and

'(IV) a statement of whether the performance goals established for the fiscal year were impractical or infeasible, and, if so, the factors that contributed and resulted in establishing such impractical or infeasible goals and recommendations of actions to meet such goals, which may

include changing the goals or altering or eliminating the program under this paragraph for major reconstruction of projects.'.

(b) Modernization and Disposition Requirements. -

(1) Modernization. - Section 14(c) of the United States Housing Act of 1937 (42 U.S.C. 1437l(c)) is amended -

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

(i) by inserting 'buildings of' after 'for'; and

(ii) by striking 'which';

(B) in each of paragraphs (1), (2), (3), and (4), by inserting 'which projects' after the paragraph designation;

(C) in paragraph (3), by striking 'and' at the end;

(D) by redesignating paragraph (4) as paragraph (5); and

(E) by inserting after paragraph (3) the following new paragraph:

'(4) which buildings are not assisted under section 5(j)(2); and'.

(2) Demolition and disposition. - Section 18(a) of the United States Housing Act of 1937 (42 U.S.C. 1437q(a)) is amended -

(A) in paragraph (1), by striking 'or' at the end;

(B) in paragraph (2), by striking the period at the end and inserting '; or'; and

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

'(3) in the case of an application proposing demolition or disposition of any portion of a public housing project, assisted at any time under section 5(j)(2) -

(A) such assistance has not been provided for the portion of the project to be demolished or disposed within the 10-year period ending upon submission of the application; or

(B) the property's retention is not in the best interest of the tenants or the public housing agency because of extraordinary changes in the area surrounding the project or other extraordinary circumstances of the project.'.

(c) Regulations. - The Secretary shall issue regulations necessary to carry out the amendments made by this section as

provided under section 191 of this Act.

SEC. 112. PUBLIC HOUSING TENANT PREFERENCES.

Section 6(c)(4)(A)(i) of the United States Housing Act of 1937 (42 U.S.C. 1437d(c)(4)(A)(i)) is amended by striking '70 percent' and inserting '50 percent'.

SEC. 113. REFORM OF PUBLIC HOUSING MANAGEMENT.

(a) Independent Management Assessment. - Section 6(j)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(2)) is amended -

(1) by redesignating subparagraph (B) as subparagraph (C);

(2) by inserting after subparagraph (A) the following new subparagraph:

'(B)(i) Upon designating a public housing agency as troubled pursuant to subparagraph (A) and determining that an assessment under this subparagraph will not duplicate any review conducted under section 14(p), the Secretary shall provide for an on-site, independent assessment of the management of the agency.

'(ii) To the extent the Secretary deems appropriate (taking into account an agency's performance under the indicators specified under paragraph (1)), the assessment team shall also consider issues relating to the agency's resident population and physical inventory, including the extent to which (I) the agency's comprehensive plan prepared pursuant to section 14 adequately and appropriately addresses the rehabilitation needs of the agency's inventory, (II) residents of the agency are involved in and informed of significant management decisions, and (III) any projects in the agency's inventory are severely distressed and eligible for assistance pursuant to section 24.

'(iii) An independent assessment under this subparagraph shall be carried out by a team of knowledgeable individuals selected by the Secretary (referred to in this section as the 'assessment team') with expertise in public housing and real estate management. In conducting an assessment, the assessment team shall consult with the residents and with public and private entities in the jurisdiction in which the public housing is located. The assessment team shall provide to the Secretary and the public housing agency a written report, which shall contain, at a minimum, recommendations for such management improvements as are necessary to eliminate or substantially remedy existing deficiencies.'; and

(3) in subparagraph (C), as so redesignated by paragraph (1)

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(A) by striking 'agency setting forth' and inserting the following: 'agency, after reviewing the report submitted

pursuant to subparagraph (B) and consulting with the agency's assessment team. Such agreement shall set forth'; and

(B) by inserting before the second sentence the following new flush sentence:

'To the extent the Secretary deems appropriate (taking into account an agency's performance under the indicators specified under paragraph (1)), such agreement shall also set forth a plan for enhancing resident involvement in the management of the public housing agency.'

(b) Additional Statutory Remedies. - Section 6(j)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)(A)) is amended -

(1) in clause (i), by inserting after 'agents' the first place it appears the following: '(which may be selected by existing tenants through administrative procedures established by the Secretary)';

(2) at the end of clause (ii), by striking 'and';

(3) by redesignating clause (iii) as clause (iv);

(4) by inserting after clause (ii) the following new clause:

'(iii) solicit competitive proposals from other public housing agencies and private entities with experience in construction management in the eventuality that such agencies or firms may be needed to oversee implementation of assistance made available under section 14 for the housing; and'; and

(5) by adding at the end the following new flush sentence:

'Residents of a public housing agency designated as troubled pursuant to paragraph (2)(A) may petition the Secretary in writing to take 1 or more of the actions referred to in this subparagraph. The Secretary shall respond to such petitions in a timely manner with a written description of the actions, if any, the Secretary plans to take and, where applicable, the reasons why such actions differ from the course proposed by the residents.'

(c) Resources. - Section 6(j)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(3)) is amended -

(1) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (D), respectively; and

(2) by inserting after subparagraph (A) the following new subparagraph:

'(B) The Secretary may make available to receivers and other

entities selected or appointed pursuant to this paragraph such assistance as is necessary 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 the residents.'

(d) Annual Reports. - Section 6(j)(5)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(4)(E)), as so redesignated by subsection (d)(1), is amended by inserting before the semicolon the following: ', including an accounting of the authorized funds that have been expended to support such actions'.

(e) Applicability. -

(1) Assessment of resident management corporations. - Section 6(j)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)(1)) is amended -

(A) in the first sentence, by inserting 'and resident management corporations' before the period;

(B) in the third sentence, by inserting 'and resident management corporations' after 'agencies'; and

(C) in the fourth sentence, by striking 'indicators.' and inserting 'indicators for public housing agencies, to the extent practicable:'.

(2) Procedures. - Section 6(j)(2) of the United States Housing Act of 1937, as amended by subsection (a) of this section, is further amended by adding at the end the following new subparagraph:

'(D) The Secretary shall apply the provisions of this paragraph to resident management corporations as well as public housing agencies.'

SEC. 114. PUBLIC HOUSING OPERATING SUBSIDIES.

(a) Authorization of Appropriations. - Section 9(c) of the United States Housing Act of 1937 (42 U.S.C. 1437g(c)) is amended to read as follows:

'(c)(1) There are authorized to be appropriated for purposes of providing annual contributions under this section \$2,282,436,000 for fiscal year 1993 and \$2,378,298,312 for fiscal year 1994.

'(2) There are also authorized to be appropriated to provide annual contributions under this section, in addition to amounts under paragraph (1), such sums as may be necessary for each of fiscal years 1993 and 1994, to provide each public housing agency with the difference between (A) the amount provided to the agency from amounts appropriated pursuant to paragraph (1), and (B) all funds for which the agency is eligible under the performance

funding system without adjustments for estimated or unrealized savings.

'(3) In addition to amounts under paragraphs (1) and (2), there are authorized to be appropriated for annual contributions under this section to provide for the costs of the adjustments to income and adjusted income under the amendments made by sections 573(b) and (c) of the Cranston-Gonzalez National Affordable Housing Act such sums as may be necessary for fiscal years 1993 and 1994.'

(b) Adjustment of Performance Funding System. - Section 9(a)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437g(a)(3)(A)) is amended by inserting after the period at the end the following new sentence: 'Notwithstanding sections 583(a) and 585(a) of title 5, United States Code (as added by section 3(a) of the Negotiated Rulemaking Act of 1990), any proposed regulation providing for amendment, alteration, adjustment, or other change to the performance funding system relating to vacant public housing units shall be issued pursuant to a negotiated rulemaking procedure under subchapter IV of chapter 5 of such title (as added by section 3(a) of the Negotiated Rulemaking Act of 1990), and the Secretary shall establish a negotiated rulemaking committee for development of any such proposed regulations.'

(c) Energy Savings . - Section 9(a)(3)(B)(i) of the United States Housing Act of 1937 is amended by inserting before the semicolon at the end the following: ', and in subsequent years, if the energy savings are cost-effective, the Secretary may continue the sharing arrangement with the public housing agency for a period not to exceed 6 years'.

SEC. 115. PUBLIC HOUSING VACANCY REDUCTION.

(a) Funding. - Section 14(p)(5) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(5)) is amended to read as follows:

'(5) (A) Of any amounts available under this section in each of fiscal years 1993 and 1994 (after amounts are reserved pursuant to subsection (k)(1)), an amount equal to 4 percent of such remaining funds shall be available in each such fiscal year for the purposes under subparagraph (B).

'(B) Of such amounts available under subparagraph (A) in each such fiscal year -

'(i) 20 percent shall be available only for carrying out activities under section 6(j); and

'(ii) 80 percent shall be available for carrying out this subsection.'

(b) Scope of Program . - Section 14(p)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(1)) is amended -

(1) by striking 'or that' and inserting ', that'; and

(2) by inserting after '6(j),' the following: 'or for which a receiver has been appointed pursuant to section 6(j)(3),'.

(c) Vacancy Reduction Assistance . - Section 14(p)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(4)) is amended -

(1) in subparagraph (B), by inserting before the semicolon the following: ', except that the Secretary may provide assistance to a public housing agency designated as a troubled agency for the purposes under this subparagraph only if the Secretary determines that the agency is making substantial progress in remedying management deficiencies, if any, or that the agency has provided reasonable assurances that such progress will be made'; and

(2) in subparagraph (C), by inserting before the semicolon the following: ', except that the Secretary may provide assistance to a public housing agency designated as a troubled agency for the purposes under this subparagraph only if the Secretary determines that the agency is making substantial progress in remedying management deficiencies, if any, or that the agency has provided reasonable assurances that such progress will be made'.

(d) Availability of Assistance. - Section 14(p)(4) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(4)) is amended by striking the first comma and all that follows through the second comma and inserting ', subject to the availability of amounts under paragraph (6),'.

(e) Use of Amounts for Assessment Teams. - Section 14(p)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(3)) is amended by adding at the end the following new subparagraph:

'(D) The Secretary may use amounts made available under paragraph (6) for any travel and administrative expenses of assessment teams under this paragraph.'

(f) Assessment Team. - The second sentence of section 14(p)(3)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(3)(A)) is amended -

(1) by striking 'and' after 'Development' and inserting a comma; and

(2) by striking 'who' and inserting 'and officials of the public housing agency, all of whom'.

(g) Reservation of Annual Contributions for Activities Under Plan. - Section 14(p) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)) is amended -

(1) by redesignating paragraphs (3), (4), and (5) (as amended by the preceding provisions of this section) as paragraphs (4), (5), and (6), respectively; and

(2) by inserting after paragraph (2) the following new paragraph:

'(3) (A) Upon the expiration of the 24-month period beginning upon the receipt of assistance under paragraph (5) by a public housing agency, the Secretary shall, after reviewing the progress made in complying with the plan, reserve from the annual contribution attributable to each unit vacant for the 24-month period an amount determined by the Secretary but not exceeding 80 percent of such contribution. The Secretary may not reserve any amounts under this subparagraph for any vacant dwelling unit that is vacant because of modernization, reconstruction, or lead-based paint reduction activities.

'(B) The Secretary shall deposit any amounts reserved under subparagraph (A) in a separate account established on behalf of the public housing agency, and such amounts shall be available to the agency only for the purpose of carrying out activities in compliance with the vacancy reduction plan of the agency.

'(C) If, after the expiration of the 24-month period beginning upon the reservation under subparagraph (A) of amounts for a public housing agency, the Secretary determines that the agency has not made significant progress to comply with the provisions of the vacancy reduction plan of the agency, the amount remaining in the account for the agency established under subparagraph (B) shall be recaptured by the Secretary.'

(h) Technical Corrections. - Section 14(p)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437l(p)(2)) is amended -

(1) in clause (D), by striking 'modernization, reconstruction' and inserting 'comprehensive modernization, major reconstruction'; and

(2) in clause (E), by striking 'the modernization' and inserting 'the comprehensive modernization'.

SEC. 116. PUBLIC HOUSING DEMOLITION AND DISPOSITION.

(a) Coordination With Tenants. - Section 18(b)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437p(b)(1)) is amended by inserting 'of the project or portion of the project covered by the application' after 'tenant cooperative'.

(b) Replacement Plan . - Section 18(b)(3) of the United States Housing Act of 1937 (42 U.S.C. 1437p(b)(3)) is amended -

(1) in subparagraph (A) -

(A) in clause (ii), by inserting before the semicolon at the end the following: 'to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under section 8 having a term of not less than 5 years';

(B) in clause (iii), by inserting before the semicolon at the end the following: 'to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of available project-based assistance under other Federal programs having a term of not less than 5 years'; and

(C) in clause (v), by inserting before the semicolon the following: 'to the extent available; or if such assistance is not available, in the case of an application proposing demolition or disposition of 200 or more units, the use of tenant-based assistance under section 8 (excluding vouchers under section 8(o)) having a term of not less than 5 years';

(2) in subparagraph (G), by striking the period at the end and inserting a semicolon;

(3) by redesignating subparagraphs (B) through (G) as subparagraphs (C) through (H), respectively;

(4) by inserting after subparagraph (A) the following new subparagraph:

'(B) in the case of an application proposing demolition or disposition of 200 or more units, shall provide that (notwithstanding the limitation under section 8(d)(2)(A) on the amount of project-based assistance provided by an agency) -

'(i) not less than 50 percent of such additional dwelling units shall be provided through the acquisition or development of additional public housing dwelling units or through project-based assistance; and

'(ii) not more than 50 percent of such additional dwelling units shall be provided through tenant-based assistance under section 8 (excluding vouchers under section 8(o)) having a term of not less than 5 years;'; and

(5) by adding at the end the following new flush matter:

'except that, in any 5-year period, a public housing agency may demolish not more than the lesser of 5 dwelling units or 5

percent of the total dwelling units owned and operated by the public housing agency, without providing an additional dwelling unit for each such public housing dwelling unit to be demolished, but only if the space occupied by the demolished unit is used for meeting the service or other needs of public housing residents.'

(c) Set-Asides for Replacement Housing . - Section 18 of the United States Housing Act of 1937 (42 U.S.C. 1437p) is amended -

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following new subsection:

'(e) (1) In each of fiscal years 1993 and 1994, the Secretary may reserve from any budget authority appropriated for such year for assistance under section 8 that is available for families not currently receiving such assistance not more than 10 percent of such budget authority for providing replacement housing under subsection (b) (3) (A) for units demolished or disposed of pursuant to this section.

'(2) In each of fiscal years 1993 and 1994, the Secretary may reserve from any budget authority appropriated for such year for development of public housing under section 5(a) (2) not more than the lesser of 30 percent of such budget authorization or \$150,000,000, for providing replacement housing under subsection (b) (3) (A) for units demolished or disposed of pursuant to this section.'

(d) Yolo County Housing Authority . - The Secretary of Housing and Urban Development shall approve the application for disposition by the Yolo County Housing Authority (CA30-PO-003 and CA30-PO44-099), provided that the application states that the tenant councils, resident management corporation, and tenant cooperative, if any, shall be given appropriate opportunities to purchase the new replacement units, which shall be available and ready for occupancy before the disposition of the existing subject units. The new units shall be considered public housing for the purposes of the United States Housing Act of 1937 for which the Secretary shall provide annual contributions for operation using any amounts made available under section 9(c).

SEC. 117. PUBLIC HOUSING RESIDENT MANAGEMENT.

Section 20(f) (3) of the United States Housing Act of 1937 (42 U.S.C. 1437r(f) (3)) is amended to read as follows:

'(3) Authorization of appropriations. - There are authorized to be appropriated to carry out this subsection \$4,750,000 for fiscal year 1993 and \$4,949,500 for fiscal year 1994.'

SEC. 118. PUBLIC HOUSING HOMEOWNERSHIP.

(a) Homeownership Assistance. - Section 21(a)(2)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437s(a)(2)(C)) is amended -

(1) in the first sentence, by striking 'the effective date of the regulations implementing title III of this Act' and inserting 'February 4, 1991'; and

(2) in the second sentence -

(A) by striking 'effective'; and

(B) by striking 'such Act' and inserting 'the Cranston-Gonzalez National Affordable Housing Act'.

(b) Conditions of Purchase. - Section 21(a)(3)(C) of the United States Housing Act of 1937 (42 U.S.C. 1437s(a)(3)(C)) is amended -

(1) in the first sentence, by striking 'the effective date of the regulations implementing title III of this Act' and inserting 'February 4, 1991'; and

(2) in the second sentence -

(A) by striking 'effective'; and

(B) by striking 'such title' and inserting 'the Cranston-Gonzalez National Affordable Housing Act'.

SEC. 119. PUBLIC HOUSING FAMILY INVESTMENT CENTERS.

Section 22(k) of the United States Housing Act of 1937 (42 U.S.C. 1437t(k)) is amended to read as follows:

'(k) Authorization of Appropriations. - There are authorized to be appropriated to carry out this section \$25,000,000 for fiscal year 1993 and \$26,050,000 for fiscal year 1994.'

SEC. 120. REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING.

Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding at the end the following new section:

'SEC. 24. REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING.

'(a) Program Authority. - The Secretary may make -

'(1) planning grants under subsection (c) to enable applicants to develop revitalization programs for severely distressed public housing in accordance with this section; and

'(2) implementation grants under subsection (d) to carry out revitalization programs for severely distressed public housing in accordance with this section.

'(b) Designation of Eligible Projects. -

'(1) Identification. - Not later than 90 days after the date of enactment of the Housing and Community Development Act of 1992, public housing agencies shall identify, in such form and manner as the Secretary may prescribe, any public housing projects that they consider to be severely distressed public housing for purposes of receiving assistance under this section.

'(2) Review by secretary. - The Secretary shall review the projects identified pursuant to paragraph (1) to ascertain whether the projects are severely distressed housing (as such item is defined in subsection (h)). Not later than 180 days after the date of enactment of this section, the Secretary shall publish a list of those projects that the Secretary determines are severely distressed public housing.

'(3) Appeal of secretary's determination. - The Secretary shall establish procedures for public housing agencies to appeal the Secretary's determination that a project identified by a public housing agency is not severely distressed.

'(c) Planning Grants. -

'(1) In general. - The Secretary may make planning grants under this subsection to applicants for the purpose of developing revitalization programs for severely distressed public housing under this section.

'(2) Amount. - The amount of a planning grant under this subsection may not exceed \$200,000 per project, except that the Secretary may for good cause approve a grant in a higher amount.

'(3) Eligible activities. - A planning grant may be used for activities to develop revitalization programs for severely distressed public housing, including -

'(A) studies of the different options for revitalization, including the feasibility, costs and neighborhood impact of such options;

'(B) providing technical or organizational support to ensure resident involvement in all phases of the planning and implementation processes;

'(C) improvements to stabilize the development, including security investments;

'(D) conducting workshops to ascertain the attitudes and concerns of the neighboring community;

'(E) preliminary architectural and engineering work;

'(F) planning for economic development, job training and self-sufficiency activities that promote the economic self-sufficiency of residents under the revitalization program;

'(G) designing a suitable replacement housing plan, in situations where partial or total demolition is considered;

'(H) planning for necessary management improvements; and

'(I) preparation of an application for an implementation grant under this section.

'(4) Applications. - An application for a planning grant shall be submitted in such form and in accordance with such procedures as the Secretary shall establish. The Secretary shall require that an application contain at a minimum -

'(A) a request for a planning grant, specifying the activities proposed, the schedule for completing the activities, the personnel necessary to complete the activities and the amount of the grant requested;

'(B) a description of the applicant and a statement of its qualifications;

'(C) identification and description of the project involved, and a description of the composition of the tenants, including family size and income;

'(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

'(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

'(5) Selection criteria. - The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this subsection, which shall include -

'(A) the qualities or potential capabilities of the applicant;

'(B) the extent of resident interest and involvement in the development of a revitalization program for the project;

'(C) the extent of involvement of local public and private entities in the development of a revitalization program for the project and in the provision of supportive services to project residents;

'(D) the potential of the applicant for developing a successful and affordable revitalization program and the suitability of the project for such a program;

'(E) national geographic diversity among housing for which applicants are selected to receive assistance;

'(F) the extent of the need for and potential impact of the revitalization program; and

'(G) such other factors that the Secretary determines are appropriate for purposes of carrying out the program established by this section in an effective and efficient manner.

'(6) Notification. - The Secretary shall notify each applicant, not later than 6 months after the date of the submission of the application, whether the application is approved or disapproved.

'(d) Implementation Grants. -

'(1) In general. - The Secretary may make implementation grants under this subsection to applicants for the purpose of carrying out revitalization programs for severely distressed public housing under this section.

'(2) Eligible activities. - Implementation grants may be used for activities to carry out revitalization programs for severely distressed public housing, including -

'(A) architectural and engineering work;

'(B) the redesign, reconstruction, or redevelopment of the severely distressed public housing development, including the site on which the development is located;

'(C) covering the administrative costs of the applicant, which may not exceed such portion of the assistance provided under this subsection as the Secretary may prescribe;

'(D) any necessary temporary relocation of tenants during the activity specified under subparagraph (B);

'(E) payment of legal fees;

'(F) economic development activities that promote the economic self-sufficiency of residents under the revitalization program;

'(G) necessary management improvements;

'(H) transitional security activities; and

'(I) any necessary support services, except that not more than 15 percent of any grant under this subsection may be used for such purpose.

'(3) Application. - An application for a implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish. The Secretary shall require that an application contain at a minimum -

'(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

'(B) a description of the applicant and a statement of its qualifications;

'(C) identification and description of the project involved, and a description of the composition of the tenants, including family size and income;

'(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

'(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

'(4) Selection criteria. - The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this subsection, which shall include -

'(A) the qualities or potential capabilities of the applicant;

'(B) the extent of resident involvement in the development of a revitalization program for the project;

'(C) the extent of involvement of local public and private entities in the development of a revitalization program for the project and in the provision of supportive services to project residents;

'(D) the potential of the applicant for developing a successful and affordable revitalization program and the suitability of the project for such a program;

'(E) national geographic diversity among housing for which applicants are selected to receive assistance;

'(F) the extent of the need for and potential impact of the revitalization program; and

'(G) such other factors that the Secretary determines are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

'(5) Notification. - The Secretary shall notify each applicant, not later than 6 months after the date of the submission of the application, whether the application is approved or disapproved.

'(e) Exceptions to General Program Requirements. -

'(1) Long-term viability. - The Secretary may waive or revise rules established under this title governing rents, income eligibility, and other areas of public housing management, 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.

'(2) Selection of tenants. - For projects revitalized under this section, a public housing agency may select tenants pursuant to a local system of preferences, in lieu of selecting tenants pursuant to the preferences specified under section 6(c)(4)(A)(i). Such local system shall be established in writing and shall respond to local housing needs and priorities as determined by the public housing agency. The public housing agency shall hold 1 or more public hearings to obtain the views of low-income tenants and other interested parties on the housing needs and priorities of the agency's jurisdiction.

'(f) Other Program Requirements. -

'(1) Cost limitations. - Subject to the provisions of this section, the Secretary -

'(A) shall establish cost limitations on eligible activities under this section sufficient to provide for effective revitalization programs; and

'(B) may establish other cost limitations on eligible activities under this section.

'(2) Economic development. - Not more than an aggregate of \$250,000 from amounts made available under subsections (c) and (d) may be used for economic development activities under subsections (c) and (d) for any project, except that the Secretary may for good cause waive the applicability of this paragraph for a project.

'(g) Administration. - For the purpose of carrying out the revitalization of severely distressed public housing in accordance with this section, the Secretary shall establish within the Department of Housing and Urban Development an Office of Severely Distressed Public Housing Revitalization.

'(h) Definitions. - For the purposes of this section:

'(1) Applicant. - The term 'applicant' means -

'(A) any public housing agency that is not designated as troubled pursuant to section 6(j)(2);

'(B) any public housing agency or private housing management agent selected, or receiver appointed pursuant, to section 6(j)(3);

'(C) any public housing agency that is designated as troubled pursuant to section 6(j)(2), if such agency acts in concert with a private nonprofit organization, another public housing agency that is not designated as a troubled agency, resident management corporation or other entity approved by the Secretary; and

'(D) any public housing agency that is designated as troubled pursuant to section 6(j)(2) that -

'(i) is so designated principally for reasons that will not affect the capacity of the agency to carry out a revitalization program;

'(ii) is making substantial progress toward eliminating the deficiencies of the agency; or

'(iii) is otherwise determined by the Secretary to be capable of carrying out a revitalization program.

'(2) Private nonprofit corporation. - The term 'private nonprofit organization' means any private nonprofit organization (including a State or locally chartered nonprofit organization) that -

'(A) is incorporated under State or local law;

'(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

'(C) complies with standards of financial accountability acceptable to the Secretary; and

'(D) has among its purposes significant activities related to the provision of decent housing that is affordable to very low-income families.

'(3) Public housing agency. - The term 'public housing agency' has the meaning given the term in section 3(b), except that it does not include any Indian housing authority.

'(4) Resident management corporation. - The term 'resident management corporation' means a resident management corporation established in accordance with the requirements of the Secretary under section 20.

'(5) Severely distressed public housing. - The term 'severely distressed public housing' means a public housing project -

'(A) that -

'(i) requires major redesign, reconstruction or redevelopment, or partial or total demolition, to correct serious deficiencies in the original design (including appropriately high population density), deferred maintenance, physical deterioration or obsolescence of major systems and other deficiencies in the physical plant of the project;

'(ii) is occupied predominantly by families with children who are in a severe state of distress, characterized by such factors as high rates of unemployment, teenage pregnancy, single-parent households, long-term dependency on public assistance and minimal educational achievement;

'(iii) is in a location for recurrent vandalism and criminal activity (including drug-related criminal activity); and

'(iv) cannot remedy the elements of distress specified in clauses (i) through (iii) through assistance under other programs, such as the programs under section 9 or 14, or through other administrative means; or

'(B) that -

'(i) is owned by a public housing agency designated as troubled pursuant to section 6(j)(2);

'(ii) has a vacancy rate, as determined by the Secretary, of 50 percent or more, unless the project or building is vacant because it is awaiting rehabilitation under a modernization program under section 14 that -

'(I) has been approved and funded; and

'(II) as determined by the Secretary, is on schedule and is expected to result in full occupancy of the project or building upon completion of the program; and

'(iii) in the case of individual buildings, the building is, in the Secretary's determination, sufficiently separable from the remainder of the project to make use of the building feasible for purposes of this subtitle.

'(i) Annual Report. - The Secretary shall submit to the Congress an annual report setting forth -

'(1) the number, type, and cost of public housing units revitalized pursuant to this section;

'(2) the status of projects identified as severely distressed public housing pursuant to subsection (b);

'(3) the amount and type of financial assistance provided under and in conjunction with this section; and

'(4) the recommendations of the Secretary for statutory and regulatory improvements to the program established by this section.'.

SEC. 121. CHOICE IN PUBLIC HOUSING MANAGEMENT.

(a) Purpose . - The purpose of this section is to encourage choice in management of distressed public housing projects by residents and increased resident management of public housing projects, as a means of improving living conditions in public housing projects, by providing for resident councils and resident management corporations to transfer the management of distressed projects to alternative managers.

(b) Amendment to 1937 Act . - Title I of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.) is amended by adding after section 24 (as added by section 120 of this Act) the following new section:

'SEC. 25. CHOICE IN PUBLIC HOUSING MANAGEMENT.

'(a) Short Title. - This section may be cited as the 'Choice in

Public Housing Management Act of 1992'.

'(b) Funding. -

'(1) Rehabilitation and redevelopment grants. - From amounts reserved under section 14(k)(2) for each of fiscal years 1993 and 1994, the Secretary may reserve not more than \$50,000,000 in each such fiscal year for activities under this section (which may include funding operating reserves for eligible housing transferred under this section). The Secretary may make grants to managers and ownership entities to rehabilitate eligible housing in accordance with this section, as appropriate.

'(2) Technical assistance. - The Secretary may use up to 5 percent of the total amount reserved under paragraph (1) for any fiscal year to provide, by contract, technical assistance to residents of public housing and resident councils to help such residents and councils make informed choices about options for alternative management under this section.

'(c) Program Authority. -

'(1) Transfer of management. -

'(A) In general . - The Secretary may approve not more than 25 applications submitted for fiscal years 1993 and 1994 by resident councils for the transfer of the management of distressed public housing projects, or one or more buildings within projects, that are owned or operated by troubled public housing agencies, from public housing agencies to alternative managers.

'(B) Required votes . - An application for such transfer may be submitted and approved only if a majority of the members of the board of the resident council has voted in favor of the proposed transfer of management responsibilities, and a majority of the residents has also voted in favor of the transfer in an election supervised by a disinterested third party.

'(C) Assistance of management specialist . - Any resident council seeking to transfer management of distressed public housing under this section shall, in cooperation with the public housing agency for such housing, select a qualified public housing management specialist to assist in identifying and acquiring a capable manager for the housing.

'(2) Rehabilitation and capital improvements. - The Secretary may make rehabilitation grants and provide capital improvement funding under subsection (e) in connection with the transfer of eligible housing to a manager under this section.

'(d) Operating Subsidies. -

'(1) Authority to provide. - The Secretary may make operating

subsidies under section 9 available to managers under this section.

'(2) Amount of subsidy. - The Secretary shall establish the amount of the operating subsidies made available to a manager based on the share for the housing under section 9 as determined by the Secretary.

'(3) Effect on pha grant. - Operating subsidies for any public housing agency transferring management under this section shall be reduced in accordance with the requirements of section 9.

'(e) Rehabilitation Grants and Capital Improvement Funding. -

'(1) Rehabilitation grants. - An application under subsection (f) may request approval of amounts set aside under subsection (b) for the rehabilitation of eligible housing. The manager and the Secretary shall enter into a contract governing the use of any such assistance provided.

'(2) Annual capital improvement funding. -

'(A) Authority to provide. - The Secretary may make funding for capital improvements available annually from amounts under section 14 to managers of eligible housing. In accordance with the contract entered into pursuant to subsection (h), each manager receiving such funding shall establish a capital improvements reserve account and deposit in the account each year an amount not less than the annual amount of comprehensive grant funds it receives. Amounts in the reserve account may be used only for capital improvements and replacements.

'(B) Amount of subsidy. - The Secretary shall establish the amount made available to a manager under paragraph (1) for capital improvements based on the share for the housing under the comprehensive grant formula and, to the extent practicable, the public housing agency's comprehensive grant plan, in accordance with section 14, as determined by the Secretary.

'(C) Limitation in the case of recent rehabilitation. - Where eligible housing has received rehabilitation funding under paragraph (1) or has otherwise been comprehensively modernized within 3 years before the effective date of the contract between the Secretary and the manager for management of the eligible housing, only the accrual portion of the comprehensive grant formula amount shall be available for payment to the manager.

'(D) Effect on pha grant. - The formula amount of a comprehensive grant for a public housing agency transferring the housing under this section shall be

reduced in accordance with the requirements of section 14.

'(3) Relationship to section 14. - The provisions of section 14 shall apply with respect to rehabilitation grants under paragraph (1) or capital improvement funding under paragraph (2); except that the Secretary may waive the applicability of any of the provisions of such section where such provisions are not appropriate to the assistance under this subsection.

'(f) Application. -

'(1) Form and procedures. -

'(A) In general. - To be eligible for approval for transfer of management from a public housing agency to a manager and for a grant under subsection (e), a resident council shall submit an application to the Secretary in such form and in accordance with such procedures as the Secretary shall establish.

'(B) PHA comment on application. - A resident council submitting an application shall provide the public housing agency that owns or operates the housing involved a reasonable opportunity to comment on the application, as the Secretary shall prescribe.

'(C) PHA proposal . - The public housing agency may present to the resident council a proposal for the continued management of the housing by the agency, and the resident council shall give reasonable consideration to any such proposal.

'(2) Minimum requirements. - The Secretary shall require that an application contain -

'(A) a description of the resident council and documentation of its authority;

'(B) documentation of the votes required under subsection (c) (1) (B);

'(C) a description of the proposed manager selected by the applicant (in accordance with procedures established or approved by the Secretary) and documentation of its capacity to manage the eligible housing;

'(D) a plan for carrying out the manager's responsibilities for managing the eligible housing;

'(E) documentation that the project (or building or buildings) for which management transfer is proposed is eligible housing;

'(F) documentation that each of the requirements under paragraph (1) (B) have been fulfilled;

'(G) (i) if the application includes a request for a rehabilitation grant under subsection (e) (which shall be included in any application involving eligible housing that is 50 percent or more vacant), the basis for the estimate of the amount requested, including -

'(I) the estimate of the eligible housing's need under the public housing agency's comprehensive plan (under section 14(e) (1)); and

'(II) an explanation, where appropriate, if an amount higher than the amount planned by the agency is being requested; or

'(ii) if the application does not include a request for a rehabilitation grant under subsection (e), a demonstration that needs for capital improvements and replacement for the housing can reasonably be expected to be funded from funding for capital improvements under subsection (e);

'(H) if the manager proposes to administer a program to enable residents to achieve economic independence and self-sufficiency, a description of the program and evidence of commitment of resources to the program;

'(I) an analysis showing that the planned rehabilitation will result in the long-term viability of the housing at a reasonable cost;

'(J) a certification that the manager will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing; and

'(K) such other information that the Secretary considers appropriate.

'(g) Review and Approval by the Secretary. -

'(1) Applications not requesting rehabilitation assistance. - In the case of applications for the transfer of management of public housing that do not include a request for rehabilitation assistance under subsection (e), the Secretary may approve an application that meets the requirements of subsection (f) (2) and this section.

'(2) Applications requesting rehabilitation grants. - In the case of applications that include a request for rehabilitation assistance under subsection (e), the Secretary shall select applicants for approval based on a national competition. The Secretary shall, by regulation, establish selection criteria for the competition which provide for separate rating of

applicants under this paragraph and of applicants under this section, and for selections from a single list of all applicants. The criteria shall include -

'(A) the quality of the plan for rehabilitating the eligible housing;

'(B) the extent of the capacity or potential capacity of the proposed manager to manage the housing and to carry out the rehabilitation program;

'(C) the extent to which a program is proposed to enable residents to achieve economic independence and self-sufficiency;

'(D) the extent to which the planned rehabilitation will result in the long-term viability of the housing at a reasonable cost; and

'(E) such other criteria as the Secretary may require.

'(h) Contract Between Secretary and Manager. -

'(1) Terms. - After the Secretary approves an application, the Secretary shall enter into a contract with the manager for transfer of management of the eligible housing. In addition to other contract provisions required under this section, the contract shall -

'(A) give the manager the right to receive operating subsidies under subsection (d) and capital improvement funding under subsection (e);

'(B) require the manager to carry out all management responsibilities for the eligible housing, as provided in or required by the contract;

'(C) require the manager to carry out, for the eligible housing, all management responsibilities applicable to public housing agencies owning or operating public housing projects, including (i) maintaining the units in decent, safe, and sanitary condition in accordance with any standards for public housing established or adopted by the Secretary, (ii) determining eligibility of applicants for occupancy of units subject to the requirements of this Act, (iii) terminating tenancy in accordance with the procedures applicable to the section 8 new construction program, and (iv) determining the amount of rent paid for units in accordance with this Act; and

'(D) permit, but not require, the manager to select applicants from the public housing waiting list maintained by the public housing agency.

'(2) Extension, expiration, and termination. -

'(A) In general . - The Secretary shall provide for a resident council that has entered into a contract under this subsection to -

'(i) approve the renewal of the contract between the Secretary and the manager; or

'(ii) disapprove renewal and submit an application to the Secretary, in accordance with subsection (f), proposing another manager, which may be the public housing agency.

'(B) Default . - If the Secretary determines that a manager is in default of its responsibilities under the contract, the Secretary may require the resident council to submit another application proposing a different manager, which may be the public housing agency.

'(i) Other Program Requirements. -

'(1) Cost limitations. - The Secretary may establish cost limitations on activities under this section. The amount of rehabilitation funds under subsection (e)(1) that may be approved may not exceed the per unit cost limit applicable to the comprehensive grant program under section 14.

'(2) Demolition and disposition not permitted. - A manager may not demolish or dispose of eligible housing under this section.

'(3) Capability of resident management corporations. - To be eligible to become a manager under this section, a resident management corporation -

'(A) shall demonstrate to the Secretary its ability to manage public housing effectively and efficiently, as determined by the Secretary, which shall include evidence of its most recent financial audit; or

'(B) shall arrange for operation of the housing by a qualified management entity.

'(4) Limitations on pha liability. - A public housing agency shall not be liable for any act or failure to act by the manager or resident council.

'(5) Bonding and insurance. - Before assuming any management responsibility for eligible housing, a manager shall obtain fidelity bonding and insurance, or equivalent protection, in accordance with regulations and requirements established by the Secretary. Such bonding and insurance, or its equivalent, shall be adequate to protect the Secretary and the public housing

agency against loss, theft, embezzlement, or fraudulent acts on the part of the manager or its employees.

'(6) Restriction on displacement before transfer. - A public housing agency may not involuntarily displace, as determined by the Secretary, any resident of eligible housing during the period beginning on the date that an application under subsection (f) is submitted by a resident council, and ending upon transfer of management of the housing or, if the application is disapproved, the date of the disapproval.

'(j) Performance Review and Compliance. -

'(1) Monitoring . - The Secretary shall monitor the performance of managers under this section and shall assess their management performance using the performance indicators established under section 6(j)(1).

'(2) Records, reports, and audits of managers. -

'(A) Keeping of records. - Each manager and resident council under this subtitle shall keep such records as may be reasonably necessary to disclose the amount and the disposition by the manager of the proceeds of assistance received under this section and to ensure compliance with the requirements of this section.

'(B) Access to documents. -

'(i) Secretary. - The Secretary shall have access for the purpose of audit and examination to any books, documents, papers, and records of a manager, resident council, and public housing agency that are pertinent to assistance received under, and to the requirements of, this section.

'(ii) GAO. - The Comptroller General of the United States, and any duly authorized representatives of the Comptroller General, shall have access for the purpose of audit and examination to any books, documents, papers, and records of a manager and resident council that are pertinent to assistance received under, and to the requirements of, this section.

'(C) Reporting requirements. - Each manager shall submit to the Secretary such reports as the Secretary determines appropriate to carry out the Secretary's responsibilities under this section, including an annual financial audit.

'(D) Annual report. - The Secretary shall submit an annual report to the Congress evaluating management transfers under this section compared to other methods of dealing with severely distressed public housing.

'(k) Nondiscrimination. - No person in the United States shall, on the grounds of race, color, national origin, religion, or sex, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, any program or activity funded in whole or in part with funds made available under this section. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 shall also apply to any such program or activity.

'(l) Relationship to Other Programs. -

'(1) Homeownership. - After a transfer of management in accordance with this section, the eligible housing shall remain eligible for assistance under title III and for sale under section 5(h). Participation in a homeownership program shall be consistent with a contract between the Secretary and a manager.

'(2) Self-sufficiency. - Where an application under subsection (f) proposes a program to enable residents to achieve economic independence and self-sufficiency, consistent with the objectives of the program under section 23, and demonstrates that the manager has the capacity to carry out a self-sufficiency program, the Secretary may approve such a program. Where such a program is approved, the Secretary shall authorize the manager to adopt policies consistent with section 23(d) (relating to maximum rents and escrow savings accounts) and section 23(e) (relating to effect of increases in family income).

'(m) Definitions. - For purposes of this section:

'(1) The term 'eligible housing' means a public housing project, or one or more buildings within a project, that -

'(A) is owned or operated by a troubled public housing agency; and

'(B) has been identified as severely distressed under section 24 of this Act.

In the case of an individual building, the building shall, in the determination of the Secretary, be sufficiently separable from the remainder of the project to make use of the building feasible for purposes of this section.

'(2) The term 'manager' means one of the following entities that has entered into a contract with the Secretary for the management of eligible housing under this section:

'(A) A public or private nonprofit organization (including, as determined by the Secretary, such an organization sponsored by the public housing agency).

'(B) A for-profit entity, if it has (i) demonstrated experience in providing low-income housing, and (ii) is participating in joint venture with an organization described in paragraph (3).

'(C) A State or local government, including an agency or instrumentality thereof.

'(D) A public housing agency (other than the public housing agency that owns the project).

The term does not include a resident council.

'(3) The term 'private nonprofit organization' means any private nonprofit organization (including a State or locally chartered nonprofit organization) that -

'(A) is incorporated under State or local law;

'(B) has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

'(C) complies with standards of financial accountability acceptable to the Secretary; and

'(D) has among its purposes significant activities related to the provision of decent housing that is affordable to low-income families.

The term includes resident management corporations.

'(4) The term 'public housing agency' has the meaning given such term in section 3(b), except that it does not include Indian housing authorities.

'(5) The term 'public nonprofit organization' means any public nonprofit entity, except the public housing agency that owns the eligible housing.

'(6) The term 'resident council' means any nonprofit organization or association that -

'(A) is representative of the residents of the eligible housing;

'(B) adopts written procedures providing for the election of officers on a regular basis; and

'(C) has a democratically elected governing board, elected by the residents of the eligible housing.

'(7) The term 'resident management corporation' means a resident management corporation established in accordance with

the requirements of the Secretary under section 20.

'(8) The term 'troubled public housing agency' means a public housing agency with 250 or more units that -

'(A) has been designated as a troubled public housing agency for the current Federal fiscal year, and for the 2 preceding Federal fiscal years -

'(i) under section 6(j)(2)(A)(i); or

'(ii) before the implementation of such authority, under any other procedure for designating troubled public housing agencies that was used by the Secretary and is determined by the Secretary to be appropriate for purposes of this section; and

'(B) has not met targets for improved performance under section 6(j)(2)(C).'

SEC. 122. ASSISTED HOUSING FOR INDIANS AND ALASKA NATIVES.

(a) Exemption From New Construction Limitation . - Section 201(c) of the United States Housing Act of 1937 (42 U.S.C. 1437aa(c)) is amended by inserting before the period at the end the following: 'or section 6(h) of the United States Housing Act of 1937 (relating to a limitation on contracts involving new construction).'

(b) Modernization . - Section 202(b)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437bb(b)(2)) is amended by striking 'single' in the second sentence.

(c) Payments to Municipalities . - Section 203(b) of the United States Housing Act of 1937 (42 U.S.C. 1437cc(b)) is amended by adding at the end the following new sentence: 'Notwithstanding any other provision of this Act, the Secretary shall make annual payments from funds appropriated under section 9(c) to municipalities providing such roads, facilities, and systems in a amount equal to -

'(1) 10 percent of the applicable shelter rent, minus the utility allowance; or

'(2) \$150,

whichever is greater, for each rental housing unit covered by this subsection.'

SEC. 123. PUBLIC HOUSING EARLY CHILDHOOD DEVELOPMENT SERVICES.

Section 222(g) of the Housing and Urban-Rural Recovery Act of 1983 (12 U.S.C. 1701z-6 note) is amended to read as follows:

'(g) Authorization of Appropriations. - To the extent provided in appropriation Acts, of any amounts appropriated for fiscal year 1993 under section 103 of the Housing and Community Development Act of 1974, \$5,000,000 shall be available to carry out this section. To the extent approved in appropriation Acts, of any amounts appropriated for fiscal year 1994 under section 5(c) of the United States Housing Act of 1937 for grants for the development of public housing, \$5,210,000 shall be available to carry out this section. Any such amounts shall remain available until expended.'

SEC. 124. INDIAN HOUSING CHILDHOOD DEVELOPMENT SERVICES.

(a) Funding. - Section 518(a) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z-6 note) is amended by striking the subsection designation and all that follows through the end of the first sentence and inserting the following:

'(a) Funding. - To the extent provided in appropriation Acts, of any amounts appropriated under section 5(c) of the United States Housing Act of 1937 for fiscal year 1993 for public housing grants for Indian housing, \$5,200,000 may be used to carry out the demonstration program under this section. To the extent provided in appropriation Acts, of any amounts appropriated under section 5(c) of the United States Housing Act of 1937 for fiscal year 1994 for public housing grants for Indian housing, \$5,418,400 may be used to carry out the demonstration program under this section.'

(b) Eligible Recipients. - The second sentence of section 518(a) of the Cranston-Gonzalez National Affordable Housing Act (12 U.S.C. 1701z-6 note) is amended -

(1) by inserting ', Indian housing authorities, and Indian tribes' after 'nonprofit organizations'; and

(2) by inserting ', housing authorities, and tribes' after 'such organizations'.

SEC. 125. PUBLIC HOUSING ONE-STOP PERINATAL SERVICES DEMONSTRATION.

Section 521(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437t note) is amended to read as follows:

'(g) Authorization of Appropriations. - There are authorized to be appropriated for carrying out the demonstration program under this section \$200,000 for fiscal year 1993 and \$208,400 for fiscal year 1994.'

SEC. 126. PUBLIC HOUSING YOUTH SPORTS PROGRAMS.

(a) Funding From Public and Assisted Housing Drug Elimination Funds. - Section 5130 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909) is amended by adding at the end the following new subsection:

'(c) Set-Aside for Youth Sports Programs. - Of any amount made available in any fiscal year to carry out this chapter, 5 percent of such amount shall be available for public housing youth sports program grants under section 520 of the Cranston-Gonzalez National Affordable Housing Act for such fiscal year.'

(b) Eligibility of Institutions of Higher Learning . -

(1) In general . - Section 520(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a(b)) is amended -

(A) in paragraph (6), by striking 'and' at the end;

(B) in paragraph (7), by striking the period at the end and inserting '; and'; and

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

'(8) institutions of higher learning that have never participated in a youth sports program assisted under this section.'

(2) Transportation costs as eligible expense . - Section 520(d) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 11903a(d)) is amended by adding at the end the following new paragraph:

'(4) In the case only of an eligible entity described in subsection (b) (8), any transportation costs in connection with the program.'

(c) Demonstration Program . - Of any amounts made available in fiscal year 1993 for carrying out section 520 of the Cranston-Gonzalez National Affordable Housing Act, the Secretary of Housing and Urban Development shall provide not more than \$500,000 for the program known as the 'Success Through Academic and Recreational Support' program, administered by the City of Fort Myers, Florida, to demonstrate the effectiveness of programs that use trained counselors to run sports and academic activities for at-risk children, including children of low-income families residing in public housing. The grantee shall comply with all applicable program requirements under subsections (c), (d), (e), and (h) of such section. The Secretary shall evaluate the advantages of the program assisted under this subsection and determine how the program may provide a model for other cities conducting, or interested in conducting, similar activities.

SEC. 127. NATIONAL COMMISSION ON DISTRESSED PUBLIC HOUSING.

(a) Termination . - Section 507 of the Department of Housing and Urban Development Reform Act of 1989 (12 U.S.C. 1715z-1a note) is amended by striking 'upon the expiration of 18 months following the appointment of all the members under section 503(a)' and inserting

'at the end of September 30, 1992'.

(b) Audit . - Not later than December 30, 1992, the Comptroller General of the United States shall conduct an audit of the financial transactions of the National Commission on Distressed Public Housing to determine the use of any amounts received by the Commission from the Federal Government before October 1, 1992, and shall submit a report to the Congress regarding the results of the audit. The Comptroller General and any duly authorized representatives of the Comptroller General shall have access to, and the right to examine and copy, all records and other recorded information in any form, and to examine any property, within the possession and control of the Commission that the Comptroller General considers relevant to the audit.

SEC. 128. NATIONAL COMMISSION ON AMERICAN INDIAN, ALASKA NATIVE, AND NATIVE HAWAIIAN HOUSING.

(a) Authorization of Appropriations. - The first sentence of section 605 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 1437aa note) is amended to read as follows: 'There is authorized to be appropriated to carry out this title \$500,000 for fiscal year 1993.'

(b) Extension of Termination Date. - Section 602(g) of the Department of Housing and Urban Development Reform Act of 1989 (12 U.S.C. 1437aa note) is amended by striking 'upon the expiration of 18 months after all members of the Commission are appointed under paragraph (1)' and inserting 'on October 1, 1993'.

SEC. 129. RENTAL ASSISTANCE FRAUD RECOVERIES.

(a) In General. - Section 326(d) of the Housing and Community Development Amendments of 1981 (42 U.S.C. 1437f note) is amended to read as follows:

'(d) Rental Assistance Fraud Recoveries . -

'(1) Authority to retain recovered amounts . - The Secretary of Housing and Urban Development shall permit public housing agencies administering the housing assistance payments program under section 8 of the United States Housing Act of 1937 to retain, out of amounts obtained by the agencies from tenants that are due as a result of fraud and abuse, an amount (determined in accordance with regulations issued by the Secretary) equal to the greater of -

'(A) 50 percent of the amount actually collected, or

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

'(2) Use . - Amounts retained by an agency shall be made available for use in support of the affected program or project, in

accordance with regulations issued by the Secretary. Where the Secretary is the principal party initiating or sustaining an action to recover amounts from families or owners, the provisions of this section shall not apply.

'(3) Recovery . - Amounts may be recovered under this paragraph -

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

'(B) through administrative repayment agreements with a family or owner entered into as a result of an administrative grievance procedure conducted by an impartial decisionmaker in accordance with section 6(k) of the United States Housing Act of 1937.'

(b) Effective Date. - Subsection (a) shall apply with respect to actions by public housing agencies initiated on or after the date of the enactment of this Act.

SEC. 130. PROJECT-BASED ACCOUNTING.

Section 502(c)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437d note) is amended by inserting before the period the following: 'for public housing agencies with 500 or more units and not later than January 1, 1994 for public housing agencies with less than 500 units.'

SEC. 131. SALE OF CERTAIN SCATTERED-SITE HOUSING.

The Secretary of Housing and Urban Development shall authorize the Delaware State Housing Authority in the State of Delaware to sell scattered-site public housing of the Authority under the provisions of section 5(h) of the United States Housing Act of 1937. Any proceeds from the disposition of such housing shall be used to purchase replacement scattered-site dwellings, which shall be considered public housing for the purposes of such Act and for which the Secretary shall provide annual contributions for operation, using amounts made available under section 9(c) of such Act.

SEC. 132. HOMEOWNERSHIP DEMONSTRATION PROGRAM IN OMAHA, NEBRASKA.

(a) Establishment. - The Secretary shall carry out a program to facilitate self-sufficiency and homeownership of single-family homes administered by the Housing Authority of the city of Omaha, in the State of Nebraska (in this section referred to as the 'Housing Authority'), to demonstrate the effectiveness of promoting homeownership and providing support services.

(b) Participating Public Housing Units . - For purposes of the demonstration program, the Secretary shall authorize the Housing Authority to designate single-family housing units for eventual homeownership. Over the term of the demonstration, the demonstration program may be applied to not more than 20 percent of the total number of public housing units administered by the Housing Authority. In conducting the demonstration, the Housing Authority shall affirmatively further fair housing objectives.

(c) Nondisplacement. - No person who is a tenant of public housing may be involuntarily relocated or displaced as a result of the demonstration program.

(d) Economic Self-Sufficiency. -

(1) Establishment of participation criteria. - The Housing Authority shall establish criteria for the participation of families in the demonstration program. Such criteria shall be based on factors that may reasonably be expected to predict a family's ability to succeed in the homeownership program established by this section.

(2) Contents of participation criteria. - The criteria referred to in paragraph (1) shall include evidence of interest by the family in homeownership, the employment status and history of employment of family members, and maintenance by the family of the family's previous dwelling.

(e) Provision of Supportive Services. - The Housing Authority shall ensure the availability of supportive services to each family participating in the demonstration program through its own resources and through coordination with Federal, State, and local agencies and private entities. Supportive services available under the demonstration program may include counseling, remedial education, education for completion of high school, job training and preparation, financial counseling emphasizing planning for homeownership, and any other appropriate services.

(f) Reports to Congress. -

(1) Biennial report. - Upon the expiration of the 2-year period beginning on the date of enactment of this Act, and each 2-year period thereafter, the Secretary of Housing and Urban Development shall submit to the Congress a report evaluating the effectiveness of the demonstration program established under this section.

(2) Final report. - Not later than 60 days after termination of the demonstration program pursuant to subsection (h), the Secretary shall submit to the Congress a final report evaluating the effectiveness of the demonstration program.

(g) Regulations . - Not later than the expiration of the 90-day

period beginning on the date of the enactment of this Act, the Secretary shall issue interim regulations to carry out this section, which shall take effect upon issuance. The Secretary shall issue final regulations to carry out this subtitle after notice and opportunity for public comment regarding the interim regulations, pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a) (2), (b) (B), and (d) (3) of such section). The duration of the period for public comment shall not be less than 60 days, and the final regulations shall be issued not later than the expiration of the 60-day period beginning upon the conclusion of the comment period and shall take effect upon issuance.

(h) Termination. - The demonstration program established under this section shall terminate 10 years after the date of the enactment of this Act.

SUBTITLE C - SECTION 8 ASSISTANCE

SEC. 141. ELIGIBILITY OF LOW-INCOME FAMILIES TO RECEIVE RENTAL ASSISTANCE.

(a) Certificates . - The first sentence of section 8(c) (4) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c) (4)) is amended by inserting before the first comma the following: 'or by a family that qualifies to receive assistance under subsection (b) pursuant to section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990'.

(b) Vouchers . - Section 8(o) (3) (A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o) (3) (A)) is amended -

(1) by striking 'or' at the end of clause (iii); and

(2) by inserting before the period the following: ', or (v) a family that qualifies to receive a voucher under section 223 or 226 of the Low-Income Housing Preservation and Resident Homeownership Act of 1990'.

SEC. 142. CONTRACT ADJUSTMENTS FOR EXPIRATION OF PROPERTY TAX EXEMPTION.

Section 8(c) (2) (B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c) (2) (B)) is amended by inserting after the first sentence the following new sentence: 'The Secretary shall make additional adjustments in the maximum monthly rent for units under contract (subject to the availability of appropriations for contract amendments) to the extent the Secretary determines such adjustments are necessary to reflect increases in the actual and necessary expenses of owning and maintaining the units that have resulted from the expiration of a real property tax exemption.'.

SEC. 143. TERMINATION OF CONTRACTS.

The last sentence of section 8(c)(9) of the United States Housing Act of 1937 (42 U.S.C. 1437f(c)(9)) is amended by inserting before the period at the end the following: ', and such term shall include termination of the contract for business reasons'.

SEC. 144. PREFERENCES FOR VETERANS WITH DISABILITIES THAT PREVENT USE OF HOME.

(a) Certificates . - Section 8(d)(1)(A)(ii) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(A)(ii)) is amended -

(1) by striking '(V)' and inserting '(VI)'; and

(2) by inserting after 'adoption is not available;' the following: '(V) assisting veterans who are eligible and have applied for assistance, will use the assistance for a dwelling unit designed for the handicapped, and, upon discharge or eligibility for discharge from a hospital or nursing home, have physical disability which, because of the configuration of their homes, prevents them from access to or use of their homes;'.

(b) Vouchers . - The third sentence of section 8(o)(3)(B) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)(3)(B)) is amended -

(1) by striking '(v)' and inserting '(vi)'; and

(2) by inserting after 'adoption is not available;' the following: '(v) assisting veterans who are eligible and have applied for assistance, will use the assistance for a dwelling unit designed for the handicapped, and, upon discharge or eligibility for discharge from a hospital or nursing home, have physical disability which, because of the configuration of their homes, prevents them from access to or use of their homes;'.

SEC. 145. TERMINATION OF TENANCY FOR CRIMINAL ACTIVITY.

Section 8(d)(1)(B)(iii) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(1)(B)(iii)) is amended -

(1) by inserting ', any criminal activity that threatens the health, safety, or right to peaceful enjoyment of their residences by persons residing in the immediate vicinity of the premises,' before 'or any drug-related'; and

(2) by striking 'public housing tenant' and inserting 'tenant of any unit'.

SEC. 146. DEFINITIONS OF 'PROJECT-BASED ASSISTANCE' AND 'TENANT-BASED ASSISTANCE'.

Section 8(f) of the United States Housing Act of 1937 (42 U.S.C.

1437f(f)) is amended -

(1) in paragraph (4), by striking 'and' at the end;

(2) in paragraph (5), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following new paragraphs:

'(6) the term 'project-based assistance' means rental assistance under subsection (b) that is attached to the structure pursuant to subsection (d)(2); and

'(7) the term 'tenant-based assistance' means rental assistance under subsection (b) or (c) that is not project-based assistance.'

SEC. 147. PORTABILITY.

Section 8(r)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437f(r)) is amended by inserting before the period at the end the following: '; except that any family not living within the jurisdiction of a public housing agency at the time that such family applies for assistance from such agency shall, during the 12-month period beginning upon the receipt of any tenant-based rental assistance made available on behalf of the family, use such assistance to rent an eligible dwelling unit located within the jurisdiction served by such public housing agency'.

SEC. 148. FAMILY UNIFICATION ASSISTANCE.

Section 8(x)(1) of the United States Housing Act of 1937 (12 U.S.C. 1437f(x)(1)) is amended to read as follows:

'(1) Increase in budget authority. - The budget authority available under section 5(c) for assistance under section 8(b) is authorized to be increased by \$100,000,000 on or after October 1, 1992, and by \$104,200,000 on or after October 1, 1993.'

SEC. 149. IMPLEMENTATION OF AMENDMENTS TO PROJECT-BASED CERTIFICATE PROGRAM.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to carry out the amendments made by section 547 of the Cranston-Gonzalez National Affordable Housing Act not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon the expiration of the 30-day period beginning upon issuance.

SEC. 150. EFFECTIVENESS OF SECTION 8 ASSISTANCE FOR PHA-OWNED

UNITS.

The amendments made by section 548 of the Cranston-Gonzalez National Affordable Housing Act shall be effective notwithstanding the absence of any regulations issued by the Secretary of Housing and Urban Development.

SEC. 151. IMPLEMENTATION OF INCOME ELIGIBILITY PROVISIONS FOR SECTION 8 NEW CONSTRUCTION UNITS.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to carry out the provisions of section 555 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437f note) not later than the expiration of the 180-day period beginning on the date of the enactment of this Act. The regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section) and shall take effect upon the expiration of the 30-day period beginning upon issuance.

SEC. 152. MOVING TO OPPORTUNITY FOR FAIR HOUSING.

(a) Authority. - Using any amounts available under subsection (e), the Secretary of Housing and Urban Development shall carry out a demonstration program to provide tenant-based assistance under section 8 of the United States Housing Act of 1937 to assist very low-income families with children who reside in public housing or housing receiving project-based assistance under section 8 of the United States Housing Act of 1937 to move out of areas with high concentrations of persons living in poverty to areas with low concentrations of such persons. The demonstration program carried out under this section shall compare and contrast the costs associated with implementing such a program (including the costs of counseling, supportive services, housing assistance payments and other relevant program elements) with the costs associated with the routine implementation of the section 8 tenant-based rental assistance programs. The Secretary shall enter into annual contributions contracts with public housing agencies to administer housing assistance payments contracts under the demonstration.

(b) Eligible Cities. -

(1) In general. - The Secretary shall carry out the demonstration only in cities with populations exceeding 350,000 that are located in consolidated metropolitan statistical areas (as designated by the Director of the Office of Management and Budget) having populations exceeding 1,500,000.

(2) 1993. - Notwithstanding paragraph (1), in fiscal year 1993, only the 5 cities selected for the demonstration under the item relating to 'Housing Programs - annual contributions for assisted housing (including rescission of funds)' of title II of the Departments of Veterans Affairs and Housing and Urban

Development, and Independent Agencies Appropriations Act, 1992 (105 Stat. 745), and the City of Los Angeles, California, shall be eligible for the demonstration under this section.

(c) Services. - The Secretary shall enter into contracts with nonprofit organizations to provide counseling and services in connection with the demonstration.

(d) Reports. -

(1) Biennial . - Not later than the expiration of the 2-year period beginning on the date of the enactment of this Act (and biennially thereafter), the Secretary shall submit interim reports to the Congress evaluating the effectiveness of the demonstration program under this section. The interim reports shall include a statement of the number of persons served, the level of counseling and the types of services provided, the cost of providing such counseling and services, updates on the employment record of families assisted under the program, and any other information the Secretary considers appropriate in evaluating the demonstration.

(2) Final . - Not later than September 30, 2004, the Secretary shall submit a final report to the Congress describing the long-term housing, employment, and educational achievements of the families assisted under the demonstration program. Such report shall also contain an assessment of such achievements for a comparable population of section 8 recipients who have not received assistance under the demonstration program.

(e) Funding. - The budget authority available under section 5(c) of the United States Housing Act of 1937 for tenant-based assistance under section 8 of such Act is authorized to be increased by \$50,000,000, on or after October 1, 1992, and by \$52,100,000, on or after October 1, 1993, to carry out the demonstration under this section. Any amounts made available under this paragraph shall be used in connection with the demonstration under this section.

(f) Implementation. - The Secretary may, by notice published in the Federal Register, establish any requirements necessary to carry out the demonstration under this section and the amendment made by this section. The Secretary shall publish such notice not later than the expiration of the 90-day period beginning on the date of the enactment of this Act and shall submit a copy of such notice to the Congress not less than 15 days before publication.

SEC. 153. DIRECTIVE TO FURTHER FAIR HOUSING OBJECTIVES UNDER CERTIFICATE AND VOUCHER PROGRAMS.

Not later than 2 years after the date of the enactment of this Act, the Secretary of Housing and Urban Development, in consultation with individuals representing fair housing organizations, low-income tenants, public housing agencies, and other interested parties, shall -

(1) review and comment upon the study prepared by the Comptroller General of the United States pursuant to section 558(3) of the Cranston-Gonzalez National Affordable Housing Act;

(2) evaluate the implementation and effects of existing demonstration and judicially mandated programs that help minority families receiving section 8 certificates and vouchers move out of areas with high concentrations of minority persons living in poverty to areas with low concentrations, including how such programs differ from the routine implementation of the section 8 certificate and voucher programs;

(3) independently assess factors (including the adequacy of section 8 fair market rentals, the level of counseling provided by public housing agencies, the existence of racial and ethnic discrimination by landlords) that may impede the geographic dispersion of families receiving section 8 certificates and vouchers;

(4) identify and implement any administrative revisions that would enhance geographic dispersion and tenant choice and incorporate the positive elements of various demonstration and judicially mandated mobility programs; and

(5) submit to the Congress a report describing its findings under paragraphs (1), (2), and (3), the actions taken under paragraph (4), and any recommendations for additional demonstration, research, or legislative action.

SEC. 154. HOUSING ASSISTANCE IN JEFFERSON COUNTY, TEXAS.

Section 213(e) of the Housing and Community Development Act of 1974 (42 U.S.C. 1439(e)) is amended by striking 'the Park Central New Community Project or in adjacent areas that are recognized by the unit of general local government in which such Project is located as being included within the Park Central New Town in Town Project.' and inserting 'Jefferson County, Texas.'.

SEC. 155. COMPLIANCE OF CERTAIN ACTIVITIES WITH LIMITATIONS ON PROJECT-BASED ASSISTANCE.

Rehabilitation activities undertaken by the Committee for Dignity and Fairness for the Homeless Housing Development, Inc. in connection with 46 dwelling units that were renovated for permanent housing for the homeless and that are located in Philadelphia, Pennsylvania, are hereby deemed to have been conducted pursuant to an agreement with the Secretary of Housing and Urban Development under clause (ii) of the third sentence of section 8(d)(2)(A) of the United States Housing Act of 1937 (42 U.S.C. 1437f(d)(2)(A)).

SUBTITLE D - OTHER PROGRAMS

SEC. 161. PUBLIC AND ASSISTED HOUSING DRUG ELIMINATION.

(a) Authorization of Appropriations. - The first sentence of section 5130(a) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(a)) is amended to read as follows: 'There are authorized to be appropriated to carry out this chapter \$175,000,000 for fiscal year 1993 and \$182,350,000 for fiscal year 1994.'

(b) Fiscal Year 1993 Set-Asides . - Section 5130(b) of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11909(b)) is amended -

(1) by striking 'Set-Aside for Assisted Housing' and inserting 'Set-Asides'; and

(2) by inserting after the period at the end the following new sentence: 'Notwithstanding any other provision of law, of any amounts appropriated for drug elimination grants under this chapter for fiscal years 1993 and 1994, not more than 6.25 percent shall be available for grants for federally assisted low-income housing and 5.0 percent shall be available for public housing youth sports program grants under section 520 of the Cranston-Gonzalez National Affordable Housing Act.'

(c) Drug-Related Activity in Other PHA-Owned Housing. - Section 5124 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11903) is amended -

(1) by inserting '(a) Public and Assisted Housing. - ' before 'Grants'; and

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

'(b) Other PHA-Owned Housing. - Notwithstanding any other provision of this chapter, grants under this chapter may be used to eliminate drug-related crime in housing owned by public housing agencies that is not public housing assisted under the United States Housing Act of 1937 and is not otherwise federally assisted, for the activities described in paragraphs (1) through (7) of subsection (a), but only if -

'(1) the housing is located in a high intensity drug trafficking area designated pursuant to section 1005 of this Act; and

'(2) the public housing agency owning the housing demonstrates, to the satisfaction of the Secretary, that drug-related activity at the housing has a detrimental effect on or about the real property comprising any public or other federally assisted low-income housing.'

(d) Eligibility of Public Housing Resident Management Corporations . - Chapter 2 of subtitle C of title 5 of the Anti-Drug Abuse Act of 1988 (42 U.S.C. 11901 et seq.) is amended -

(1) in section 5123, by inserting after '(including Indian Housing Authorities)' the following: ', public housing resident management corporations that are principally managing, as determined by the Secretary, public housing projects owned by public housing agencies,';

(2) in paragraph (7) of section 5124(a) (as so designated by subsection (c) of this section), by inserting after '(7)' the following: 'where a public housing agency receives a grant,'; and

(3) in the first sentence of section 5125(a), by inserting after 'public housing agency' the following: ', a public housing resident management corporation,'.

(e) Publication of Regulations. - Not later than 30 days after the date of the enactment of this Act, the Secretary shall publish such final regulations as may be necessary to implement section 5130(b) of the Public and Assisted Housing Drug Elimination Act of 1990 (42 U.S.C. 11909(a)).

SEC. 162. HOUSING COUNSELING.

(a) Counseling Services. - The first sentence of section 106(a)(3) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(a)(3)) is amended by striking 'except that' and all that follows through the period and inserting 'except that for such purposes there are authorized to be appropriated \$6,025,000 for fiscal year 1993 and \$6,278,050 for fiscal year 1994. Of the amounts appropriated for each of fiscal years 1993 and 1994, up to \$500,000 shall be available for use for counseling and other activities in connection with the demonstration program under section 152 of the Housing and Community Development Act of 1992.'.

(b) Emergency Homeownership Counseling. -

(1) Authorization of appropriations . - The first sentence of section 106(c)(8) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(8)) is amended to read as follows: 'There are authorized to be appropriated to carry out this section \$7,000,000 for fiscal year 1993 and \$7,294,000 for fiscal year 1994, of which amounts \$1,000,000 shall be available in each such fiscal year to carry out paragraph (5)(D).'

(2) Extension of program. - 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, 1992' and inserting 'September 30, 1994'.

(3) Availability. - Section 106(c)(3)(A) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(3)(A)) is amended -

(A) in clause (i), by striking 'and' at the end; and

(B) by adding at the end the following new clause:

'(iii) have a high incidence of mortgages involving principal obligations (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in excess of 97 percent of the appraised value of the properties that are insured pursuant to section 203 of the National Housing Act; and'.

(4) Eligibility. - Section 106(c)(4) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(4)) is amended by adding at the end the following new flush sentence:

'An applicant for a mortgage shall be eligible for homeownership counseling under this subsection if the applicant is a first-time homebuyer who meets the requirements of section 303(b)(1) of the Cranston-Gonzalez National Affordable Housing Act and the mortgage involves a principal obligation (including such initial service charges, appraisal, inspection, and other fees as the Secretary shall approve) in excess of 97 percent of the appraised value of the property and is to be insured pursuant to section 203 of the National Housing Act.'

(5) Notification of availability. - Section 106(c)(5)(A) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c)(5)(A)) is amended by striking subparagraph (A) and inserting the following new subparagraph:

'(A) Notification of availability of homeownership counseling. -

'(i) Requirement. - Except as provided in subparagraph (C), the creditor of a loan (or proposed creditor) shall provide notice under clause (ii) to (I) any eligible homeowner who fails to pay any amount by the date the amount is due under a home loan, and (II) any applicant for a mortgage described in paragraph (4).

'(ii) Content. - Notification under this subparagraph shall -

'(I) notify the homeowner or mortgage applicant of the availability of any homeownership counseling offered by the creditor (or proposed creditor);

'(II) if provided to an eligible mortgage applicant, state that completion of a counseling program is required for insurance pursuant to section 203 of the National Housing Act; and

'(III) notify the homeowner or mortgage applicant

of the availability of homeownership counseling provided by nonprofit organizations approved by the Secretary and experienced in the provision of homeownership counseling, or provide the toll-free telephone number described in subparagraph (D) (i) . ' .

(6) Annual update of list of counseling organizations for toll-free number. - The matter preceding subclause (I) in section 106(c) (5) (D) (i) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(c) (5) (D) (i)) is amended by inserting ', which shall be updated annually,' after 'organizations' .

(c) Prepurchase and Foreclosure-Prevention Counseling Demonstration. - Section 106(d) (12) of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x(d) (12)) is amended to read as follows:

' (12) Authorization of appropriations. - There are authorized to be appropriated to carry out this subsection \$365,000 for fiscal year 1993 and \$380,330 for fiscal year 1994 . ' .

(d) Eligibility for Counseling Assistance Under Housing and Urban Development Act of 1968 and Certification and Training Program. - Section 106 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701x) is amended by adding at the end the following new subsections:

' (e) Certification. -

' (1) Requirement for assistance. - An organization may not receive assistance for counseling activities under subsection (a) (1) (iii), (a) (2), (c), or (d), unless the organization provides such counseling, to the extent practicable, by individuals who have been certified by the Secretary under this subsection as competent to provide such counseling.

' (2) Standards and examination. - The Secretary shall, by regulation, establish standards and procedures for testing and certifying counselors. Such standards and procedures shall require for certification that the individual shall demonstrate, by written examination (as provided under subsection (f) (4)), competence to provide counseling in each of the following areas:

' (A) Financial management.

' (B) Property maintenance.

' (C) Responsibilities of homeownership and tenancy.

' (D) Fair housing laws and requirements.

'(E) Housing affordability.

'(F) Avoidance of, and responses to, rental and mortgage delinquency and avoidance of eviction and mortgage default.

'(3) Encouragement. - The Secretary shall encourage organizations engaged in providing homeownership and rental counseling that do not receive assistance under this section to employ individuals to provide such counseling who are certified under this subsection or meet the certification standards established under this subsection.

'(f) Homeownership and Rental Counselor Training and Certification Programs. -

'(1) Establishment. - To the extent amounts are provided in appropriations Acts under paragraph (7), the Secretary shall contract with an appropriate entity (which may be a nonprofit organization) to carry out a program under this subsection to train individuals to provide homeownership and rental counseling and to administer the examination under subsection (e)(2) and certify individuals under such subsection.

'(2) Eligibility and selection. -

'(A) Eligibility. - To be eligible to provide the training and certification program under this subsection, an entity shall have demonstrated experience in training homeownership and rental counselors.

'(B) Selection. - The Secretary shall provide for entities meeting the requirements of subparagraph (A) to submit applications to provide the training and certification program under this subsection. The Secretary shall select an application based on the ability of the entity to -

'(i) establish the program as soon as possible on a national basis, but not later than the date under paragraph (6);

'(ii) minimize the costs involved in establishing the program; and

'(iii) effectively and efficiently carry out the program.

'(3) Training. - The Secretary shall require that training of counselors under the program under this subsection be designed and coordinated to prepare individuals for successful completion of the examination for certification under subsection (e)(2). The Secretary, in consultation with the entity selected under paragraph (2)(B), shall establish the curriculum and standards for training counselors under the

program.

'(4) Certification. - The entity selected under paragraph (2)(B) shall administer the examination under subsection (e)(2) and, on behalf of the Secretary, certify individuals successfully completing the examination. The Secretary, in consultation with such entity, shall establish the content and format of the examination.

'(5) Fees. - Subject to the approval of the Secretary, the entity selected under paragraph (2)(B) may establish and impose reasonable fees for participation in the training provided under the program and for examination and certification under subsection (e)(2), in an amount sufficient to cover any costs of such activities not covered with amounts provided under paragraph (7).

'(6) Timing. - The entity selected under paragraph (2)(B) to carry out the training and certification program shall establish the program as soon as possible after such selection, and shall make training and certification available under the program on a national basis not later than the expiration of the 1-year period beginning upon such selection.

'(7) Authorization of appropriations. - There are authorized to be appropriated to carry out this subsection \$2,000,000 for fiscal year 1993 and \$2,084,000 for 1994.'

(e) Regulations . - The Secretary of Housing and Urban Development shall issue any regulations necessary to carry out the amendments made by subsection (d), not later than the expiration of the 6-month period beginning on the date of the enactment of this Act.

SEC. 163. USE OF FUNDS RECAPTURED FROM REFINANCING STATE AND LOCAL FINANCE PROJECTS.

In General. - Section 1012 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437f note) is amended to read as follows:

'SEC. 1012. USE OF FUNDS RECAPTURED FROM REFINANCING STATE AND LOCAL FINANCE PROJECTS.

'(a) Definition of Qualified Project. - For purposes of this section, the term 'qualified project' means any State financed project or local government or local housing agency financed project, that -

'(1) was -

'(A) provided a financial adjustment factor under section 8 of the United States Housing Act of 1937; or

'(B) constructed or substantially rehabilitated pursuant to assistance provided under a contract under section 8(b)(2) of the United States Housing Act of 1937 (as in effect on September 30, 1983) entered into during any of calendar years 1979 through 1984; and

'(2) is being refinanced.

'(b) Availability of Funds. - The Secretary shall make available to the State housing finance agency in the State in which a qualified project is located, or the local government or local housing agency initiating the refinancing of the qualified project, as applicable, an amount equal to 50 percent of the amounts recaptured from the project (as determined by the Secretary on a project-by-project basis). Notwithstanding any other provision of law, such amounts shall be used only for providing decent, safe, and sanitary housing affordable for very low-income families and persons.

'(c) Applicability and Budget Compliance. -

'(1) Retroactivity. - This section shall apply to refinancings of projects for which settlement occurred or occurs before, on, or after the date of the enactment of the Housing and Community Development Act of 1992, subject to the provisions of paragraph (2).

'(2) Budget compliance. - This section shall apply only to the extent or in such amounts as are provided in appropriation Acts.'

SEC. 164. HOPE FOR YOUTH.

Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa note et seq.) is amended by adding at the end the following new subtitle:

'SUBTITLE D - HOPE FOR YOUTH: YOUTHBUILD

'SEC. 451. STATEMENT OF PURPOSE.

'It is the purpose of this subtitle -

'(1) to expand the supply of permanent affordable housing for homeless individuals and members of low- and very low-income families by utilizing the energies and talents of economically disadvantaged young adults;

'(2) to provide economically disadvantaged young adults with opportunities for meaningful work and service to their communities in helping to meet the housing needs of homeless individuals and members of low- and very low-income families;

'(3) to enable economically disadvantaged young adults to

obtain the education and employment skills necessary to achieve economic self-sufficiency; and

'(4) to foster the development of leadership skills and commitment to community development among young adults in low-income communities.

'SEC. 452. PROGRAM AUTHORITY.

'The Secretary may make -

'(1) planning grants to enable applicants to develop Youthbuild programs; and

'(2) implementation grants to enable applicants to carry out Youthbuild programs.

'SEC. 453. PLANNING GRANTS.

'(a) Grants. - The Secretary is authorized to make planning grants to applicants for the purpose of developing Youthbuild programs under this subtitle. The amount of a planning grant under this section may not exceed \$150,000, except that the Secretary may for good cause approve a grant in a higher amount.

'(b) Eligible Activities. - Planning grants may be used for activities to develop Youthbuild programs including -

'(1) studies of the feasibility of a Youthbuild program;

'(2) establishment of consortia between youth training and education programs and housing owners or developers, including any organizations specified in section 457(2), which will participate in the Youthbuild program;

'(3) identification and selection of a site for the Youthbuild program;

'(4) preliminary architectural and engineering work for the Youthbuild program;

'(5) identification and training of staff for the Youthbuild program;

'(6) planning for education, job training, and other services that will be provided as part of the Youthbuild program;

'(7) other planning, training, or technical assistance necessary in advance of commencing the Youthbuild program; and

'(8) preparation of an application for an implementation grant under this subtitle.

'(c) Application. -

'(1) Form and procedures. - An application for a planning grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

'(2) Minimum requirements. - The Secretary shall require that an application contain at a minimum -

'(A) a request for a planning grant, specifying the activities proposed to be carried out, the schedule for completing the activities, the personnel necessary to complete the activities, and the amount of the grant requested;

'(B) a description of the applicant and a statement of its qualifications, including a description of the applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

'(C) identification and description of potential sites for the program and the construction or rehabilitation activities that would be undertaken at such sites; potential methods for identifying and recruiting youth participants; potential educational and job training activities, work opportunities and other services for participants; and potential coordination with other Federal, State, and local housing and youth education and employment training activities including activities conducted by Indian tribes;

'(D) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

'(E) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

'(d) Selection Criteria. - The Secretary shall, by regulation, establish selection criteria for a national competition for assistance under this section, which shall include -

'(1) the qualifications or potential capabilities of the applicant;

'(2) the potential of the applicant for developing a successful and affordable Youthbuild program;

'(3) the need for the prospective program, as determined by the degree of economic distress -

'(A) of the community from which participants would be recruited (such as poverty, youth unemployment, and number of individuals who have dropped out of high school); and

'(B) of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, and poverty); and

'(4) such other factors that the Secretary shall require that (in the determination of the Secretary) are appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

'SEC. 454. IMPLEMENTATION GRANTS.

'(a) Grants. - The Secretary is authorized to make implementation grants to applicants for the purpose of carrying out Youthbuild programs approved under this subtitle.

'(b) Eligible Activities. - Implementation grants may be used to carry out Youthbuild programs, including the following activities:

'(1) Architectural and engineering work.

'(2) Acquisition, rehabilitation, acquisition and rehabilitation, or construction of housing and related facilities to be used for the purposes of providing homeownership under subtitle B and subtitle C of this title, residential housing for homeless individuals, and low- and very low-income families, or transitional housing for persons who are homeless, have disabilities, are ill, are deinstitutionalized, or have other special needs.

'(3) Administrative costs of the applicant, which may not exceed 15 percent of the amount of assistance provided under this section, or such higher percentage as the Secretary determines is necessary to support capacity development by a private nonprofit organization.

'(4) Education and job training services and activities including -

'(A) work experience and skills training, coordinated, to the maximum extent feasible, with preapprenticeship and apprenticeship programs, in the construction and rehabilitation activities described in subsection (b) (2);

'(B) services and activities designed to meet the educational needs of participants, including -

'(i) basic skills instruction and remedial education;

'(ii) bilingual education for individuals with limited-English proficiency;

'(iii) secondary education services and activities designed to lead to the attainment of a high school diploma or its equivalent; and

'(iv) counseling and assistance in attaining post-secondary education and required financial aid;

'(C) counseling services and related activities;

'(D) activities designed to develop employment and leadership skills, including support for youth councils; and

'(E) support services and need-based stipends necessary to enable individuals to participate in the program and, for a period not to exceed 12 months after completion of training, to assist participants through support services in retaining employment.

'(5) Wage stipends and benefits provided to participants.

'(6) Funding of operating expenses and replacement reserves of the property covered by the Youthbuild program.

'(7) Legal fees.

'(8) Defraying costs for the ongoing training and technical assistance needs of the recipient that are related to developing and carrying out the Youthbuild program.

'(c) Application. -

'(1) Form and procedure. - An application for an implementation grant shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish.

'(2) Minimum requirements. - The Secretary shall require that an application contain at a minimum -

'(A) a request for an implementation grant, specifying the amount of the grant requested and its proposed uses;

'(B) a description of the applicant and a statement of its qualifications, including a description of the

applicant's past experience with housing rehabilitation or construction and with youth and youth education and employment training programs, and its relationship with local unions and apprenticeship programs, and other community groups;

'(C) a description of the proposed site for the program;

'(D) a description of the educational and job training activities, work opportunities, and other services that will be provided to participants;

'(E) a description of the proposed construction or rehabilitation activities to be undertaken and the anticipated schedule for carrying out such activities;

'(F) a description of the manner in which eligible youths will be recruited and selected, including a description of arrangements which will be made with community-based organizations, State and local educational agencies, including agencies of Indian tribes, public assistance agencies, the courts of jurisdiction for status and youth offenders, shelters for homeless individuals and other agencies that serve homeless youth, foster care agencies, and other appropriate public and private agencies;

'(G) a description of the special outreach efforts that will be undertaken to recruit eligible young women (including young women with dependent children);

'(H) a description of how the proposed program will be coordinated with other Federal, State, and local activities and activities conducted by Indian tribes, including vocational, adult and bilingual education programs, job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988, and housing and community development programs, including programs that receive assistance under section 106 of the Housing and Community Development Act of 1974;

'(I) assurances that there will be a sufficient number of adequately trained supervisory personnel in the program who have attained the level of journeyman or its equivalent;

'(J) a description of the applicant's relationship with local building trade unions regarding their involvement in training, and the relationship of the Youthbuild program with established apprenticeship programs;

'(K) a description of activities that will be undertaken to develop the leadership skills of participants;

'(L) a detailed budget and a description of the system of fiscal controls and auditing and accountability procedures

that will be used to ensure fiscal soundness;

'(M) a description of the commitments for any additional resources to be made available to the program from the applicant, from recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or from other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988;

'(N) identification and description of the financing proposed for any -

'(i) rehabilitation;

'(ii) acquisition of the property; or

'(iii) construction;

'(O) identification and description of the entity that will operate and manage the property;

'(P) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the State or unit of general local government within which the project is located; and

'(Q) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

'(d) Selection Criteria. - The Secretary shall establish selection criteria for assistance under this section, which shall include -

'(1) the qualifications or potential capabilities of the applicant;

'(2) the feasibility of the Youthbuild program;

'(3) the potential for developing a successful Youthbuild program;

'(4) the need for the prospective project, as determined by the degree of economic distress of the community from which participants would be recruited (such as poverty, youth unemployment, number of individuals who have dropped out of high school) and of the community in which the housing proposed to be constructed or rehabilitated would be located (such as incidence of homelessness, shortage of affordable housing, poverty);

'(5) the apparent commitment of the applicant to leadership development, education, and training of participants;

'(6) the inclusion of previously homeless tenants in the housing provided;

'(7) the commitment of other resources to the program by the applicant and by recipients of other Federal, State or local housing and community development assistance who will sponsor any part of the construction, rehabilitation, operation and maintenance, or other housing and community development activities undertaken as part of the program, or by other Federal, State or local activities and activities conducted by Indian tribes, including, but not limited to, vocational, adult and bilingual education programs, and job training provided with funds available under the Job Training Partnership Act and the Family Support Act of 1988; and

'(8) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

'(e) Priority for Applicants Who Obtain Housing Money From Other Sources. - The Secretary shall give priority in the award of grants under this section to applicants to the extent that they propose to finance activities described in paragraphs (1), (2), and (6) of subsection (b) from funds provided from Federal, State, local, or private sources other than assistance under this subtitle.

'(f) Approval. - The Secretary shall notify each applicant, not later than 4 months after the date of the submission of the application, whether the application is approved or not approved.

'(g) Combined Planning and Implementation Grant Application Procedure. - The Secretary shall develop a procedure under which an applicant may apply at the same time and in a single application for a planning grant and an implementation grant, with receipt of the implementation grant conditioned on successful completion of the activities funded by the planning grant.

'SEC. 455. YOUTHBUILD PROGRAM REQUIREMENTS.

'(a) Residential Rental Housing. - Each residential rental housing project receiving assistance under this subtitle shall meet

the following requirements:

'(1) Occupancy by low- and very low-income families. - In the project -

'(A) at least 90 percent of the units shall be occupied, or available for occupancy, by individuals and families with incomes less than 60 percent of the area median income, adjusted for family size; and

'(B) the remaining units shall be occupied, or available for occupancy, by low-income families.

'(2) Tenant protections. -

'(A) Lease. - The lease between a tenant and an owner of residential rental housing assisted under this subtitle shall be for not less than 1 year, unless otherwise mutually agreed to by the tenant and the owner, and shall contain such terms and conditions as the Secretary shall determine to be appropriate.

'(B) Termination of tenancy. - An owner shall not terminate the tenancy or refuse to renew the lease of a tenant of residential rental housing assisted under this title except for serious or repeated violation of the terms and conditions of the lease, for violation of applicable Federal, State, or local law, or for other good cause. Any termination or refusal to renew must be preceded by not less than 30 days by the owner's service upon the tenant of a written notice specifying the grounds for the action.

'(C) Maintenance and replacement. - The owner of residential rental housing assisted under this subtitle shall maintain the premises in compliance with all applicable housing quality standards and local code requirements.

'(D) Tenant selection. - The owner of residential rental housing assisted under this subtitle shall adopt written tenant selection policies and criteria that -

'(i) are consistent with the purpose of providing housing for very low-income and low-income families and individuals;

'(ii) are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;

'(iii) give reasonable consideration to the housing needs of families that would qualify for a preference under section 6(c)(4)(A) of the United States Housing Act of 1937; and

'(iv) provide for (I) the selection of tenants from a written waiting list in the chronological order of their application, to the extent practicable, and (II) for the prompt notification in writing of any rejected applicant of the grounds for any rejection.

'(3) Limitation on rental payments. - Tenants in each project shall not be required to pay rent in excess of the amount provided under section 3(a) of the United States Housing Act of 1937.

'(4) Tenant participation plan. - For each project owned by a nonprofit organization, the organization shall provide a plan for and follow a program of tenant participation in management decisions.

'(5) Prohibition against discrimination. - A unit in a project assisted under this subtitle may not be refused for leasing to a family holding tenant-based assistance under section 8 of the United States Housing Act of 1937 because of the status of the prospective tenant as a holder of such assistance.

'(b) Transitional Housing. - Each transitional housing project receiving assistance under this subtitle shall adhere to the requirements regarding service delivery, housing standards, and rent limitations applicable to comparable housing receiving assistance under title IV of the Stewart B. McKinney Homeless Assistance Act.

'(c) Limitations on Profits for Rental and Transitional Housing.

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'(1) Monthly rental limitation. - The aggregate monthly rental for each eligible project may not exceed the operating costs of the project (including debt service, management, adequate reserves, and other operating costs) plus a 6 percent return on any equity investment of the project owner.

'(2) Profit limitations on partners. - A nonprofit organization that receives assistance under this subtitle for a project shall agree to use any profit received from the operation, sale, or other disposition of the project for the purpose of providing housing for low- and moderate-income families. Profit-motivated partners in a nonprofit partnership may receive -

'(A) not more than a 6 percent return on their equity investment from project operations; and

'(B) upon disposition of the project, not more than an amount equal to their initial equity investment plus a return on that investment equal to the increase in the

Consumer Price Index for the geographic location of the project since the time of the initial investment of such partner in the project.

'(d) Homeownership. - Each homeownership project that receives assistance under this subtitle shall comply with the requirements of subtitle B or subtitle C of this title.

'(e) Restrictions on Conveyance. - The ownership interest in a project that receives assistance under this subtitle may not be conveyed unless the instrument of conveyance requires a subsequent owner to comply with the same restrictions imposed upon the original owner.

'(f) Conversion of Transitional Housing. - The Secretary may waive the requirements of subsection (b) to permit the conversion of a transitional housing project to a permanent housing project only if such housing would meet the requirements for residential rental housing specified in this section.

'(g) Period of Restrictions. - A project that receives assistance under this subtitle shall comply with the requirements of this section for the remaining useful life of the property.

'SEC. 456. ADDITIONAL PROGRAM REQUIREMENTS.

'(a) Eligible Participants. -

'(1) In general. - Except as provided in paragraph (2), an individual may participate in a Youthbuild program receiving assistance under this subtitle only if such individual is -

'(A) 16 to 24 years of age, inclusive;

'(B) a very low-income individual or a member of a very low-income family; and

'(C) an individual who has dropped out of high school.

'(2) Exception for individuals not meeting income or educational need requirements. - Not more than 25 percent of the participants in such program may be individuals who do not meet the requirements of either paragraphs (1)(B) or (C), but who have educational needs despite attainment of a high school diploma or its equivalent.

'(3) Participation limitation. - Any eligible individual selected for full-time participation in a Youthbuild program may be offered full-time participation for a period of not less than 6 months and not more than 24 months.

'(b) Minimum Time Devoted to Educational Services and Activities. - A Youthbuild program receiving assistance under this subtitle shall be structured so that 50 percent of the time spent by

participants in the program is devoted to educational services and activities, such as those specified in subparagraphs (B) through (F) of section 454(b) (4).

'(c) Authority Restriction. - No provision of this subtitle may be construed to authorize any agency, officer, or employee of the United States to exercise any direction, supervision, or control over the curriculum, program of instruction, administration, or personnel of any educational institution, school, or school system, or over the selection of library resources, textbooks, or other printed or published instructional materials by any educational institution or school system.

'(d) State and Local Standards. - All educational programs and activities supported with funds provided under this subtitle shall be consistent with applicable State and local educational standards. Standards and procedures with respect to the awarding of academic credit and certifying educational attainment in such programs shall be consistent with applicable State and local educational standards.

'(e) Wages, Labor Standards, and Nondiscrimination. - To the extent consistent with the provisions of this subtitle, sections 142, 143 and 167 of the Job Training Partnership Act, relating to wages and benefits, labor standards, and nondiscrimination, shall apply to the programs conducted under this subtitle as if such programs were conducted under the Job Training Partnership Act. This section may not be construed to prevent a recipient of a grant under this subtitle from using funds from non-Federal sources to increase wages and benefits under such programs, if appropriate.

'SEC. 457. DEFINITIONS.

'For purposes of this subtitle:

'(1) Adjusted income. - The term 'adjusted income' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

'(2) Applicant. - The term 'applicant' means a public or private nonprofit agency, including -

'(A) a community-based organization;

'(B) an administrative entity designated under section 103(b) (1) (B) of the Job Training Partnership Act;

'(C) a community action agency;

'(D) a State and local housing development agency;

'(E) a community development corporation;

'(F) a State and local youth service and conservation

corps; and

'(G) any other entity eligible to provide education and employment training under other Federal employment training programs.

'(3) Community-based organization. - The term 'community-based organization' means a private nonprofit organization that -

'(A) maintains, through significant representation on the organization's governing board or otherwise, accountability to low-income community residents and, to the extent practicable, low-income beneficiaries of programs receiving assistance under this subtitle; and

'(B) has a history of serving the local community or communities where a program receiving assistance under this subtitle is located.

'(4) Homeless individual. - The term 'homeless individual' has the meaning given the term in section 103 of the Stewart B. McKinney Homeless Assistance Act.

'(5) Housing development agency. - The term 'housing development agency' means any agency of a State or local government, or any private nonprofit organization that is engaged in providing housing for homeless or low-income families.

'(6) Income. - The term 'income' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

'(7) Indian tribe. - The term 'Indian tribe' has the same meaning given such term in section 102(a)(17) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)(17)).

'(8) Individual who has dropped out of high school. - The term 'individual who has dropped out of high school' means an individual who is neither attending any school nor subject to a compulsory attendance law and who has not received a secondary school diploma or a certificate of equivalency for such diploma.

'(9) Institution of higher education. - The term 'institution of higher education' has the meaning given the term in section 1201(a) of the Higher Education Act of 1965.

'(10) Limited-english proficiency. - The term 'limited-English proficiency' has the meaning given the term in section 7003 of the Bilingual Education Act.

'(11) Low-income family. - The term 'low-income family' has the meaning given the term in section 3(b) of the United States

Housing Act of 1937.

'(12) Offender. - The term 'offender' means any adult or juvenile with a record of arrest or conviction for a criminal offense.

'(13) Qualified nonprofit agency. - The term 'qualified public or private nonprofit agency' means any nonprofit agency that has significant prior experience in the operation of projects similar to the Youthbuild program authorized under this subtitle and that has the capacity to provide effective technical assistance.

'(14) Related facilities. - The term 'related facilities' includes cafeterias or dining halls, community rooms or buildings, appropriate recreation facilities, and other essential service facilities.

'(15) Secretary. - The term 'Secretary' means the Secretary of Housing and Urban Development.

'(16) State. - The term 'State' means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, the Virgin Islands, Guam, American Samoa, the Trust Territories of the Pacific Islands, or any other territory or possession of the United States.

'(17) Transitional housing. - The term 'transitional housing' means a project that has as its purpose facilitating the movement of homeless individuals and families to independent living within a reasonable amount of time. Transitional housing includes housing primarily designed to serve deinstitutionalized homeless individuals and other homeless individuals with mental or physical disabilities and homeless families with children.

'(18) Very low-income family. - The term 'very low-income family' has the meaning given the term in section 3(b) of the United States Housing Act of 1937.

'(19) Youthbuild program. - The term 'Youthbuild program' means any program that receives assistance under this subtitle and provides disadvantaged youth with opportunities for employment, education, leadership development, and training in the construction or rehabilitation of housing for homeless individuals and members of low- and very low-income families.

'SEC. 458. MANAGEMENT AND TECHNICAL ASSISTANCE.

'(a) Secretary Assistance. - The Secretary may enter into contracts with a qualified public or private nonprofit agency to provide assistance to the Secretary in the management, supervision,

and coordination of Youthbuild programs receiving assistance under this subtitle.

'(b) Sponsor Assistance. - The Secretary shall enter into contracts with a qualified public or private nonprofit agency to provide appropriate training, information, and technical assistance to sponsors of programs assisted under this subtitle.

'(c) Application Preparation. - Technical assistance may also be provided in the development of program proposals and the preparation of applications for assistance under this subtitle to eligible entities which intend or desire to submit such applications. Community-based organizations shall be given first priority in the provision of such assistance.

'(d) Reservation of Funds. - In each fiscal year, the Secretary shall reserve 5 percent of the amounts available for activities under this subtitle pursuant to section 402 to carry out subsections (b) and (c) of this section.

'SEC. 459. CONTRACTS.

'Each Youthbuild program shall carry out the services and activities under this subtitle directly or through arrangements or under contracts with administrative entities designated under section 103(b)(1)(B) of the Job Training Partnership Act, with State and local educational agencies, institutions of higher education, State and local housing development agencies, or with other public agencies, including agencies of Indian tribes, and private organizations.

'SEC. 460. REGULATIONS.

'The Secretary shall issue any regulations necessary to carry out this subtitle.'

SEC. 165. EXTENSION FOR COMMENCEMENT OF CERTAIN CONSTRUCTION.

Notwithstanding section 17(d)(4)(G) of the United States Housing Act of 1937, the Secretary of Housing and Urban Development shall extend the deadline for commencement of construction until September 30, 1993, for the application for assistance under such section 17 for HDG project number IL004HG702, and upon commencement of construction shall execute the grant agreement for such project as currently approved or amended.

SUBTITLE E - HOMEOWNERSHIP PROGRAMS

SEC. 181. HOPE PROGRAMS.

(a) Authorization of Appropriations and Technical Assistance. -

(1) In general . - Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12871 et seq.) is

amended by inserting after section 401 the following new section:

'SEC. 402. AUTHORIZATION OF APPROPRIATIONS.

'(a) Fiscal Year 1993. - There are authorized to be appropriated for grants under this title \$855,000,000 for fiscal year 1993, of which -

'(1) \$285,000,000 shall be available for activities authorized under title III of the United States Housing Act of 1937, of which up to \$4,500,000 of any amounts appropriated may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this title;

'(2) \$285,000,000 shall be available for activities authorized under subtitle B, of which up to \$3,250,000 of any amounts appropriated may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this subtitle; and

'(3) \$285,000,000 shall be available for activities under subtitle C, of which up to \$2,250,000 of any amounts appropriated may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this subtitle.

Of the amounts appropriated pursuant to this subsection, up to \$40,000,000, but not less than 5 percent, shall be available for activities authorized under subtitle D. Any amount appropriated pursuant to this subsection shall remain available until expended.

'(b) Fiscal Year 1994. - There are authorized to be appropriated for grants under this title \$883,641,000 for fiscal year 1994, of which -

'(1) \$294,547,000 shall be available for activities authorized under title III of the United States Housing Act of 1937, up to \$4,500,000 of which may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this title;

'(2) \$294,547,000 shall be available for activities authorized under subtitle B, up to \$3,250,000 of which may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this subtitle; and

'(3) \$294,547,000 shall be available for activities under subtitle C, up to \$2,250,000 of which may be made available for technical assistance to potential applicants, applicants and recipients of assistance under this subtitle.

Of the amounts appropriated pursuant to this subsection, up to

\$41,680,000, but not less than 5 percent, shall be available for activities authorized under subtitle D. Any amount appropriated pursuant to this subsection shall remain available until expended.

'(c) Technical Assistance. - Technical assistance made available under title III of the United States Housing Act of 1937 or subtitle B or subtitle C of this title may include, but shall not be limited to, training, clearinghouse services, the collection, processing and dissemination of program information useful for local and national program management, and provision of seed money. Such technical assistance may be made available directly, or indirectly under contracts and grants, as appropriate. In any fiscal year, no single applicant, potential applicant, or recipient under title III of the United States Housing Act of 1937, or subtitle B or subtitle C of this title may receive technical assistance in an amount exceeding 20 percent of the total amount made available for technical assistance under such title or subtitle for the fiscal year.'

(2) Conforming amendments. -

(A) Hope i. - Section 301 of the United States Housing Act of 1937 (42 U.S.C. 1437aaa(c)) is amended by striking subsection (c).

(B) Hope ii and hope iii. - Title IV of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12871 et seq.) is amended -

(i) by striking subsection (c) of section 421; and

(ii) in section 441 -

(I) by striking '(a) In General. - '; and

(II) by striking subsection (b).

(3) GAO audit of technical assistance contracts . - The Comptroller General of the United States shall conduct an audit of all of the technical assistance contracts awarded for fiscal years 1993 and 1994 pursuant to section 402 of the Cranston-Gonzalez National Affordable Housing Act. The Comptroller General shall submit a report to the Congress describing the results of such audit not later than September 30, 1994.

(b) HOPE I Matching Funding. - Section 303(c) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa-2(c)(1)) is amended -

(1) in paragraph (1), by inserting after 'expenses' the following: 'and replacement housing'; and

(2) by inserting at the end the following new paragraph:

'(3) Reduction of requirement. - The Secretary shall reduce

the matching requirement for homeownership programs carried out under this section in accordance with the formula established under section 220(d) of the Cranston-Gonzalez National Affordable Housing Act.'

(c) Grant Selection Criteria for HOPE I. - Section 303(e) (8) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa-2(e) (8)) is amended -

(1) by striking 'of the type assisted under this title'; and

(2) by striking 'appreciably'.

(d) Eligibility of Mutual Housing Associations for HOPE II Grants . - Section 426(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12876(1)) is amended by adding at the end the following new subparagraph:

'(G) A mutual housing association.'

(e) Eligible Property Under HOPE II. - Section 426(3) (D) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12876(3) (D)) is amended by inserting before the period at the end the following 'or an agency or instrumentality thereof'.

(f) Preference for Acquisition of Vacant Units Under HOPE III. - Section 444 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12894) is amended by adding at the end the following new subsection:

'(f) Preference for Acquisition of Vacant Units. - Each homeownership program under this subtitle shall provide that, in making vacant units in eligible properties available for acquisition by eligible families, preference shall be given to eligible families who reside in public or Indian housing.'

(g) Transfer of Scattered Site Public and Indian Housing To HOPE Programs . -

(1) Hope i . -

(A) In general . - Sections 303(b) (2) and 304(d) of the United States Housing Act of 1937 (42 U.S.C. 1437aaa-2(b) (2) and 42 U.S.C. 1437aaa-3(d)) are each amended by striking '(not including scattered site single family housing of a public housing agency)'

(B) Operating subsidies . - Section 303(b) (9) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 1437aaa-2(b) (9)) is amended by inserting before the period at the end the following: ', and except that implementation grants may not be used under this paragraph to fund operating expenses for scattered site public housing acquired under a homeownership program'.

(2) Hope iii . - Section 446(4) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12896(4)) is amended by striking '(including scattered site single family properties, and' and inserting '(excluding public or Indian housing under the United States Housing Act of 1937 and including'.

(h) Eligibility of Other Federal Property for HOPE Programs. - Sections 426(3)(D) and 446(4) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12876(3)(D) and 42 U.S.C. 12896(4)) are each amended by inserting after 'Corporation,' the following: 'the Federal Deposit Insurance Corporation, the Secretary of Defense, the Secretary of Transportation, the General Services Administration, any other Federal agency,'.

SEC. 182. NATIONAL HOMEOWNERSHIP TRUST DEMONSTRATION.

(a) Extension of Trust. - Section 310 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12859) is amended by striking 'on September 30, 1993' and inserting 'September 30, 1994'.

(b) Authorization of Appropriations. - Section 308 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12857) is amended to read as follows:

'SEC. 308. AUTHORIZATION OF APPROPRIATIONS.

'There are authorized to be appropriated for assistance payments under this subtitle \$520,665,600 for fiscal year 1993 and \$542,533,555 for fiscal year 1994, of which such sums as may be necessary shall be available in each such fiscal year for use under section 303(e). Any amount appropriated under this section shall be deposited in the Fund and shall remain available until expended, subject to the provisions of section 311.'

(c) Use of Trust Amounts in Connection With Mortgage Revenue Bonds. -

(1) In general. - Section 303 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852) is amended by adding at the end the following new subsection:

'(e) Assistance in Connection With Housing Financed With Mortgage Revenue Bonds. -

'(1) Authority. - The Trust shall provide assistance for first-time homebuyers in the form of interest rate buydowns and downpayment assistance under this subsection. Such assistance shall be available only with respect to mortgages for the purchase of residences (A) financed with the proceeds of a qualified mortgage bond (as such term is defined in section 143 of the Internal Revenue Code of 1986), or (B) for which a credit is allowable under section 25 of such Code.

'(2) Eligibility . - To be eligible for assistance under this subsection, homebuyers and mortgages shall also meet the requirements under subsection (b) of this section, except that -

'(A) the certification under subsection (b)(3) shall not be required for assistance under this subsection;

'(B) the provisions of subsection (b)(2) shall not apply to assistance under this section; and

'(C) the aggregate income of the homebuyer and the members of the family of the homebuyer residing with the homebuyer, for the 12-month period preceding the date of the application of the homebuyer for assistance under this subsection, shall not exceed 80 percent of the median income for a family of 4 persons (as adjusted for family size) in the applicable metropolitan statistical area.

'(3) Limitation of assistance. - Notwithstanding subsection (a), assistance payments for first-time homebuyers under this subsection shall be provided in the following manners:

'(A) Interest rate buydowns. - Assistance payments to decrease the rate of interest payable on the mortgages by the homebuyers, in an amount not exceeding -

'(i) in the first year of the mortgage, 2.0 percent of the total principal obligation of the mortgage;

'(ii) in the second year of the mortgage, 1.5 percent of the total principal obligation of the mortgage;

'(iii) in the third year of the mortgage, 1.0 percent of the total principal obligation of the mortgage; and

'(iv) in the fourth year of the mortgage, 0.5 percent of the total principal obligation of the mortgage.

'(B) Downpayment assistance. - Assistance payments to provide amounts for downpayments on mortgages by the homebuyers, in an amount not exceeding 2.5 percent of the principal obligation of the mortgage.

'(3) Availability. - The Trust may make assistance payments under subparagraphs (A) and (B) of paragraph (3) with respect to a single mortgage of a homebuyer.'

(2) Conforming amendment. - Section 303(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(a)) is amended by adding at the end the following new paragraph:

'(3) Assistance in connection with mortgage revenue bonds financing. - Interest rate buydowns and downpayment assistance

in the manner provided in subsection (e).'

(d) Eligibility of Manufactured Home Owners. - Section 303(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(b)(1)) is amended -

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

(2) in subparagraph (C), by striking the period at the end and inserting '; or'; and

(3) by adding at the end the following new subparagraph:

'(D) meets the requirements of subparagraph (A), (B), or (C), except for owning, as a principal residence, a dwelling unit whose structure is -

'(i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations; or

'(ii) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.'

(e) Second Mortgage Assistance . - Section 303(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12852(a)) is amended by adding after paragraph (3) (as added by subsection (c)(3) of this section) the following new paragraphs:

'(4) Second mortgage assistance. - Assistance payments to provide loans (secured by second mortgages) with deferred payment of interest and principal; and

'(5) Capitalization of revolving loan funds. - Grants to public organizations or agencies to establish revolving loan funds to provide homeownership assistance to eligible first-time homebuyers consistent with the requirements of this subtitle. Such grants shall be matched by an equal amount of local investment in such revolving loan funds. Any proceeds or repayments from loans made under this paragraph shall be returned to the revolving loan fund established under this paragraph to be used for purposes related to this section.'

SEC. 183. NEHEMIAH HOUSING OPPORTUNITY GRANTS.

(a) Homeowner Incentive. - Section 604 of the Housing and Community Development Act of 1987 (12 U.S.C. 17151 note) is amended -

(1) in subsection (b)(4), by inserting before the period the following: ', subject to the provisions of subsection (c)'; and

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

'(c) Homeowner Incentive. - The nonprofit organization may provide that, upon the sale or transfer of a property purchased with a loan made under this section, any proceeds remaining after repaying the first mortgage shall be distributed in the following order:

'(1) Downpayment. - The amount of the downpayment made by the seller or transferor upon the purchase of the property shall be paid to the seller or transferor.

'(2) Loan and profit. - Any amounts remaining after distribution under paragraph (1) shall be shared equally between the Secretary and the seller or transferor, but only to the extent that the Secretary recovers an amount equal to the amount of the loan made under this section. If such remaining amounts are insufficient for the Secretary to recover the full amount of the loan made under this section, the second mortgage held by the Secretary under subsection (b)(1) shall be cancelled.

'(3) Profit. - Any amounts remaining after distribution under paragraphs (1) and (2) shall be paid to the seller or transferor.'

(b) Conforming Amendments. - Section 606(e)(5) of the Housing and Community Development Act of 1987 (12 U.S.C. 17151 note) is amended -

(1) by inserting 'subject to the provisions of section 604(c),' after the comma; and

(2) by striking '(in which case' and all that follows through 'repaid)'

(c) Applicability. - The amendments made by this section shall apply to any loan made under section 604 of the Housing and Community Development Act of 1987 after July 1, 1990.

SEC. 184. LOAN GUARANTEES FOR INDIAN HOUSING.

(a) Authority. - To provide access to sources of private financing to Indian families and Indian housing authorities who otherwise could not acquire housing financing because of the unique legal status of Indian trust land, the Secretary may guarantee not to exceed 100 percent of the unpaid principal and interest due on any loan eligible under subsection (b) made to an Indian family or Indian housing authority.

(b) Eligible Loans. - Loans guaranteed pursuant to this section shall meet the following requirements:

(1) Eligible borrowers. - The loans shall be made only to

borrowers who are Indian families or Indian housing authorities.

(2) Eligible housing. - The loan shall be used to construct, acquire, or rehabilitate 1- to 4-family dwellings that are standard housing and are located on trust land or land located in an Indian or Alaska Native area.

(3) Security. - The loan may be secured by any collateral authorized under existing Federal law or applicable State or tribal law.

(4) Lenders. - The loan shall be made only by a lender approved by and meeting qualifications established by the Secretary, except that loans otherwise insured or guaranteed by an agency of the Federal Government or made by an organization of Indians from amounts borrowed from the United States shall not be eligible for guarantee under this section. The following lenders are deemed to be approved under this paragraph:

(A) Any mortgagee approved by the Secretary of Housing and Urban Development for participation in the single family mortgage insurance program under title II of the National Housing Act.

(B) Any lender whose housing loans under chapter 37 of title 38, United States Code are automatically guaranteed pursuant to section 1802(d) of such title.

(C) Any lender approved by the Secretary of Agriculture to make guaranteed loans for single family housing under the Housing Act of 1949.

(D) Any other lender that is supervised, approved, regulated, or insured by any agency of the Federal Government.

(5) Terms. - The loan shall -

(A) be made for a term not exceeding 30 years;

(B) bear interest (exclusive of the guarantee fee under section 404 and service charges, if any) at a rate agreed upon by the borrower and the lender and determined by the Secretary to be reasonable, which may not exceed the rate generally charged in the area (as determined by the Secretary) for home mortgage loans not guaranteed or insured by any agency or instrumentality of the Federal Government;

(C) involve a principal obligation not exceeding -

(i) an amount equal to the sum of (I) 97 percent of

\$25,000 of the appraised value of the property, as of the date the loan is accepted for guarantee, and (II) 95 percent of such value in excess of \$25,000; and

(ii) the amount approved by the Secretary under this section; and

(D) involve a payment on account of the property (i) in cash or its equivalent, or (ii) through the value of any improvements to the property made through the skilled or unskilled labor of the borrower, as the Secretary shall provide.

(c) Certificate of Guarantee. -

(1) Approval process. - Before the Secretary approves any loan for guarantee under this section, the lender shall submit the application for the loan to the Secretary for examination. If the Secretary approves the loan for guarantee, the Secretary shall issue a certificate under this paragraph as evidence of the guarantee.

(2) Standard for approval. - The Secretary may approve a loan for guarantee under this section and issue a certificate under this paragraph only if the Secretary determines there is a reasonable prospect of repayment of the loan.

(3) Effect. - A certificate of guarantee issued under this paragraph by the Secretary shall be conclusive evidence of the eligibility of the loan for guarantee under the provisions of this section and the amount of such guarantee. Such evidence shall be incontestable in the hands of the bearer and the full faith and credit of the United States is pledged to the payment of all amounts agreed to be paid by the Secretary as security for such obligations.

(4) Fraud and misrepresentation. - This subsection may not be construed to preclude the Secretary from establishing defenses against the original lender based on fraud or material misrepresentation or to bar the Secretary from establishing by regulations in effect on the date of issuance or disbursement, whichever is earlier, partial defenses to the amount payable on the guarantee.

(d) Guarantee Fee. - The Secretary shall fix and collect a guarantee fee for the guarantee of loans under this section, which may not exceed the amount equal to 1 percent of the principal obligation of the loan. The fee shall be paid by the lender at time of issuance of the guarantee and shall be adequate, in the determination of the Secretary, to cover expenses and probable losses. The Secretary shall deposit any fees collected under this subsection in the Indian Housing Loan Guarantee Fund established under subsection (i).

(e) Liability Under Guarantee. - The liability under a guarantee provided under this section shall decrease or increase on a pro rata basis according to any decrease or increase in the amount of the unpaid obligation under the provisions of the loan agreement.

(f) Transfer and Assumption. - Notwithstanding any other provision of law, any loan guaranteed under this section, including the security given for the loan, may be sold or assigned by the lender to any financial institution subject to examination and supervision by an agency of the Federal Government or of any State or the District of Columbia.

(g) Disqualification of Lenders and Civil Money Penalties. -

(1) In general. - If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, to exercise proper credit or underwriting judgment, or has engaged in practices otherwise detrimental to the interest of a borrower or the United States, the Secretary may -

(A) refuse, either temporarily or permanently, to guarantee any further loans made by such lender or holder;

(B) bar such lender or holder from acquiring additional loans guaranteed under this section; and

(C) require that such lender or holder assume not less than 10 percent of any loss on further loans made or held by the lender or holder that are guaranteed under this section.

(2) Civil money penalties for intentional violations. - If the Secretary determines that any lender or holder of a guarantee certificate under subsection (c) has intentionally failed to maintain adequate accounting records, to adequately service loans guaranteed under this section, or to exercise proper credit or underwriting judgment, the Secretary may impose a civil money penalty on such lender or holder in the manner and amount provided under section 536 of the National Housing Act with respect to mortgagees and lenders under such Act.

(3) Payment on loans made in good faith. - Notwithstanding paragraphs (1) and (2), the Secretary may not refuse to pay pursuant to a valid guarantee on loans of a lender or holder barred under this subsection if the loans were previously made in good faith.

(h) Payment Under Guarantee. -

(1) Lender options. -

(A) In general. - In the event of default by the borrower on a loan guaranteed under this section, the holder of the guarantee certificate shall provide written notice of the default to the Secretary. Upon providing such notice, the holder of the guarantee certificate shall be entitled to payment under the guarantee (subject to the provisions of this section) and may proceed to obtain payment in one of the following manners:

(i) Foreclosure. - The holder of the certificate may initiate foreclosure proceedings in a court of competent jurisdiction (after providing written notice of such action to the Secretary) and upon a final order by the court authorizing foreclosure and submission to the Secretary of a claim for payment under the guarantee, the Secretary shall pay to the holder of the certificate the pro rata portion of the amount guaranteed (as determined pursuant to subsection (e)) plus reasonable fees and expenses as approved by the Secretary. The Secretary shall be subrogated to the rights of the holder of the guarantee and the lender holder shall assign the obligation and security to the Secretary.

(ii) No foreclosure. - Without seeking a judicial foreclosure (or in any case in which a foreclosure proceeding initiated under clause (i) continues for a period in excess of 1 year), the holder of the guarantee may submit to the Secretary a claim for payment under the guarantee and the Secretary shall only pay to such holder for a loss on any single loan an amount equal to 90 percent of the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.

(B) Requirements. - Before any payment under a guarantee is made under subparagraph (A), the holder of the guarantee shall exhaust all reasonable possibilities of collection. Upon payment, in whole or in part, to the holder, the note or judgment evidencing the debt shall be assigned to the United States and the holder shall have no further claim against the borrower or the United States. The Secretary shall then take such action to collect as the Secretary determines appropriate.

(2) Assignment by secretary. - Notwithstanding paragraph (1), upon receiving notice of default on a loan guaranteed under this section from the holder of the guarantee, the Secretary may accept assignment of the loan if the Secretary determines that the assignment is in the best interests of the United States. Upon assignment the Secretary shall pay to the holder

of the guarantee the pro rata portion of the amount guaranteed (as determined under subsection (e)). The Secretary shall be subrogated to the rights of the holder of the guarantee and the holder shall assign the obligation and security to the Secretary.

(3) Limitations on liquidation. - In the event of a default by the borrower on a loan guaranteed under this section involving a security interest in tribal allotted or trust land, the Secretary shall only pursue liquidation after offering to transfer the account to an eligible tribal member, the tribe, or the Indian housing authority serving the tribe or tribes. If the Secretary subsequently proceeds to liquidate the account, the Secretary shall not sell, transfer, or otherwise dispose of or alienate the property except to one of the entities described in the preceding sentence.

(i) Indian Housing Loan Guarantee Fund. -

(1) Establishment. - There is established in the Treasury of the United States the Indian Housing Loan Guarantee Fund for the purpose of providing loan guarantees under this section.

(2) Credits. - The Guarantee Fund shall be credited with -

(A) any amounts, claims, notes, mortgages, contracts, and property acquired by the Secretary under this section, and any collections and proceeds therefrom;

(B) any amounts appropriated under paragraph (7);

(C) any guarantee fees collected under subsection (d);
and

(D) any interest or earnings on amounts invested under paragraph (4).

(3) Use. - Amounts in the Guarantee Fund shall be available, to the extent provided in appropriation Acts, for -

(A) fulfilling any obligations of the Secretary with respect to loans guaranteed under this section, including the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loans;

(B) paying taxes, insurance, prior liens, expenses necessary to make fiscal adjustment in connection with the application and transmittal of collections, and other expenses and advances to protect the Secretary for loans which are guaranteed under this section or held by the Secretary;

(C) acquiring such security property at foreclosure sales or otherwise;

(D) paying administrative expenses in connection with this section; and

(E) reasonable and necessary costs of rehabilitation and repair to properties that the Secretary holds or owns pursuant to this section.

(4) Investment. - Any amounts in the Guarantee Fund determined by the Secretary to be in excess of amounts currently required to carry out this section may be invested in obligations of the United States.

(5) Limitation on commitments to guarantee loans and mortgages. -

(A) Requirement of appropriations. - The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent or in such amounts as are or have been provided in appropriations Acts for such fiscal year.

(B) Limitations on costs of guarantees. - The authority of the Secretary to enter into commitments to guarantee loans under this section shall be effective for any fiscal year only to the extent that amounts in the Guarantee Fund are or have been made available in appropriation Acts to cover the costs (as such term is defined in section 502 of the Congressional Budget Act of 1974) of such loan guarantees for such fiscal year.

(C) Limitation on outstanding aggregate principal amount. - Subject to the limitations in subparagraphs (A) and (B), the Secretary may enter into commitments to guarantee loans under this section in each of fiscal years 1993 and 1994 with an aggregate outstanding principal amount not exceeding such amount as may be provided in appropriation Acts for each such year.

(6) Liabilities. - All liabilities and obligations of the assets credited to the Guarantee Fund under paragraph (2) (A) shall be liabilities and obligations of the Guarantee Fund.

(7) Authorization of appropriations. - There are authorized to be appropriated to the Guarantee Fund to carry out this section such sums as may be necessary for fiscal year 1993 and \$50,000,000 for fiscal year 1994.

(j) Requirements for Standard Housing. - The Secretary shall, by regulation, establish housing safety and quality standards for use under this section. Such standards shall provide sufficient flexibility to permit the use of various designs and materials in housing acquired with loans guaranteed under this section. The standards shall require each dwelling unit in any housing so

acquired to -

(1) be decent, safe, sanitary, and modest in size and design;

(2) conform with applicable general construction standards for the region;

(3) contain a heating system that -

(A) has the capacity to maintain a minimum temperature in the dwelling of 65 degrees Fahrenheit during the coldest weather in the area;

(B) is safe to operate and maintain;

(C) delivers a uniform distribution of heat; and

(D) conforms to any applicable tribal heating code or, if there is no applicable tribal code, an appropriate county, State, or National code;

(4) contain a plumbing system that -

(A) uses a properly installed system of piping;

(B) includes a kitchen sink and a partitioned bathroom with lavatory, toilet, and bath or shower; and

(C) uses water supply, plumbing, and sewage disposal systems that conform to any applicable tribal code or, if there is no applicable tribal code, the minimum standards established by the applicable county or State;

(5) contain an electrical system using wiring and equipment properly installed to safely supply electrical energy for adequate lighting and for operation of appliances that conforms to any applicable tribal code or, if there is no applicable tribal code, an appropriate county, State, or National code;

(6) be not less than -

(A) (i) 570 square feet in size, if designed for a family of not more than 4 persons;

(ii) 850 square feet in size, if designed for a family of not less than 5 and not more than 7 persons; and

(iii) 1020 square feet in size, if designed for a family of not less than 8 persons, or

(B) the size provided under the applicable locally adopted standards for size of dwelling units;

except that the Secretary, upon the request of a tribe or

Indian housing authority, may waive the size requirements under this paragraph; and

(7) conform with the energy performance requirements for new construction established by the Secretary under section 526(a) of the National Housing Act.

(k) Definitions. - For purposes of this section:

(1) The term 'family' means 1 or more persons maintaining a household, as the Secretary shall by regulation provide.

(2) The term 'Guarantee Fund' means the Indian Housing Loan Guarantee Fund established under subsection (i).

(3) The term 'Indian' means person recognized as being Indian or Alaska Native by an Indian tribe, the Federal Government, or any State.

(4) The term 'Indian area' means the area within which an Indian housing authority is authorized to provide housing.

(5) The term 'Indian housing authority' means any entity that

-

(A) is authorized to engage in or assist in the development or operation of low-income housing for Indians; and

(B) is established -

(i) by exercise of the power of self-government of an Indian tribe independent of State law; or

(ii) by operation of State law providing specifically for housing authorities for Indians, including regional housing authorities in the State of Alaska.

(6) The term 'Secretary' means the Secretary of Housing and Urban Development.

(7) The term 'standard housing' means a dwelling unit or housing that complies with the requirements established under subsection (j).

(8) The term 'tribe' means any tribe, band, pueblo, group, community, or nation of Indians or Alaska Natives.

(9) The term 'trust land' means land title to which is held by the United States for the benefit of an Indian or Indian tribe or title to which is held by an Indian tribe subject to a restriction against alienation imposed by the United States.

(a) Authority. - Section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), is amended by adding at the end the following new subsection:

'(y) Homeownership Option . -

'(1) Use of assistance for homeownership . - A family receiving tenant-based assistance under this section may receive assistance for occupancy of a dwelling owned by one or more members of the family if the family -

'(A) is a first-time homeowner;

'(B) (i) participates in the family self-sufficiency program under section 23 of the public housing agency providing the assistance; or

'(ii) demonstrates that the family has income from employment or other sources (other than public assistance), as determined in accordance with requirements of the Secretary, that is not less than twice the payment standard established by the public housing agency (or such other amount as may be established by the Secretary);

'(C) except as provided by the Secretary, demonstrates at the time the family initially receives tenant-based assistance under this subsection that one or more adult members of the family have achieved employment for the period as the Secretary shall require;

'(D) participates in a homeownership and housing counseling program provided by the agency; and

'(E) meets any other initial or continuing requirements established by the public housing agency in accordance with requirements established by the Secretary.

'(2) Monthly assistance payment . -

'(A) In general. - Notwithstanding any other provisions of this section governing determination of the amount of assistance payments under this section on behalf of a family, the monthly assistance payment for any family assisted under this subsection shall be the amount by which the fair market rental for the area established under subsection (c) (1) exceeds 30 percent of the family's monthly adjusted income; except that the monthly assistance payment shall not exceed the amount by which the monthly homeownership expenses, as determined in accordance with requirements established by the Secretary, exceeds 10 percent of the family's monthly income.

'(B) Exclusion of equity from income. - For purposes of

determining the monthly assistance payment for a family, the Secretary shall not include in family income an amount imputed from the equity of the family in a dwelling occupied by the family with assistance under this subsection.

'(3) Recapture of certain amounts . - Upon sale of the dwelling by the family, the Secretary shall recapture from any net proceeds the amount of additional assistance (as determined in accordance with requirements established by the Secretary) paid to or on behalf of the eligible family as a result of paragraph (2) (B).

'(4) Downpayment requirement . - Each public housing agency providing assistance under this subsection shall ensure that each family assisted shall provide from its own resources not less than 80 percent of any downpayment in connection with a loan made for the purchase of a dwelling. Such resources may include amounts from any escrow account for the family established under section 23(d). Not more than 20 percent of the downpayment may be provided from other sources, such as from nonprofit entities and programs of States and units of general local government.

'(5) Ineligibility under other programs . - A family may not receive assistance under this subsection during any period when assistance is being provided for the family under other Federal homeownership assistance programs, as determined by the Secretary, including assistance under the HOME Investment Partnerships Act, the Homeownership and Opportunity Through HOPE Act, title II of the Housing and Community Development Act of 1987, and section 502 of the Housing Act of 1949.

'(6) Inapplicability of certain provisions . - Assistance under this subsection shall not be subject to the requirements of the following provisions:

'(A) Subsection (c) (3) (B) of this section.

'(B) Subsection (d) (1) (B) (i) of this section.

'(C) Any other provisions of this section governing maximum amounts payable to owners and amounts payable by assisted families.

'(D) Any other provisions of this section concerning contracts between public housing agencies and owners.

'(E) Any other provisions of this Act that are inconsistent with the provisions of this subsection.

'(7) Reversion to rental status . -

'(A) FHA-insured mortgages. - If a family receiving assistance under this subsection for occupancy of a

dwelling defaults under a mortgage for the dwelling insured by the Secretary under the National Housing Act, the family may not continue to receive rental assistance under this section unless the family (i) transfers to the Secretary marketable title to the dwelling, (ii) moves from the dwelling within the period established or approved by the Secretary, and (iii) agrees that any amounts the family is required to pay to reimburse the escrow account under section 23(d)(3) may be deducted by the public housing agency from the assistance payment otherwise payable on behalf of the family.

'(B) Other mortgages. - If a family receiving assistance under this subsection defaults under a mortgage not insured under the National Housing Act, the family may not continue to receive rental assistance under this section unless it complies with requirements established by the Secretary.

'(C) All mortgages. - A family receiving assistance under this subsection that defaults under a mortgage may not receive assistance under this subsection for occupancy of another dwelling owned by one or more members of the family.

'(8) Definition of first-time homeowner . - For purposes of this subsection, the term 'first-time homeowner' means -

'(A) a family, no member of which has had a present ownership interest in a principal residence during the 3 years preceding the date on which the family initially receives assistance for homeownership under this subsection; and

'(B) any other family, as the Secretary may prescribe.'

(b) Family Self-Sufficiency Program. - Section 23(d) of the United States Housing Act of 1937 (42 U.S.C. 1437u) is amended by adding at the end the following new paragraph:

'(3) Use of escrow savings accounts for section 8 homeownership. - Notwithstanding paragraph (3), a family that uses assistance under section 8(y) to purchase a dwelling may use up to 50 percent of the amount in its escrow account established under paragraph (3) for a downpayment on the dwelling. In addition, after the family purchases the dwelling, the family may use any amounts remaining in the escrow account to cover the costs of major repair and replacement needs of the dwelling. If a family defaults in connection with the loan to purchase a dwelling and the mortgage is foreclosed, the remaining amounts in the escrow account shall be recaptured by the Secretary.'

(c) Use of FHA Insurance With Section 8 Homeownership. -

(1) In general. - Section 203 of the National Housing Act (12 U.S.C. 1709) is amended -

(A) in the matter preceding subparagraph (A) in subsection (c)(2), by inserting 'or of the General Insurance Fund pursuant to subsection (v)' after 'Fund'; and

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

'(v) Notwithstanding section 202 of this title, the insurance of a mortgage under this section in connection with the assistance provided under section 8(y) of the United States Housing Act of 1937 shall be the obligation of the General Insurance Fund created pursuant to section 519 of this title. The provisions of subsections (a) through (h), (j), and (k) of section 204 shall apply to such mortgages, except that (1) all references in section 204 to the Mutual Mortgage Insurance Fund or the Fund shall be construed to refer to the General Insurance Fund, and (2) any excess amounts described in section 204(f)(1) shall be retained by the Secretary and credited to the General Insurance Fund.'

(2) General insurance fund. - Section 519(e) of the National Housing Act (12 U.S.C. 1735c(e)) is amended by inserting after '203(b)' the following: '(except as provided in section 203(v))'.

(3) Mortgage insurance transition premiums. - The matter preceding paragraph (1) in section 2103(b) of the Omnibus Budget Reconciliation Act of 1990 (12 U.S.C. 1709 note) is amended by inserting 'or of the General Insurance Fund pursuant to section 203(v) of the National Housing Act' after 'Fund'.

(4) Conforming amendment . - The third sentence of section 3(a)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437a(a)(1)) is amended by inserting 'or (y) or paying rent under section 8(c)(3)(B)' after 'section 8(o)'.

SEC. 186. ENTERPRISE ZONE HOMEOWNERSHIP OPPORTUNITY GRANTS.

(a) Statement of Purpose. - It is the purpose of this section -

(1) to encourage homeownership by families in the United States who are not otherwise able to afford homeownership;

(2) to encourage the redevelopment of economically depressed areas; and

(3) to provide better housing opportunities in federally approved and equivalent State-approved enterprise zones.

(b) Definitions. - For purposes of this section the following definitions shall apply:

(1) Home. - The term 'home' means any 1- to 4-family dwelling. Such term includes any dwelling unit in a condominium project or cooperative project consisting of not more than 4 dwelling units, any town house, and any manufactured home.

(2) Metropolitan statistical area. - The term 'metropolitan statistical area' means a metropolitan statistical area as established by the Office of Management and Budget.

(3) Nonprofit organization. - The term 'nonprofit organization' means a private nonprofit corporation, or other private nonprofit legal entity, that is approved by the Secretary as to financial responsibility.

(4) Secretary. - The term 'Secretary' means the Secretary of Housing and Urban Development.

(5) State. - The term 'State' means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(6) Unit of general local government. - The term 'unit of general local government' means any borough, city, county, parish, town, township, village, or other general purpose political subdivision of a State.

(c) Assistance to Nonprofit Organizations. -

(1) In general. - The Secretary may provide assistance to nonprofit organizations to carry out enterprise zone homeownership opportunity programs to promote homeownership in federally approved and equivalent State-approved enterprise zones in accordance with the provisions of this section. Such assistance shall be made in the form of grants.

(2) Applications. - Applications for assistance under this section shall be made in such form, and in accordance with such procedures, as the Secretary may prescribe.

(d) Eligible Uses of Assistance. -

(1) In general. - Any nonprofit organization receiving assistance under this section shall use such assistance to provide loans to families purchasing homes constructed or rehabilitated in accordance with an enterprise zone homeownership opportunity program approved under this section.

(2) Specific requirements. - Each loan made to a family under this subsection shall -

(A) be secured by a second mortgage held by the Secretary on the property involved;

(B) be in an amount not exceeding \$15,000;

(C) bear no interest; and

(D) be repayable to the Secretary upon the sales, lease, or other transfer of such property.

(e) Program Requirements. -

(1) In general. - Assistance provided under this section may be used only in connection with an enterprise zone homeownership opportunity program of construction or rehabilitation of homes.

(2) Family need. - Each family purchasing a home under this section shall -

(A) have a family income on the date of such purchase that is not more than the median income for a family of 4 persons (adjusted for family size) in the metropolitan statistical area in which a federally approved or equivalent State-approved enterprise zone is located; and

(B) not have owned a home during the 3-year period preceding such purchase.

(3) Downpayment. - Each family purchasing a home under this section shall make a downpayment of not less than 5 percent of the sale price of such home.

(4) Leasing prohibition. - No family purchasing a home under this section may lease such home.

(f) Terms and Conditions of Assistance. -

(1) Local consultation. - No proposed enterprise zone homeownership opportunity program may be approved by the Secretary under this section unless the applicant involved demonstrates to the satisfaction of the Secretary that -

(A) it has consulted with and received the support of residents of the neighborhood in which such program is to be located; and

(B) it has the approval of each unit of general local government in which such program is to be located.

(2) Program schedule. - Each applicant for assistance under this section shall submit to the Secretary an estimated schedule for completion of its proposed enterprise zone homeownership opportunity program, which schedule shall have been agreed to by each unit of general local government in which such program is to be located.

(3) Location. - All homes constructed or rehabilitated under such program will be located in federally approved or equivalent State-approved enterprise zones.

(4) Sales contracts. - Sales contracts entered into under such program will contain provisions requiring repayment of any loan made under this section upon the sale or other transfer of the home involved, unless the Secretary approves a transfer of such home without repayment (in which case the second mortgage held by the Secretary on such home shall remain in force until such loan is fully repaid).

(g) Program Selection Criteria. -

(1) In general. - In selecting enterprise zone homeownership opportunity programs for assistance under this section from among eligible programs, the Secretary shall make such selection on the basis of the extent to which -

(A) non-Federal public or private entities will contribute land necessary to make each program feasible;

(B) non-Federal public and private financial or other contributions (including tax abatements, waivers of fees related to development, waivers of construction, development, or zoning requirements, and direct financial contributions) will reduce the cost of home constructed or rehabilitated under each program;

(C) each program will produce the greatest number of units for the least amount of assistance provided under this section, taking into consideration the cost differences among different market areas; and

(D) each program provides for the involvement of local residents in the planning, and construction or rehabilitation, of homes.

(2) Exception. - To the extent that non-Federal public entities are prohibited by the law of any State from making any form of contribution described in subparagraph (A) or (B) of paragraph (1), the Secretary shall not consider such form of contribution in evaluating such program.

(h) Regulations. - Not later than 180 days after the date of enactment of this section, the Secretary shall issue final regulations to carry out the provisions of this title. Any such regulations shall be issued in accordance with section 553 of title 5, United States Code, notwithstanding the provisions of subsection (a)(2) of such section.

(i) Funding. - There are authorized to be appropriated to carry out this section \$30,000,000 in each of fiscal years 1993 and 1994.

SUBTITLE F - IMPLEMENTATION

SEC. 191. IMPLEMENTATION.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to implement the provisions of this title and the amendments made by this title not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, except as expressly provided otherwise in this title and the amendments made by this title. Such regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section).

TITLE II - HOME INVESTMENT PARTNERSHIPS

SEC. 201. AUTHORIZATION OF APPROPRIATIONS.

Section 205 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12724) is amended to read as follows:

'SEC. 205. AUTHORIZATION.

'There are authorized to be appropriated to carry out this title \$2,086,000,000 for fiscal year 1993, and \$2,173,612,000 for fiscal year 1994, of which -

'(1) not more than \$14,000,000 for fiscal year 1993, and \$14,000,000 for fiscal year 1994, shall be for community housing partnership activities authorized under section 233; and

'(2) not more than \$11,000,000 for fiscal year 1993, and \$11,000,000 for fiscal year 1994, shall be for activities in support of State and local housing strategies authorized under subtitle C.'

SEC. 202. HOME PROGRAM THRESHOLDS.

(a) Participating Jurisdictions. - Section 216 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12746) is amended -

(1) in paragraph (3), by striking 'A jurisdiction' and inserting 'Except as provided in paragraph (10), a jurisdiction';

(2) in paragraph (9)(B), by inserting ', except as provided in paragraph (10)' after 'in any 1 year'; and

(3) by adding at the end the following:

'(10) Threshold reduction. - If the amount appropriated

pursuant to section 205 for any fiscal year is less than \$1,500,000,000, then this section shall be applied during that year

-

'(A) by substituting '\$500,000' for '\$750,000' both places it appears in paragraph (3); and

'(B) by substituting '\$500,000', '\$410,000', and '\$335,000' for '\$750,000', '\$625,000', and '\$500,000', respectively, where they appear in paragraph (9).'

(b) Supplemental Allocation. - Section 217(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(b)) is amended -

(1) in paragraph (3), by inserting ', except as provided in paragraph (4)' before the period at the end of the second sentence; and

(2) by adding at the end the following:

'(4) Threshold reduction. - If the amount appropriated pursuant to section 205 for any fiscal year is less than \$1,500,000,000, then this section shall be applied during that year by substituting '\$335,000' for '\$500,000' where it appears in paragraph (3).'

(c) Applicability. - Notwithstanding any other provision of law, the grant thresholds provided for in section 216, as amended by this section, and the grant thresholds provided for in section 217(b) of the Cranston-Gonzalez National Affordable Housing Act, as amended by this section, shall apply.

SEC. 203. ELIMINATION OF RESTRICTIONS ON NEW CONSTRUCTION.

(a) Eligible Uses of Investment. - Section 212(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)) is amended -

(1) in the last sentence of paragraph (2), by striking 'under paragraph (3) of this subsection or';

(2) by striking paragraph (3); and

(3) by redesignating paragraph (4) as paragraph (3).

(b) Formula Allocation. - Section 217(b)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(b)(1)) is amended -

(1) by striking subparagraph (A);

(2) in subparagraph (D), by striking 'Except as provided in subparagraph (A), the basic formula established under

subparagraph (B)' and inserting 'The basic formula established under subparagraph (A)';

(3) in subparagraph (E), by striking 'formulas in subparagraph (B)' and inserting 'formula in subparagraph (A)';

(4) in subparagraph (F) -

(A) in the first sentence, by striking 'subparagraph (B)' and inserting 'subparagraph (A)'; and

(B) by striking the second sentence;

(5) in subparagraph (G), by striking 'formulas in subparagraphs (A) and (B)' and inserting 'formula in subparagraph (A)'; and

(6) by redesignating subparagraphs (B) through (G) (as amended by this paragraph) as subparagraphs (A) through (F), respectively.

(c) Conforming Amendment. - Section 218(g) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748(g)) is amended by striking 'Except as provided in section 217(b)(1)(A)(ii), if' and inserting 'If'.

SEC. 204. POLICIES AND PREFERENCE RULES; USE OF TENANT-BASED RENTAL ASSISTANCE AMOUNTS FOR SECURITY DEPOSITS.

(a) Policies and Preference Rules. - Section 212(a)(3) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(3)), as so redesignated by section 203(a)(3) of this Act, is amended by adding at the end the following:

'(E) Security deposit assistance. - A jurisdiction using funds provided under this subtitle for tenant-based rental assistance may use such funds to provide loans or grants to very low- and low-income families for security deposits for rental of dwelling units. Assistance under this subparagraph does not preclude assistance under any other provision of this paragraph.'

(b) Security Deposits. - Section 212(a)(3)(A) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(4)(A)), as so redesignated by section 203(a)(3) of this Act, is amended by striking clause (ii) and inserting the following:

'(ii) the tenant-based rental assistance is provided in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to very low- and low-income families and are reasonably related to preference rules established under section 6(c)(4)(A) of the Housing Act

of 1937.'.

SEC. 205. USE OF HOME FUNDS FOR HOMELESS ASSISTANCE.

Section 212(a)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(1)) is amended by adding at the end the following: 'For the purpose of this subtitle, the term 'affordable housing' includes permanent housing for disabled homeless persons, transitional housing, and single room occupancy housing.'.

SEC. 206. PER UNIT COST LIMITS.

Section 212(d)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(d)(1)) is amended by inserting after the first sentence the following: 'For multifamily housing, such limits shall not be less than the per unit dollar amount limitations set forth in section 221(d)(3)(ii) of the National Housing Act, as such limitations may be adjusted in accordance therewith, except that for purposes of this subsection the Secretary shall, by regulation, increase the per unit dollar amount limitations in any geographical area by an amount, not to exceed 140 percent, that equals the amount by which the costs of multifamily housing construction in the area exceed the national average of such costs.'.

SEC. 207. ADMINISTRATIVE COSTS AS ELIGIBLE USE OF INVESTMENT.

(a) Housing Uses. - Section 212(a)(1) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742(a)(1)) is amended by inserting after 'organizations,' the following: 'to provide for the payment of reasonable administrative and planning costs, to provide for the payment of operating expenses of community housing development organizations,'.

(b) Eligible Use. - Section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended -

(1) in subsection (c)(1), by inserting 'that exceed the amount specified under subsection (c)' before the comma at the end;

(2) by redesignating subsections (c), (d) (as amended by the preceding provisions of this Act), and (e) as subsections (d), (e), and (f), respectively; and

(3) by inserting after subsection (b) the following:

'(c) Administrative Costs. - In each fiscal year, each participating jurisdiction may use not more than 10 percent of the funds made available under this subtitle to the jurisdiction for such year for any administrative and planning costs of the jurisdiction in carrying out this subtitle, including the costs of the salaries of persons engaged in administering and managing

activities assisted with funds made available under this subtitle.'.

(c) Recognition of Match. - Section 220 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750) is amended -

(1) in subsection (b)(2), by striking 'shall' and all that follows and inserting 'may not be recognized for purposes of subsection (a).'; and

(2) in subsection (c) -

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3), (4), and (5) as paragraphs (2), (3), and (4), respectively.

(d) Limitation on Administrative Costs. - Section 212 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12742) is amended by adding at the end the following:

'(g) Limitation on Operating Assistance. - A participating jurisdiction may not use more than 5 percent of its allocation under this subtitle for the payment of operating expenses for community housing development organizations.'

SEC. 208. AFFORDABLE HOUSING.

(a) Rent Calculations. - Section 215(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)) is amended -

(1) in paragraph (1)(A) by striking 'smaller and larger families' and inserting 'number of bedrooms in the unit';

(2) in paragraph (3), by adding at the end the following:
'The preceding sentence shall not apply with respect to funds made available under this Act for units that have been allocated a low-income housing tax credit by a housing credit agency pursuant to section 42 of the Internal Revenue Code 1986.'; and

(3) in the second sentence of paragraph (3), by striking 'not less than' and inserting 'the lesser of the amount payable by the tenant under State or local law or'.

(b) Exception to Termination Rule. - Section 215(a)(1)(E) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(a)(1)(E)) is amended by inserting after 'Act' the following:
' , except upon a foreclosure by a lender (or upon other transfer in lieu of foreclosure) if such action (i) recognizes any contractual or legal rights of public agencies, nonprofit sponsors, or others to take actions that would avoid termination of low-income affordability in the case of foreclosure or transfer in lieu of foreclosure, and (ii) is not for the purpose of avoiding low income

affordability restrictions, as determined by the Secretary'.

SEC. 209. HOMEOWNERSHIP RESALE RESTRICTIONS.

Section 215(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12745(b)) is amended by striking paragraph (4) and inserting the following:

'(4) is subject to resale restrictions that are established by the participating jurisdiction and determined by the Secretary to be appropriate to -

'(A) allow for subsequent purchase of the property only by persons who meet the qualifications specified under paragraph (2), at a price which will -

'(i) provide the owner with a fair return on investment, including any improvements, and

'(ii) ensure that the housing will remain affordable to a reasonable range of low-income homebuyers; or

'(B) recapture the investment provided under this title in order to assist other persons in accordance with the requirements of this subsection, except where there are no net proceeds or where the net proceeds are insufficient to repay the full amount of the assistance; and'.

SEC. 210. MATCHING REQUIREMENTS.

(a) Tiered Contribution. - Section 220(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(a)) is amended -

(1) in paragraph (1) -

(A) by striking 'and' and inserting a comma;

(B) by inserting 'and substantial rehabilitation' after 'rehabilitation'; and

(C) by inserting 'and' after the semicolon;

(2) in paragraph (2) -

(A) by striking '33' and inserting '30'; and

(B) by striking 'substantial rehabilitation; and' and inserting 'new construction.';

(3) by striking paragraph (3); and

(4) in the matter preceding paragraph (1), by striking 'affordable housing assisted under this title' and inserting

'housing that qualifies as affordable housing under this title'.

(b) Form. - Section 220(c) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750(c)) is amended -

(1) by striking 'and' at the end of paragraph (4);

(2) by striking the period at the end of paragraph (5) and inserting a semicolon; and

(3) by adding at the end the following:

'(6) up to -

'(A) 50 percent of proceeds from bond financing validly issued by a State or local government, agency or instrumentality thereof, or political subdivision thereof, and repayable with revenues derived from a multifamily affordable housing project financed, and

'(B) 25 percent of proceeds from bond financing validly issued by a State or local government, agency or instrumentality thereof, or political subdivision thereof, and repayable with revenues derived from a single-family project financed,

but not more than 25 percent of the contribution required under subsection (a) may be derived from these sources;

'(7) the reasonable value of any site-preparation and construction materials and any donated or voluntary labor in connection with the site-preparation for, or construction or rehabilitation of, affordable housing; and

'(8) such other contributions to affordable housing as the Secretary considers appropriate.'

(c) Reduction of Requirement. - Section 220 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12750) is amended by striking subsection (d) and inserting:

'(d) Reduction of Requirement. -

'(1) In general. - The Secretary shall reduce the matching requirement under subsection (a) with respect to any funds drawn from a jurisdiction's HOME Investment Trust Fund Account during a fiscal year by -

'(A) 50 percent for a jurisdiction that certifies that it is in fiscal distress; and

'(B) 100 percent for a jurisdiction that certifies that

it is in severe fiscal distress.

'(2) Definitions. - For purposes of this section -

'(A) 'fiscal distress' means a jurisdiction other than a State that satisfies 1 of the distress criteria set forth in paragraph (3); and

'(B) 'severe fiscal distress' means a jurisdiction other than a State that satisfies both of the distress criteria set forth in paragraph (3).

'(3) Distress criteria. - For purposes of a jurisdiction other than a State certifying that it is distressed, the following criteria shall apply:

'(A) Poverty rate. - The average poverty rate in the jurisdiction for the calendar year immediately preceding the year in which its fiscal year begins was equal to or greater than 125 percent of the average national poverty rate during such calendar year (as determined according to information of the Bureau of the Census).

'(B) Per capita income. - The average per capita income in the jurisdiction for the calendar year immediately preceding the year in which its fiscal year begins was less than 75 percent of the average national per capita income during such calendar year (as determined according to information of the Bureau of the Census).

'(4) States. - In determining the degree to which a jurisdiction that is a State is distressed, the Secretary shall take into consideration the State's fiscal capacity and expenditure needs as determined by a national organization which compiles the relevant data.

'(5) Waiver in disaster areas. - If a participating jurisdiction is located in an area in which a declaration of a disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act is in effect for any part of a fiscal year, the Secretary may reduce the matching requirement for that fiscal year under subsection (a) with respect to any funds drawn from a jurisdiction's HOME Investment Trust Fund Account during that fiscal year by up to 100 percent.'

(d) Applicability. - The amendments made by this section shall apply with respect to fiscal year 1993 and each fiscal year thereafter.

SEC. 211. ASSISTANCE FOR INSULAR AREAS.

(a) Repeal of Amendments Made by Public Law 102-230. -

(1) Definitions. - Section 104 of the Cranston-Gonzalez

National Affordable Housing Act (42 U.S.C. 12704) is amended to read as if the amendments made by section 2 of Public Law 102-230 (105 Stat. 1720) had not been enacted.

(2) Allocation of resources. - Section 217(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12747(a)) is amended -

(A) by striking the first sentence of paragraph (1) and inserting the following: 'After reserving amounts under paragraph (2) for Indian tribes and after reserving amounts under paragraph (3) for the insular areas, the Secretary shall allocate funds approved in an appropriation Act to carry out this title by formula as provided in subsection (b).';

(B) by striking paragraph (3) (as added by Public Law 102-229; 105 Stat. 1709);

(C) by striking paragraph (3) (as added by Public Law 102-230; 105 Stat. 1720); and

(D) by adding after paragraph (2) the following:

'(3) Insular areas. - For each fiscal year, of any amounts approved in appropriation Acts to carry out this title, the Secretary shall reserve for grants to the insular areas the greater of (A) \$750,000, or (B) 0.2 percent of the amounts appropriated under such Acts. The Secretary shall provide for the distribution of amounts reserved under this paragraph among the insular areas pursuant to specific criteria for such distribution, which shall be contained in a regulation issued by the Secretary.'

(3) Expedited issuance of regulation. - The regulation referred to in the amendment made by paragraph (2)(D) shall take effect not later than the expiration of the 90-day period beginning on the date of the enactment of this Act. The regulation shall not be subject to the requirements of subsections (b) and (c) of section 553 of title 5, United States Code, or section 7(o) of the Department of Housing and Urban Development Act.

(b) Effective Date . - The amendments made by subsection (a) shall apply with respect to fiscal year 1993 and thereafter.

SEC. 212. COMMUNITY HOUSING PRODUCTION SET-ASIDE.

(a) Extension of Period. - Section 231 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771) is amended by striking '18 months' each place it appears in subsections (a) and (b) and inserting '24 months'.

(b) Allocation for Use by Nonprofit Organization. - Section

231(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12771(a)) is amended by inserting after the second sentence the following: 'If during the first 24 months of its participation under this title, a participating jurisdiction is unable to identify a sufficient number of capable community housing development organizations, then up to 20 percent of the funds allocated to that jurisdiction under this section, but not to exceed \$150,000, may be made available to carry out activities that develop the capacity of community housing development organizations in that jurisdiction.'

(c) Other Requirements. - Section 234(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12774(b)) is amended -

(1) by striking ', together with other Federal assistance,'; and

(2) by inserting before the period the following: 'or \$50,000 annually, whichever is greater'.

SEC. 213. HOUSING EDUCATION AND ORGANIZATIONAL SUPPORT FOR COMMUNITY LAND TRUSTS.

(a) Community Land Trusts . - Section 233 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12773) is amended -

(1) in subsection (a)(2), by inserting ', including community land trusts,' after 'organizations';

(2) in subsection (b), by adding at the end the following:

'(6) Community land trusts. - Organizational support, technical assistance, education, training, and continuing support under this subsection may be made available to community land trusts (as such term is defined in subsection (f)) and to community groups for the establishment of community land trusts.'; and

(3) by adding at the end the following:

'(f) Definition of Community Land Trust. - For purposes of this section, the term 'community land trust' means a community housing development organization (except that the requirements under subparagraphs (C) and (D) of section 104(6) shall not apply for purposes of this subsection) -

'(1) that is not sponsored by a for-profit organization;

'(2) that is established to carry out the activities under paragraph (3);

'(3) that -

'(A) acquires parcels of land, held in perpetuity, primarily for conveyance under long-term ground leases;

'(B) transfers ownership of any structural improvements located on such leased parcels to the lessees; and

'(C) retains a preemptive option to purchase any such structural improvement at a price determined by formula that is designed to ensure that the improvement remains affordable to low- and moderate-income families in perpetuity;

'(4) whose corporate membership that is open to any adult resident of a particular geographic area specified in the bylaws of the organization; and

'(5) whose board of directors -

'(A) includes a majority of members who are elected by the corporate membership; and

'(B) is composed of equal numbers of (i) lessees pursuant to paragraph (3)(B), (ii) corporate members who are not lessees, and (iii) any other category of persons described in the bylaws of the organization.'

(b) Women in Homebuilding. - Section 233 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12773), as amended by subsection (a) of this section, is further amended -

(1) in subsection (a) -

(A) in paragraph (1), by striking 'and' at the end;

(B) in paragraph (2), by striking the period at the end and inserting '; and'; and

(C) by adding at the end the following:

'(3) to achieve the purposes under paragraphs (1) and (2) by helping women who reside in low- and moderate-income neighborhoods rehabilitate and construct housing in the neighborhoods.'

(2) in subsection (b), by adding after paragraph (6) (as added by subsection (a)(2) of this section) the following:

'(7) Facilitating women in homebuilding professions. - Technical assistance may be made available to businesses, unions, and organizations involved in construction and rehabilitation of housing in low- and moderate-income areas to assist women residing in the area to obtain jobs involving such activities, which may include facilitating access by such women

to, and providing, apprenticeship and other training programs regarding nontraditional skills, recruiting women to participate in such programs, providing continuing support for women at job sites, counseling and educating businesses regarding suitable work environments for women, providing information to such women regarding opportunities for establishing small housing construction and rehabilitation businesses, and providing materials and tools for training such women (in an amount not exceeding 10 percent of any assistance provided under this paragraph). The Secretary shall give priority under this paragraph to providing technical assistance for organizations rehabilitating single family or multifamily housing owned or controlled by the Secretary pursuant to title II of the National Housing Act and which have women members in occupations in which women constitute 25 percent or less of the total number of workers in the occupation (in this section referred to as 'nontraditional occupations').';

(3) in subsection (c) (1) -

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

(B) in subparagraph (D), by striking 'or' at the end and inserting 'and'; and

(C) by adding at the end the following:

'(E) in the case of activities under subsection (b) (7), is a community-based organization (as such term is defined in section 4 of the Job Training Partnership Act) or public housing agency, which has demonstrated experience in preparing women for apprenticeship training in construction or administering programs for training women for construction or other nontraditional occupations (and such organizations may use assistance for activities under such subsection to employ women in housing construction and rehabilitation activities to the extent that the organization has the capacity to conduct such activities); or'; and

(4) by adding at the end of subsection (e) the following:

'The Secretary shall provide assistance under this section, to the extent applications are submitted and approved, to contractors in each of the geographic regions having a regional office of the Department of Housing and Urban Development.'.

SEC. 214. LAND BANK REDEVELOPMENT.

(a) Priorities for Capacity Development. - Section 242 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12782) is amended -

(1) in paragraph (4), by striking 'and' at the end;

(2) in paragraph (5), by striking the period at the end and inserting '; and'; and

(3) by adding at the end the following:

'(6) facilitate the establishment and efficient operation of land bank programs, under which title to vacant and abandoned parcels of real estate located in or causing blighted neighborhoods is cleared for use consistent with the purposes of this title.'

SEC. 215. RESEARCH IN PROVIDING AFFORDABLE HOUSING THROUGH INNOVATIVE BUILDING TECHNIQUES AND TECHNOLOGY.

The second sentence of section 244 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12784) is amended by inserting before the period at the end the following: ', through the use of cost-saving innovative building technology and construction techniques'.

SEC. 216. USE OF INNOVATIVE BUILDING TECHNOLOGIES TO PROVIDE COST-SAVING HOUSING OPPORTUNITIES.

Subtitle D of title II of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12801 et seq.) is amended by adding at the end the following:

'SEC. 260. COST-SAVING BUILDING TECHNOLOGIES AND CONSTRUCTION TECHNIQUES.

'(a) In General . - The Secretary shall make available a model program to utilize cost-saving building technologies and construction techniques for purposes of providing homeownership and rental opportunities under this title.

'(b) Selection Criteria . - The Secretary shall establish criteria for participating jurisdictions to select projects for assistance under the model program which may include -

'(1) the extent to which innovative, cost-saving building and construction technologies are utilized;

'(2) the extent to which innovative, cost-saving construction techniques are utilized;

'(3) the extent to which units will be made available to low-income families and individuals;

'(4) the extent to which non-Federal public or private assistance is utilized; and

'(5) any other factor, determined by the Secretary to be appropriate.

'(c) Guidelines . - The Secretary shall publish guidelines for the model program under this section not later than 180 days after the date of the enactment of the Housing and Community Development Act of 1992.

'(d) Report . - The Secretary shall submit a biennial report to the Congress on the utilization of the model program under this section.'

SEC. 217. DEFINITION OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATION.

(a) In General. - Section 104(6) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(6)) is amended by adding at the end the following new flush material:

'In the case of an organization serving more than one county, the Secretary may not require that such organization, to be considered a community housing development organization for purposes of this Act, include as members on the organization's governing board low-income persons residing in each county served.'

(b) Transition Rule. - For the purposes of determining compliance with the requirements of section 104(6) of the Cranston-Gonzalez National Affordable Housing Act, the Secretary of Housing and Urban Development may provide an exception for organizations that meet the definition of community housing development organization, except for significant representation of low-income community residents on the board, if such organization fulfills such requirement within 6 months of receiving funds under title II of such Act or September 30, 1993, whichever is sooner.

SEC. 218. INCLUSION OF ECHO HOUSING IN DEFINITION OF HOUSING.

Section 104(8) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(8)) is amended by inserting before the period at the end the following: 'and elder cottage housing opportunity units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing 1- to 4-family dwellings'.

SEC. 219. ELIGIBILITY OF MANUFACTURED HOME OWNERS AS FIRST-TIME HOMEBUYERS.

Section 104(14) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12704(14)) is amended -

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

(2) in subparagraph (B), by striking the period at the end and inserting '; and'; and

(3) by adding at the end the following new subparagraph:

'(C) an individual shall not be excluded from consideration as a first-time homebuyer under this paragraph on the basis that the individual owns or owned, as a principal residence during such 3-year period, a dwelling unit whose structure is -

'(i) not permanently affixed to a permanent foundation in accordance with local or other applicable regulations, or

'(ii) not in compliance with State, local, or model building codes, or other applicable codes, and cannot be brought into compliance with such codes for less than the cost of constructing a permanent structure.'

SEC. 220. ELIGIBILITY FOR ASSISTANCE AND CONTENTS OF STRATEGIES.

(a) Homelessness Information. - Section 105(b)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)(2)) is amended -

(1) by inserting ', including rural homelessness,' after 'homelessness' the first place it appears; and

(2) by inserting 'including tabular representation of such information,' after 'with homelessness,'.

(b) Antidisplacement Plan and Antipoverty Strategy. - Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended -

(1) by striking paragraph (14) and inserting the following:

'(14) include a certification that the jurisdiction has in effect and is following a residential antidisplacement and relocation assistance plan that, in any case of any such displacement in connection with any activity assisted with amounts provided under title II, requires the same actions and provides the same rights as required and provided under a residential antidisplacement and relocation assistance plan under section 104(d) of the Housing and Community Development Act of 1974 in the event of displacement in connection with a development project assisted under section 106 or 119 of such Act;'

(2) in paragraph (15), by striking the period at the end and inserting '; and' and

(3) by adding at the end the following:

'(16) for any housing strategy submitted for fiscal year 1994 or any fiscal year thereafter and taking into consideration factors over which the jurisdiction has control, describe the jurisdiction's goals, programs, and policies for reducing the

number of households with incomes below the poverty line (as defined by the Office of Management and Budget and revised annually), and, in consultation with other appropriate public and private agencies, state how the jurisdiction's goals, programs, and policies for producing and preserving affordable housing set forth in the housing strategy will be coordinated with other programs and services for which the jurisdiction is responsible and the extent to which they will reduce (or assist in reducing) the number of households with incomes below the poverty line; and'.

(c) Linkage Between Housing Need and Allocation of Housing Resources. - Section 105(b) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12705(b)) is amended -

(1) by redesignating paragraphs (8) through (16) as paragraphs (9) through (17), respectively; and

(2) by inserting after paragraph (7) the following:

'(8) describe how the jurisdiction's plan will address the housing needs identified pursuant to subparagraphs (1) and (2), describe the reasons for allocation priorities, and identify any obstacles to addressing underserved needs;'

SEC. 221. LOCATION OF ACTIVITIES.

Section 218(a) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12748a) is amended by inserting after 'boundaries' the following: 'or within the boundaries of contiguous jurisdictions in joint projects which serve residents from both jurisdictions'.

SEC. 222. REGULATIONS.

The Secretary of Housing and Urban Development shall issue any final regulations necessary to implement the provisions of this title and the amendments made by this title not later than the expiration of the 180-day period beginning on the date of the enactment of this Act, except as expressly provided otherwise in this title and the amendments made by this title. Such regulations shall be issued after notice and opportunity for public comment pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a) (2), (b) (B), and (d) (3) of such section).

SEC. 223. RETROACTIVE APPLICATION OF HOME AMENDMENTS.

The amendments made by this title shall apply to unexpended funds allocated under title II of the Cranston-Gonzalez National Affordable Housing Act in fiscal year 1992, except as otherwise specifically provided.