

2021 GENERAL PROVISIONS

This document summarizes the General Provisions (GPs) in the 2021 Budget relative to the 2020 Enacted GPs.

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SEC. 201. *SECTION 8 SAVINGS*.—Fifty percent of the amounts of budget authority, or in lieu thereof 50 percent of the cash amounts associated with such budget authority, that are recaptured from projects described in section 1012(a) of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988 (42 U.S.C. 1437f note) shall be [rescinded]*cancelled* or in the case of cash, shall be remitted to the Treasury, and such amounts of budget authority or cash recaptured and not [rescinded]*cancelled* or remitted to the Treasury shall be used by State housing finance agencies or local governments or local housing agencies with projects approved by the Secretary of Housing and Urban Development for which settlement occurred after January 1, 1992, in accordance with such section. Notwithstanding the previous sentence, the Secretary may award up to 15 percent of the budget authority or cash recaptured and not [rescinded]*cancelled* or remitted to the Treasury to provide project owners with incentives to refinance their project at a lower interest rate.

Explanation of this Section: This section relates to the sharing of savings from refunding bonds for certain Section 8 contracts.

Proposed Action: The President's Budget proposes retaining this section with technical modifications.

SEC. 202. *FAIR HOUSING ACT INVESTIGATIONS AND PROSECUTIONS*.—None of the amounts made available under this Act may be used during fiscal year [2020]*2021* to investigate or prosecute under the Fair Housing Act any otherwise lawful activity engaged in by one or more persons, including the filing or maintaining of a nonfrivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

Explanation of this Section: This section makes clear that the Department will not use its authority under the Fair Housing Act to investigate or prosecute legal activity.

Proposed Action: The President's Budget proposes retaining this provision for fiscal year 2021.

SEC. 203. *COMPETITION IN ACCORDANCE WITH HUD REFORM ACT*.—Except as explicitly provided in law, any grant, cooperative agreement or other assistance made pursuant to title II of this Act shall be made on a competitive basis and in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989 (42 U.S.C. 3545).

Explanation of this Section: This provision requires that HUD funds be subject to competition unless specified otherwise in statute.

Proposed Action: The President's Budget proposes retaining this section.

SEC. 204. *GNMA LEGAL SERVICES*.—Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C.1811–1).

Explanation of this Section: This provision makes limitations on administrative expenses inapplicable to certain expenditures of Ginnie Mae, including legal services contracts and the expenses of carrying out its programmatic duties. This provision ensures that administrative expenses provided in annual appropriations bills does not preclude Ginnie Mae's reliance upon its permanent, indefinite appropriation, in Section 1 of the National Housing Act, for essential operating funds.

Proposed Action: The President's Budget proposes retaining this section.

[SEC. 205. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any program, project or activity in excess of amounts set forth in the budget estimates submitted to Congress.]

Explanation of this Section: This provision forbids HUD from spending more money on any program than the agency proposed in the budget estimates, unless a different amount is appropriated or provided in a reprogramming.

Proposed Action: The President's Budget proposes deleting this provision because it is redundant with existing and proposed reprogramming requirements.

SEC. [206]205. *HUD CORPORATION EXPENDITURES*.—Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for [2020]2021 for such corporation or agency except as hereinafter provided: *Provided*, That collections of these corporations and agencies may be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

Explanation of this Section: This provision is an authorization by which Congress implements its responsibilities under section 104 of the Government Corporations Control Act (31 U.S.C. 9104), which is necessary to carry out the programs set forth in Ginnie Mae's budget for the coming year.

Proposed Action: The President's Budget proposes retaining this provision.

[SEC. 207. The Secretary of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, recaptured and excess funds in each program and activity within the jurisdiction of the Department and shall submit additional, updated budget information to these Committees upon request.]

Explanation of this Section: This provision requires HUD to submit quarterly reports on status of funds.

Proposed Action: The President's Budget proposes to delete this provision.

[SEC. 208. No funds provided under this title may be used for an audit of the Government National Mortgage Association that makes applicable requirements under the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.).]

Explanation of this Section: This provision prohibits use of GNMA funds for certain audit activities.

Proposed Action: The President's Budget proposes to delete this provision.

SEC. [209]206. *TRANSFERS OF ASSISTANCE, DEBT, AND USE RESTRICTIONS.*

(a) *AUTHORITY.*—Notwithstanding any other provision of law, subject to the conditions listed under this section, for fiscal years [2020]2021 and [2021] 2022, the Secretary of Housing and Urban Development may authorize the transfer of some or all project-based assistance, debt held or insured by the Secretary and statutorily required low-income and very low-income use restrictions if any, associated with one or more multifamily housing project or projects to another multifamily housing project or projects.

(b) *PHASED TRANSFERS.*—Transfers of project-based assistance under this section may be done in phases to accommodate the financing and other requirements related to rehabilitating or constructing the project or projects to which the assistance is transferred, to ensure that such project or projects meet the standards under subsection (c).

(c) *CONDITIONS.*—The transfer authorized in subsection (a) is subject to the following conditions:

(1) *NUMBER AND BEDROOM SIZE OF UNITS.*—

(A) For occupied units in the transferring project: The number of low-income and very low-income units and the configuration (i.e., bedroom size) provided by the transferring project shall be no less than when transferred to the receiving project or projects and the net dollar amount of Federal

assistance provided to the transferring project shall remain the same in the receiving project or projects.

(B) For unoccupied units in the transferring project: The Secretary may authorize a reduction in the number of dwelling units in the receiving project or projects to allow for a reconfiguration of bedroom sizes to meet current market demands, as determined by the Secretary and provided there is no increase in the project-based assistance budget authority.

(2) The transferring project shall, as determined by the Secretary, be either physically obsolete or economically nonviable, *or be reasonably expected to become economically nonviable when complying with state or Federal requirements for community integration and reduced concentration of individuals with disabilities.*

(3) The receiving project or projects shall meet or exceed applicable physical standards established by the Secretary.

(4) The owner or mortgagor of the transferring project shall notify and consult with the tenants residing in the transferring project and provide a certification of approval by all appropriate local governmental officials.

(5) The tenants of the transferring project who remain eligible for assistance to be provided by the receiving project or projects shall not be required to vacate their units in the transferring project or projects until new units in the receiving project are available for occupancy.

(6) The Secretary determines that this transfer is in the best interest of the tenants.

(7) If either the transferring project or the receiving project or projects meets the condition specified in subsection (d)(2)(A), any lien on the receiving project resulting from additional financing obtained by the owner shall be subordinate to any FHA-insured mortgage lien transferred to, or placed on, such project by the Secretary, except that the Secretary may waive this requirement upon determination that such a waiver is necessary to facilitate the financing of acquisition, construction, and/or rehabilitation of the receiving project or projects.

(8) If the transferring project meets the requirements of subsection (d)(2), the owner or mortgagor of the receiving project or projects shall execute and record either a continuation of the existing use agreement or a new use agreement for the project where, in either case, any use restrictions in such agreement are of no lesser duration than the existing use restrictions.

(9) The transfer does not increase the cost (as defined in section 502 of the Congressional Budget Act of 1974(2 U.S.C. 661a)) of any FHA-insured mortgage, except to the extent that appropriations are provided in advance for the amount of any such increased cost.

(d) **DEFINITIONS.**—For purposes of this section—

(1) the terms "low-income" and "very low-income" shall have the meanings provided by the statute and/or regulations governing the program under which the project is insured or assisted;

(2) the term "multifamily housing project" means housing that meets one of the following conditions—

(A) housing that is subject to a mortgage insured under the National Housing Act;

(B) housing that has project-based assistance attached to the structure including projects undergoing mark to market debt restructuring under the Multifamily Assisted Housing Reform and Affordability Housing Act;

(C) housing that is assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q);

(D) housing that is assisted under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), as such section existed before the enactment of the Cranston-Gonzales National Affordable Housing Act;

(E) housing that is assisted under section 811 of the Cranston-Gonzales National Affordable Housing Act (42 U.S.C. 8013); or

(F) housing or vacant land that is subject to a use agreement;

(3) the term "project-based assistance" means—

(A) assistance provided under section 8(b) of the United States Housing Act of 1937 (42 U.S.C. 1437f(b));

(B) assistance for housing constructed or substantially rehabilitated pursuant to assistance provided under section 8(b)(2) of such Act (as such section existed immediately before October 1, 1983);

(C) rent supplement payments under section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s);

(D) interest reduction payments under section 236 and/or additional assistance payments under section 236(f)(2) of the National Housing Act (12 U.S.C. 1715z-1);

(E) assistance payments made under section 202(c)(2) of the Housing Act of 1959 (12 U.S.C. 1701q(c)(2)); and

(F) assistance payments made under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013(d)(2));

(4) the term "receiving project or projects" means the multifamily housing project or projects to which some or all of the project-based assistance, debt, and statutorily required low-income and very low-income use restrictions are to be transferred;

(5) the term "transferring project" means the multifamily housing project which is transferring some or all of the project-based assistance, debt, and the statutorily required low-income and very low-income use restrictions to the receiving project or projects; and

(6) the term "Secretary" means the Secretary of Housing and Urban Development.

(e) RESEARCH REPORT.—The Secretary shall conduct an evaluation of the transfer authority under this section, including the effect of such transfers on the operational efficiency, contract rents, physical and financial conditions, and long term preservation of the affected properties.

Explanation of this Section: This General Provision currently allows the Secretary to authorize the transfer of some or all Project-Based Assistance, debt held or insured by the Secretary, and statutorily required low-income and very low-income use restrictions, if any, associated with one or more obsolete multifamily housing project/s to a viable multifamily housing project.

Proposed Action: The President's Budget proposes retaining this section with technical modifications and a minor change to better accommodate properties impacted by state/federal integration mandates for persons with disabilities.

SEC. [210]207. VOUCHER ASSISTANCE FOR STUDENTS AT INSTITUTIONS OF HIGHER EDUCATION.

(a) No assistance shall be provided under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) to any individual who—

(1) is enrolled as a student at an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002));

(2) is under 24 years of age;

(3) is not a veteran;

(4) is unmarried;

(5) does not have a dependent child;

(6) is not a person with disabilities, as such term is defined in section 3(b)(3)(E) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(3)(E)) and was not receiving assistance under such section 8 as of November 30, 2005;

(7) is not a youth who left foster care at age 14 or older and is at risk of becoming homeless; and

(8) is not otherwise individually eligible, or has parents who, individually or jointly, are not eligible, to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f).

(b) For purposes of determining the eligibility of a person to receive assistance under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), any financial assistance (in excess of amounts received for tuition and any other required fees and charges) that an individual receives under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.), from private sources, or an institution of higher education (as defined under section 102 of the Higher Education Act of 1965 (20 U.S.C. 1002)), shall be considered income to that individual, except for a person over the age of 23 with dependent children.

Explanation of this Section: This provision clarifies the eligibility for assistance under section 8 of the United States Housing Act of 1937.

Proposed Action: The President's Budget proposes retaining this section.

[SEC. 211. The funds made available for Native Alaskans under paragraph (1) under the heading "Native American Programs" in title II of this Act shall be allocated to the same Native Alaskan housing block grant recipients that received funds in fiscal year 2005, and only such recipients shall be eligible to apply for funds made available under paragraph (3) of such heading.]

Explanation of this Section: This section would direct block grant funds awarded to each tribe to be allocated to those entities that received funding in fiscal year 2005.

Proposed Action: The President's Budget proposes to delete this provision.

SEC. [212]208. *MANAGEMENT AND DISPOSITION OF CERTAIN MULTIFAMILY PROJECTS.*—Notwithstanding any other provision of law, in fiscal year [2020] 2021, in managing and disposing of any multifamily property that is owned or has a mortgage held by the Secretary of Housing and Urban Development, and during the process of foreclosure on any property with a contract for rental assistance payments under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) or other Federal programs, the Secretary shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 and other programs that are attached to any dwelling units in the property. To the extent the Secretary determines, in consultation with the tenants and the local government, that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of (1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 ("MAHRAA") (42 U.S.C. 1437f note) and (2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance. The Secretary shall also take appropriate steps to ensure that project-based contracts remain in effect prior to foreclosure, subject to the exercise of contractual abatement remedies to assist relocation of tenants for imminent major threats to health and safety after written notice to and informed consent of the affected tenants and use of other available remedies, such as partial abatements or receivership. After disposition of any multifamily property described under this section, the contract and allowable rent levels on such properties shall be subject to the requirements under section 524 of MAHRAA.

Explanation of this Section: This section governs the use of project-based subsidy in connection with managing and disposing of multifamily properties.

Proposed Action: The President's Budget proposes retaining this provision for fiscal year 2021.

[SEC. 213. Public housing agencies that own and operate 400 or fewer public housing units may elect to be exempt from any asset management requirement imposed by the Secretary of Housing and Urban Development in connection with the operating fund rule: *Provided*, That an agency seeking a discontinuance of a reduction of subsidy under the operating fund formula shall not be exempt from asset management requirements.]

Explanation of this Section: This section permits small PHAs with 400 or fewer units to elect not to operate under asset management.

Proposed Action: The President's Budget proposes deleting this provision.

[SEC. 214. With respect to the use of amounts provided in this Act and in future Acts for the operation, capital improvement and management of public housing as authorized by sections 9(d) and 9(e) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d) and (e)), the Secretary shall not impose any requirement or guideline relating to asset management

that restricts or limits in any way the use of capital funds for central office costs pursuant to section 9(g)(1) or 9(g)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437g(g)(1), (2)): *Provided*, That a public housing agency may not use capital funds authorized under section 9(d) for activities that are eligible under section 9(e) for assistance with amounts from the operating fund in excess of the amounts permitted under section 9(g)(1) or 9(g)(2).]

Explanation of this Section: This section prohibits the Department from imposing requirements or guidelines related to asset management that restricts or limits the use of capital funds for PHAs' central office/overhead costs.

Proposed Action: The President's Budget proposes to delete this provision.

SEC. [215]209. *DESIGNATED ALLOTMENT HOLDERS*.—No official or employee of the Department of Housing and Urban Development shall be designated as an allotment holder unless the Office of the Chief Financial Officer has determined that such allotment holder has implemented an adequate system of funds control and has received training in funds control procedures and directives. The Chief Financial Officer shall ensure that there is a trained allotment holder for each HUD appropriation under the accounts "Executive Offices", "Administrative Support Offices", "Program Offices", *and* "Government National Mortgage Association-Guarantees of Mortgage-Backed Securities Loan Guarantee Program Account" [and "Office of Inspector General"] within the Department of Housing and Urban Development.

Explanation of this Section: This provision requires the OCFO to make sure that an adequate funds control system is in place and training on funds control procedures and directives has occurred for an official or employee before such official or employee is designated an allotment holder. It also requires the CFO to ensure that each office in the S&E accounts has a trained allotment holder.

Proposed Action: The President's Budget proposes retaining this provision with modifications.

SEC. [216]210. *NOFA PUBLICATION*.—The Secretary of the Department of Housing and Urban Development shall, for fiscal year [2020] 2021, notify the public through the Federal Register and other means, as determined appropriate, of the issuance of a notice of the availability of assistance or notice of funding availability (NOFA) for any program or discretionary fund administered by the Secretary that is to be competitively awarded. Notwithstanding any other provision of law, for fiscal year [2020] 2021, the Secretary may make the NOFA available only on the Internet at the appropriate Government web site or through other electronic media, as determined by the Secretary.

Explanation of this Section: This provision requires the Department to publish notices of availability of assistance or funding availability for any program that is competitively awarded. The notices may be published on the Internet.

Proposed Action: The President's Budget proposes retaining this provision for fiscal year 2021.

[SEC. 217. Payment of attorney fees in program-related litigation shall be paid from the individual program office and Office of General Counsel salaries and expenses appropriations. The annual budget submission for the program offices and the Office of General Counsel shall include any such projected litigation costs for attorney fees as a separate line item request. No funds provided in this title may be used to pay any such litigation costs for attorney fees until the Department submits for review a spending plan for such costs to the House and Senate Committees on Appropriations.]

Explanation of this Section: This provision requires the Department to pay all program-related litigation attorney fees from individual personnel benefits accounts. These costs must be reflected as a separate line item request in the budget submission.

Proposed Action: The Department proposes to delete this provision.

SEC. [218]211. *TRANSFER OF FUNDS.*—The Secretary is authorized to transfer up to [10]20 percent or [\$5,000,000] \$6,000,000, whichever is less, of funds appropriated for any office under the headings "Administrative Support Offices" or "Program Offices" to any other such office [or account]: *Provided, That the Secretary shall provide notification to the House and Senate Committees on Appropriations three business days in advance of any such transfers: Provided further, That no appropriation for any such office [or account] shall be increased or decreased by more than [10]20 percent or [\$5,000,000] \$6,000,000, whichever is less, [without prior written approval of the House and Senate Committees on Appropriations: Provided further, That the Secretary shall provide notification to]*unless such Committees [3]are notified in writing 10 business days in advance of any such transfers [under this section up to 10 percent or \$5,000,000, whichever is less].

Explanation of this Section: This provision gives the Secretary the authority to transfer a limited amount of funds, as needed, between accounts that provide for personnel and non-personnel expenses.

Proposed Action: The Department proposes retaining this provision with modifications. The increased transfer authority will provide the Department additional flexibility to efficiently make strategic realignments that support Administration priorities and emerging issues.

SEC. [219]212. *PHYSICAL CONDITIONS REQUIREMENTS.*

(a) (1) Any entity receiving housing assistance payments shall maintain decent, safe, and sanitary conditions *in good repair*, as determined by the Secretary of Housing and Urban Development (in this section referred to as the "Secretary"), and comply with any standards under applicable State or local laws, rules, ordinances, or regulations relating to the physical condition of any property covered under a housing assistance payment contract.

(2) *The requirements in this section shall apply to insured and noninsured projects with assistance attached to the units under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), but do not apply to such units assisted under*

section 8(o)(13) (42 U.S.C. 1437f(o)(13)) of such Act or to public housing units assisted with capital or operating funds under section 9 (42 U.S.C. 1437g) of such Act.

(b) The Secretary shall take action under subsection (c) when a multifamily housing project with a section 8 contract or contract for similar project-based assistance—

(1) receives a Uniform Physical Condition Standards (UPCS) score of ~~[60]~~59 or less; ~~[or]~~

(2) fails to certify in writing to the Secretary within 3 days that all Exigent Health and Safety deficiencies identified by the inspector at the project have been corrected~~[,]~~; *or*

(3) *fails to meet UPCS or local code requirements that establish standards for decent, safe, and sanitary housing* [Such requirements shall apply to insured and noninsured projects with assistance attached to the units under section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), but do not apply to such units assisted under section 8(o)(13) (42 U.S.C. 1437f(o)(13)) or to public housing units assisted with capital or operating funds under section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437g)].

(c)(1) [Within 15 days of the issuance of the REAC inspection] *If the Secretary decides to take action based on a deficiency listed in subsection (b)*, the Secretary must provide the owner with a Notice of Default with a specified timetable, determined by the Secretary, for correcting all deficiencies. The Secretary must also provide a copy of the Notice of Default to [the tenants,] the local government, any mortgagees, and any contract administrator. If the owner's appeal results in a UPCS score of 60 or above, the Secretary may withdraw the Notice of Default.

(2) At the end of the time period for correcting all deficiencies specified in the Notice of Default, if the owner ~~[fails]~~*has failed* to fully correct such deficiencies, the Secretary may—

(A) require immediate replacement of project management with a management agent approved by the Secretary;

(B) impose civil money penalties[, which shall be used solely for the purpose of supporting safe and sanitary conditions at applicable properties, as designated by the Secretary, with priority given to the tenants of the property affected by the penalty];

(C) *abate or suspend payment on the section 8 contract, including partial abatement or suspension*, as determined by the Secretary[, until all deficiencies have been corrected];

(D) pursue transfer of the project to an owner, approved by the Secretary under established procedures, which will be obligated to promptly make all required repairs and to accept renewal of the assistance contract as long as such renewal is offered;

(E) transfer the existing section 8 contract to another project or projects and owner or owners, *as determined by the Secretary under established procedures, which will be obligated to promptly make all required repairs and to accept renewal of the assistance contract as long as such renewal is offered*;

(F) pursue exclusionary sanctions, including suspensions or debarments from Federal programs;

(G) seek judicial appointment of a receiver to manage the property and cure all project deficiencies or seek a judicial order of specific performance requiring the owner to cure all project deficiencies;

(H) work with the owner, lender, or other related party to stabilize the property in an attempt to preserve the property through compliance, transfer of ownership, or an infusion of capital provided by a third-party that requires time to effectuate; or

(I) take any other regulatory or contractual remedies available, *including abatement, suspension, or termination of the Section 8 contract*, as deemed necessary and appropriate by the Secretary.

(d) [The Secretary shall also take appropriate steps to ensure that project-based contracts remain in effect, subject to the exercise of contractual abatement remedies to assist relocation of tenants for major threats to health and safety after written notice to the affected tenants. To the extent the Secretary determines, in consultation with the tenants and the local government, that the property is not feasible for continued rental assistance payments under such section 8 or other programs, based on consideration of—]

[(1) the costs of rehabilitating and operating the property and all available Federal, State, and local resources, including rent adjustments under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 ("MAHRAA"); and]

[(2) environmental conditions that cannot be remedied in a cost-effective fashion, the Secretary may contract for project-based rental assistance payments with an owner or owners of other existing housing properties, or provide other rental assistance.]

(1) *Any Notice of Default issued pursuant to subsection (c)(1) shall include a requirement that the owner provide a copy of the Notice of Default to each tenant.*

(2) *The Secretary shall ensure that the owner or its agents provide tenants an opportunity to comment on the physical condition and management of the property, and any needed repairs. The Secretary may provide the substance of these communications to the project owner to assist in its corrective opportunity.*

(3) *If the Secretary terminates the Section 8 contract pursuant to subsection (c)(2), the Secretary shall provide tenants with a copy of any notice to the owner to that effect.*

(e) The Secretary shall report quarterly on all properties covered by this section that are assessed through the Real Estate Assessment Center and have UPCS physical inspection scores of less than 60 or have received an unsatisfactory management and occupancy review within the past 36 months. The report shall include—

(1) the enforcement actions being taken to address such conditions, including imposition of civil money penalties and termination of subsidies, and identify properties that have such conditions multiple times; *and*

(2) actions that the [Department of Housing and Urban Development] *Secretary* is taking to protect tenants of such identified properties[; and]

[(3) any administrative or legislative [recommendations to further improve the living conditions at properties covered under a housing assistance payment contract.]

[This report shall be due to the Senate and House Committees on Appropriations no later than 30 days after the enactment of this Act, and on the first business day of each Federal fiscal year quarter thereafter while this section remains in effect].

Explanation of this Section: This general provision enhances HUD’s ability to exercise oversight within the PBRA program, allowing HUD to mandate corrective action, contract transfers, or change in management due to failure to meet physical condition standards. It makes minor edits and additions to increase the options available to the Secretary and clarify his role and responsibilities.

Proposed Action: The President’s Budget proposes retaining this provision with technical modifications.

SEC. [220]213. *PHA EXECUTIVE COMPENSATION*.—None of the funds made available by this Act, or any other Act, for purposes authorized under section 8 (only with respect to the tenant-based rental assistance program) and section 9 of the United States Housing Act of 1937 (42 U.S.C. 1437 et seq.), may be used by any public housing agency for any amount of salary, including bonuses, for the chief executive officer of which, or any other official or employee of which, that exceeds the annual rate of basic pay payable for a position at level IV of the Executive Schedule at any time during any public housing agency fiscal year [2020] 2021.

PHA Executive Compensation: This provision establishes a cap on PHA personnel compensation tied to the Federal Executive Schedule pay scale.

Proposed Action: The President’s Budget proposes retaining this provision for fiscal year 2021.

[SEC. 221. None of the funds in this Act provided to the Department of Housing and Urban Development may be used to make a grant award unless the Secretary notifies the House and Senate Committees on Appropriations not less than 3 full business days before any project, State, locality, housing authority, tribe, nonprofit organization, or other entity selected to receive a grant award is announced by the Department or its offices.]

Explanation of this Section: This section requires the Department to notify the House and Senate Committees on Appropriations at least 3 full business days before grant awards are announced.

Proposed Action: The President’s Budget proposes deleting this provision.

SEC. [222]214. *PHYSICAL NEEDS ASSESSMENTS*.—None of the funds made available by this Act may be used to require or enforce the Physical Needs Assessment (PNA).

Explanation of this Section: Prohibits funds from being used to require or enforce the physical needs assessment (PNA).

Proposed Action: The President’s Budget proposes retaining this provision.

SEC. [223]215. *EMINENT DOMAIN RESTRICTIONS*.—None of the funds made available in this Act shall be used by the Federal Housing Administration, the Government National Mortgage Administration, or the Department of Housing and Urban Development to insure, securitize, or establish a Federal guarantee of any mortgage or mortgage backed security that refinances or otherwise replaces a mortgage that has been subject to eminent domain condemnation or seizure, by a State, municipality, or any other political subdivision of a State.

Explanation of this Section: Prohibits HUD from guaranteeing mortgages or mortgage-backed securities that refinance or otherwise replace mortgages that have been subject to eminent domain.

Proposed Action: The President's Budget proposes retaining this provision.

[SEC. 224. None of the funds made available by this Act may be used to terminate the status of a unit of general local government as a metropolitan city (as defined in section 102 of the Housing and Community Development Act of 1974 (42 U.S.C.5302)) with respect to grants under section 106 of such Act (42 U.S.C. 5306).]

Explanation of this Section: Prohibits funds from being used to terminate the status of a unit of local government as a metropolitan city, as defined under section 102 of the Housing and Community Development Act of 1974, with respect to grants under section 106 of such Act.

Proposed Action: The President's Budget proposes deleting this provision.

SEC. [225]216. *UNOBLIGATED RESEARCH FUNDS*.—Amounts made available under this Act which are either appropriated, allocated, advanced on a reimbursable basis, or transferred to the Office of Policy Development and Research in the Department of Housing and Urban Development and functions thereof, for research, evaluation, or statistical purposes, and which are unexpended at the time of completion of a contract, grant, or cooperative agreement, may be deobligated and shall immediately become available and may be reobligated in that fiscal year or the subsequent fiscal year for the research, evaluation, or statistical purposes for which the amounts are made available to that Office [subject to reprogramming requirements in section 405 of this Act].

Explanation of this Section: This provision gives HUD the ability to re-obligate research funds left unexpended at the conclusion of an agreement.

Proposed Action: The President's Budget proposes retaining this provision with technical modifications.

SEC. [226]217. *PROHIBITION OF AWARDS*.—[None of the funds provided in this Act or any other act may be used for awards, including performance, special act, or spot, for any employee] *Employees* of the Department of Housing and Urban Development subject to administrative discipline (including suspension from work)[.] in this fiscal year[, but this prohibition shall not be effective prior to] *shall not receive awards (including performance, special act, or spot) for the remainder of this fiscal year after the effective date of any such*

administrative discipline [or after any] *unless a final decision is made* over-turning such discipline.

Explanation of this Section: This provision prohibits the Department from issuing performance awards to employees subject to administrative discipline.

Proposed Action: The President's Budget proposes retaining this provision with modifications.

SEC. [227]218. *PERFORMANCE PARTNERSHIP PILOTS.*—Funds made available in this title under the heading "Homeless Assistance Grants" may be used by the Secretary to participate in Performance Partnership Pilots authorized under section 526 of division H of Public Law 113–76, section 524 of division G of Public Law 113–235, section 525 of division H of Public Law 114–113, section 525 of division H of Public Law 115–31, section 525 of division H of Public Law 115–141, section 524 of division B of Public Law 115–245, *section 524 of division A of Public Law 116–94*, and such authorities as are enacted for Performance Partnership Pilots in an appropriations Act for fiscal year [2020] 2021[: *Provided*, That such participation shall be limited to no more than 10 continuums of care and housing activities to improve outcomes for disconnected youth].

Explanation of this Section: This provision allows Homeless Assistance Grant recipients to participate in Performance Partnership Pilots. This provides flexibility for communities to seek waivers and partner with other federal agencies to address youth homelessness issues.

Proposed Action: The President's Budget proposes this provision with modifications.

SEC. [228]219. *MATCHING REQUIREMENTS.*—With respect to grant amounts awarded under the heading "Homeless Assistance Grants" for fiscal years 2015 through [2020]2021 for the continuum of care (CoC) program as authorized under subtitle C of title IV of the McKinney-Vento Homeless Assistance Act, costs paid by program income of grant recipients may count toward meeting the recipient's matching requirements, provided the costs are eligible CoC costs that supplement the recipient's CoC program.

Explanation of this Section: This provision allows Homeless Assistance Grant recipients to count program income as an eligible match for CoC program funds.

Proposed Action: The President's Budget proposes retaining this section for fiscal year 2021.

SEC. [229]220. *CONTINUUM OF CARE TRANSITION GRANTS.*

(a) From amounts made available under this title under the heading "Homeless Assistance Grants", the Secretary may award 1-year transition grants to recipients of funds for activities under subtitle C of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381 et seq.) to transition from one Continuum of Care program component to another.

(b) In order to be eligible to receive a transition grant, the funding recipient must have the consent of the Continuum of Care and meet standards determined by the Secretary.

Explanation of this Section: This provision allows CoC grantees to receive one-year transition grants to transition from one CoC program component to another.

Proposed Action: The President's Budget proposes retaining this provision.

[SEC. 230. None of the funds made available by this Act may be used by the Department of Housing and Urban Development to direct a grantee to undertake specific changes to existing zoning laws as part of carrying out the final rule entitled "Affirmatively Furthering Fair Housing" (80 Fed. Reg. 42272 (July 16, 2015)) or the notice entitled "Affirmatively Furthering Fair Housing Assessment Tool" (79 Fed. Reg. 57949 (September 26, 2014)).]

Explanation of this Section: This provision prohibits funds from being used to direct a grantee to undertake specific changes to existing zoning laws as part of carrying out the rule associated with Affirmatively Furthering Fair Housing.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 231. (a) Amounts recaptured from funds appropriated for this or any succeeding fiscal year under the heading "Department of Housing and Urban Development-Community Planning and Development-Homeless Assistance Grants" shall become available until expended not later than the end of the fifth fiscal year after the last fiscal year for which such funds are available and shall be available, in addition to rental assistance amounts that were recaptured and made available until expended under such heading by any prior Act, and in addition to such other funds as may be available for such purposes, for the following purposes:

(1) For grants under the Continuum of Care program under subtitle C of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11381 et seq.);

(2) For grants under the Emergency Solutions Grant program under subtitle B of title IV of such Act (42 U.S.C. 11371 et seq.);

(3) Not less than 10 percent of the amounts shall be used only for grants in rural areas under the Continuum of Care program, to include activities eligible under the Rural Housing Stability Assistance program under section 491 of such Act (42 U.S.C. 11408) that are not otherwise eligible under the Continuum of Care program; and

(4) Not less than 10 percent of the amounts shall be for emergency solutions grants for disaster areas as authorized by subsection (c).

(b) Prior to the use of any recaptured amounts referred to in subsection (a), including competing, awarding, or obligating such amounts, the Secretary shall submit a plan in accordance with subsection (a) that specifies the planned use of any such amounts to the Committees on Appropriations of the House of Representatives and the Senate, and receive prior written approval of such plan, except that use of amounts in the plan for the purposes specified in subsection (a)(4) may begin once such plan is submitted to such Committees.

(c)(1) The Secretary may make grants under the Emergency Solutions Grants

program under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) to States or local governments to address the needs of homeless individuals or families or individuals or families at risk of homelessness in areas affected by a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) on or after the date of enactment of this Act, whose needs are not otherwise served or fully met by existing Federal disaster relief programs, including the Transitional Sheltering Assistance program under such Act (42 U.S.C. 5170b).

(2) For purposes of grants under paragraph (1), the Secretary may suspend all consultation, citizen participation, and matching requirements.]

Explanation of this Section: This provision specifies authorized uses of and conditions for recaptured funds under the "Homeless Assistance Grants" heading.

Proposed Action: The President's Budget modifies this section per section 221 shown below.

SEC. 221. HOMELESS ASSISTANCE GRANTS RECAPTURED FUNDS.—Section 231 of the Department of Housing and Urban Development Appropriations Act, 2020 (Public Law 116–94) is amended —

- (1) *in subsection (a), by striking "that were";*
- (2) *in subsection (a)(2), by inserting "and" after the semicolon;*
- (3) *in subsection (a)(3), by —*
 - (A) *striking "Not less than 10 percent of the amounts shall be used only for grants" and inserting "For grants"; and*
 - (B) *striking "; and" and inserting a period;*
- (4) *by striking subsection (a)(4);*
- (5) *by striking subsections (b) and (c); and*
- (6) *by striking "(a)."*

Explanation of this Section: HUD proposes to add this provision that will modify the existing authority, uses of and conditions for Homeless Assistance Grants recaptures by deleting the current funding minimum for rural grants and the reporting requirement. Further, consistent with the Administration's goal of reducing duplication and improving efficacy across all Federal disaster recovery programs, the President's Budget does not propose to use recaptured funds for major disasters. In addition to funds provided by the Federal Emergency Management Agency, under the Community Development Block Grants for Disaster Recovery – a program that provides substantially more funding for long-term recovery needs – HUD requires its CDBG-DR grantees to consider and address the shelter and housing needs of persons who are homeless and at-risk of homelessness.

Proposed Action: The President's Budget proposes to add this provision.

[SEC. 232. The Promise Zone designations and Promise Zone Designation Agreements entered into pursuant to such designations, made by the Secretary of Housing and Urban Development in prior fiscal years, shall remain in effect in accordance with the terms and conditions of such agreements.]

Explanation of this Section: This provision requires that Promise Zone designations and agreements shall remain in effect.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 233. None of the funds made available by this Act may be used to establish and apply review criteria, including rating factors or preference points, for participation in or coordination with EnVision Centers, in the evaluation, selection, and award of any funds made available and requiring competitive selection under this Act, except with respect to any such funds otherwise authorized for EnVision Center purposes under this Act.]

Explanation of this Section: This provision prohibits funds from being used to establish review criteria, including rating factors or preference points, for competitive grants programs for envision center participation or coordination.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 234. (a) The Secretary of Housing and Urban Development shall make available to grantees under programs included under the Department's Consolidated Planning Process, not later than the expiration of the 90-day period beginning on the date of the enactment of this Act, the prepopulated up-to-date housing and economic data and data for both broadband and resilience assessment requirements, as referred to in the HUD Response to the third comment under section III.A. of the Supplementary Information included with the final rule entitled "Modernizing HUD's Consolidated Planning Process To Narrow the Digital Divide and Increase Resilience to Natural Hazards", published by the Department of Housing and Urban Development in the Federal Register on Friday, December 16, 2016 (81 Fed. Reg. 91000).

(b) The Secretary of Housing and Urban Development shall require such grantees to incorporate the broadband and resilience components into the Consolidated Plan process not later than the expiration of the 270-day period beginning on the date of the enactment of this Act.]

Explanation of this Section: This provision requires the Department to make data for broadband and resiliency requirements to be incorporated into Consolidated Plans available to grantees, and for grantees to incorporate broadband and resiliency components into their Consolidated Plans.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 235. None of the funds made available by this or any prior Act may be used to require or enforce any changes to the terms and conditions of the public housing annual contributions contract between the Secretary and any public housing agency, as such contract was in effect as of December 31, 2017, unless such changes are mutually agreed upon by the Secretary and such agency: *Provided*, That such agreement by an agency may be indicated only by a written amendment to the terms and conditions containing the duly authorized signature of its chief executive: *Provided further*, That the Secretary may not

withhold funds to compel such agreement by an agency which certifies to its compliance with its contract.]

Explanation of this Section: This provision prohibits the Department from requiring or enforcing any changes to the terms and conditions of the public housing annual contributions contract between the Secretary and any public housing agency, as such contract was in effect as of December 31, 2017, unless such changes are mutually agreed upon by the Secretary and such agency.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 236. None of the amounts made available in this Act or in the Department of Housing and Urban Development Appropriations Act, 2019 (Public Law 116–6) may be used to consider Family Self-Sufficiency performance measures or performance scores in determining funding awards for programs receiving Family Self-Sufficiency program coordinator funding provided in this Act or in the Department of Housing and Urban Development Appropriations Act, 2019 (Public Law 116–6).]

Explanation of this Section: This provision prohibits funds from being used to make funding decisions for FSS based on performance metrics.

Proposed Action: The President's Budget proposes deleting this section. The Department believes past performance should be considered when making new grants.

[SEC. 237. (a) All unobligated balances from funds appropriated under the heading "Department of Housing and Urban Development Public and Indian Housing-Tenant Based Rental Assistance" in chapter 10 of title I of division B of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110–329) are hereby rescinded.

(b) All unobligated balances from funds appropriated under the heading "Department of Housing and Urban Development Public and Indian Housing-Project-Based Rental Assistance" in chapter 10 of title I of division B of the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009 (Public Law 110–329; 122 Stat. 324) (as amended by section 1203 of Public Law 111–32; 123 Stat. 1859) are hereby rescinded.]

Explanation of this Section: This provision rescinds unobligated balances from various accounts.

Proposed Action: The President's Budget proposes deleting this section.

[SEC. 238. Any public housing agency designated as a Moving to Work agency pursuant to section 239 of (Public Law 114–113) may, upon such designation, use funds (except for special purpose funding, including special purpose vouchers) previously allocated to any such public housing agency under section 8 or 9 of the United States Housing Act of 1937, including any reserve funds held by the public housing agency or funds held by the Department of Housing and Urban Development, pursuant to the authority for use of

section 8 or 9 funding provided under such section and section 204 of title II of the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act, 1996 (Public Law 104–134), notwithstanding the purposes for which such funds were appropriated.]

Explanation of this Section: This provision addresses the establishment of reserves for public housing agencies designated as Moving to Work agencies.

Proposed Action: The President’s Budget proposes deleting this section for fiscal year 2021 as this authority is incorporated in the appropriations account language.

[SEC. 239. None of the amounts made available by this Act or by Public Law 116–6 may be used to prohibit any public housing agency under receivership or the direction of a Federal monitor from applying for, receiving, or using funds made available under the heading "Public Housing Capital Fund" for competitive grants to evaluate and reduce lead-based paint hazards in this Act or that remain available and not awarded from prior Acts, or be used to prohibit a public housing agency from using such funds to carry out any required work pursuant to a settlement agreement, consent decree, voluntary agreement, or similar document for a violation of the Lead Safe Housing or Lead Disclosure Rules.]

Explanation of this Section: This provision prohibits funds from being used to make certain eligibility limitations as part of a notice of funding availability for competitive grant awards under the Public Housing Capital Fund.

Proposed Action: The President’s Budget proposes deleting this section. HUD will specify eligible applicants in the program Notice of Funding Availability.

SEC. 222. RAD AMENDMENTS. The language under the heading "Rental Assistance Demonstration" in the Department of Housing and Urban Development Appropriations Act, 2012 (Public Law 112–55), as most recently amended by Public Law 115–141 (42 U.S.C. 1437f note), is further amended—

(1) in the initial undesignated matter, by striking "and 'Public Housing Operating Fund'" and inserting ", 'Public Housing Operating Fund', 'Public Housing Fund', and 'Moving to Work'";

(2) in the second proviso, by striking "until September 30, 2024" and inserting "for fiscal year 2012 and thereafter";

(3) in the third proviso, by inserting ", 'Moving to Work'," after "Tenant-Based Rental Assistance";

(4) by striking the fourth and final provisos (including striking the colon before the final proviso, but not including striking the period at the end);

(5) after the third proviso, by inserting the following new provisos: "Provided further, That at properties with assistance under section 9 of the Act requesting to partially convert such assistance, and where an event under section 18 of the Act occurs that results in the eligibility for tenant protection vouchers under section 8(o) of the Act, the Secretary may convert the tenant protection voucher assistance to assistance under a project-based subsidy contract under section 8 of the Act, which shall be eligible for renewal under section 524 of the Multi-family Assisted Housing Reform and Affordability Act of 1997, so long as the

property meets any additional requirements established by the Secretary to facilitate conversion: Provided further, That to facilitate the conversion of assistance under the previous proviso, the Secretary may transfer an amount equal to the total amount that would have been allocated for tenant protection voucher assistance for properties that have requested such conversions from amounts made available for tenant protection voucher assistance under the heading 'Tenant-Based Rental Assistance' to the heading 'Project-Based Rental Assistance':";

(6) in the eleventh proviso, as reordered above, by—

(A) inserting "'Public Housing Fund', 'Moving to Work', 'Self-Sufficiency Programs', 'Family Self-Sufficiency'" following "'Public Housing Operating Fund',"; and

(B) inserting "or the ongoing availability of services for residents" after "effective conversion of assistance under the demonstration";

(7) after the eighteenth proviso, as reordered above, by inserting the following new proviso: "Provided further, That conversions of assistance under the following provisos herein shall be considered as the 'Second Component' and shall be authorized for fiscal year 2012 and thereafter:";

(8) by striking the twentieth proviso, as reordered above, and inserting the following five provisos: "Provided further, That owners of properties assisted under section 101 of the Housing and Urban Development Act of 1965, section 236(f)(2) of the National Housing Act, or section 8(e)(2) of the United States Housing Act of 1937, for which an event after October 1, 2006 has caused or results in the termination of rental assistance or affordability restrictions and the issuance of tenant protection vouchers under section 8(o) of the Act shall be eligible, subject to requirements established by the Secretary, for conversion of assistance available for such vouchers or assistance contracts to assistance under a long term project-based subsidy contract under section 8 of the Act: Provided further, That owners of properties with a project rental assistance contract under section 202(c)(2) of the Housing Act of 1959 shall be eligible, subject to requirements established by the Secretary, including but not limited to the subordination, restructuring, or both, of any capital advance documentation, including any note, mortgage, use agreement or other agreements, evidencing or securing a capital advance previously provided by the Secretary under section 202(c)(1) of the Housing Act of 1959 as necessary to facilitate the conversion of assistance while maintaining the affordability period and the designation of the property as serving elderly persons, and tenant consultation procedures, for conversion of assistance available for such assistance contracts to assistance under a long term project-based subsidy contract under section 8 of the Act: Provided further, That owners of properties with a senior preservation rental assistance contract under section 811 of the American Homeownership and Economic Opportunity Act of 2000 (12 U.S.C. 1701q note), shall be eligible, subject to requirements established by the Secretary as necessary to facilitate the conversion of assistance while maintaining the affordability period and the designation of the property as serving elderly families, and tenant consultation procedures, for conversion of assistance available for such assistance contracts to assistance under a long term project-based subsidy contract under section 8 of the Act: Provided further, That owners of properties with a project rental assistance contract under section 811(d)(2) of the Cranston-Gonzalez National

Affordable Housing Act, shall be eligible, subject to requirements established by the Secretary, including but not limited to the subordination, restructuring, or both, of any capital advance documentation, including any note, mortgage, use agreement or other agreements, evidencing or securing a capital advance previously provided by the Secretary under section 811(d)(2) of the Cranston-Gonzalez National Affordable Housing Act as necessary to facilitate the conversion of assistance while maintaining the affordability period and the designation of the property as serving persons with disabilities, and tenant consultation procedures, for conversion of assistance contracts to assistance under a long term project-based subsidy contract under section 8 of the Act: Provided further, That long term project-based subsidy contracts under section 8 of the Act which are established under this Second Component shall have a term of no less than 20 years, with rent adjustments only by an operating cost factor established by the Secretary, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997 (42 U.S.C. 1437f note), or, subject to agreement of the administering public housing agency, to assistance under section 8(o)(13) of the Act, to which the limitation under subsection (B) of section 8(o)(13) of the Act shall not apply and for which the Secretary may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) of the Act:";

(9) after the twenty-fifth proviso, as reordered above, by inserting the following new proviso: "Provided further, That the Secretary may waive or alter the requirements of section 8(c)(1)(A) of the Act for contracts provided to properties converting assistance from section 202(c)(2) of the Housing Act of 1959 or section 811 of the American Homeownership and Economic Opportunity Act of 2000 as necessary to ensure the ongoing provision and coordination of services or to avoid a reduction in project subsidy:"; and

(10) in the thirty-first proviso, as reordered above, by—

(A) striking "heading 'Housing for the Elderly'" and inserting "headings 'Housing for the Elderly' and 'Housing for Persons with Disabilities'";

(B) striking "or 'Tenant-Based Rental Assistance' to facilitate" and inserting "'Tenant-Based Rental Assistance', or 'Moving to Work' to facilitate"; and

(C) inserting ", section 202 senior preservation rental assistance contract, or section 811 project rental assistance contract" after "section 202 project rental assistance contract".

Explanation of this Section: Eliminate the cap on the number of public housing units allowed to convert under RAD and eliminate the sunset date for participation in RAD: This provision would eliminate the unit cap on the number of public housing conversions that can be completed relying solely on existing public housing funding levels. The proposal also eliminates the statutory application deadline. Such changes will ensure that HUD can maximize the number of public housing properties that can be preserved without additional funding (i.e., without the \$100 million requested in this budget)

- Conversion of Tenant Protection Vouchers (TPV) to PBRA in limited circumstances: PHAs sometimes use RAD in combination with another authority (Section 18) in order to access the higher funding levels associated with the new vouchers that HUD issues. However, those new vouchers can currently only result in a Project-Based Voucher (PBV) contract. This general provision would provide authority for a PHA to have HUD convert TPV assistance to PBRA, in lieu of the PHA receiving new vouchers, in limited cases where this flexibility would result in a property fully assisted via PBRA, instead of partially assisted by PBRA and partially assisted through the Housing Choice Voucher Program. Without any new cost, this proposal would help expand the number of properties that could successfully convert through RAD, while simplifying administration by HUD, PHAs, and owners.
- Authorize budget-neutral conversion of Section 811 PRACs: Much like 202 PRACs, the 30,000 units assisted through Section 811 PRACs are an aging stock with growing capital needs, but with limited access to private and public financing. These properties also experience unique challenges as owners seek alignment with community integration mandates and supportive service program requirements, all of which will be recognized in the planned conversion process.
- Authorize budget-neutral conversion of Section 202 SPRACs: SPRACs were authorized in 2010 as a preservation solution for affordable senior properties that were refinancing their pre-1974 Section 202 Direct Loans. However, with limited funding from Congress and alternative preservation solutions identified by HUD, the stock is unlikely to grow much beyond the 1,450 supported by SPRACs today. The proposed change will consolidate the SPRACs, which, by statute, already operate very similarly to PBRA, onto the Section 8 platform.
- Exempting properties converting on a budget-neutral basis from Section 202 PRACs and, if authorized, Section 202 SPRACs, from initial rent setting provisions of the Section 8 statute in order to continue critical services for the elderly and prevent a reduction of project funding: Properties assisted through Section 202 PRACs and Section 202 SPRACs receive funding for the provision and coordination of services within their current contracts. However, initial contract rents under Section 8 are subject to a Fair Market Rent (FMR) cap designed for contracts that only support shelter costs and do not anticipate the cost of these critical services. As properties from these programs convert at budget-neutral levels, this provision would allow HUD to exempt such conversion from the FMR cap to ensure that the conversion does not put at risk the ongoing provision and coordination of services or result in a reduction in project subsidy.

Proposed Action: The President's Budget proposes adding this new provision.

SEC. 223. RENT ADJUSTMENTS.—For this fiscal year, the Secretary may elect through a Federal Register notice not to provide rent adjustments for properties receiving assistance under section 202 of the Housing Act of 1959 (12 U.S.C. 1701q), section 811 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 8013), section 101 of the Housing and Urban Development Act of 1965 (12 U.S.C. 1701s), section 236(f)(2) of the National Housing

Act (12 U.S.C. 1715z–1(f)(2)), or section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f) other than the voucher program under section 8(o) and the moderate rehabilitation program under section 8(e)(2) (including the single room occupancy program authorized by title IV of the McKinney-Vento Homeless Assistance Act).

Explanation of this Section: This provision will enable the Department to suspend the requirement to provide annual rent adjustments for fiscal year 2021 to multifamily property owners.

Proposed Action: The President’s Budget proposes adding this new provision.

SEC. 224. PUBLIC HOUSING FLEXIBILITIES.—For funds made available in this or prior acts under the headings "Public Housing Capital Fund", "Public Housing Operating Fund", and "Public Housing Fund", the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, statutory or regulatory provisions related to public housing agency (PHA) annual plan requirements, energy audits, and community service requirements, upon a finding by the Secretary, consistent with a process and criteria established by notice published in the Federal Register, that any such waivers or alternative requirements are necessary to reduce costs or for the effective delivery and administration of such funds.

Explanation of this Section: Public Housing Flexibilities: The proposal would allow HUD to waive or provide alternative requirements for energy audits, community service requirements, and PHA Annual Plans. However, this waiver authority would not prevent a PHA from opting to fulfill a current requirement that they believe is useful in the administration of their program. PHAs are required to conduct energy audits at least once every five years regardless of whether the PHA expects to have resources to implement any of the suggested changes from the energy audit. Thus, the cost of the energy audit is, in many cases, expended without any expected benefit to the program. HUD also proposes to extend the regulatory relief for the PHA Annual Plan available to “Qualified Agencies” to all PHAs. Specifically, HUD would eliminate the requirement that nonqualified PHAs complete and submit an annual plan; but would still require all PHAs to hold an annual hearing with residents and the public to discuss and gather feedback on the PHA’s planned activities for the upcoming year.

Proposed Action: The President’s Budget proposes adding this new provision.

SEC. 225. TENANT-BASED RENTAL ASSISTANCE FLEXIBILITIES.—For funds made available in this or prior acts under the heading "Tenant-Based Rental Assistance", the Secretary of Housing and Urban Development may waive, or specify alternative requirements for, statutory or regulatory provisions related to PHAs establishing payment standards below the basic range of 90 percent but not less than 80 percent of the Fair Market Rent and for the suspension of certain PHA Section Eight Management Assistance Program (SEMAP) indicators, upon a finding by the Secretary, consistent with a process and criteria established by notice published in the Federal Register, that any such waivers or alternative

requirements are necessary to reduce costs or for the effective delivery and administration of such funds.

Explanation of this Section: This provision, which would be further defined in Federal Register notice, would allow specific indicators of the Section 8 Management Assessment Program (SEMAP) to be temporarily suspended by HUD. Suspending certain SEMAP indicators would eliminate administrative burden and reduce PHA costs associated with preparing the SEMAP certifications and submissions that are used by HUD to generate the PHA's SEMAP designation. In addition, this provision would be used to permit PHAs to set their payment standards below 90 percent of the Fair Market Rent (FMR) without HUD approval, provided the payment standard is no less than 80 percent of the FMR. This additional flexibility will further reduce PHA burden and simplify program administration.

Proposed Action: The President's Budget proposes adding this new provision.

SEC. 226. CAPITAL AND OPERATING FUND FLEXIBILITY.—A public housing agency may use operating reserve funds or any amounts allocated to the agency from funds appropriated under the heading "Public Housing Fund" in fiscal year 2021 or under the heading "Public Housing Operating Fund" in prior fiscal years, except for any set-asides listed under such headings, for any eligible activities under sections 9(d)(1) and 9(e)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1) and (e)(1)). For funds appropriated under the heading "Public Housing Capital Fund" in prior fiscal years, except for any set-asides listed under such headings, a public housing agency may use any amounts allocated to the agency for any eligible activities under sections 9(d)(1) and 9(e)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437g(d)(1) and (e)(1)).

Explanation of this Section: HUD proposes to extend to all PHAs the ability to utilize the previous Capital and Operating Funds interchangeably, regardless of troubled status and the condition of a PHA's public housing portfolio. Today, only small PHAs (those with fewer than 250 units) that are not troubled and operate public housing in a safe, clean and healthy condition have full flexibility. Larger agencies are permitted to transfer only 20 percent of the Operating Fund to the Capital Fund and vice versa. HUD proposes full flexibility for all PHAs to use 2021 operating subsidies and prior year funding from the previous Capital and Operating Funds. This option would enable PHAs to focus limited federal resources on local priorities without being constrained by the statutory limitations of each fund.

Proposed Action: The President's Budget proposes adding this new provision.

SEC. 227. TRANSFER TO INFORMATION TECHNOLOGY FUND.—Of the amounts made available for salaries and expenses under all accounts under this title (except for the Office of Inspector General account), a total of up to \$10,000,000 may be transferred to and merged with amounts made available in the "Information Technology Fund" account under this title.

Explanation of this Section: This provision allows for the transfer and merge of up to \$10 million from salaries and expenses to the Information Technology Fund.

Proposed Action: The President's Budget proposes adding this provision.

SEC. 228. CANCELLATION OF FUNDS.—Of the unobligated balances, including recaptures and carryover, available from amounts appropriated under the heading "Native Hawaiian Housing Loan Guarantee Fund Program Account" for the cost of guaranteed loans, \$2,000,000 shall be cancelled: Provided, That this cancellation shall not limit the authority to commit new loan guarantees under loan guarantee limitations provided in prior appropriations Acts.

Explanation of this Section: This provision would cancel \$2 million from unobligated balances from the Native Hawaiian Housing Loan Guarantee Fund Program Account. As this program is a negative subsidy program, subsidy is not needed to issue loans.

Proposed Action: The President's Budget proposes adding this new provision.

SEC. 229. REPROGRAMMING REQUIREMENTS.—Except as otherwise provided in this Act, none of the funds provided in this title, provided by previous appropriations Acts to the Department of Housing and Urban Development that remain available for obligation or expenditure in fiscal year 2021, or provided from any accounts in the Treasury derived by the collection of fees and available to the Department of Housing and Urban Development, shall be available for obligation or expenditure through a reprogramming of funds that—

(1) *For Program and Information Technology funds—*

(A) *initiates or creates a new program, project, or activity;*

(B) *eliminates a program, project, or activity;*

(C) *increases funds for any program, project, or activity for which funds have been denied or restricted by the Congress;*

(D) *proposes to use funds directed for a specific activity by either the House or Senate Committees on Appropriations for a different purpose;*

(E) *augments existing programs, projects, or activities in excess of \$5,000,000 or 10 percent, whichever is less; or*

(F) *reduces existing programs, projects, or activities by \$5,000,000 or 10 percent, whichever is less;*

(2) *For Salaries and Expenses funds—*

(A) *assigns personnel or hires to support the creation of a new program, project, or activity not previously included in the President's budget;*

(B) *increases the personnel or other resources for any program, project, or activity for which funds have been denied or restricted by the Congress;*

(C) *relocates or closes an office; or*

(D) *reorganizes an office, which shall include the transfer of any function from one office to another office;*

unless the House and Senate Committees on Appropriations are consulted 15 days in advance of such reprogramming and are notified in writing 10 days in advance of such reprogramming.

Explanation of this Section: This provision specifies requirements for the reprogramming of funds.

Proposed Action: The President's Budget proposes adding this provision.

SEC. 230. SUBMISSION OF REPORTS.—Not later than 60 days after the date of enactment of this Act, the Department of Housing and Urban Development shall submit a report to the Committees on Appropriations of the Senate and of the House of Representatives to establish the baseline for application of reprogramming and transfer authorities for the current fiscal year: Provided, That the report shall include—

(1) a table for each appropriation with a separate column to display the prior year enacted level, the President's budget request, adjustments made by Congress, adjustments due to enacted rescissions, if appropriate, and the fiscal year enacted level;

(2) For program funds, a delineation in the table for each appropriation and its respective prior year enacted level by program, project, and activity as detailed in the budget appendix for the respective appropriation; and

(3) For salaries and expenses, an organizational chart for each office that includes detail to the branch level, and clearly identifies those "offices" to which section 229(2) shall be applied.

Explanation of this Section: This provision specifies requirements for submitting a report in order to establish the baseline for the application of reprogramming and transfer authorities.

Proposed Action: The President's Budget proposes adding this provision.