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TRANSPORTATION AND HOUSING AND URBAN DEVELOPMENT, AND RELATED AGENCIES APPROPRIATIONS BILL, 2017

APRIL 21, 2016.—Ordered to be printed

Ms. COLLINS, from the Committee on Appropriations, submitted the following

REPORT

[To accompany S. 2844]

The Committee on Appropriations reports the bill (S. 2844) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2017, and for other purposes, reports favorably thereon and recommends that the bill do pass.

Amounts of new budget (obligational) authority for fiscal year 2017

Total of bill as reported to the Senate	\$56,474,000,000
Amount of 2016 appropriations	57,600,707,000
Amount of 2017 budget estimate ¹	51,992,343,000
Bill as recommended to Senate compared to—	
2016 appropriations	– 1,126,707,000
2017 budget estimate	+ 4,481,657,000

¹The budget estimate proposed shifting \$7,415,017,000 in discretionary surface transportation programs to mandatory funding from the Transportation Trust Fund. The Committee recommendation does not reclassify the funding for these programs. For proper comparison, the 2017 budget estimate should include the additional \$7,415,017,000.

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OVERVIEW AND SUMMARY OF THE BILL

The Transportation, Housing and Urban Development, and Related Agencies appropriations bill provides funding for a wide array of Federal programs, mostly in the Departments of Transportation [DOT] and Housing and Urban Development [HUD]. These programs include investments in road, transit, rail, maritime, and airport infrastructure; the operation of the Nation's air traffic control system; housing assistance for those in need, including the homeless, elderly, and disabled; resources to support community planning and development; activities to improve road, rail, and pipeline safety; and a wide range of research efforts.

The bill also provides funding for the Federal Housing Administration and Government National Mortgage Association to continue their traditional roles of providing access to affordable homeownership in the United States.

The programs and activities supported by this bill include significant responsibilities entrusted to the Federal Government and its partners to protect human health and safety, support a vibrant economy, and achieve policy objectives strongly supported by the American people. The funding provided in this bill supports the investments necessary for a strong and economically competitive Nation. The ability to fulfill these responsibilities and make important investments is made challenging by pressure on available levels of discretionary spending as a consequence of the overall public debate on Federal spending, revenues, and the size of the Federal debt.

This bill makes the operation of the interstate highway system possible, as well as the world's safest air transportation system. It ensures safe and sanitary housing for nearly 5 million low and extremely low-income families and individuals, over half of whom are elderly and/or disabled. It provides funding that is leading to the gradual elimination of homelessness among veterans, youth, individuals and families. This bill also includes funding for competitive grants to communities to support transportation infrastructure projects of national or regional importance.

In the context of overall pressures on spending and the competing priorities that the Committee faces, this bill, as reported, provides the proper amount of emphasis on transportation, housing, community development, and other programs and activities funded within it. It is consistent with the subcommittee's allocation for fiscal year 2017. All accounts in the bill have been closely examined to ensure that an appropriate level of funding is provided to carry out the programs of DOT, HUD, and related agencies. Details on each of the accounts, the funding level, and the Committee's justifications for the funding levels are included in the report.

PROGRAM, PROJECT, AND ACTIVITY

During fiscal year 2017, for the purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99–177), as amended, with respect to appropriations contained in the accompanying bill, the terms “program, project, and activity” [PPA] shall mean any item for which a dollar amount is contained in appropriations acts (including joint resolutions providing continuing appropriations) or accompanying reports of the House and Senate Committees on Appropriations, or accompanying conference reports and joint explanatory statements of the committee of conference. This definition shall apply to all programs for which new budget (obligational) authority is provided, as well as to discretionary grants and discretionary grant allocations made through either bill or report language.

REPROGRAMMING GUIDELINES

The Committee includes a provision (section 405) establishing the authority by which funding available to the agencies funded by this act may be reprogrammed for other purposes. The provision specifically requires the advanced approval of the House and Senate Committees on Appropriations of any proposal to reprogram funds that:

- creates a new program;
- eliminates a program, project, or activity [PPA];
- increases funds or personnel for any PPA for which funds have been denied or restricted by the Congress;
- proposes to redirect funds that were directed in such reports for a specific activity to a different purpose;
- augments an existing PPA in excess of \$5,000,000 or 10 percent, whichever is less;
- reduces an existing PPA by \$5,000,000 or 10 percent, whichever is less; or
- creates, reorganizes, or restructures offices different from the congressional budget justifications or the table at the end of the Committee report, whichever is more detailed.

The Committee retains the requirement that each agency submit an operating plan to the House and Senate Committees on Appropriations not later than 60 days after enactment of this act to establish the baseline for application of reprogramming and transfer authorities provided in this act. Specifically, each agency should provide a table for each appropriation with columns displaying the prior year enacted level; budget request; adjustments made by Congress; adjustments for rescissions, if appropriate; and the fiscal year enacted level. The table shall delineate the appropriation and prior year enacted level both by object class and by PPA, as well as identify balances available for use under section 406 of the bill. The report must also identify items of special congressional interest.

The Committee expects the agencies and bureaus to submit reprogramming requests in a timely manner and to provide a thorough explanation of the proposed reallocations, including a detailed justification of increases and reductions and the specific impact the proposed changes will have on the budget request for the following

fiscal year. Except in emergency situations, reprogramming requests should be submitted no later than June 30.

The Committee expects each agency to manage its programs and activities within the amounts appropriated by Congress. The Committee reminds agencies that reprogramming requests should be submitted only in the case of an unforeseeable emergency or a situation that could not have been anticipated when formulating the budget request for the current fiscal year. Further, the Committee notes that when a Department or agency submits a reprogramming or transfer request to the Committees on Appropriations and does not receive identical responses from the House and Senate, it is the responsibility of the Department to reconcile the House and Senate differences before proceeding, and if reconciliation is not possible, to consider the request to reprogram funds unapproved.

The Committee would also like to clarify that this section applies to the Department of Transportation's Working Capital Fund, and that no funds may be obligated from such funds to augment programs, projects or activities for which appropriations have been specifically rejected by the Congress, or to increase funds or personnel for any PPA above the amounts appropriated by this act.

CONGRESSIONAL BUDGET JUSTIFICATIONS

Budget justifications are the primary tool used by the House and Senate Committees on Appropriations to evaluate the resource requirements and fiscal needs of agencies. The Committee is aware that the format and presentation of budget materials is largely left to the agency within presentation objectives set forth by OMB. In fact, OMB Circular A-11, part 6 specifically states that the "agency should consult with your congressional committees beforehand to ensure their awareness of your plans to modify the format of agency budget documents." The Committee expects that all agencies funded under this act will heed this directive. The Committee expects all of the budget justifications to provide the data needed to make appropriate and meaningful funding decisions.

While the Committee values the inclusion of performance data and presentations, it is important to ensure that vital budget information that the Committee needs is not lost. Therefore, the Committee directs that justifications submitted with the fiscal year 2018 budget request by agencies funded under this act contain the customary level of detailed data and explanatory statements to support the appropriations requests at the level of detail contained in the funding table included at the end of the report. Among other items, agencies shall provide a detailed discussion of proposed new initiatives, proposed changes in the agency's financial plan from prior year enactment, and detailed data on all programs and comprehensive information on any office or agency restructurings. At a minimum, each agency must also provide adequate justification for funding and staffing changes for each individual office and materials that compare programs, projects, and activities that are proposed for fiscal year 2018 to the fiscal year 2017 enacted level.

The Committee is aware that the analytical materials required for review by the Committee are unique to each agency in this act. Therefore, the Committee expects that the each agency will coordinate with the House and Senate Committees on Appropriations in

advance on its planned presentation for its budget justification materials in support of the fiscal year 2018 budget request.

The Committee directs each agency to include within its budget justification a report on all efforts made to address the duplication identified by the annual GAO reports along with legal barriers preventing the agency's ability to further reduce duplication and legislative recommendations, if applicable.

GUIDANCE DOCUMENTS

The Committee is increasingly concerned about the use of guidance documents, or interpretive rules, to impose new requirements on regulated entities even though such documents are not legally binding. The Supreme Court has recognized there can be a fine line between what should be issued as a regulation for purposes of notice and comment rulemaking under the Administrative Procedure Act and what can be issued as guidance. The Supreme Court has also recognized that Federal agencies may sometimes issue guidance to circumvent the notice and comment rulemaking process. Legal scholars and multiple members of Congress have also expressed concern about the use of guidance to avoid rulemaking. Finally, the Government Accountability Office found that if an agency periodically reviews its guidance it can significantly reduce unnecessary guidance. For example, after a sub-agency in the Department of Labor reviewed its guidance to determine if it was relevant and current, the sub-agency was able to reduce its guidance by 85 percent. GAO also found that the dissemination of guidance to the public can be improved.

The Committee recommends the Departments of Transportation and Housing and Urban Development clearly label in a plain, prominent, and permanent manner that the agency's guidance documents are not legally binding and may not be relied upon by the agency as grounds for agency action. The Committee also recommends this include a thorough explanation on an agency's guidance document about why the agency believes it is appropriate to issue guidance about a matter instead of proposing a regulation and what specific statutory provisions or regulation(s) the guidance is interpreting. The Committee further recommends this guidance be updated every 2 years, with input solicited from the public, to determine if any of its guidance is duplicative, outdated, ineffective, insufficient, or excessively burdensome and needs to be modified, streamlined, or repealed and place all guidance documents in one place on its Web site as well as on the relevant sub-agency Web page. This information should be easily accessible for the public to comment on guidance and should be sent to the Office of Management and Budget to determine if the guidance is significant.

TRANSPARENCY REQUIREMENT

The Committee is aware that agencies funded in this act use resources for advertising purposes. The Committee directs the agencies in this act to state within the text, audio, or video used for new advertising purposes, including advertising/posting on the Internet, that the advertisements are printed, published, or produced and disseminated at U.S. taxpayer expense. The agencies may exempt

any such advertisements from this requirement if it creates an adverse impact on safety or impedes the ability of these agencies to carry out their statutory authority.

TITLE II
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
MANAGEMENT AND ADMINISTRATION

The Department of Housing and Urban Development [HUD] was established by the Housing and Urban Development Act (Public Law 89-174), effective November 9, 1965. This Department is the principal Federal agency responsible for programs concerned with the Nation's housing needs, fair housing opportunities, and improving and developing communities.

In carrying out the mission of serving the needs and interests of the Nation's communities and of the people who live and work in them, HUD administers: mortgage and loan insurance programs that help families become homeowners and facilitate the construction of rental housing; rental and homeownership subsidy programs for low-income families who otherwise could not afford decent housing; programs to combat discrimination in housing and affirmatively further fair housing opportunities; programs aimed at ensuring an adequate supply of mortgage credit; and programs that aid neighborhood rehabilitation, community development, and the preservation of our urban centers from blight and decay.

HUD also administers programs that protect homebuyers, and fosters programs and research that stimulate and guide the housing industry to provide not only housing, but better communities and living environments.

As HUD works to fulfill its mission, the Committee urges the Secretary to enhance its efforts to provide decent, affordable housing and to promote economic development for rural Americans. When designing programs and making funding decisions, the Secretary shall take into consideration the unique conditions, challenges, and scale of rural areas.

The Committee notes that poverty is far too prevalent in the United States. HUD should continue to work with Congress and other partners to implement policies that reduce poverty and the suffering associated with it. The Committee also encourages HUD to increase interagency collaboration to ensure Federal resources are strategically deployed in order to achieve the most effective outcomes, while also reducing overlap and duplication.

Relationship Between HUD and the Committee on Appropriations.—The primary relationship between the Committee and HUD exists via the Departmental budget office. This relationship is an absolute necessity in structuring the annual appropriations act. It facilitates an effective sharing of a wide range of budgetary and cost information. The Committee retains the right to call upon all offices and agencies within the Department, but the primary connection between the two entities exists through the budget office.

The Committee cautions HUD that section 405 of the Appropriations Act governs the creation of new offices and policies. Additionally, the Committee expects that all offices within HUD will work with the budget office to provide timely and accurate information to the Committee.

Appropriations Attorneys.—During consideration of the fiscal year 2003 appropriations legislation, it became apparent to the Committee that both the Committee and the Department would be better served if the attorneys responsible for appropriations matters were housed in the Office of the Chief Financial Officer [OCFO]. The fiscal year 2003 act provided funds and FTE to the OCFO to accommodate four attorneys transferred from the Office of General Counsel [OGC]. Since that time, the Committee has routinely received prompt, accurate, and reliable information from the OCFO on various appropriations law matters. For fiscal year 2017, the Committee continues to fund appropriations attorneys in the OCFO and directs HUD to refer all appropriations law issues to such attorneys within the OCFO.

Reprogramming and Congressional Notification.—The Committee reiterates that the Department must secure the approval of the House and Senate Committees on Appropriations for the reprogramming of funds between programs, projects, and activities within each account. Unless otherwise identified in the bill or report, the most detailed allocation of funds presented in the budget justifications is approved, with any deviation from such approved allocation subject to the normal reprogramming requirements. Except as specifically provided otherwise, it is the intent of the Committee that all carryover funds in the various accounts, including recaptures and de-obligations, are subject to the normal reprogramming requirements outlined under section 405. No change may be made to any program, project, or activity if it is construed to be new policy or a change in policy, without prior approval of the House and Senate Committees on Appropriations. The Committee also directs HUD to include a separate delineation of any reprogramming of funds requiring approval in the operating plan required by section 405 of this act. Finally, the Committee shall be notified regarding reorganizations of offices, programs or activities prior to the implementation of such reorganizations. The Department is directed to submit, in consultation with the House and Senate Committees on Appropriations, current and accurate organizational charts for each Office within the Department as part of the fiscal year 2018 congressional justifications. The Committee further directs the Department to submit any staff realignments or restructuring to the House and Senate Committees on Appropriations 30 days prior to their implementation.

Grant Awards and Congressional Notification.—HUD is reminded that appropriated funds are critical investments that support communities across the Nation. HUD's grant programs give State and local governments, public housing agencies, nonprofit organizations, tribal entities, and other key housing development and service providers the resources to build and preserve quality affordable housing, spur local economies, and make communities more stable. The Committee is concerned that the Department continues to use archaic systems and processes for grant notifications, caus-

ing delays, inefficiencies, and administrative burdens on staff. Therefore, the Committee urges HUD to consult with the Department of Transportation and other Federal agencies on their Congressional notification process.

Congressionally Mandated Reports.—The Department is reminded that directives and reports mandated in the House and Senate appropriations acts and accompanying reports are not optional unless revised or eliminated by the Statement of Managers accompanying the act. The Committee believes that such reports provide a better understanding of various issues and the Committee uses such reports to help inform funding decisions. Therefore, the Department is advised that the submission of directed reports is mandatory and not at the discretion of the Department. The Committee directs the Department to submit all overdue reports and to advise the Committee if it is unable to meet a reporting requirement well in advance of the deadline.

Office of Inspector General Semiannual Report to Congress.—The Committee believes the Department can undertake additional actions to increase accountability and transparency, which will improve oversight and ensure Federal resources are not wasted or abused. The Committee reminds HUD that for fiscal year 2015, the Office of Inspector General [OIG] identified nearly \$2,000,000,000 of HUD resources that could be put to better use. The Committee encourages HUD to respond to both the Inspector General and the House and Senate Committees on Appropriations on actions already taken, and planned future action, to address such findings, within 30 days of issuance of each OIG semiannual report.

Lead-Hazard Control and Remediation.—The Centers for Disease Control and Prevention [CDC] estimate that 535,000 American children under 6 years of age are affected by lead poisoning. This preventable condition can result in children having reduced IQs and developing behavioral problems and learning disabilities. According to HUD, 70 percent of lead poisoning cases in the United States are the result of exposure to lead-based paint hazards in the home. This exposure usually stems from the presence of lead-based paint in homes built prior to 1978.

Over the last decade, the Committee has provided more than \$1,000,000,000 for initiatives that address lead-based paint hazards in our Nation's housing stock. These resources have helped to improve the condition of 78,032 homes and the lives and health outcomes of 278,000 people. These funds were primarily used to address lead-based paint hazards in homes that were owned or occupied by low and very-low income families with children.

However, the continued presence of lead-based paint hazards in HUD-assisted housing has only been fully revealed in recent news reports. These reports raise concerns that HUD has insufficient oversight to ensure that public housing agencies and property owners comply with regulations regarding inspections for and remediation of lead-based paint hazards. Furthermore, the Committee believes that HUD has failed to appropriately respond to the CDC's decision in 2012 to strengthen its blood lead level standard for children under 6 years old. HUD's blood lead level standard, which prescribes the level at which an environmental intervention must be performed in a unit, has not been changed since 1999. As a re-

sult, HUD's outdated standard permits children to live in homes that place them at risk of permanent neurological damage.

To address these concerns, the bill and accompanying report include a deadline for the implementation of a new regulation that strengthens HUD's blood lead level standard, and a series of reforms and investments to address lead-based paint hazards in HUD-assisted housing and low-income housing in the private sector. The Committee includes reforms to current policies, an expansion of HUD's oversight and enforcement capacity, and additional funding for Public Housing Agencies [PHAs] and low-income homeowners to address lead-based paint hazards in the home.

EXECUTIVE OFFICES

Appropriations, 2016	\$13,800,000
Budget estimate, 2017	14,479,000
Committee recommendation	30,608,000

PROGRAM DESCRIPTION

The Executive Offices account provides the salaries and expenses funding to support the Department's senior leadership and other key functions, including the immediate offices of the Secretary, Deputy Secretary, Congressional and Intergovernmental Relations, Public Affairs, Adjudicatory Services, the Center for Faith-Based and Community Initiatives, the Departmental Enforcement Center, and the Office of Small and Disadvantaged Business Utilization.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$30,608,000 for this account, which is \$16,808,000 more than the fiscal year 2016 enacted level and \$16,129,000 more than the budget request. Of the total amount provided, no less than \$16,148,000 shall be for the Departmental Enforcement Center. The Secretary is directed to submit a spend plan to the House and Senate Committees on Appropriations that outlines how budgetary resources will be distributed among the eight offices funded under this heading.

Departmental Enforcement Center.—The Committee is troubled by the results of the Inspector General's February 2016 evaluation of the Departmental Enforcement Center [DEC]. The evaluation determined that when utilized, the DEC can effectively address issues related to poor performing and noncompliant grantees. However, the evaluation also determined that the DEC's current location within the OGC has limited its ability to work with program offices, and as a result, has seriously undermined the overall effectiveness of the DEC to successfully implement risk-based monitoring and enforcement of grantees. In response, the Committee directs the DEC to be removed from the OGC's organizational structure and report directly to the Deputy Secretary, consistent with its original intent and creation in 1997. The Committee further notes that the Department concedes that the Memoranda of Understanding [MOUs] between the DEC and program offices are overly restrictive and will review them with a goal of modification or elimination. The Committee directs the Department to report to the House and Senate Committees on Appropriations within 60 days after enactment of this act on the result of the reviews.

Circumvention of the Nomination Process.—The Committee remains troubled by the administration’s willful circumvention of the Appointments Clause of the Constitution which in Article II, section 2, clause 2 states, “and he shall nominate, and by and with the Advice and Consent of the Senate, shall appoint Ambassadors, other public Ministers and Consuls, Judges of the supreme Court, and all other Officers of the United States, whose Appointments are not herein otherwise provided for, and which shall be established by Law.” Specifically, the Committee notes the appointments last year of the Principal Deputy Assistant Secretaries for the Offices of Community Planning and Development, Housing, and Public and Indian Housing.

While this position has existed at other Federal agencies, it is new to the Department, and comes at a time when the Assistant Secretary position in these offices has been vacant for an extended period of time. The position of Assistant Secretary of Housing/Federal Housing Administration Commissioner has been vacant since October 24, 2014; the position of Assistant Secretary for Public and Indian Housing has been vacant since June 30, 2014; and the position of Assistant Secretary for Community Planning and Development has been vacant the longest, since May 18, 2012. The Committee is incredulous that the administration has elected to maintain the vacancy of these three mission critical positions and points to the administration’s decision to redirect a nominee, whose nomination was presented at the end of the 113th Congress, to a Principal Deputy Assistant Secretary position in lieu of re-nominating the individual during the 114th Congress as a reflection of the clear disregard of the Appointments Clause.

The Committee strongly encourages HUD and the administration to rethink the appointment of Principal Deputy Assistant Secretaries in the offices of Public and Indian Housing, Community Planning and Development, and Housing in the absence of incumbent Assistant Secretaries or putting forth nominations for those positions. While the Committee does not expressly forbid this practice, the Committee has reduced amounts included in the Committee’s recommendation by amounts equal to the salary and benefits of a Principal Deputy Assistant Secretary for offices where the position of Assistant Secretary is not filled or for which a nomination for that position is not currently pending before the Senate Committee on Banking, Housing, and Urban Affairs or has been reported by that Committee to the Senate.

ADMINISTRATIVE SUPPORT OFFICES

Appropriations, 2016	\$559,100,000
Budget estimate, 2017	520,062,000
Committee recommendation	503,852,000

PROGRAM DESCRIPTION

The Administrative Support Offices [ASO] account is the backbone of HUD’s operations, and consists of several offices that aim to work seamlessly to provide the leadership and support services to ensure the Department performs its core mission and is compliant with all legal, operational, and financial guidelines. This account funds the salaries and expenses of the Office of the General

Counsel, the Office of the Chief Financial Officer, the Office of the Chief Procurement Officer, the Office of Departmental Equal Employment Opportunity, the Office of Field Policy and Management, the Office of Strategic Planning and Management, the Office of the Chief Human Capital Officer, the Office of Administration, and the Office of the Chief Information Officer.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$503,852,000 for this account, which is \$55,248,000 less than the fiscal year 2016 enacted level and \$16,210,000 less than the budget request.

The Committee directs HUD's Office of the Chief Financial Officer and the Office of the Human Capital Officer to submit quarterly reports to the House and Senate Committees on Appropriations on hiring and separations by program office. This report shall include position titles, location, associated FTE, and include the Office of the Inspector General and Government National Mortgage Association.

Funds are made available as follows:

	Amount
Office of the Chief Human Capital Officer	\$41,641,000
Office of Administration	202,823,000
Office of the Chief Financial Officer	53,451,000
Office of the Chief Procurement Officer	19,130,000
Office of Field Policy and Management	52,568,000
Office of Departmental Equal Employment Opportunity	3,891,000
Office of the General Counsel	79,053,000
Office of Strategic Planning and Management	5,147,000
Office of the Chief Information Officer	46,148,000

Office of the General Counsel [OGC].—The Committee recommendation includes \$79,053,000 for this office, which is \$16,148,000 less than the budget request. This decrease is associated with the transfer of the Departmental Enforcement Center out of the OGC organizational structure.

Office of the Chief Financial Officer [OCFO].—The Committee commends the work of the Appropriations Law Division in the OCFO and encourages the Department to maximize its use of this valuable resource. The Committee reminds the Department of its intent that all appropriations law issues be referred to and addressed by such division. HUD shall not alter the organizational structure of OCFO as in effect on January 1, 2015, without prior written approval of the House and Senate Committees on Appropriations.

PROGRAM OFFICES SALARIES AND EXPENSES

PUBLIC AND INDIAN HOUSING

Appropriations, 2016	\$205,500,000
Budget estimate, 2017	220,932,000
Committee recommendation	220,500,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 46 field offices in the Office of Public and Indian Housing [PIH]. PIH is charged with ensuring the availability of safe, decent, and affordable housing, creating opportunities for residents' self-sufficiency and economic independence, and assuring the fiscal integrity of all public housing agencies. The Office ensures that safe, decent and affordable housing is available to Native American families, creates economic opportunities for tribes and Indian housing residents, assists tribes in the formulation of plans and strategies for community development, and assures fiscal integrity in the operation of its programs. The Office also administers programs authorized in the Native American Housing Assistance and Self Determination Act of 1996 [NAHASDA], which provides housing assistance to Native Americans and Native Hawaiians. PIH also manages the Housing Choice Voucher program, in which tenant-based vouchers increase affordable housing choices for low-income families. Tenant-based vouchers enable families to lease safe, decent, and affordable privately owned rental housing.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$220,500,000 for this account, which is \$432,000 less than the budget request and \$15,000,000 more than the fiscal year 2016 enacted level. The Committee recommendation supports existing personnel, and reflects the establishment of a Working Capital Fund in fiscal year 2016 for shared service costs

The Committee directs HUD to prioritize the hiring of staff to fill critical positions in the following areas: staff for the management and oversight of Moving-to-Work PHAs; financial analysts for the Housing Choice Voucher program; and additional staff for the Office of Policy, Programs and Legislative Initiatives to create efficiencies in program operations.

The Committee directs HUD to inform the House and Senate Committees on Appropriations within 30 days of enactment of this act regarding how it is implementing the Committee's hiring direction.

Small Public Housing Agencies.—The Committee recognizes the growing demand placed on small public housing agencies across the Nation. Given this recognition, the Committee believes that small agencies may face disproportionate regulatory burdens and the Department should simplify monitoring and compliance requirements. The Committee continues to urge HUD to eliminate excessive paperwork requirements and develop opportunities to achieve new efficiencies in management and operations for small public housing agencies.

Central Office Cost Center Fees.—In 2014, the Office of Inspector General [OIG] released an audit of public housing operating and capital fund central office cost center [COCC] fees. The audit raised concerns about these fees and HUD's oversight of them. The OIG recommended that the Department: eliminate the asset management fee, revise the asset management policy to "re-federalize" the fees paid into the COCC, and create policies and procedures for the

assessment and monitoring of the fees. HUD disputed the recommendations and has been working with the OIG to resolve these issues. As a result of these discussions and HUD’s demonstration of the need that PHAs have for the asset management fee, OIG agreed not to pursue their recommendation to eliminate asset management fees. In addition, HUD will initiate rulemaking to re-federalize fees paid into the COCC with a goal of implementing a final rule by no later than December 2017. The Committee has decided to take additional action and directs the Department to adhere to the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,” requirements of 2 CFR 200, and to notify the House and Senate Committees on Appropriations quarterly during fiscal year 2017 of any waivers of 2 CFR 200 it requests from the Office of Management and Budget. The Committee shares concerns expressed by HUD’s Inspector General that HUD has failed to fully evaluate its fee for service model for public housing operating and capital funds. Accordingly, and consistent with the June 2014 Office of Inspector General report, HUD is directed to evaluate this model to gauge whether it is actually increasing the overall efficiency and effectiveness of administering the program and that the fee structure is reasonable. The Department is further directed to include any necessary program changes from this evaluation as part of its fiscal year 2019 congressional justifications.

COMMUNITY PLANNING AND DEVELOPMENT

Appropriations, 2016	\$104,800,000
Budget estimate, 2017	110,259,000
Committee recommendation	110,000,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding for Community Planning and Development [CPD] staff in headquarters and in 43 field offices. CPD’s mission is to support successful urban, suburban and rural communities by promoting integrated approaches to community and economic development. CPD programs also assist in the expansion of opportunities for low- and moderate-income individuals and families in moving towards home ownership. The Assistant Secretary for CPD administers formula and competitive grant programs, as well as guaranteed loan programs, that help communities plan and finance their growth and development. These programs also help communities increase their capacity to govern and provide shelter and services for homeless persons and other persons with special needs, including person with HIV/AIDS.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$110,000,000 for the staffing within this office, which is \$259,000 less than the budget request and \$5,200,000 more than the fiscal year 2016 enacted level. The recommended level of funding will support additional FTE focused on grant oversight and monitoring to help address backlog of grants and audit findings as well as shared service costs to be funded through the working capital fund established in fiscal year 2016. The Committee’s recommendation does not include

the Department’s request for additional staff for the Rental Assistance Demonstration.

The Committee directs HUD to prioritize the hiring of staff to support the closeout of open audits and backlog of open grants, particularly as it relates to disaster recovery grants, before hiring in other areas, unless such staff are identified as backfilling mission-critical positions.

The Committee directs HUD to inform the House and Senate Committees on Appropriations within 30 days of enactment of this act regarding how it is implementing the Committee’s hiring direction.

Promise Zones.—Since 2014, the Department has competitively made Promise Zone designations. These designations partner the Federal government with local communities to address multiple community revitalization challenges in a collaborative way and have demonstrated a commitment to results. To realize the full potential of these designations, the Committee encourages the Department to support these Promise Zone designations, and their Promise Zone Partnership Agreement commitments for their full duration.

HOUSING

Appropriations, 2016	\$375,000,000
Budget estimate, 2017	393,148,000
Committee recommendation	393,000,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 52 field locations in the Office of Housing. The Office of Housing is responsible for implementing programs to assist projects for occupancy by very low- and moderate-income households, to provide capital grants to nonprofit sponsors for the development of housing for the elderly and disabled, and to conduct several regulatory functions. The Office also administers Federal Housing Administration [FHA] programs. FHA administers HUD’s mortgage and loan insurance programs, which facilitate the financing of new construction, rehabilitation or the purchase of existing dwelling units. The Office also provides services to maintain and preserve homeownership, especially for underserved populations. This assistance allows lenders to make lower cost financing available to more borrowers for home and home improvement loans, and apartment, hospital, and nursing home loans. FHA provides a vital link in addressing America’s homeownership and affordable housing needs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$393,000,000 for staffing in the Office of Housing, which is \$148,000 less than the budget request and \$18,000,000 more than the fiscal year 2016 enacted level and reflects the establishment of a working capital fund in fiscal year 2016 for shared service costs.

POLICY DEVELOPMENT AND RESEARCH

Appropriations, 2016	\$23,100,000
Budget estimate, 2017	24,500,000
Committee recommendation	24,500,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in 16 field locations in the Office of Policy Development and Research [PD&R]. PD&R supports the Department's efforts to help create cohesive, economically healthy communities. PD&R is responsible for maintaining current information on housing needs, market conditions, and existing programs, as well as conducting research on priority housing and community development issues. The office provides reliable and objective data and analysis to help inform policy decisions.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$24,500,000 for this account, which is equal to the budget request and \$1,400,000 more than the fiscal year 2016 enacted level.

PD&R collects and distributes data on HUD programs, the people HUD serves, and housing needs across the country, in addition to providing technical assistance in these areas. The information it makes available and the analysis it provides to the Department are essential to moving HUD to outcomes based performance measures. The Committee also relies on the data and research provided by PD&R to inform its work. The recommended amount will ensure that PD&R can continue to play this important role.

FAIR HOUSING AND EQUAL OPPORTUNITY

Appropriations, 2016	\$72,000,000
Budget estimate, 2017	74,235,000
Committee recommendation	74,235,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support staff in headquarters and in all regional offices in the Office of Fair Housing and Equal Opportunity [FHEO]. FHEO is responsible for investigating, resolving, and prosecuting complaints of housing discrimination, as well as conducting education and outreach activities to increase awareness of the requirements of the Fair Housing Act. The Office also develops and interprets fair housing policy, processes complaints, performs compliance reviews, and provides oversight and technical assistance to local housing authorities and community development agencies regarding section 3 of the Housing and Urban Development Act of 1968.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$74,235,000, which is equal to the budget request and \$2,235,000 more than the fiscal year 2016 enacted level.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2016	\$7,000,000
Budget estimate, 2017	7,826,000
Committee recommendation	8,075,000

PROGRAM DESCRIPTION

This account provides salary and benefits funding to support the Office of Lead Hazard Control and Healthy Homes [OLHCHH] headquarters staff. OLHCHH administers and manages the lead-based paint and healthy homes activities of the Department, and is directly responsible for the administration of the Lead-Based Paint Hazard Reduction program. The office also develops lead-based paint regulations, guidelines, and policies applicable to HUD programs, designs lead-based paint and healthy homes training programs, administers lead-hazard control and healthy homes grant programs, and implements the lead and healthy homes research program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$8,075,000 for this account, which is \$249,000 more than the budget request and \$1,075,000 more than the fiscal year 2016 enacted level.

The Committee is concerned that the Office of Lead Hazard Control and Healthy Homes is not providing the Offices of Housing and Public and Indian Housing with the necessary oversight and assistance to effectively implement lead-related regulations. While these Offices are responsible for the oversight of their grantees, the Lead Office is responsible for ensuring compliance with the Lead Safe Housing and Lead-Based Paint Disclosure Rules through its Enforcement Division. The Committee's recommendation does not fund the request for additional FTEs for the Programs, and Policy and Standards Divisions, and instead directs these funds, plus the additional funding above the request, be used to increase the FTE in the Lead Programs Enforcement Division from 5 to 10. This increase in resources will expand HUD's capacity to conduct enforcement actions in Section 8 and Section 9 properties, as well as provide additional technical assistance and training.

WORKING CAPITAL FUND

(INCLUDING TRANSFER OF FUNDS)

PROGRAM DESCRIPTION

The Department of Housing and Urban Development's Working Capital Fund [WCF] was established by the Consolidated Appropriations Act, 2016. The purpose of the WCF is to promote economy, efficiency, and accountability. Amounts transferred to the Fund are for Federal shared services used by offices and agencies of the Department, and are derived from centralized Salaries and Expenses accounts starting in 2016.

COMMITTEE RECOMMENDATION

The Committee recommendation provides the Secretary with the authority to transfer amounts provided in this title for salaries and

expenses, except those for the Office of Inspector General, to this account for the purpose of funding centralized activities. The Department is required to centralize and fund from this account any shared service agreements executed between HUD and another Federal agency. For fiscal year 2017, the Department is permitted to centralize and fund from this account: financial management, procurement, travel, relocation, human resources, printing, records management, space renovation, furniture, and supply services. The Committee expects that, prior to exercising discretion to centrally fund an activity, the Secretary shall have established transparent and reliable unit cost accounting for the offices and agencies of the Department that use the activity and shall have adequately trained staff within each affected office and agency on resource planning and accounting processes associated with the centralization of funds to this account.

Further, prior to centralizing either furniture or space renovation, the Committee directs the Department to deliver a comprehensive, multi-year real property improvement plan which details all planned space realignments, capital improvements, maintenance requirements, and other costs associated with carrying out HUD's most recent strategic plan; including any elements of the General Service Administration [GSA] study on the Weaver Building that HUD plans to include as part of its Reimbursable Work Agreement with GSA.

Prior to exercising its authority to transfer funds for activities beyond what is required for shared service agreements, the Committee expects HUD to establish a clear execution plan for centralizing the additional activities and to properly vet that plan with the House and Senate Committees on Appropriations prior to transferring such funds into the WCF.

HUD shall include in its annual operating plan a detailed outline of its plans for transferring budgetary resources to the WCF in fiscal year 2017.

Financial management, procurement, travel, and relocation costs for services provided to the Office of the Inspector General are covered by the Office of the Chief Financial Officer.

PUBLIC AND INDIAN HOUSING

TENANT-BASED RENTAL ASSISTANCE

Appropriations, 2016	\$19,628,525,000
Budget estimate, 2017	20,854,000,000
Committee recommendation	20,431,696,000

PROGRAM DESCRIPTION

This account provides funding for the Section 8 tenant-based (voucher) program. Section 8 tenant-based housing assistance is one of the principle appropriations for Federal housing assistance, serving approximately 2.2 million families. The program also funds incremental vouchers for tenants who live in properties where the owner has decided to leave the Section 8 program. The program also provides for the replacement of units lost from the assisted housing inventory through its tenant protection vouchers. Under these programs, eligible low-income individuals and families pay 30

percent of their adjusted income for rent, and the Federal Government is responsible for the remainder of the rent, up to the fair market rent or some other payment standard. This account also provides funding for administrative fees for PHAs, mainstream vouchers, and Housing and Urban Development Veterans Supportive Housing [HUD–VASH] programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,431,696,000 for fiscal year 2017, including \$4,000,000,000 as an advance appropriation to be made available on October 1, 2017. This amount is \$422,304,000 less than the budget request and \$803,171,000 more than the fiscal year 2016 enacted level.

The Committee recommends \$18,355,000,000 for the renewal costs of Section 8 vouchers, which is \$92,000,000 less than the budget request and \$673,549,000 more than the fiscal year 2016 enacted level.

The Section 8 rental assistance program is a critical tool that enables more than 2 million low-income individuals and families to access safe, stable, and affordable housing in the private market. In recognition of the Section 8 program's central role in ensuring housing for vulnerable Americans, the Committee recommendation and existing reserves will provide sufficient resources to ensure that no current voucher holders are put at risk of losing their housing. It also supports the first time renewal of incremental vouchers that were funded in prior years, including HUD–VASH vouchers. The Committee will continue to monitor leasing data to make sure residents are protected.

Set-Aside for Special Circumstances.—The Committee has provided a set-aside of \$75,000,000 to allow the Secretary to adjust allocations to PHAs under certain circumstances. Qualifying factors include: (1) a significant increase, as determined by the Secretary, in renewal costs of tenant-based rental assistance resulting from unforeseen circumstances and voucher utilization or the impact from portability under section 8(r) of the act; (2) vouchers that were not in use during the previous 12-month period in order to be available to meet a commitment pursuant to section 8(o)(13) of the act; (3) adjustments or costs associated with HUD–VASH vouchers; and (4) possible termination of families as a result of insufficient funding. A PHA should not receive an adjustment to its allocation from the funding provided under this section if the Secretary determines that such PHA, through negligence or intentional actions, would exceed its authorized level of vouchers.

HUD–VASH.—Since 2008, the Committee has provided more than \$500,000,000 in targeted funding to address veterans' homelessness. Communities across the country have been able to use these resources to make tremendous strides in addressing veterans' homelessness. According to the Department of Veterans Administration, a number of diverse communities across the country have been able to announce an end to veterans homelessness, including: Lynn, Massachusetts; Mobile, Alabama; Montgomery County, Maryland; Gulfport and Biloxi, Mississippi; Houston, Texas; Las Vegas, Nevada; and New Orleans, Louisiana; as well as the State of Connecticut and the Commonwealth of Virginia. These successes

are the result of hard work, and effective collaboration, and are aspirational for the rest of the country. However, since 2010, veterans' homelessness has only declined by 36 percent nationally. For this reason, the Committee again rejects the budget proposal to prematurely end funding for new VASH vouchers and includes \$50,000,000 for this purpose.

The Committee also encourages the Department to use existing authority to recapture HUD-VASH voucher assistance from PHAs that voluntarily declare that they no longer have a need for that assistance, and reallocate it to PHAs with an identified need. The Committee directs HUD to expedite this process; ensuring that communities that have successfully ended veterans' homelessness enable other communities to assist this population. The Committee encourages the Department to prioritize, as part of this reallocation, PHAs that project-base a portion of their HUD-VASH vouchers in high-cost areas.

The Committee also recognizes the importance of the on-going pilot to expand the HUD-VASH program to American Indian veterans living in tribal areas. Therefore, the Committee recommendation includes \$7,000,000 for rental assistance and associated administrative costs for Tribal HUD-VASH to serve Native American veterans that are homeless or at-risk of homelessness living on or near a reservation or other Indian areas. The Committee anticipates that most of this funding will be needed to renew previously provided assistance. To the extent funds remain after previously-awarded assistance has been renewed, the remaining funds may be used to award new assistance based solely on need and administrative capacity. The Committee notes that examples of a lack of administrative capacity include entities with: open monitoring and audit findings from the Department or HUD's Inspector General; an inability to maintain accurate reporting of financial records; a lack of willingness to work with the Office of Native American Programs regional offices, and; excessive unexpended Indian Housing Block Grant balances and current enforcement action regarding lack of progress on balances. Given the importance of reducing homelessness for veterans in Indian country, the Committee directs the Department to update the House and Senate Committees on Appropriations within 180 days of enactment of this act on the progress of this pilot.

Administrative Fees.—The Committee recommends \$1,768,696,000 for administrative fees, which is \$308,304,000 less than the budget request and \$118,696,000 more than the fiscal year 2016 enacted level.

Lead-Based Paint.—Lead exposure and poisoning can have a significant impact on the development of children under the age of 6. Yet, HUD is unable to verify what actions the more than 700,000 private landlords and property owners who participate in the program are taking to identify and address lead-based paint hazards in the more than 2 million housing units across the country. The Committee is extremely concerned that HUD lacks the necessary oversight and quality assurance of lead and routine physical inspections to determine whether lead-based paint hazards are present in these homes, particularly in units where there are children under the age of 6. The Committee is further concerned that

HUD is unable to identify which units or quantify how much of the housing choice voucher stock meet the standards currently set-forth in HUD's physical inspection and lead-based paint hazard regulations. This information is essential to understanding the resource and health challenges faced by HUD, PHAs, and housing choice voucher residents.

The Committee believes that the Department has the statutory authority to collect and analyze data on lead-based paint hazards in housing choice voucher units, and apply better quality assurance measures on routine physical inspections. While current HUD housing quality standards require that the physical condition of housing choice voucher units be free of health hazards, including lead-based paint, HUD's regulatory standards lack consistency and scientific rigor. The Committee notes that HUD's Housing Quality Standard [HQS] regulations limit lead inspections in housing choice voucher units to a visual review of chipped or deteriorated paint. Meanwhile, under the Uniform Physical Condition Standard [UPCS] regulations, public housing units are subject to more rigorous inspection standards, such as risk assessments, which require scientific testing of paint and dust samples found in the home. The Committee directs HUD to establish and implement a process that improves data collection and analysis of actions PHAs are taking to comply with lead-based paint regulations in housing choice voucher units by March 31, 2017, and report semi-annually to the House and Senate Committees on Appropriations on this progress. At a minimum, this report should include the steps HUD has taken to ensure PHAs and landlords are in statutory and regulatory compliance, as well as the number and location of units that are not in compliance with current inspections and lead-based paint regulations. The Committee also directs the Department to identify and report on the incidences and prevalence of lead-based paint hazards in housing choice voucher units. The Committee recognizes that States with the oldest housing stock will have more homes with lead-based paint, and notes that the mere presence of lead-based paint, where properly contained, should not preclude such units from participating in the housing choice voucher program.

In order to improve communication with PHAs on lead-safe housing, the Committee directs the Department to issue clarifying guidance explaining the importance of lead-safe housing and the changes the Department is undertaking to align standards with CDC and improve its processes. The Committee recognizes that some PHAs are already effectively applying lead-safe standards, and directs HUD to identify and disseminate best practices on making, and keeping, units lead safe. In addition to disseminating best practices, the Department is directed to provide training on lead-safe housing issues targeted to PHA maintenance and property management staff. Finally, the Committee strongly encourages PHAs to work closely with tenants to improve their awareness of lead-based paint hazards in the home.

Tenant Protection Vouchers.—The Committee recommendation includes \$110,000,000 for tenant protection vouchers. These vouchers are provided to public housing residents whose buildings have health or safety issues, or whose projects are being demolished.

However, the largest share of these vouchers is provided to tenants living in properties with expiring HUD assistance that may face rent increases if their owners opt out of HUD programs. In these instances, the vouchers ensure continued affordability of tenants' housing.

Section 811 Mainstream Vouchers.—The Committee recommends \$110,000,000 to continue the rental assistance and administrative costs of this program.

Family Unification Program [FUP].—Young adults associated with child welfare systems are more likely to experience homelessness as adults or as they transition to adulthood. The Committee recognizes that stable, affordable housing with appropriate services can help prevent children from being unnecessarily removed from their families and help youth exiting foster care transition to adulthood. The Committee is concerned that FUP vouchers are underutilized as a housing strategy to assist at-risk youth and that PHAs and local public child welfare agencies have had limited success in developing effective partnerships. According to a May 2014 report from HUD's Office of Policy Development & Research, youth only comprise about 14 percent of the total program participants. Therefore, the Committee includes \$20,000,000 for new FUP vouchers. The Committee directs HUD to prioritize the award of these new vouchers to PHAs that will target them to youth and PHAs that have partnered with their local public child welfare agency to ensure youth referrals for these vouchers. The Committee recognizes the current timeline of 18-months for youth vouchers is inadequate and administratively impracticable. In response, the Committee includes a provision permitting FUP vouchers to be used by youth who have left, or will shortly leave, foster care, to be used for up to 36 months or longer if the youth is participating in a family self-sufficiency program. The Committee also recognizes the need to expand youth eligibility for FUP vouchers and includes a provision increasing the age range of eligible youth to those who are 18 to 24, and who have left foster care at age 14 or older, or will leave foster care within 90 days and are homeless or at risk of becoming homeless. The Committee also includes language permitting the Secretary to recapture voucher assistance from PHAs that no longer have a need for that assistance, and reallocate to it to PHAs with an identified need.

The Committee is also concerned about how and when families and youth are being referred to receive FUP assistance. The Committee directs HUD to work with the Department of Health and Human Services' Administration on Children and Families [ACF] to develop guidance and training materials necessary to improve connections between local agencies, increase collaboration, improve programs, goals, and supportive housing models that align at the local level. Further, HUD is directed to identify specific statutory or regulatory barriers either within the FUP program or child welfare service programs that limit individuals' access to services and case management that can help improve outcomes for at-risk youth. The Committee directs HUD to report to the House and Senate Committees on Appropriations 180 days after enactment of this act on the status and results of these efforts.

Family Self-Sufficiency.—In fiscal year 2015, the Committee provided flexibility to HUD to improve connections between vouchers serving youth exiting foster care and the Family Self-Sufficiency program. The Committee remains interested in the implementation of this housing and services model, and looks forward to continued updates from the Department.

Housing Mobility Demonstration.—The Committee recommendation includes \$11,000,000 to implement a housing mobility demonstration. This demonstration is designed to help housing choice voucher residents move to lower-poverty areas and expand their access to jobs, better schools, and economic opportunity. A growing body of research highlights how moving to higher opportunity areas can have significant and positive long-term earnings and college attainment outcomes for children, and thereby make inroads at addressing generational poverty. However, many low-income residents face significant barriers to achieve or access this opportunity. Low-income families, including voucher holders, tend to be concentrated in high-poverty neighborhoods where schools may be under resourced, transportation is limited, and well-paying jobs may be scarce. However, there is very little evidence on ways housing and service providers can effectively counsel families on their options to move to low-poverty areas, or limit the barriers that prevent low-income families from moving to low-poverty areas.

The recommended funding level will allow PHAs to test new strategies that enable families to successfully move to, and remain in, lower-poverty areas. The Committee expects HUD to use this demonstration to identify regulatory and administrative barriers to housing mobility and cost-effective strategies to facilitate and promote mobility. These funds may be used to deliver mobility services to families, including pre- and post-move counseling, rent deposits, as well as to offset the administrative costs of operating a mobility program.

HOUSING CERTIFICATE FUND

(INCLUDING RESCISSIONS)

PROGRAM DESCRIPTION

Until fiscal year 2005, the Housing Certificate Fund provided funding for both the project-based and tenant-based components of the Section 8 program. Project-based rental assistance and tenant-based rental assistance are now separately funded accounts. The Housing Certificate Fund retains balances from previous years' appropriations.

COMMITTEE RECOMMENDATION

The Committee has not included a rescission from the Housing Certificate Fund in fiscal year 2017, consistent with the President's request. The Committee has included language that will allow unobligated balances from specific accounts to be used to renew or amend project-based rental assistance contracts.

PUBLIC HOUSING CAPITAL FUND
(INCLUDING TRANSFER OF FUNDS)

Appropriations, 2016	\$1,900,000,000
Budget estimate, 2017	1,865,000,000
Committee recommendation	1,925,000,000

PROGRAM DESCRIPTION

This account provides funding for modernization and capital needs of PHAs (except Tribally Designated Housing Entities), including management improvements, resident relocation, and homeownership activities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$1,925,000,000 for the Public Housing Capital Fund, which is \$60,000,000 more than the budget request and \$25,000,000 more than the fiscal year 2016 enacted level.

Of the amount made available under this account, \$35,000,000 is for supportive services for residents of public housing under the Resident Opportunity and Self-Sufficiency [ROSS] program, and \$15,000,000 is for the Jobs-Plus demonstration. The Committee also recommends up to \$10,000,000 to support the ongoing financial and physical assessment activities performed by the Real Estate Assessment Center [REAC] and \$1,000,000 for the cost of administrative and judicial receiverships. The Committee does not include resources for the ConnectHome initiative, which provides a platform for collaboration among local governments, public housing agencies, Internet service providers, philanthropic foundations, nonprofit organizations and other relevant stakeholders to work together to produce local solutions for narrowing the digital divide in communities across the Nation served by HUD. However, the Committee encourages the Department to partner with these entities to help identify ways residents living in public housing can connect to broadband infrastructure, technical assistance, digital literacy training, and electronic devices that provide access to, and allow adoption of, high-speed Internet.

Flexibility To Meet Pressing Needs.—In an effort to achieve an appropriate balance between flexibility and accountability, the Committee has included a provision permitting housing authorities to establish and maintain replacement reserves. Establishing and maintaining replacement or capital reserves is common practice in real estate, and in fact, they are required for projects in HUD multifamily programs. However, the existing obligation deadlines for public housing capital funds prevent the establishment of such reserves. This limits the ability of PHAs to save for planned capital projects necessary to maintain housing in good condition.

The Committee expects the Department to move quickly to set up the rules and requirements for capital reserves so that PHAs can utilize this new tool to address the significant backlog of capital needs and better plan for future capital requirements. This should include how HUD will ensure that funds are being saved for and spent on needed capital projects.

Additionally, in 1998, Congress included provisions in the Quality Housing and Work Responsibility Act [QHWRA] to provide PHAs with the tools required to access capital markets to address substantial capital needs. QHWRA added section 30 to the U.S. Housing Act of 1937, authorizing PHAs “to mortgage or otherwise grant a security interest in any public housing project or other property of the public housing agency.” As a result of section 30, HUD created the Public Housing Mortgage Program [PHMP]. The PHMP allows PHAs to place a mortgage or other encumbrance on public housing properties where the subject property is owned by the PHA. The Committee understands however that the PHMP is not widely utilized due to HUD guidance that prohibits a first lien position of dwelling units. The Committee understands that this stipulation impedes PHAs’ ability to utilize the program. The Committee is concerned that HUD’s guidance with respect to section 30 may actually be preventing the intended outcomes by limiting PHAs’ ability to access capital markets. The Committee directs the Department to report within 90 days of enactment of this act to the House and Senate Committees on Appropriations regarding the utilization of PHMP, specifying existing program impediments, the Department’s plan to address those impediments, and if the PHMP can be a useful tool to address public housing capital needs.

The Committee further notes that public housing is the only project-based rental assistance program that HUD administers that provides capital and operating funds through separate funding streams. The current structure presents restrictions that are difficult to implement and regulate, and underscores the isolation of public housing properties from mainstream real estate financing and management practices. A merger of these two programs has the potential to simplify the public housing program and reduce the administrative burden on PHAs that own and manage these properties. The Committee directs the Department to submit to the House and Senate Committees on Appropriations within 180 days of enactment of this act an evaluation of the benefits and potential concerns of merging the operating and capital funds into a single public housing account.

Safety and Security in Public Housing.—The Committee directs at least \$5,000,000 of the \$21,500,000 recommended for emergency capital needs for safety and security measures necessary to address crime and drug-related activity in public housing. The Committee has included this specific set-aside because there are PHAs facing safety and security issues that rely on these funds to protect their tenants. The Committee notes that the demand for these funds continues to grow while the amount that HUD is awarding to PHAs is decreasing. The Committee believes that the level of funding recommended will support both repairs from disasters and safety and security improvements. Therefore, the Committee directs the Department to fund eligible safety and security projects with a portion of these funds as quickly as possible. The Committee also includes language this year clarifying that unused funds from the emergency set-aside shall be used to address safety and security needs of PHAs and the residents who live in these properties.

Quality Assurance of Physical Inspections.—The Committee is deeply troubled by reports of deplorable living conditions found in

some HUD-subsidized properties across the country. The scope of this issue spans geographic regions, highlights systemic problems, and calls into question the effectiveness of HUD oversight, and the Real Estate Assessment Center's [REAC] inspections of HUD-assisted housing. At the Committee's March 10, 2016 hearing on HUD's budget request for fiscal year 2017, the Department acknowledged the need to improve REAC inspection protocols and expressed its commitment to improving its processes. These efforts include: proposing changes to civil monetary penalties; reducing the time it takes to issue tenant protection vouchers to tenant living in unsuitable living conditions; and the creation of an internal working group that will review and provide recommendations on how the inspection process can be improved.

The Committee encourages the Department to work with the House and Senate authorizing committees on enforcement actions, including civil monetary penalties, that HUD can take to ensure PHAs and landlords maintain the physical quality of HUD-assisted units. However, the Committee notes that those actions do not improve the quality of the inspection protocols.

Similarly, while the Committee is supportive of efforts to quickly issue tenant-protection vouchers, the issuance of these vouchers is a tacit acknowledgement that the Department has failed to ensure units are maintained as decent, safe and sanitary. Additionally, failure to maintain the physical condition of HUD-assisted properties results in a loss of critical affordable housing and tenant protection vouchers are of questionable value to families that encounter a lack of affordable housing in their communities.

The Committee has been apprised of the action items developed by HUD's inspection working group and is underwhelmed by the results. The Committee is disappointed that the Department has not taken this opportunity to develop a broader Departmental strategy that includes, for example, a review of whether a reverse auction is the best procurement practice for this line of business or address improvements to the oversight of inspections. The Committee is particularly disappointed that despite acknowledging that issues impacting the health of residents, including mold, do not trigger a sufficient subtraction of points to the inspection score, and the need to adjust the scoring system, those actions have not been identified by the working group as issues to address.

The Committee understands that HUD is in the midst of hiring additional staff within REAC to increase quality assurance of physical inspections; continuing work on implementing a single inspection protocol for public housing and voucher units, including the review of voucher standards; and developing notices to address inspection changes. Rather than direct additional requirements and changes at this time, the Committee expects the Department to move swiftly to implement previously identified deficiencies in physical condition inspection protocols. The Committee further directs the Department to solicit comments from stakeholders, including tenants, to identify ways the Department can improve its inspection protocols and oversight. The Committee will continue to closely monitor the Department's efforts and progress and directs the Department to submit to the House and Senate Committees on Appropriations within 60 days of enactment of this act a report

identifying how HUD is improving the inspection process and related protocols, including quality assurance of inspections, identified actions yet to be implemented, the status of actions undertaken, and a timeline for completion of all actions.

Lead-Based Paint.—In 2010, Abt. Associates reported on capital needs in public housing and found that approximately 62,000 public housing units required lead-based paint abatement. Yet, HUD is unable to verify what actions the more than 3,100 public housing agencies are taking to identify and address lead-based paint hazards in the more than 1 million public housing units across the country. The Committee is extremely concerned that HUD lacks the necessary oversight and quality assurance of lead and routine physical inspections to determine whether lead-based paint hazards are present in these homes, particularly in units where there are children under the age of 6. The Committee is further concerned that HUD is unable to identify which units or quantify how much of the public housing stock meet the standards currently set forth in HUD's physical inspection and lead-based paint hazard regulations. This information is essential to understanding the resource and health challenges faced by HUD, PHAs, and public housing residents.

The Committee believes that the Department has the statutory authority to collect and analyze data on lead-based paint hazards in public housing units, and apply better quality assurance measures on routine physical inspections. While current HUD housing quality standards require that the physical condition of housing choice voucher units be free of health hazards, including lead-based paint, HUD inadequately performs quality assurance and oversight measures to enforce this requirement. The Committee notes that HUD's Lead-Safe Housing Rule requires PHAs to conduct a lead inspection and risk assessment in all public housing units that pre-date 1978, and where a child under the age of 6 currently or is expected to reside. These units are subject to rigorous inspection standards that require scientific testing of paint and dust samples found in the home, and where necessary, abating or performing interim controls to make the unit livable and safe for these children. Under the Uniform Physical Condition Standard [UPCS] regulations, PHAs must maintain verification that this work has been performed, and at the time of routine physical inspection, provide the inspector with proof that a Lead-Based Paint Inspection was conducted, and where necessary, that a Lead-Based Paint Disclosure Form has been signed by the PHA and the resident. However, PHAs are not required to store this documentation at the property, and inspectors are only verifying the presence of documentation—there is no regulatory requirement to verify the content or findings of lead-based paint inspections or, where necessary, steps PHAs have taken to address any lead-based paint hazards. The Committee is concerned that UPCS does not require inspectors to verify that a public housing unit has been evaluated for, and to the extent necessary, made safe of lead-based paint hazards in accordance with lead-based paint regulations. The Committee is further dismayed that HUD does not analyze the lead-based paint section from the inspection checklist to determine a PHA's compliance with lead-based paint regulations and, where necessary, identify and

provide the necessary oversight to ensure they become compliant. The Committee directs HUD to establish and implement a process that improves data collection and analysis of actions PHAs are taking to comply with lead-based paint regulations in public housing units by March 31, 2017, and report semi-annually to the House and Senate Committees on Appropriations on this progress. At a minimum, this report should include the steps HUD has taken to ensure PHAs are in statutory and regulatory compliance, as well as the number and location of units that are not in compliance with current inspections and lead-based paint regulations. The Committee also directs the Department to identify and report on the incidences and prevalence of lead-based paint hazards in public housing units. The Committee also directs the REAC to provide monthly updates to the public housing program offices, in the field and headquarters, on UPCS inspections conducted in public housing that do not meet the lead-based paint documentation requirements outlined in HUD’s regulation.

As HUD amends its blood lead level standards to align with the CDC’s standards, HUD anticipates more than 1,500 public housing units, where children under the age of 6 reside, will require an environmental intervention. The Committee recommendation includes \$25,000,000 to help PHAs address this new regulatory requirement. This funding shall be competitively awarded to PHAs to evaluate and reduce lead-based paint hazards in public housing units, which may include lead inspections, risk assessments, interim controls, and abatements.

In order to improve communication with PHAs on lead-safe housing, the Committee directs the Department to issue clarifying guidance explaining the importance of lead-safe housing and the changes the Department is undertaking to align standards with CDC and improve its processes. The Committee recognizes that some PHAs are already effectively applying lead-safe standards, and directs HUD to identify and disseminate best practices on making, and keeping, units lead safe. In addition to disseminating best practices, the Department is directed to provide training on lead-safe housing issues targeted to PHA maintenance and property management staff. Finally, the Committee strongly encourages PHAs to work closely with tenants to improve their awareness of lead-based paint hazards in the home.

PUBLIC HOUSING OPERATING FUND

Appropriations, 2016	\$4,500,000,000
Budget estimate, 2017	4,569,000,000
Committee recommendation	4,675,000,000

PROGRAM DESCRIPTION

This account provides funding for the payment of operating subsidies to approximately 3,100 PHAs (except Tribally Designated Housing Entities) with a total of approximately 1.2 million units under management in order to augment rent payments by residents in order to provide sufficient revenues to meet reasonable operating costs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$4,675,000,000 for the public housing operating fund, which is \$106,000,000 more than the budget request and \$175,000,000 more than the fiscal year 2016 enacted level.

The Committee has included provisions providing PHAs with the ability to establish capital reserves. The Committee notes that many PHAs have taken steps to achieve operational savings by improving energy efficiency or otherwise reducing expenses, and has included a provision that establishes a utility conservation pilot that incentivizes a reduction in public housing utility consumption and costs, and provides PHAs with the ability to reinvest such savings in their properties and operations.

The Committee also recognizes that PHAs face administrative and regulatory burdens and it reiterates support for regulatory and administrative relief that result in cost savings, while still maintaining effective and meaningful oversight.

Over-income Residents in Public Housing.—The Committee believes that public housing assistance should go to those that truly need it. A July 2015 HUD OIG report found that more than 25,000 public housing families have incomes above the income limits, which raises concern that current processes do not ensure that public housing funds are meeting their intended purpose. The Committee strongly encourages the Department to update its rules related to over-income public housing residents to ensure there is a process in place to identify over-income residents and that they are transitioned out of public housing, where appropriate.

CHOICE NEIGHBORHOODS INITIATIVE

Appropriations, 2016	\$125,000,000
Budget estimate, 2017	200,000,000
Committee recommendation	80,000,000

PROGRAM DESCRIPTION

The Choice Neighborhoods Initiative provides competitive grants to transform impoverished neighborhoods into functioning, sustainable, mixed-income neighborhoods with co-location of appropriate services, schools, public assets, transportation options, and access to jobs or job training. Choice Neighborhoods grants fund the preservation, rehabilitation, and transformation of public and HUD-assisted housing, as well as their neighborhoods. Grantees include PHAs, tribes, local governments, and nonprofit organizations. For-profit developers may also apply in partnership with another eligible grantee. Grant funds can be used for resident and community services, community development and affordable housing activities in surrounding communities. Grantees undertake comprehensive local planning with input from residents and the community.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$80,000,000 for the Choice Neighborhoods initiative. This amount is \$45,000,000 less than the fiscal year 2016 enacted level and \$120,000,000 less than the budget request. Of the total amount provided, no more

than \$5,000,000 may be used for planning, including planning and action, grants. Choice Neighborhoods seeks to build on the HOPE VI program by expanding the types of eligible grantees and allowing funding to be used on HUD-owned or assisted housing, as well as the surrounding community. However, the Committee notes that the work to replace distressed public housing is far from complete. Therefore, the Committee has included language that stipulates that not less than \$48,000,000 of the funding provided shall be awarded to projects where PHAs are the lead applicant. The goal of Choice Neighborhoods is to replace distressed housing as a way to improve communities and the lives of residents. Therefore, HUD should not limit applicants to a narrowly defined set of neighborhoods since it may prevent the replacement of eligible and worthy public or assisted housing projects that are outside such designated neighborhoods from competing for funding.

The Committee also notes that successful community planning brings together multiple partners and funding sources that aid in the implementation of that plan. The Committee includes language this year directing that implementation grants may only be awarded to applicants who have previously been awarded planning grants. The Committee believes this will incentivize communities to engage in robust planning efforts before taking on transformation initiatives, while also ensuring the Department awards funds to those proposals that are most likely to result in successful implementation.

Inherent in the Choice Neighborhoods initiative is the understanding that community transformation requires more than replacing housing. The creation of vibrant, sustainable communities also requires greater access to transportation, jobs and services that will increase opportunities for community residents. However, HUD funding cannot support all of these activities. The Committee has been encouraged by the ability of Choice Neighborhood grantees to leverage significant resources with their grant awards. In addition, the Committee urges HUD to identify successful partnership strategies that can not only be utilized by future Choice Neighborhood grantees, but can also serve as models for traditional public housing and HUD-assisted housing program providers that want to improve services for their residents.

FAMILY SELF-SUFFICIENCY

Appropriations, 2016	\$75,000,000
Budget estimate, 2017	75,000,000
Committee recommendation	75,000,000

PROGRAM DESCRIPTION

The Family Self-Sufficiency [FSS] program provides funding to help Housing Choice Voucher, project-based Section 8, and Public Housing residents achieve self-sufficiency and economic independence. The FSS program is designed to provide service coordination through community partnerships that link residents with employment assistance, job training, child care, transportation, financial literacy, and other supportive services. The funding will be allocated through one competition to eligible PHAs to support service

coordinators who will serve both public housing and vouchers residents.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$75,000,000 for the FSS program in fiscal year 2017, an amount equal to the fiscal year 2016 enacted level and the budget request.

The Committee strongly supports the FSS program, which helps provide public housing and Section 8 residents with the tools to improve their lives and achieve self-sufficiency. In fiscal year 2014, the Committee combined Section 8 voucher and public housing FSS programs so that public housing agencies could manage one unified program. Beginning in fiscal year 2015, the Committee included language to expand the program so that it could serve residents living in project-based Section 8 housing. This authority allows property owners to create escrow accounts and fund service coordinators with residual receipts. As a result of this language, HUD is piloting FSS at select project-based Section 8 properties. The Committee expects that through this pilot, HUD will identify best-practices and limitations to implementation, and take those lessons learned into consideration, before issuing a notice or guidance to take the program to scale.

As HUD continues to work to streamline and expand the program, the Committee also expects HUD to identify best practices in the field that are successfully improving outcomes for residents. The Committee encourages HUD to consider best practices for how to increase participation, improve alignment between eligible uses of funding and milestones, and incorporate financial education into the program design.

INDIAN BLOCK GRANTS

Appropriations, 2016	\$710,000,000
Budget estimate, 2017	780,000,000
Committee recommendation	714,000,000

Note: The amounts for fiscal year 2016 enacted and the budget request include amounts funded or requested in the Community Development Fund for the Indian Community Development Block Grant program.

PROGRAM DESCRIPTION

This account funds the Indian Housing Block Grant Program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 [NAHASDA]. This program provides a funding allocation on a formula basis to Indian tribes and their tribally designated housing entities to help address the housing needs within their communities. Under this block grant, Indian tribes use performance measures and benchmarks that are consistent with the national goals of the program, but can base these measures on the needs and priorities established in their own Indian housing plan.

This account also funds the Indian Community Development Block Grant Program, as authorized under title I of the Housing and Community Development Act of 1974, as amended. These funds are awarded on a competitive basis to Indian tribes for the funding of tribal community development needs.

COMMITTEE RECOMMENDATION

To increase the transparency around funding for Native Americans, the Committee recommendation provides for both the Indian Housing Block Grant and Indian Community Development Block Grant programs under a single heading.

The Committee recommends a total of \$648,500,000 for the Indian Housing Block Grant [IHBG] and Title VI Loan Guarantee programs, of which \$646,500,000 is for IHBG formula grants and \$2,000,000 is for credit subsidy to support a Title VI guaranteed loan level not to exceed \$17,857,142. The recommended level of funding is \$4,000,000 more than the amount provided in fiscal year 2016 and \$51,500,000 below the budget request.

The recommendation also includes \$60,000,000 for the Indian Community Development Block Grant [ICDBG] program. The recommended level of funding is equal to the amount provided in fiscal year 2016 and \$20,000,000 below the budget request. Recognizing the tremendous needs in Indian Country and the limited resources available to address these challenges, the Committee includes a new provision this year limiting the amount of funding a tribe may receive from the IHBG program to not more than 10 percent. The Committee directs HUD to collect data as part of tribes' Indian Housing Plan submissions on new program activity that is generated due to this provision.

IHBG is a vital resource for tribal governments to address the dire housing conditions in Indian Country, and access to affordable housing remains in a critical state for many tribes across the country. Native Americans are twice as likely to live in poverty compared to the rest of the Nation. As a result, the housing challenges on tribal lands are daunting. According to the U.S. Census American Community Survey for 2006–2010, 8.1 percent of homes on American Indian reservations and off-reservation trust land are overcrowded, compared to 3.1 percent of households nationwide. The number of households on reservation lands with severe housing costs that spend more than 50 percent of their income on housing has risen 46 percent over the past decade.

The Committee believes the housing goals for American Indians and Alaska Natives established in the NAHASDA, including section 802, remain a priority. The housing programs authorized in NAHASDA serve communities who are disproportionately low income, more likely to experience homelessness or overcrowded living conditions and unable to utilize traditional lending sources. The programs have aided thousands of individuals and families in the pursuit of safe, affordable housing and the Committee encourages HUD to continue providing appropriate assistance and resources based on continued demonstrable need.

Coordinated Environmental Reviews for Tribal Housing and Related Infrastructure.—In fiscal year 2015, the Committee directed HUD to collaborate with the Council on Environmental Quality and affected Federal agencies, including the Department of the Interior, Agriculture, Commerce, Energy, Health and Human Services, the Federal Highway Administration, and the Environmental Protection Agency, to develop a coordinated environmental review process to simplify tribal housing development and its related in-

infrastructure needs. The Committee expects HUD to continue to update the Committee on the status and progress of these ongoing efforts.

Technical Assistance.—Limited capacity hinders the ability of many tribes to effectively address their housing needs. The Committee recommendation includes \$5,500,000 for technical assistance needs in Indian country to support both the IHBG and ICDBG programs. The Committee directs that these technical assistance funds be administered by PIH and not be merged with the broader Community Compass initiative administered by the Office of Policy Development and Research. The Committee expects HUD to use the technical assistance funding provided to aid tribes with capacity challenges, especially tribes receiving small grant awards. The funding should be used for training, contract expertise, and other services necessary to improve data collection, increase leveraging, and address other needs identified by tribes. The Committee also expects that these technical assistance funds will be provided to both national and regional organizations with experience in providing technical assistance that reflects the unique needs and culture of Native Americans.

Oversight Plan.—Within 30 days of enactment of this act, the Committee directs HUD to submit a fiscal year 2017 oversight plan for the funds under this heading to the House and Senate Committees on Appropriations.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2016	\$7,500,000	\$1,190,476,190
Budget estimate, 2017	5,500,000	1,341,463,415
Committee recommendation	6,500,000	1,585,365,854

PROGRAM DESCRIPTION

This program provides access to private financing for Indian families, Indian tribes, and their tribally designated housing entities that otherwise could not acquire housing financing because of the unique status of Indian trust land. HUD continues to be the largest single source of financing for housing in tribal communities. This program makes it possible to promote sustainable reservation communities by providing access to financing for higher income Native Americans to achieve homeownership within their Native communities. As required by the Federal Credit Reform Act of 1990, this account includes the subsidy costs associated with the loan guarantees authorized under this program.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$6,500,000 in program subsidies to support a loan level of \$1,585,365,854. This subsidy amount is \$1,000,000 less than the fiscal year 2016 enacted subsidy level and \$1,000,000 more than the budget request. Included in the Committee’s recommendation is \$1,000,000 to assist tribes and tribally designated housing entities to construct rental housing for law enforcement, healthcare, educational, and

other skilled workers. The development of this rental stock is critical to enable tribes to attract and retain professionals in these fields who are often missing in Indian country due to the lack of existing rental housing and the distances between tribal lands and available housing. The Committee is concerned that the Department has failed to submit a report to the House and Senate Committees on Appropriations, as previously directed, on how HUD has utilized the funding provided for administrative contract expenses including management processes and systems. The Committee is equally troubled that in addition to failing to submit the required information, the Department has also failed to use such funds to address critical systemic management and oversight shortcomings despite having over \$2.6 million in unobligated balances for this purpose. While the Committee believes this program is important to helping meet housing needs in Indian country, the lack of action by the Department compels the Committee to direct the Office of Inspector General to undertake a review of the management and oversight of the section 184 loan program, including related information technology systems, and to report its finding to the House and Senate Committees on Appropriations within 120 days of enactment of this act.

NATIVE HAWAIIAN HOUSING BLOCK GRANT

Appropriations, 2016 .....	.....
Budget estimate, 2017	\$500,000
Committee recommendation	5,000,000

PROGRAM DESCRIPTION

The Hawaiian Homelands Homeownership Act of 2000 created the Native Hawaiian Housing Block Grant program to provide grants to the State of Hawaii Department of Hawaiian Home Lands for housing and housing-related assistance, in order to develop, maintain, and operate affordable housing for eligible low-income Native Hawaiian families.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$5,000,000 for the Native Hawaiian Housing Block Grant Program, which is \$5,000,000 more than the fiscal year 2016 enacted level and \$4,500,000 more than the budget request.

The Native Hawaiian Housing Block Grant Program [NHHBG] provides funding for affordable housing activities on Hawaiian home lands to eligible Native Hawaiian families. This program is necessary given the general living conditions and poverty rates for Native Hawaiians. According to the 2011–2013 American Community Survey, approximately 19 percent of Native Hawaiian households were overcrowded compared to 3.3 percent of all households in the United States, and about 18.4 percent of Native Hawaiians in Hawaii live in poverty. Meanwhile, the median value of an owner-occupied home in Hawaii was \$495,400, compared to \$173,200, nationwide making access to affordable housing extremely challenging for residents of the isolated, ocean-locked State.

Hawaiian home lands are dispersed throughout the Hawaiian Islands and are often in less desirable areas with steep terrain that is difficult to access and develop. The challenges involved with development of this raw land add to the already high cost of construction in the State. Project development is a lengthy process that involves complex environmental reviews with strict water resource requirements, procurement of construction contracts, and installation of entire public works systems. These challenges have impeded the Department of Hawaiian Homeland’s ability to advance the traditional model of single housing family community developments. The Committee is concerned that this traditional housing model does not address the severe housing needs of the 34,100 low-income Native Hawaiian households that are eligible for assistance under the NHHBG program. The Committee directs HUD to ensure that the funds provided are administered to maximize the provision of affordable housing through the construction of high density, multi-family affordable housing and rental units, as well as housing counseling services and the rehabilitation of housing on Native Hawaiian home lands that do not meet safe and sanitary housing building standards.

COMMUNITY PLANNING AND DEVELOPMENT

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

Appropriations, 2016	\$335,000,000
Budget estimate, 2017	335,000,000
Committee recommendation	335,000,000

PROGRAM DESCRIPTION

The Housing Opportunities for Persons With AIDS [HOPWA] program provides States and localities with resources and incentives to devise long-term, comprehensive strategies for meeting the housing and supportive service needs of persons living with HIV/AIDS and their families.

Since 1990, by statute, 90 percent of formula-appropriated funds are distributed to qualifying States and metropolitan areas on the basis of the number of AIDS cases and incidence of AIDS reported to the Centers for Disease Control and Prevention by March 31 of the year preceding the fiscal year. The remaining 10 percent of funds are awarded through a national competition, with priority given to the renewal of funding for expiring agreements consistent with appropriations act requirements.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$335,000,000 for the Housing Opportunities for Persons With AIDS [HOPWA] program. This level of funding is equal to the President’s budget request and the fiscal year 2016 enacted level. The Committee continues to include language requiring HUD to allocate these funds in a manner that preserves existing HOPWA programs, to the extent that those programs are determined to be meeting the needs of persons with HIV/AIDS.

HOPWA Formula Modernization.—The Committee recommendation once again includes a change to the HOPWA formula re-

quested in the President’s budget and part of the administration’s comprehensive National HIV/AIDS Strategy. Currently, 55 percent of the statutorily required cumulative AIDS cases used to determine the formula program represent deceased individuals. The Committee recommendation seeks to distribute funding more equitably to reflect the HIV epidemic’s impact among communities with highest burden of HIV cases while addressing the increasingly disproportionate impact of HIV on communities of poverty and color.

The formula modernization requires that 75 percent of the formula funds be distributed to cities with population greater than 500,000 and with more than 2,000 persons living with HIV, and the remaining 25 percent distributed to States and metropolitan statistical areas based on fair market rents (to account for high housing costs in certain areas) and area poverty indexes (to account for high-poverty areas lacking services). The Committee is aware of concerns in certain communities that would receive substantial reduction in funding as a result of the formula modernization, and has included language to prevent any grantee from losing more than 5 percent or gaining more than 10 percent of the average share of the total formula allocation of the previous fiscal year. The Committee directs HUD to prioritize any competitive funding available, after renewing all competitive expiring contracts, to grantees that lose funding due to the formula modernization.

COMMUNITY DEVELOPMENT FUND

Appropriations, 2016	\$3,000,000,000
Budget estimate, 2017	2,800,000,000
Committee recommendation	3,000,000,000

PROGRAM DESCRIPTION

Under title I of the Housing and Community Development Act of 1974, as amended, the Department is authorized to award block grants to units of general local government and States for the funding of local community development programs. A wide range of physical, economic, and social development activities are eligible with spending priorities determined at the local level, but the law enumerates general objectives which the block grants are designed to fulfill, including adequate housing, a suitable living environment, and expanded economic opportunities, principally for persons of low and moderate income. Grant recipients are required to use at least 70 percent of their block grant funds for activities that benefit low- and moderate-income persons.

Funds are distributed to eligible recipients for community development purposes utilizing the higher of two objective formulas, one of which gives somewhat greater weight to the age of housing stock. Of the funds appropriated, 70 percent are distributed to entitlement communities and 30 percent are distributed to nonentitlement communities after deducting designated amounts for insular areas.

COMMITTEE RECOMMENDATION

The Committee has provided \$3,000,000,000 for Community Development Block Grants [CDBG]. The recommended amount is \$200,000,000 more than the budget request and equal to the fiscal

year 2016 enacted level. CDBG funding provides States and entitlement communities with resources that allow them to undertake a wide range of community development activities, including public infrastructure improvements, housing rehabilitation and construction, job creation and retention, and public services that primarily benefit low and moderate income persons. The Committee urges CDBG grantees to consider funding eligible activities and projects that increase access to transit and intercity passenger rail options for persons of low and moderate income.

The flexibility associated with CDBG enables State and local governments to tailor solutions to effectively meet the unique needs of their communities. The Committee notes the importance of States and local grantees meeting the program’s three national objectives, as they utilize the program’s resources to address a wide range of community needs. As HUD works with communities to determine eligible activities that meet the national objective of benefiting low-and-moderate-income persons, the Committee encourages the Department to extend flexibility for rural communities under 1,000 residents to use alternate sources of data to establish Low-Moderate Income Survey Data [LMISD] when American Community Survey [ACS] data is considered by the Community Development Block Grant applicant to be unreliable.

To ensure the program remains flexible, but also accountable and transparent, the Committee recommendation continues provisions in bill language that prohibit any community from selling its CDBG award to another community and that any funding provided to a for-profit entity for an economic development project funded under this act undergo appropriate underwriting. The Committee has included these provisions to address concerns raised about how program dollars have been used and mitigate risks associated with it.

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT

	Program account	Limitation on guaranteed loans
Appropriations, 2016	\$300,000,000
Budget estimate, 2017	\$300,000,000
Committee recommendation	\$300,000,000

PROGRAM DESCRIPTION

Section 108 of the Housing and Community Development Act of 1974, as amended, authorizes the Secretary to issue Federal loan guarantees of private market loans used by entitlement and non-entitlement communities to cover the costs of acquiring real property, rehabilitation of publicly owned real property, housing rehabilitation, and other economic development activities.

COMMITTEE RECOMMENDATION

The Committee recommendation provides a loan level guarantee of \$300,000,000 which is equal to the fiscal year 2016 enacted level and the budget request. The Committee requires HUD to collect fees to offset credit subsidy costs such that the program operates at a zero credit subsidy cost.

This program enables CDBG recipients to use their CDBG dollars to leverage financing for economic development projects, community facilities, and housing rehabilitation programs. Communities are allowed to borrow up to five times their most recent CDBG allocation.

The Committee notes that in November 2015, HUD issued the necessary rules to implement a fee-based structure for this program. The Committee expects HUD to ensure that a financing structure is in place by the beginning of the fiscal year so that this important program remains available to communities. In addition, HUD must provide communities with information and any technical assistance needed to successfully utilize the program.

HOME INVESTMENT PARTNERSHIPS PROGRAM

Appropriations, 2016	\$950,000,000
Budget estimate, 2017 ¹	950,000,000
Committee recommendation	950,000,000

¹ Includes \$10,000,000 for the Self-Help and Assisted Homeownership Opportunity Program

PROGRAM DESCRIPTION

Title II of the National Affordable Housing Act, as amended, authorizes the HOME Investment Partnerships Program. This program provides assistance to States and local governments for the purpose of expanding the supply and affordability of housing to low-income and very low-income people. Eligible activities include tenant-based rental assistance, acquisition and rehabilitation of affordable rental and ownership housing, and housing construction. To participate in the HOME program, State and local governments must develop a comprehensive housing affordability strategy. There is a 25 percent matching requirement for participating jurisdictions, which can be reduced or eliminated if they are experiencing fiscal distress.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$950,000,000 for the HOME Investment Partnerships Program. This amount is equal to the fiscal year 2016 enacted level. The amount is equal to the budget request, but the budget also proposes to fund a \$10,000,000 Self-Help and Assisted Homeownership Program [SHOP] program out of this account, which the Committee has rejected. The recommendation does not include the requested statutory changes to the HOME program. The Committee encourages the Department to work with the authorizing committee on these statutory changes to the program.

Affordable Housing Needs.—The Committee notes the substantial gains made by HOME in increasing the supply and affordability of housing for low-income families. According to the March 2016 HOME National Production Report, since 1992 States and localities have used \$26 billion in HOME funds to leverage an additional \$117 billion in public and private resources to build or preserve 1.2 million homes and provide rental assistance to 313,558 families. HOME has been particularly successful in helping extremely low-income families (at or below 30 percent of area median income) who have received 40 percent of assistance for affordable rental

housing during the past 5 years. The Committee stresses the importance of HUD working with communities that are seeking Federal resources to directly assist low-to-moderate income homeowners with improving and renovating their homes to maintain property values and create sustainable, livable, attractive, and safe neighborhoods. HOME is also a critical part of meeting the supportive housing needs of the low-to-moderate income individuals and families, including veterans, persons with disabilities and seniors. In addition, it is the only Federal housing program exclusively focused on providing States with the flexible financing needed to address our most pressing housing needs.

SELF-HELP AND ASSISTED HOMEOWNERSHIP OPPORTUNITY PROGRAM

Appropriations, 2016	\$55,700,000
Budget estimate, 2017	
Committee recommendation	54,000,000

PROGRAM DESCRIPTION

The Self-Help and Assisted Homeownership Opportunity Program is comprised of the Self-Help Homeownership Program [SHOP], which assists low-income homebuyers willing to contribute “sweat equity” toward the construction of their houses. These funds increase nonprofit organizations’ ability to leverage funds from other sources. This account also includes funding for the Capacity Building for Community Development and Affordable Housing Program, as well as assistance to rural communities as authorized under sections 6301 through 6305 of Public Law 110–246, and funds the rehabilitation and modifications of homes for Veterans that are low-income and disabled as authorized by section 1079 of Public Law 113–291. These programs help to develop the capacity of nonprofit community development organizations to carry out community development and affordable housing projects.

COMMITTEE RECOMMENDATION

The Committee recommends \$54,000,000 for the Self-Help and Assisted Homeownership Program, which is \$1,700,000 less than the fiscal year 2016 enacted level, and \$54,000,000 more than the request. The Committee rejects the administration’s proposal to shift a portion of the funding for these activities to the HOME program, and make the section 4 program activities an eligible activity of funds transferred from various programs to the Office of Policy Development and Research. The Committee supports leaving this heading as a standalone account and opposes efforts to shift these funds into other accounts. The Committee recommendation includes \$10,000,000 for SHOP, as authorized under section 11 of the Housing Opportunity Extension Act of 1996; \$35,000,000 for capacity building as authorized by section 4 of the HUD Demonstration Act of 1993; \$5,000,000 to carry out capacity building activities in rural communities; and, \$4,000,000 million for a program to rehab and modify housing for Veterans that are low-income and disabled. The Committee notes that funding for technical assistance is being provided under the Office of Policy Development and Research and directs funds available for section 4 to be used solely for capacity building activities.

The Rural Capacity Building Program is intended for truly national organizations. For the purposes of the National Rural Capacity Building Notification of Funding Availability [NOFA], the Committee directs HUD to define an eligible national organization as a nonprofit entity that has on-going experience in rural housing, including experience working with rural housing organizations, local governments, and Indian tribes, as evidenced by past and continuing work in one or more States in eight or more of HUD’s Federal regions.

HOMELESS ASSISTANCE GRANTS

Appropriations, 2016	\$2,250,000,000
Budget estimate, 2017	2,664,000,000
Committee recommendation	2,330,000,000

PROGRAM DESCRIPTION

The Homeless Assistance Grants Program provides funding to break the cycle of homelessness and to move homeless persons and families to permanent housing. This is done by providing rental assistance, emergency shelter, transitional and permanent housing, prevention, rapid re-housing, and supportive services to homeless persons and families or those at risk of homelessness. The emergency solutions grant program is a formula grant program, while the Continuum of Care and Rural Housing Stability Programs are competitive grants. Homeless assistance grants provide Federal support to the Nation’s most vulnerable populations. These grants assist localities in addressing the housing and service needs of a wide variety of homeless populations while developing coordinated Continuum of Care [CoC] systems that ensure the support necessary to help those who are homeless attain housing and move toward self-sufficiency.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$2,330,000,000 for Homeless Assistance Grants in fiscal year 2017. This amount is \$334,000,000 less than the President’s request, and \$80,000,000 more than the fiscal year 2016 enacted level.

As part of the Committee recommendation, at least \$2,013,000,000 will support the Continuum of Care Program, including the renewal of existing projects, and the Rural Housing Stability Assistance Program. Based on the renewal burden, HUD may also support planning and other activities authorized by the HEARTH Act. The recommendation also includes at least \$250,000,000 for the emergency solutions grants program [ESG].

The Committee supports HUD’s efforts to leverage existing housing resources, such as Section 8 vouchers, to serve the homeless. While the Committee notes that permanent supportive housing is more efficient and effective at addressing homelessness among adults than transitional housing, it is also aware that in some communities transitional housing has been found to be effective. To avoid service gaps at the local level, the Committee encourages the Department to be receptive to renewing such transitional housing projects. The Committee also supports replacing existing, underperforming projects with new permanent supportive housing projects.

Therefore, if funds remain available in this account after meeting renewal demands and funding ESG, HUD may use it for new projects, provided that such projects are targeted to areas with the greatest need, as measured by homeless data.

Data on Youth Homelessness.—The Committee believes an accurate count is critical to understanding the scale of youth homelessness. While the Annual Homelessness Assessment Report [AHAR] provides Congress and the public with meaningful information on the progress in ending homelessness, other Federal agencies have youth-specific data that can help communities better understand the scope of youth homelessness and housing instability in their area. The Committee continues to direct HUD to incorporate additional Federal data on youth homelessness into the AHAR.

Comprehensive Interventions to Prevent and End Youth Homelessness.—The Committee recommendation includes \$40,000,000 to continue implementation of comprehensive approaches to serving homeless youth

Clarifying Eligibility and Documentation Requirements for Homeless Youth.—The Committee remains concerned that service providers are turning homeless youth away due to a lack of clarity on HUD's existing eligibility and documentation requirements. While HUD has issued some guidance on how youth qualify for assistance under the current definition, service providers remain challenged with identifying and serving youth who are unaccompanied or head of household, faced with domestic violence, trafficking, or other unsafe circumstances—the most vulnerable and hard-to-reach homeless youth—due to lack of clarity in HUD's regulation and guidance. The Committee continues to hear from service providers that documentation requirements pose a barrier for individuals and families, especially youth, to access HUD programs and services. The Committee includes language that waives the requirement for youth 24 and under to provide third-party documentation to receive housing and supportive services within the Continuums of Care. The Committee strongly believes documentation requirements should not be a basis for denying access to necessary services. The Committee believes the Department shares the goal of effectively addressing youth homelessness and ensuring no youth eligible go unserved where there is the local capacity to house and/or provide services. Therefore, the Committee encourages the Department to continue to clarify program requirements through guidance, notice and webcasts as appropriate.

Performance Partnership Pilot.—The Committee has continued language permitting HUD to partner with other Federal agencies in the Performance Partnership Pilot program, a cross-Federal agency initiative serving disconnected youth through innovative, cost-effective, and outcome-focused strategies. The Committee believes there is a critical role HUD can play in this pilot, especially as communities seek to address the housing and self-sufficiency needs of disconnected youth.

HUD shall inform the House and Senate Committees on Appropriations no later than 45 days after enactment of this act, how the Department will strategically align within the Performance Partnership Pilot program. This shall also include: (1) the amount and source of funding the Department will allocate to the pilot; (2) the

Department’s role in grantee criteria and selection processes, and; (3) the Department’s role in oversight and accountability for its contributions. Not later than 15 days after pilots have been announced, the Department shall brief the Committees on the scope of each pilot project, including goals, objectives and intended outcomes, and an outline of specific metrics that will be used to evaluate and determine the effectiveness of the pilot project and its outcomes.

Annual Homeless Assessment Report.—AHAR is a result of Congressional directives beginning in 2001, that charged the Department to collect data on homelessness, using the newly implemented Homeless Management Information System [HMIS]. HMIS data, information provided by Continuums of Care, and a point-in-time count of sheltered and unsheltered persons from one night in January of each year informs AHAR. The Committee is encouraged that HUD is sharing homeless data widely, and that Federal, State and local service providers use AHAR to determine needs and develop strategies to address homelessness.

The Committee believes HMIS can be used as a platform for information gathering in other Federal programs. Streamlining data to reflect the various Federal data sources will allow the Federal Government to better understand the scope and needs of homeless populations, to then inform a strategic alignment of Federal services. The Committee directs HUD to incorporate additional Federal data on homelessness in the AHAR. This information is important to ensure that communities develop and implement policies that respond to local needs. To support continued data collection and AHAR, the Committee has included \$7,000,000 to support AHAR data collection and analysis. The Department shall submit the AHAR report by August 29, 2017. The Committee further hopes that HUD’s efforts to increase participation in the HMIS effort will lead to improved information about and understanding of the Nation’s homeless.

Renewal Costs.—The Committee directs HUD to continue to include 5-year projections of the costs of renewing existing projects as part of the fiscal year 2018 budget justification. This should include estimated costs of renewing permanent supportive housing.

HOUSING PROGRAMS

RENTAL ASSISTANCE DEMONSTRATION

Appropriations, 2016	
Budget estimate, 2017	\$50,000,000
Committee recommendation	4,000,000

PROGRAM DESCRIPTION

The Rental Assistance Demonstration [RAD] was authorized in fiscal year 2012 to preserve public and other multifamily housing. Under existing authorities, PHAs and other owners of rental properties assisted under the Public Housing, Moderate Rehabilitation [Mod Rehab], Moderate Rehabilitation Single-Room Occupancy [Mod Rehab SRO], Rent Supplement [Rent Supp] and Rental Assistance Payment [RAP] programs are offered the option to convert their properties to Section 8 contracts.

COMMITTEE RECOMMENDATION

The Committee recommendation includes provisions permitting Section 202 PRAC properties to convert to Section 8 contracts. The current contracts are limited to 1 year and impede successfully addressing capital needs for these properties. Conversion to multi-year Section 8 contracts will enable properties to leverage private financing for capital improvements, enabling these properties to remain a source of critical affordable housing for low-income elderly residents. The Committee recommendation also includes \$4,000,000 for the Rental Assistance Demonstration, which is \$4,000,000 more than the fiscal year 2016 enacted level and \$46,000,000 less than the budget request. This funding is limited to providing additional rental subsidy for Section 202 PRAC properties converting to Section 8 contracts that will not be able to successfully convert at the current subsidy amounts.

The Committee recommendation also includes the following proposals to facilitate additional conversions of HUD-assisted properties: (1) increases the current unit cap on Public Housing conversions to 250,000; (2) eliminates the deadline of September 30, 2018, for submission of RAD applications; (3) enables Section 202 PRAC properties to convert to Section 8 contracts; (4) promotes the preservation of multifamily properties in high-cost areas; (5) standardizes ownership and control requirements for converted Public Housing properties in situations where low-income housing tax credits are used or where foreclosure, bankruptcy, or default occurs; and (6) protects tenants' right to continue occupancy under second component conversions.

PROJECT-BASED RENTAL ASSISTANCE

Appropriations, 2016	\$10,620,000,000
Budget estimate, 2017	10,816,000,000
Committee recommendation	10,901,000,000

PROGRAM DESCRIPTION

Section 8 project-based rental assistance provides a rental subsidy to a private landlord that is tied to a specific housing unit, as opposed to a voucher, which allows a recipient to seek a unit, subject primarily to certain rent caps. Amounts in this account include funding for the renewal of and amendments to expiring Section 8 project-based contracts, including Section 8, moderate rehabilitation, and single room occupancy [SRO] housing. This account also provides funds for contract administrators.

COMMITTEE RECOMMENDATION

The Section 8 project-based rental assistance [PBRA] program supports an estimated 17,400 contracts with private owners of multifamily housing. Through this program, HUD and private sector partners support the preservation of safe, stable and sanitary housing for more than 1.2 million low-income Americans. Without PBRA, many affordable housing projects would convert to market rates with large rent increases that current tenants would be unable to afford.

The Committee recommends a total appropriation of \$10,901,000,000 for the annual renewal of project-based contracts, of which up to \$235,000,000 is for the cost of contract administrators. The recommended level of funding is \$281,000,000 more than the amount provided in fiscal year 2016 and is \$85,000,000 more than the budget request. The Committee's recommendation rejects the administration's proposed change to the medical deduction calculation, which results in the increased funding above the requested level.

Performance-Based Contract Administrators.—Performance-based contract administrators [PBCAs] are typically PHAs or State housing finance agencies. They are responsible for conducting on-site management reviews of assisted properties; adjusting contract rents; and reviewing, processing, and paying monthly vouchers submitted by owners, among other tasks. The Committee notes that PBCAs are integral to the Department's efforts to be more effective and efficient in the oversight and monitoring of this program, reduce improper payments, protect tenants and ensure properties are well maintained. The Committee believes that fair and open competition is the best way to ensure that the taxpayer receives the greatest benefit for the costs incurred. The Committee directs the Department to solicit and award PBCA contracts under full and open competition without geographic limitation in accordance with the Competition in Contracting Act and the Federal Acquisition Regulations. The Committee is concerned that proposals to reduce the scope of work performed by PBCAs, diminish the applicability of Federal law, or consolidate PBCAs into regional awards versus State-by-State will have a detrimental effect on the oversight of these HUD-assisted properties and the individuals and families that rely on this critical source of affordable housing.

Oversight of Property Owners.—The Committee places a priority on providing access to safe, sanitary, and affordable housing to those most in need. If owners fail to maintain their properties in accordance with HUD standards, they should be held accountable. The Committee is deeply troubled by recent reports of properties across the country experiencing a level of physical deficiencies so severe as to be indicative of systemic failures within the Department's oversight and inspection processes. Neither residents nor taxpayers are well served when poor conditions are allowed to continue. It is inexcusable that residents are ever placed into substandard housing with serious violations, but it is doubly offensive when the taxpayers are subsidizing these unfit units. While there is a tension between holding property owners responsible and ensuring tenants do not lose their housing, HUD has tools at its disposal to hold owners accountable without putting tenants at risk.

To ensure continued attention to this issue, the Committee recommendation strengthens a general provision that requires HUD to take specific steps to ensure that physical deficiencies in properties are quickly addressed, and requires the Secretary to take explicit actions if the owner fails to maintain them. These actions include imposing civil money penalties, working to secure a different owner for the property, or transferring the Section 8 contract to another the property. The Committee wants to preserve critical project-based Section 8 contracts, and believes this goal can be

achieved while holding property owners accountable for their actions.

The Committee expects HUD to continue to move quickly to identify problem properties and owners and find an appropriate remedy. The Committee directs HUD to provide quarterly reports to the House and Senate Committees on Appropriations on projects that receive multiple exigent health and safety violations, physical inspection scores below 60, or have received an unsatisfactory management and occupancy review within the past 36 months. Such reports shall also include information on when the next inspection of the property will occur, and the Department’s plans for resolution of the deficiencies. HUD shall also identify the actions taken to address safety concerns, including the frequency with which civil money penalties are imposed, contracts are transferred to another property, or ownership is transferred. The Committee expects that with increased enforcement, and improved inspection protocols, the number of troubled properties will be reduced.

HOUSING FOR THE ELDERLY

Appropriations, 2016	\$432,700,000
Budget estimate, 2017	505,000,000
Committee recommendation	505,000,000

PROGRAM DESCRIPTION

This account funds housing for the elderly under section 202 of the Housing Act of 1959. Under this program, the Department provides capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for seniors, and provides project-based rental assistance contracts [PRAC] to support operational costs for such units. Tenants living in section 202 supportive housing units can access a variety of community-based services to keep living independently in the community and age in place.

COMMITTEE RECOMMENDATION

The section 202 program provides nearly 400,000 federally assisted, privately owned affordable housing units for the elderly. The Committee recommends an appropriation of \$505,000,000 for the section 202 program. This level is \$72,300,000 more than the level provided in fiscal year 2016 and equal to the budget request. The Committee recommendation includes \$427,000,000 in new appropriations in addition to carryover balances and residual receipts to fully fund all annual project-rental assistance contract renewals and amendments, and \$75,000,000 for service coordinators and the continuation of existing congregate service grants.

HOUSING FOR PERSONS WITH DISABILITIES

Appropriations, 2016	\$150,600,000
Budget estimate, 2017	154,000,000
Committee recommendation	154,000,000

PROGRAM DESCRIPTION

This account provides funding for housing for the persons with disabilities under section 811 of the Cranston-Gonzales National Affordable Housing Act of 1990. Traditionally, the section 811 pro-

gram provided capital grants to eligible entities for the acquisition, rehabilitation, or construction of housing for persons with disabilities, as well as rental assistance to support operational costs. Since fiscal year 2012, HUD has transitioned to expanding capacity by providing project rental assistance to State housing financing agencies or other appropriate entities that act in partnership with State health and human service agencies to provide supportive services as authorized by the Frank Melville Supportive Housing Investment Act of 2010 (Public Law 111–374).

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$154,000,000 for the section 811 program. This level is equal to the budget request and is \$3,400,000 more than the fiscal year 2016 enacted level. This level of funding, in addition to residual receipts, recaptures, and other unobligated balances, supports all PRAC renewals and amendments. Should the total available resources exceed the need for renewals, the Secretary shall direct such resources to a new competition for project rental assistance to State housing finance agencies.

HOUSING COUNSELING ASSISTANCE

Appropriations, 2016	\$47,000,000
Budget estimate, 2017	47,000,000
Committee recommendation	47,000,000

PROGRAM DESCRIPTION

The Housing Counseling Assistance Program provides comprehensive housing counseling services to eligible homeowners and tenants through grants to nonprofit intermediaries, State government entities, and other local and national agencies. Eligible counseling activities include pre- and post-purchase education, personal financial management, reverse mortgage product education, foreclosure prevention, mitigation, and rental counseling.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$47,000,000 for the Housing Counseling Assistance program, which is equal to the budget request and the fiscal year 2016 enacted level. These funds will help to provide individuals and families across the country with sound advice to make better informed housing decisions. Specifically, it will support competitive counseling grants and training activities. Housing counseling organizations provide a wide variety of counseling services, including those to assist with preventing foreclosure and homelessness. In addition, the administrative contract support funding includes resources for financial audits and technical assistance.

The Committee continues language requiring HUD to obligate counseling grants within 180 days of enactment of this act, as well as permitting HUD to publish multiyear NOFAs, contingent on annual appropriations. This should result in administrative savings for HUD and its grantees.

RENTAL HOUSING ASSISTANCE

Appropriations, 2016	\$30,000,000
Budget estimate, 2017	20,000,000
Committee recommendation	20,000,000

PROGRAM DESCRIPTION

This account provides amendment funding for housing assisted under a variety of HUD housing programs.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$20,000,000 for HUD-assisted, State-aided, noninsured rental housing projects, consistent with the budget request. This amount is \$10,000,000 less than the fiscal year 2016 enacted level. The Committee recommendation includes a provision to allow the conversion of these projects to Section 8, at no additional cost. The Committee hopes that the conversion of these projects, through the Rental Assistance Demonstration, will lead to the eventual elimination of these outdated programs.

PAYMENT TO MANUFACTURED HOUSING FEES TRUST FUND

Appropriations, 2016	\$10,500,000
Budget estimate, 2017	11,500,000
Committee recommendation	10,500,000

PROGRAM DESCRIPTION

The National Manufactured Housing Construction and Safety Standards Act of 1974, as amended by the Manufactured Housing Improvement Act of 2000, authorizes the Secretary to establish Federal manufactured home construction and safety standards for the construction, design, and performance of manufactured homes. All manufactured homes are required to meet the Federal standards, and fees are charged to producers to cover the costs of administering the act.

COMMITTEE RECOMMENDATION

The Committee recommends \$10,500,000 to support the manufactured housing standards programs, of which the full amount of \$10,500,000 is expected to be derived from fees collected and deposited in the Manufactured Housing Fees Trust Fund account. No direct appropriation is provided. The total amount recommended is \$1,000,000 less than the budget request and equal to the fiscal year 2016 enacted level.

The Committee continues language allowing the Department to collect fees from program participants for the dispute resolution and installment programs mandated by the Manufactured Housing Improvement Act of 2000. These fees are to be deposited into the Trust Fund and may be used to support the manufactured housing standards programs, subject to the overall cap placed on the account. The Committee expects the Department to move forward with this authority.

The Committee has not provided additional funding for this program, as an increase in funding would not reflect or correspond with this decline in production.

FEDERAL HOUSING ADMINISTRATION
MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans	Administrative contract expenses
Appropriations, 2016	\$5,000,000	\$400,000,000,000	\$130,000,000
Budget estimate, 2017	5,000,000	400,000,000,000	160,000,000
Committee recommendation	5,000,000	400,000,000,000	130,000,000

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

	Limitation on direct loans	Limitation on guaranteed loans
Appropriations, 2016	\$5,000,000	\$30,000,000,000
Budget estimate, 2017	5,000,000	30,000,000,000
Committee recommendation	5,000,000	30,000,000,000

PROGRAM DESCRIPTION

The Federal Housing Administration [FHA] fund covers the mortgage and loan insurance activity of HUD mortgage/loan insurance programs. These include the mutual mortgage insurance [MMI] fund, cooperative management housing insurance [CMHI] fund, general insurance [GI] fund, and the special risk insurance [SRI] fund. For presentation and accounting control purposes, these are divided into two sets of accounts based on shared characteristics. The unsubsidized insurance programs of the mutual mortgage insurance fund and the cooperative management housing insurance fund constitute one set; and the general risk insurance and special risk insurance funds make up the other.

COMMITTEE RECOMMENDATION

The Committee has included the following amounts for the Mutual Mortgage Insurance Program account: a limitation on guaranteed loans of \$400,000,000,000, a limitation on direct loans of \$5,000,000, and \$130,000,000 for administrative contract expenses.

For the GI/SRI account, the Committee recommends \$30,000,000,000 as a limitation on guaranteed loans and a limitation on direct loans of \$5,000,000.

The Committee includes a general provision in the bill lifting the cap on the number of HECM loans that can be insured during fiscal year 2017, consistent with prior years.

The Committee is aware of concerns that deficiencies in establishing conveyable conditions for FHA insured foreclosed properties are inhibiting the ability to provide proper maintenance for these properties. To alleviate these concerns, the Committee directs the Government Accountability Office to examine the operating effectiveness and efficiency of the Federal Housing Administration in reaching determinations of conveyable conditions on foreclosed properties and report its findings to the House and Senate Committees on Appropriations no later than September 29, 2017.

The FHA is responsible for facilitating mortgages for individuals and families for whom home ownership may not be possible using private sector financing without FHA backing. Typically, these groups include those who do not have the resources to make a down payment in the amount required by private financiers and those with less sound credit history. In order to review if FHA is still primarily serving credit-worthy yet lower income individuals, the Committee directs the Department to report within 180 days to the House and Senate Committees on Appropriations on the number of loans that FHA insured in the past two years, including the value of the home, the income-level of the recipient, the location of the home, and the average home price at the time in the area of the country.

The Committee does not include authority for HUD to charge a fee to provide additional funds for FHA’s administrative costs as requested in the budget request. However, the Committee supports the goal of improving FHA’s system automation, risk management and quality control efforts and has included resources within the Department’s information technology funds for this purpose.

GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

	Limitation on guaranteed loans	Limitation on personnel, compensation and administrative expenses
Appropriations, 2016	\$500,000,000,000	\$23,000,000
Budget estimate, 2017	500,000,000,000	23,000,000
Committee recommendation	500,000,000,000	23,000,000

PROGRAM DESCRIPTION

The Government National Mortgage Association [Ginnie Mae], through the mortgage-backed securities program, guarantees privately issued securities backed by pools of Government-guaranteed mortgages. Ginnie Mae is a wholly owned corporate instrumentality of the United States within the Department. Its powers are prescribed generally by title III of the National Housing Act, as amended. Ginnie Mae is authorized by section 306(g) of the act to guarantee the timely payment of principal and interest on securities that are based on and backed by a trust, or pool, composed of mortgages that are guaranteed and insured by the FHA, the Rural Housing Service, or the Department of Veterans Affairs. Ginnie Mae’s guarantee of mortgage-backed securities is backed by the full faith and credit of the United States. This account also funds all salaries and benefits funding to support Ginnie Mae.

COMMITTEE RECOMMENDATION

The Committee recommends a limitation on new commitments on mortgage-backed securities of \$500,000,000,000. This level is the same as the budget request and the fiscal year 2016 enacted level. The bill allows Ginnie Mae to use \$23,000,000 for salaries and ex-

penses. This is equal to the fiscal year 2016 enacted level and the budget request. The Committee directs the Department to report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on the retention rates for staff in mission critical positions within GNMA. This report should identify those positions, industry average retention rates where possible, and, if the report determines retention in mission critical positions is adversely affecting the ability of GNMA to carry out its oversight role, possible solutions to boost retention including but not limited to pay bands.

POLICY DEVELOPMENT AND RESEARCH

RESEARCH AND TECHNOLOGY

Appropriations, 2016	\$85,000,000
Budget estimate, 2017 ¹	185,000,000
Committee recommendation	90,000,000

¹ Includes \$120,000,000 by transfer.

PROGRAM DESCRIPTION

Title V of the Housing and Urban Development Act of 1970, as amended, directs the Secretary of the Department of Housing and Urban Development to undertake programs of research, evaluation, and reports relating to the Department’s mission and programs. These functions are carried out internally and through grants and contracts with industry, nonprofit research organizations, educational institutions, and through agreements with State and local governments and other Federal agencies. The research programs seek ways to improve the efficiency, effectiveness, and equity of HUD programs and to identify methods to achieve cost reductions. Additionally, this appropriation is used to support HUD evaluation and monitoring activities and to conduct housing surveys.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$90,000,000 for research, technology, and community development activities in fiscal year 2017. This level is \$5,000,000 more than the fiscal year 2016 enacted level and \$95,000,000 less than the budget request.

The Committee recommendation will continue to support market surveys, such as the American Housing Survey, that are integral to HUD’s ability to understand its own programs and also help enhance public and private entities’ knowledge of housing conditions in the United States. The Committee strongly encourages the Department to continue funding local rent surveys of areas affected by changing economic conditions and natural disasters.

Fair Market Rents [FMRs] are used across HUD rental assistance programs. However, in certain counties the current methodology does not accurately reflect the current housing market, and additional local area surveys are necessary. The Committee further notes that proposals such as Small Area Fair Market Rents do not fully address the undervaluing of Fair Market Rents in many areas where rents have risen quickly. The Committee recommends that HUD designate funding for additional local surveys for communities where the data used by HUD does not accurately reflect the

market. The Committee encourages the Department, to the extent practicable, to work with communities to use local rent survey data made available in the preceding year to inform the calculation of Fair Market Rents. The Committee strongly encourages HUD to expedite the process for consideration of FMRs and exception payment standards that are requested from PHAs.

Of the activities proposed in the budget, the Committee recommends \$41,500,000 for market surveys, \$5,700,000 for research support and dissemination, \$600,000 for data acquisition, \$1,000,000 for housing finance studies, \$1,000,000 for research partnerships, \$200,000 for housing technology. In addition, the Committee includes up to \$40,000,000 for Department-wide technical assistance and critical research beyond the core studies. Of this amount, at least \$25,000,000 is for technical assistance [TA] across HUD programs.

The Committee encourages the Department to consider providing technical assistance to distressed cities and communities through a network of non-profit or private sector organizations that have a proven track record of providing assistance to multiple cities across various disciplines including economic development, workforce development, fiscal efficiency, and promoting best practices and inter-city assistance.

Of the amount provided for critical research beyond the core studies, the recommendation includes: \$3,000,000 for evaluation of the expansion of the Moving-to-Work demonstration; \$1,350,000 for phase 3 of a pre-purchase counseling demonstration; \$6,000,000 for continued evaluation of rent reform; \$200,000 for multidisciplinary research teams; \$300,000 for an expanded analysis of the family options study; and \$3,000,000 for an evaluation of the housing choice voucher mobility demonstration. While the Committee recommendation includes funding for phase 3 of the pre-purchase counseling demonstration, the Committee will not fund future additions and directs the Department to seek alternative sources of funding for this demonstration should it wish to pursue additional research beyond fiscal year 2017. HUD shall include details on its allocation of these resources in its operating plan.

FAIR HOUSING AND EQUAL OPPORTUNITY

FAIR HOUSING ACTIVITIES

Appropriations, 2016	\$65,300,000
Budget estimate, 2017	70,000,000
Committee recommendation	65,300,000

PROGRAM DESCRIPTION

The fair housing activities appropriation includes funding for both the Fair Housing Assistance Program [FHAP] and the Fair Housing Initiatives Program [FHIP].

The Fair Housing Assistance Program helps State and local agencies to implement title VIII of the Civil Rights Act of 1968, as amended, which prohibits discrimination in the sale, rental, and financing of housing and in the provision of brokerage services. The major objective of the program is to assure prompt and effective

processing of title VIII complaints with appropriate remedies for complaints by State and local fair housing agencies.

The Fair Housing Initiatives Program is authorized by section 561 of the Housing and Community Development Act of 1987, as amended, and by section 905 of the Housing and Community Development Act of 1992. This initiative is designed to alleviate housing discrimination by increasing support to public and private organizations for the purpose of eliminating or preventing discrimination in housing, and to enhance fair housing opportunities.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$65,300,000 for the Office of Fair Housing and Equal Opportunity [OFHEO]. This amount is \$4,700,000 less than the budget request and equal to the 2016 enacted level. Of the amounts provided, \$23,500,000 is for FHAP, \$39,900,000 is for FHIP, and \$300,000 is for the creation, promotion, and dissemination of translated materials that support the assistance of persons with limited English proficiency. The Committee also provides \$1,600,000 for the National Fair Housing Training Academy, and encourages the Department to pursue ways to make the Academy self-sustaining. The Committee is disappointed in the lack of detail in the fiscal year 2017 congressional budget justification in comparison to previous years and directs the Department to provide specific details on any new initiatives in future justifications.

Group Homes, Local Land Use, and the Fair Housing Act.—The Committee is aware that HUD is in the process of updating the 1999 Joint Statement on Group Homes, Local Land Use, and the Fair Housing Act. The Committee stresses the importance of HUD coordinating with the Department of Justice to complete this process in a timely manner. The Committee recognizes the importance of clarifying the role of State or local government in defining zoning ordinances, licensing and registration requirements regarding group homes.

Affirmatively Furthering Fair Housing [AFFH].—In 2016, HUD will require 22 CDBG grantees to submit the first fair housing assessments under the new AFFH rule. In fiscal year 2016, Congress expressed its support for implementation of AFFH by providing HUD with increased funding to hire additional staff and to provide technical assistance to grantees for compliance and implementation efforts associated with this rule. The Committee is concerned that communities conducting the assessment receive no certification from HUD that they have effectively assessed or met their fair housing obligations under the Fair Housing Act. HUD is directed to consider modifying its AFFH process to provide written approval of grantees' assessments of fair housing, while ensuring there is no substantial delay in approving consolidated plans. HUD is developing modified tools and templates for PHAs and communities that choose to provide regional analysis and the Committee encourages the Department to further develop streamlined tools for small entitlement CDBG grantees.

Disparate Impact.—The Supreme Court recently upheld the doctrine of disparate impact in *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project, Inc.*,

which serves as the basis of HUD’s “Implementation of the Fair Housing Act’s Discriminatory Effects Standard” rulemaking. A U.S. District Court has also ruled that HUD failed to adequately consider insurance industry concerns in its rule and remanded the rule to HUD for further consideration. The Committee expects HUD to take action expeditiously in response to the Court’s remand.

OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES

Appropriations, 2016	\$110,000,000
Budget estimate, 2017	110,000,000
Committee recommendation	135,000,000

PROGRAM DESCRIPTION

Title X of the Housing and Community Development Act of 1992 established the Residential Lead-Based Paint Hazard Reduction Act, under which HUD is authorized to make grants to States, localities, and Native American tribes to conduct lead-based paint hazard reduction and abatement activities in private, low-income housing. Lead poisoning is a significant environmental health hazard, particularly for young children and pregnant women, and can result in neurological damage, learning disabilities, and impaired growth. The Healthy Homes Initiative, authorized under sections 501 and 502 of the Housing and Urban Development Act of 1970 (12 U.S.C. 1701z-1 and 1701z-2), provides grants to remediate housing hazards that have been scientifically shown to negatively impact occupant health and safety.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$135,000,000 for lead-based paint hazard reduction and abatement activities for fiscal year 2017. Of the amount provided, \$20,000,000 is for the Healthy Homes Initiative and \$55,000,000 is for the Lead Hazard Reduction Demonstration Program. This amount is \$25,000,000 more than the President’s budget request and the fiscal year 2016 enacted level. This increased funding level will support lead-based paint hazard reductions in over 1,750 additional units, providing safer homes for over 6,200 low and very-low income families or individuals with children under the age of 6.

Blood Lead Level Rule.—In fiscal year 2014, the Committee expressed concern regarding the exposure of children to lead-based paint hazards and noted that a heightened standard for blood lead levels had recently been adopted by the Centers for Disease Control and Prevention [CDC] in 2012. As a result of this new standard, the CDC now estimates that 535,000 American children under 6 years of age are affected by lead poisoning. Exposure to lead can have severe, lasting consequences for children under the age of 6 due their ongoing neurological development. The resulting harms can include reduced IQ, behavioral problems, and learning disabilities. HUD’s blood lead level standard, however, has not been updated since 1999, allowing for children’s blood lead levels to be three to four times higher than the CDC standard before requiring an environmental intervention. The Committee is extremely concerned that children are living in conditions in assisted housing

that have been scientifically-proven to result in lifelong neurological damage. The Committee directs HUD to finalize regulatory action to update its standard for requiring an environmental intervention and adopt the blood lead levels currently advised by the CDC within 90 days after the enactment of this act.

HUD estimates that this regulatory action will require an additional 6,100 environmental interventions in public and HUD-assisted housing units. This change could place additional cost burdens on public housing agencies, which are already unable to meet their deferred capital needs and do not have their administrative funding needs met either. The Committee has provided an additional \$25,000,000 in the Public Housing Capital Fund account to allow PHAs to meet this new regulatory requirement.

Grantee Coordination.—Funds received by States and local governments under the Lead Hazard Reduction Demonstration and the Lead-Based Paint Hazard Control grant programs may be utilized to evaluate and address lead-based paint hazards in Section 8 voucher units. The Office of Lead Hazard Control and Healthy Homes currently gives preference to grantees that work with public housing agencies to address lead-based paint hazards in Section 8 voucher units. The Committee commends HUD for emphasizing the need to address lead-based paint hazards in Section 8 voucher units when awarding these grants and urges HUD to continue to address these needs in HUD-assisted housing stock in the private market.

Oversight and Enforcement of Lead-Based Paint Regulations.—The Committee is concerned that HUD lacks an appropriate level of oversight and enforcement of its lead-based paint regulations. Respective program offices within HUD are responsible for ensuring that grantees are in compliance with lead-based paint regulations, while the Office of Lead Hazard Control and Healthy Homes enforces lead-based paint regulations and provides technical assistance to HUD offices and grantees. The Committee directs GAO to review HUD’s policies, procedures, and processes for oversight to ensure that public housing agencies comply with lead-based paint regulations within 1 year after the date of the enactment of this act. The report shall: (1) analyze existing Federal programs for addressing lead-based paint hazards in dwellings receiving Federal housing assistance; (2) determine whether gaps exist in compliance and enforcement of HUD’s lead-based paint regulations; (3) identify existing partnerships with public housing agencies (including State housing finance agencies) and public health agencies in addressing lead-based paint hazards and determine whether those partnerships can be replicated and enhanced with better data collection, analysis, and dissemination among stakeholders; and (4) examine the appropriateness and efficacy of existing HUD protocols on reducing or abating lead-based paint hazards and whether they are aligned with accepted environmental health practices to ensure the best and appropriate health outcomes and reduce further exposure.

INFORMATION TECHNOLOGY FUND

Appropriations, 2016	\$250,000,000
Budget estimate, 2017	286,000,000
Committee recommendation	273,000,000

PROGRAM DESCRIPTION

The Information Technology Fund finances the information technology [IT] systems that support departmental programs and operations, including FHA Mortgage Insurance, housing assistance and grant programs, as well as core financial and general operations.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$273,000,000 for the Information Technology Fund for fiscal year 2017, which is \$13,000,000 less than the budget request and \$23,000,000 more than the fiscal year 2016 enacted level.

The Committee has been very supportive of HUD's efforts to modernize its IT systems, which are critical to effectively manage its programs. For years, HUD has been hampered by outdated IT systems that are not integrated, which limit its ability to oversee grantees. In addition, HUD's efforts to work around system limitations to collect information for oversight purposes often results in increased work for grantees who have to input information into multiple systems. The Committee recognizes HUD's effort to better integrate systems, but there is still more work to be done, and IT system integration should remain a top priority for the Department.

Next Generation Management System [NGMS].—The Committee recommendation includes \$10,000,000 for development, modernization, and enhancement activities to deploy a replacement for the Voucher Management System and the Public Housing Information Center systems. The public housing and housing choice voucher programs serve more than 3 million households and accounts for more than \$24,000,000 in annual expenditures. NGMS is part of a systematic approach to improve existing business processes in the areas of program and financial management, and budget execution for PIH's housing choice voucher and public housing programs. The system enhancements that result from the initiative will be more robust, comprehensive, secure, and reliable. Although the tools can be effective, they are limited in their ability to be enterprise IT solutions. This initiative will automate business processes to improve the way HUD collects, analyzes and uses information and will: reduce PHA reporting burdens; provide improved support for PHA cash disbursements based on payee-level data; establish greater transparency to external stakeholders, including the OIG; and will end PIH's reliance on an annual \$1,300,000 contract with a third-party vendor to process more than 7,000 applications, with continual cost increases. The Department is directed to submit a spend plan for approval for these funds to the House and Senate Committees on Appropriations prior to obligating more than 10 percent of these funds.

Federal Housing Administration [FHA] Modernization.—The Committee recommendation includes \$13,000,000 for development, modernization, and enhancement activities of the IT systems of the FHA. The IT systems currently supporting critical FHA business processes consist of complex, aging IT systems with COBOL-based mainframe applications. These legacy systems were assembled as business needs surfaced over the last 30 years, without the benefit

of an architectural plan that could provide the adaptability needed to meet regulatory and industry standards over time. Today, FHA operations require data to move between numerous touch points through hundreds of interfaces, resulting in an environment that has become increasingly complex, costly, and difficult to maintain. The Committee recommendation supports the continued planning, design, and execution for requirements focused on Counterparty Management, Portfolio Analysis, Borrower/Collateral Risk Management/Fraud Monitoring and Infrastructure/Application Modernization. This investment will replace obsolete applications, reduce infrastructure costs, reduce fragmentation of legacy systems, and leverage shared data components in support of multiple housing programs. The Department is directed to submit a spend plan for approval for these funds to the House and Senate Committees on Appropriations prior to obligating more than 10 percent of these funds.

Information Technology Consolidation and Streamlining.—The Committee recognizes that development of more sophisticated IT systems may come with higher costs associated with the additional capabilities. At the same time, HUD must also achieve savings by eliminating legacy systems and old servers. The Committee continues to direct HUD to be more diligent in identifying and achieving savings by retiring old systems and shutting off redundant and inefficient servers. In addition, the Committee urges HUD to continue to look for savings when it renews contracts to reduce the ongoing costs of operating and maintaining its IT systems. The Committee notes that the Department has yet to submit plans articulating how the Department is implementing GAO's IT-related recommendations, and identifying savings it will achieve by retiring legacy systems and shutting off old servers. The Committee directs the Chief Operating Officer and the Chief Information Officer to ensure reports are submitted in a timely manner and include all required information.

Unsanctioned Information Technology Development.—The Committee remains concerned about the development of IT systems outside of the Information Technology Fund. While the Committee understands that limited resources may prompt HUD offices to develop solutions with their own resources, the Committee expects that, at a minimum, OCIO will monitor and oversee the development of any such solutions. The Committee directs the OCIO to monitor the development of new system solutions by every office in HUD to make sure they conform to HUD's enterprise architecture, and will be compatible with systems under development.

GAO Oversight.—Based on reports and briefings from GAO over the past few years, the Committee recognizes the progress HUD has made in its IT modernization planning efforts, and the focus must now be on its implementation and execution of plans and projects. The Committee emphasizes the importance of pursuing a strategic approach as HUD continues to improve its IT management. To this end, in order to monitor the Department's progress, the Committee instructed GAO in 2012 to conduct several reviews. In 2013, GAO completed a review of the Department's IT project management practices. The Committee reaffirms its direction to GAO to also evaluate HUD's institutionalization of governance and

cost estimating practices. In particular, the Committee remains interested in any cost savings or operational efficiencies that have resulted (or may result) from the Department’s improvement efforts. The Committee appreciates the work that GAO has done in this area and believes it has benefited the Committee and the Department. The Committee encourages HUD to take advantage of GAO expertise as it makes further improvements to its IT structure and governance.

OFFICE OF INSPECTOR GENERAL

Appropriations, 2016	\$126,000,000
Budget estimate, 2017	129,000,000
Committee recommendation	129,000,000

PROGRAM DESCRIPTION

This appropriation will finance all salaries and related expenses associated with the operation of the Office of Inspector General [OIG].

COMMITTEE RECOMMENDATIONS

The Committee recommends an appropriation of \$129,000,000 for the Office of Inspector General. The amount of funding is equal to the budget request and \$3,000,000 above the fiscal year 2016 enacted level. The Committee directs the Inspector General to report to the House and Senate Committees within 120 days of enactment of this act on the management and oversight, including related information technology systems, of the Section 184 Loan Guarantee program.

Audit Reports.—The Committee requests that the Inspector General forward copies of all audit reports to the Committee immediately after they are issued, and to continue to make the Committee aware immediately of any review which recommends significant budgetary savings.

First-in First-out Methods.—The Committee is aware that the Inspector General has been working with the Department to resolve concerns with the use of cumulative and first-in first-out [FIFO] methods to disburse and commit HOME funds in the Integrated Disbursement and Information System. The Committee is concerned that similar issues may be present in other programs. To address these concerns, the Committee directs the Inspector General to submit a report on which other, if any, programs administered by the Department use similar methods for the commitment, obligation and disbursement of funds to the House and Senate Committees on Appropriations within 60 days of enactment of this act.

GENERAL PROVISIONS—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

The Committee recommends administrative provisions. A brief description follows.

Sec. 201. This section promotes the refinancing of certain housing bonds.

Sec. 202. This section clarifies a limitation on the use of funds under the Fair Housing Act.

Sec. 203. This section clarifies the allocation of HOPWA funding for fiscal year 2006 and beyond.

Sec. 204. This section requires HUD to award funds on a competitive basis unless otherwise provided.

Sec. 205. This section allows funds to be used to reimburse GSEs and other Federal entities for various administrative expenses.

Sec. 206. This section limits HUD's spending to amounts set out in the budget justification.

Sec. 207. This section clarifies expenditure authority for entities subject to the Government Corporation Control Act.

Sec. 208. This section requires quarterly reports on all uncommitted, unobligated and excess funds associated with HUD programs.

Sec. 209. This section requires that the administration's budget and the Department's budget justifications for fiscal year 2018 be submitted in the identical account and sub-account structure provided in this Act.

Sec. 210. This section exempts Los Angeles County, Alaska, Iowa, and Mississippi from the requirement of having a PHA resident on the board of directors for fiscal year 2017. Instead, the public housing agencies in these States are required to establish advisory boards that include public housing tenants and section 8 recipients.

Sec. 211. This section exempts GNMA from certain requirements of the Federal Credit Reform Act of 1990.

Sec. 212. This section allows HUD to authorize the transfer of existing project-based subsidies and liabilities from obsolete housing to housing that better meets the needs of the assisted tenants.

Sec. 213. This section reforms certain section 8 rent calculations as related to athletic scholarships.

Sec. 214. This section provides allocation requirements for Native Alaskans under the Indian Housing Block Grant program.

Sec. 215. This section eliminates a cap on Home Equity Conversion Mortgages for fiscal year 2017.

Sec. 216. This section requires HUD to maintain section 8 assistance on HUD-held or owned multifamily housing.

Sec. 217. This section clarifies the use of the section 108 loan guaranteed program for nonentitlement communities.

Sec. 218. This section allows PHAs with less than 400 units to be exempt from management requirements in the operating fund rule.

Sec. 219. This section restricts the Secretary from imposing any requirement or guideline relating to asset management that restricts or limits the use of capital funds for central office costs, up to the limit established in QWHRA.

Sec. 220. This section requires that no employee of the Department shall be designated as an allotment holder unless the CFO determines that such employee has received certain training.

Sec. 221. The section requires the Secretary to publish all notices of funding availability that are competitively awarded on the Internet.

Sec. 222. This section limits attorney fees and requires the Department to submit a spend plan to the House and Senate Committees on Appropriations.

Sec. 223. This section allows the Secretary to transfer up to 10 percent of funds or \$4,000,000, whichever is less, appropriated under the headings "Administrative Support Offices" or "Program Office Salaries and Expenses" to any other office funded under such headings.

Sec. 224. This section allows the Disaster Housing Assistance Programs to be considered HUD programs for the purpose of income verification and matching.

Sec. 225. This section requires HUD to take certain actions against owners receiving rental subsidies that do not maintain safe properties.

Sec. 226. This section places limits on PHA compensation.

Sec. 227. This section extends the HOPE VI program until September 30, 2017.

Sec. 228. This section requires the Secretary to provide the Committee with advance notification before discretionary awards are made.

Sec. 229. This section prohibits funds to be used to require or enforce the Physical Needs Assessment.

Sec. 230. This section prohibits funds being used to implement the Homeowners Armed With Knowledge program.

Sec. 231. This section prohibits funds for HUD financing of mortgages for properties that have been subject to eminent domain.

Sec. 232. 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.

Sec. 233. This section allows funding for research, evaluation, and statistical purposes that is unexpended at the time of completion of the contract, grant, or cooperative agreement to be reobligated for additional research.

Sec. 234. This section prohibits funds to be used for financial awards for employees subject to administrative discipline.

Sec. 235. This section authorizes the Secretary on a limited basis to use funds available under the "Homeless Assistance Grants" heading to participate in the multiagency Performance Partnership Pilots program.

Sec. 236. This section allows program income to be used as an eligible match for 2015, 2016 and 2017 Continuum of Care funds.

Sec. 237. This section permits HUD to consolidate funds used to manage disaster recovery grants.

Sec. 238. This section modifies the Lead-Based Paint Poisoning Prevention Act to remove the "zero-bedroom dwellings" exclusion and amends the Residential Lead-Based Paint Reduction Act to include "zero bedroom dwellings."

Sec. 239. This section allows PHAs to establish replacement reserves to address capital needs.

Sec. 240. This section makes changes to the family unification program.

Sec. 241. This section incentivizes measures to reduce energy and water consumption in public housing.

Sec. 242. This section repeals section 211 of the Department of Housing and Urban Development Appropriations Act, 2008.

Sec. 243. This section allows HUD to provide mobility counseling to housing choice voucher participants.

Sec. 244. This section modifies the Rental Assistance Demonstration included in Public Law 112-55.

Sec. 245. This section permits HUD to implement section 78001 of title LXXVIII of Public Law 114-94 through notice while undertaking the rulemaking process.

Sec. 246. This section permits HUD to renew a grant originally awarded as part of Public Law 110-252.

Sec. 247. This section permits HUD to provide 1 year transition grants under the continuum of care program.

PROGRAM DESCRIPTION

The Surface Transportation Board [STB] was created on January 1, 1996, by the Interstate Commerce Commission Termination Act of 1995 [ICCTA] (Public Law 104–88). The Board is a five-member, bipartisan, decisionally independent adjudicatory body and is responsible for the regulation of the rail and pipeline industries and certain nonlicensing regulations of motor carriers and water carriers.

STB’s rail oversight activities include rate reasonableness, car service and interchange, mergers, line acquisitions, line constructions, and abandonments. STB’s jurisdiction also includes certain oversight of the intercity bus industry, pipeline carriers, intercity passenger train service, rate regulation involving noncontiguous domestic water transportation, household goods carriers, and collectively determined motor carrier rates.

COMMITTEE RECOMMENDATION

The Committee recommends a total appropriation of \$37,000,000. This funding level is \$5,401,000 below the budget request and \$4,625,000 more than the fiscal year 2016 enacted level. Included in the recommendation is \$1,250,000 in fees, which will offset the appropriated funding. The Committee recommendation includes \$2,046,000 to make long overdue improvements to the agency’s information technology system that are necessary to inform the public of Board decisions and activities that impact the movement of people and goods across the country.

The STB Reauthorization Act of 2015, Public Law 114–110, increased the number of Board Members from three to five, and made the STB an independent agency separate from the Department of Transportation. The recommendation provides funding to support the salaries and expenses of the new Board Members and their associated staff and to make accommodations in the STB office space.

On-Time Performance and Preference.—The Committee is concerned by the STB’s notice of proposed rulemaking regarding passenger rail on-time performance [OTP] and policy statement regarding passenger rail preference over freight transportation. Both of these proposals break from legislative intent, as most passengers do not ride intercity trains from endpoint to endpoint and Federal law and industry practice have for decades given intercity passenger trains preference over freight transportation in using a rail line, junction, or crossing. The Committee urges the STB to measure OTP at all intermediate stations along a route, and not solely endpoint stations recognizing that some schedules may need adjustment to reflect the all station performance metric.

UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

OPERATING EXPENSES

Appropriations, 2016	\$3,530,000
Budget estimate, 2017	3,600,000
Committee recommendation	3,600,000

PROGRAM DESCRIPTION

The United States Interagency Council on Homelessness is an independent agency created by the McKinney-Vento Homeless Assistance Act of 1987 to coordinate and direct the multiple efforts of Federal agencies and other designated groups. The Council was authorized to review Federal programs that assist homeless persons and to take necessary actions to reduce duplication. The Council can recommend improvements in programs and activities conducted by Federal, State, and local government, as well as local volunteer organizations. The Council consists of the heads of 19 Federal agencies, including the Departments of Housing and Urban Development, Health and Human Services, Veterans Affairs, Agriculture, Commerce, Defense, Education, Labor, and Transportation; and other entities as deemed appropriate.

COMMITTEE RECOMMENDATION

The Committee recommends an appropriation of \$3,600,000 for the United States Interagency Council on Homelessness [USICH]. This amount is equal to the budget request and \$70,000 more than the fiscal year 2016 enacted level. The bill includes language to amend the McKinney-Vento Homeless Assistance Act and extend USICH's sunset date until October 1, 2018, in addition to adjusting the Executive Director's salary from level V to level IV.

USICH supports Federal collaboration and implementation of the Federal strategic plan to prevent and end homelessness. The Council's work on such issues as establishing common definitions of homelessness across programs and consolidating Federal data is helping to breakdown silos and increase Federal collaboration. Its work was recognized by GAO in its February 2012 report on ways to reduce duplication, overlap, and fragmentation in the Federal Government. The Committee is aware that individuals who are homeless or in unstable housing situations are often living with multiple chronic conditions. The link between homelessness and long-term physical and behavioral health conditions is well documented. The Committee has recognized the cost-savings that can be achieved by using evidence-based practices, and has been supportive of such efforts, including through the HUD-VASH program and other permanent supportive housing through HUD's homeless assistance grants program. However, the Committee believes that more can be done to emphasize evidence-based practices in serving other populations. The Committee directs the USICH to continue to work to improve coordination between HUD, HHS and other Federal agencies, and to help communities use the Homeless Management Information System and other data to target affordable housing and homeless resources to high-need, high-cost families and individuals. The Committee further encourages HUD to work with HHS and other Federal agencies to identify homeless individuals who have high utilization rates for emergency and other public services, and share strategies for combining affordable housing with health and social support services to improve both housing and health outcomes for these individuals.

Performance Metrics and Cross-Agency Coordination.—USICH leads the coordination of the Federal response to ending homeless-

ness among 19 Federal agencies, as well as State, local, nonprofit and philanthropic organizations. However, the Committee is concerned that other stakeholders do not fully appreciate the value of the important work that agency has been able to accomplish over time due to the Council's lack of clear output and outcome based performance metrics. The Committee directs the agency to undertake the development of measurable performance goals and metrics that define how USICH accomplishes its mission for inclusion in its fiscal year 2018 Congressional budget justification.

The Committee also directs USICH to develop performance metrics to measure the progress that USICH and its partners have made to address and end homelessness in the 2017 performance and accountability report, as well as provide an update on efforts to improve cross-agency collaboration and coordination on integrating child welfare systems with housing and services provided through HUD and the Department of Health and Human Services in response to youth homelessness; the coordination between continuums of care and the Department of Labor employment programs, the Department of Education and HUD, and the Department of Agriculture with other Federal agencies.

The Committee believes these targeted, data-driven analyses will better educate Congress and the public at-large on the clear outcomes of USICH's work to promote cost-effective policies, and evidence-based practices in urban and rural communities alike. The Committee further directs the agency to report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on the status of these efforts.

Veterans Homelessness.—The Committee is concerned that some servicemembers, upon being discharged, may not fully be aware of their housing and supportive service options as veterans, and as a result, are vulnerable to homelessness. The Committee directs USICH to work with the Department of Defense and the Department of Veterans Affairs to evaluate and report to the House and Senate Committees on Appropriations within 120 days of enactment of this act on how the veteran transition process can be improved to better ensure that a servicemember's risk of homelessness upon being discharged is minimized to the extent possible, if not eliminated.

Homeless Youth.—One of the goals of the Federal Strategic Plan is to prevent and end homelessness among youth by 2020. The plan identifies four core targeted outcomes for youth experiencing homelessness—stable housing, permanent connections, education and employment, and social/emotional well-being. These outcomes appropriately identify the multiple needs of youth experiencing homelessness and underscore the importance of comprehensive solutions. To be successful, it is critical to coordinate Federal services and programs at the local, regional, and State levels to ensure these outcomes are met. As such, the Committee recognizes that it can be difficult for local communities, as well as housing and service providers, to navigate different Federal program laws and regulatory requirements. USICH is directed to work with its Federal member agencies to ensure that all homeless-related Federal grant funding solicitations are coordinated and made publically available, a user-friendly document that helps local communities identify and

understand the scope of all Federal programs for which homeless youth are eligible. This document shall include detailed descriptions of eligibility criteria, application instructions, and application deadlines and be updated as necessary.

TITLE IV

GENERAL PROVISIONS—THIS ACT

Section 401 prohibits pay and other expenses for non-Federal parties in regulatory or adjudicatory proceedings funded in this act.

Section 402 prohibits obligations beyond the current fiscal year and prohibits transfers of funds unless expressly so provided herein.

Section 403 limits expenditures for consulting services through procurement contracts where such expenditures are a matter of public record and available for public inspection.

Section 404 prohibits the use of funds for employee training unless such training bears directly upon the performance of official duties.

Section 405 authorizes the reprogramming of funds within a budget account and specifies the reprogramming procedures for agencies funded by this act. The Committee rejects the administration's request to transfer budget authority between accounts.

Section 406 ensures that 50 percent of unobligated balances may remain available for certain purposes.

Section 407 prohibits the use of funds for eminent domain unless such taking is employed for public use.

Section 408 prohibits funds in this act to be transferred without express authority.

Section 409 protects employment rights of Federal employees who return to their civilian jobs after assignment with the Armed Forces.

Section 410 prohibits the use of funds for activities not in compliance with the Buy American Act.

Section 411 prohibits funding for any person or entity convicted of violating the Buy American Act.

Section 412 prohibits funds for first-class airline accommodation in contravention of section 301–10.122 and 301–10.123 of title 41 CFR.

Section 413 prohibits funds from being used for the approval of a new foreign air carrier permit or exemption application if that approval would contravene United States law or article 17 bis of the U.S.-E.U.-Iceland-Norway Air Transport Agreement and specifies that nothing in this section shall prohibit, restrict, or preclude the Secretary of DOT from granting a permit or exemption where such authorization is consistent with the U.S.-E.U.-Iceland-Norway Air Transport Treaty and the U.S. law.

Section 414 restricts the number of employees that agencies funded in this act may send to international conferences.

Section 415 prohibits the Surface Transportation Board from charging filing fees for rate or practice complaints that are greater than the fees authorized for district court civil suits.

Section 416 prohibits funds to agencies unless they are in compliance with the Presidential Memorandum—Federal Fleet Performance, dated May 24, 2011.

COMPLIANCE WITH PARAGRAPH 7, RULE XVI, OF THE
STANDING RULES OF THE SENATE

Paragraph 7 of rule XVI requires that Committee reports on general appropriations bills identify each Committee amendment to the House bill “which proposes an item of appropriation which is not made to carry out the provisions of an existing law, a treaty stipulation, or an act or resolution previously passed by the Senate during that session.”

The Committee is filing an original bill, which is not covered under this rule, but reports this information in the spirit of full disclosure.

The Committee recommends funding for the following programs or activities which currently lack authorization for fiscal year 2017:

TITLE I—DEPARTMENT OF TRANSPORTATION

National Infrastructure Investments
Federal Aviation Administration
Maritime Administration
Pipeline and Hazardous Materials Safety Administration, Office of Pipeline Safety

TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Rental Assistance Programs
Indian Housing Block Grants
Indian Housing Loan Guarantee Fund
Native Hawaiian Housing Block Grant
Housing Opportunity for Persons with AIDS
Community Development Fund
Community Development Loan Guarantee
Home Investment Partnerships Program
Choice Neighborhoods Initiatives
Self-Help Homeownership Opportunity Program
Homeless Assistance
Housing for the Elderly
Housing for Persons with Disabilities
FHA General and Special Risk Program Account:
GNMA Mortgage Backed Securities Loan Guarantee Program Account:
Policy Development and Research
Fair Housing Activities, Fair Housing Program
Lead Hazard Reduction Program
Salaries and Expenses

TITLE III—RELATED AGENCIES

Access Board
National Transportation Safety Board

COMPLIANCE WITH PARAGRAPH 7(c), RULE XXVI OF THE
STANDING RULES OF THE SENATE

Pursuant to paragraph 7(c) of rule XXVI, on April 21, 2016, the Committee ordered favorably reported a bill (S. 2844) making appropriations for the Departments of Transportation, and Housing and Urban Development, and related agencies for the fiscal year ending September 30, 2017, and for other purposes, provided, that the bill be subject to amendment and that the bill be consistent with its budget allocation, by a recorded vote of 30–0, a quorum being present. The vote was as follows:

Yeas	Nays
Chairman Cochran	
Mr. McConnell	
Mr. Shelby	
Mr. Alexander	
Ms. Collins	
Ms. Murkowski	
Mr. Graham	
Mr. Kirk	
Mr. Blunt	
Mr. Moran	
Mr. Hoeven	
Mr. Boozman	
Mrs. Capito	
Mr. Cassidy	
Mr. Lankford	
Mr. Daines	
Ms. Mikulski	
Mr. Leahy	
Mrs. Murray	
Mrs. Feinstein	
Mr. Durbin	
Mr. Reed	
Mr. Tester	
Mr. Udall	
Mrs. Shaheen	
Mr. Merkley	
Mr. Coons	
Mr. Schatz	
Ms. Baldwin	
Mr. Murphy	

COMPLIANCE WITH PARAGRAPH 12, RULE XXVI OF THE
STANDING RULES OF THE SENATE

Paragraph 12 of rule XXVI requires that Committee reports on a bill or joint resolution repealing or amending any statute or part of any statute include “(a) the text of the statute or part thereof which is proposed to be repealed; and (b) a comparative print of that part of the bill or joint resolution making the amendment and of the statute or part thereof proposed to be amended, showing by stricken-through type and italics, parallel columns, or other appropriate typographical devices the omissions and insertions which

would be made by the bill or joint resolution if enacted in the form recommended by the committee.”

In compliance with this rule, the following changes in existing law proposed to be made by the bill are shown as follows: existing law to be omitted is enclosed in black brackets; new matter is printed in italic; and existing law in which no change is proposed is shown in roman.

TITLE 15—COMMERCE AND TRADE

CHAPTER 53—TOXIC SUBSTANCES CONTROL

SUBCHAPTER IV—LEAD EXPOSURE REDUCTION

§ 2681. Definitions

(1) Abatement

* * * * *

(17) Target housing

The term “target housing” means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities or *any 0-bedroom dwelling* (unless any child who is less than 6 years of age resides or is expected to reside in such [housing for the elderly or persons with disabilities] or any 0-bedroom dwelling] *housing*). In the case of jurisdictions which banned the sale or use of lead-based paint prior to 1978, the Secretary of Housing and Urban Development, at the Secretary’s discretion, may designate an earlier date.

TITLE 42—THE PUBLIC HEALTH AND WELFARE

CHAPTER 8—LOW-INCOME HOUSING

SUBCHAPTER I—GENERAL PROGRAM AND ASSISTED HOUSING

§ 1437f. Low-income housing assistance

(a) Authorization for assistance payments

* * * * *

(x) Family unification

(1) Increase in budget authority

* * * * *

(2) Use of funds

The amounts made available under this subsection shall be used only in connection with tenant-based assistance under this section on behalf of (A) any family (i) who is otherwise eligible for such assistance, and (ii) who the public child welfare agency for the jurisdiction has certified is a family for whom the lack of adequate housing is a primary factor in the imminent placement of the family’s child or children in out-of-home care or the delayed discharge of a child or children to the family from out-of-home care and [(B) for a period not to exceed 18 months, otherwise eligible youths who have attained at least 18 years of age and not more than 21 years of age and who have left foster care at age 16 or older] (B)(i) for

a period not to exceed 36 months, otherwise eligible youths who have attained at least 18 years of age and not more than 24 years of age and who, at age 16 or older, have left or will leave foster care within 90 days, in accordance with a transition plan described in section 475(5)(H) of the Social Security Act, and is homeless or is at risk of becoming homeless, or (ii) except that an applicant may extend the 36-month period, if the applicant enrolls an eligible youth in a program authorized under section 23, in accordance with the length of the contract of participation for that eligible youth under section 23(c)(3).

* * * * *

§ 1437g. Public housing Capital and Operating Funds

(a) Merger into Capital Fund

* * * * *

(g) Limitations on use of funds

**[(1) Flexibility for Capital Fund amounts
Of]**

(1) FLEXIBILITY IN USE OF FUNDS.—

(A) FLEXIBILITY FOR CAPITAL FUND AMOUNTS.—Of any amounts appropriated for fiscal year 2000 or any fiscal year thereafter that are allocated for fiscal year 2000 or any fiscal year thereafter from the Capital Fund for any public housing agency, the agency may use not more than 20 percent for activities that are eligible under subsection (e) of this section for assistance with amounts from the Operating Fund, but only if the public housing agency plan for the agency provides for such use.

(B) FLEXIBILITY FOR OPERATING FUND AMOUNTS.—Of any amounts appropriated for fiscal year 2017 or any fiscal year thereafter that are allocated for fiscal year 2017 or any fiscal year thereafter from the Operating Fund for any public housing agency, the agency may use not more than 20 percent for activities that are eligible under subsection (d) for assistance with amounts from the Capital Fund, but only if the public housing plan under section 5A for the agency provides for such use.

* * * * *

(j) Penalty for slow expenditure of capital funds

(1) Obligation of amounts

* * * * *

(6) Right of recapture

Any obligation entered into by a public housing agency shall be subject to the right of the Secretary to recapture the obligated amounts for violation by the public housing agency of the requirements of this subsection.

(7) TREATMENT OF REPLACEMENT RESERVE.—The requirements of this subsection shall not apply to funds held in replacement reserves established in subsection (n).

* * * * *

(m) Treatment of public housing

(1) [Repealed. Pub. L. 108-7, div. K, title II, §212(a), Feb. 20, 2003, 117 Stat. 503].

* * * * *

(4) Effective date

This subsection shall apply to fiscal year 1999 and each fiscal year thereafter.

(n) ESTABLISHMENT OF REPLACEMENT RESERVES.—

(1) IN GENERAL.—Public housing agencies shall be permitted to establish a replacement reserve to fund any of the capital activities listed in subsection (d)(1).

(2) SOURCE AND AMOUNT OF FUNDS FOR REPLACEMENT RESERVE.—At any time, a public housing agency may deposit funds from such agency's Capital Fund into a replacement reserve, subject to the following:

(A) At the discretion of the Secretary, public housing agencies may transfer and hold in a replacement reserve funds originating from additional sources.

(B) No minimum transfer of funds to a replacement reserve shall be required.

(C) At any time, a public housing agency may not hold in a replacement reserve more than the amount the public housing authority has determined necessary to satisfy the anticipated capital needs of properties in its portfolio assisted under this section, as outlined in its Capital Fund 5-Year Action Plan, or a comparable plan, as determined by the Secretary.

(D) The Secretary may establish, by regulation, a maximum replacement reserve level or levels that are below amounts determined under subparagraph (C), which may be based upon the size of the portfolio assisted under this section or other factors.

(3) TRANSFER OF OPERATING FUNDS.—In first establishing a replacement reserve, the Secretary may allow public housing agencies to transfer more than 20 percent of its operating funds into its replacement reserve.

(4) EXPENDITURE.—Funds in a replacement reserve may be used for purposes authorized by subsection (d)(1) and contained in its Capital Fund 5-Year Action Plan.

(5) MANAGEMENT AND REPORT.—The Secretary shall establish appropriate accounting and reporting requirements to ensure that public housing agencies are spending funds on eligible projects and that funds in the replacement reserve are connected to capital needs.

* * * * *

§ 1437v. Demolition, site revitalization, replacement housing, and tenant-based assistance grants for projects

(a) Purposes

* * * * *

(m) Funding

(1) Authorization of appropriations

There are authorized to be appropriated for grants under this section \$574,000,000 for ~~【fiscal year 2016.】~~ *fiscal year 2017*.

* * * * *

(o) Sunset

No assistance may be provided under this section after ~~【September 30, 2016.】~~ *September 30, 2017*.

* * * * *

CHAPTER 63—LEAD-BASED PAINT POISONING PREVENTION

SUBCHAPTER III—FEDERAL DEMONSTRATION AND RESEARCH PROGRAM: FEDERAL HOUSING ADMINISTRATION REQUIREMENTS

§ 4822. Requirements for housing receiving Federal assistance

(a) General requirements

* * * * *

(e) Exceptions

The provisions of this section shall not apply to—

(1) housing for the elderly or ~~【handicapped】~~ *persons with disabilities, or any 0-bedroom dwelling*, except for any dwelling in such housing in which any child who is ~~【less than 7 years of age】~~ *under age 6* resides or is expected to reside; *or*

(2) any project for which an application for insurance is submitted under section 1715v, 1715w, 1715z-6, or 1715z-7 of title 12~~【; or】~~.

~~【(3) any 0-bedroom dwelling.】~~

* * * * *

CHAPTER 63A—RESIDENTIAL LEAD-BASED PAINT HAZARD REDUCTION

§ 4851b. Definitions

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

(1) Abatement

* * * * *

(27) Target housing

The term “target housing” means any housing constructed prior to 1978, except housing for the elderly or persons with disabilities *or any 0-bedroom dwelling* (unless any child who is less than 6 years of age resides or is expected to reside in such ~~【housing for the elderly or persons with disabilities】~~ *or any 0-bedroom dwelling】* *housing*). In the case of jurisdictions which banned the sale or use of lead-based paint prior to 1978, the Secretary, at the Secretary’s discretion, may designate an earlier date.

* * * * *

CHAPTER 119—HOMELESS ASSISTANCE

SUBCHAPTER II—UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS

§ 11314. Director and Staff

(a) Director

The Council shall appoint an Executive Director, who shall be compensated at a rate not to exceed the rate of basic pay payable for ~~level V~~ *level IV* of the Executive Schedule under section 5316 of title 5. The Council shall appoint an Executive Director at the first meeting of the Council held under section 11312(c) of this title.

* * * * *

§ 11319. Termination

The Council shall cease to exist, and the requirements of this subchapter shall terminate, on ~~October 1, 2017~~ *October 1, 2018*

* * * * *

SUBCHAPTER IV—HOUSING ASSISTANCE

PART C—CONTINUUM OF CARE PROGRAM

§ 11386b. Allocation of amounts and incentives for specific eligible activities

(a) Minimum allocation for permanent housing for homeless individuals and families with disabilities

* * * * *

(e) Incentives for successful implementation of proven strategies

If any geographic area demonstrates that it has fully implemented any of the activities described in subsection (d) for all homeless individuals and families or for all members of subpopulations for whom such activities are targeted, that geographic area shall receive the bonus or incentive provided under subsection (d), but may use such bonus or incentive for any eligible activity under either section 11383 of this title or paragraphs (4) and (5) of section 11374(a) of this title for homeless people generally or for the relevant subpopulation.

(f) TRANSITION FOR REALLOCATED GRANT.—

(1) From amounts under this subtitle made available to carry out subtitle B and this subtitle, the Secretary may award one-year transition grants to recipients to transition from one Continuum of Care program component to another.

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

(1) LONG-RANGE PLAN.—* * *

* * * * *

(5) INCLUSION OF CERTAIN ROUTE SEGMENTS ON INTERSTATE SYSTEM.—

(A) IN GENERAL.—The portions of the routes referred to in subsection (c)(1) subsection (c)(3) (solely as it relates to the Kentucky Corridor), 1 in clauses (i), (ii), and (except with respect to Georgetown County) (iii) of subsection (c)(5)(B), in subsection (c)(9), subsection (c)(13), in subsection (c)(18), subsection (c)(20), subparagraphs (A) and (B)(i) of subsection (c)(26), subsection (c)(36), in subsection (c)(37), in subsection (c)(40), and in subsection (c)(57), subsection (c)(68)(B), subsection (c)(81), subsection (c)(82), [and subsection (c)(83)] *subsection (c)(83), and subsection (c)(89)* that are not a part of the Interstate System are designated as future parts of the Interstate System. Any segment of such routes shall become a part of the Interstate System at such time as the Secretary determines that the segment—

—

**CONSOLIDATED AND FURTHER CONTINUING
APPROPRIATIONS ACT, 2012, PUBLIC LAW 112-55**

**DIVISION C—TRANSPORTATION, HOUSING AND URBAN
DEVELOPMENT, AND RELATED AGENCIES**

TITLE II

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

RENTAL ASSISTANCE DEMONSTRATION

To conduct a demonstration designed to preserve and improve public housing and certain other multifamily housing through the voluntary conversion of properties with assistance under section 9 of the United States Housing Act of 1937, (hereinafter, “the Act”), or the moderate rehabilitation program under section 8(e)(2) of the Act, to properties with assistance under a project-based subsidy contract under section 8 of the Act, which shall be eligible for renewal under section 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997, or assistance under section 8(o)(13) of the Act, the Secretary may transfer amounts provided through contracts under section 8(e)(2) of the Act or under the headings “Public Housing Capital Fund” and “Public Housing Operating Fund” to the headings “Tenant-Based Rental Assistance” or “Project-Based Rental Assistance” (*“First Component” herein*): *Provided*, That the initial long-term contract under which converted assistance is made available may allow for rental adjustments only by an operating cost factor established by the Secretary, and shall be subject to the availability of appropriations for each year of such term: *Provided further*, That project applications may be received under this demonstration [until September 30, 2018] *for fiscal year 2012 and thereafter: Provided further*, That any increase in cost for “Tenant-Based Rental Assistance” or “Project-Based Rental

Assistance” associated with such conversion in excess of amounts made available under this heading shall be equal to amounts transferred from “Public Housing Capital Fund” and “Public Housing Operating Fund” or other account from which it was transferred: *Provided further*, That not more than ~~185,000~~ 250,000 units currently receiving assistance under section 9 or section 8(e)(2) of the Act shall be converted under the authority provided under this heading: *Provided further*, That tenants of such properties with assistance converted from assistance under section 9 shall, at a minimum, maintain the same rights under such conversion as those provided under sections 6 and 9 of the Act: *Provided further*, That the Secretary shall select properties from applications for conversion as part of this demonstration through a competitive process: *Provided further*, That in establishing criteria for such competition, the Secretary shall seek to demonstrate the feasibility of this conversion model to recapitalize and operate public housing properties (1) in different markets and geographic areas, (2) within portfolios managed by public housing agencies of varying sizes, and (3) by leveraging other sources of funding to recapitalize properties: *Provided further*, That the Secretary shall provide an opportunity for public comment on draft eligibility and selection criteria and procedures that will apply to the selection of properties that will participate in the demonstration: *Provided further*, That the Secretary shall provide an opportunity for comment from residents of properties to be proposed for participation in the demonstration to the owners or public housing agencies responsible for such properties: *Provided further*, That the Secretary may waive or specify alternative requirements for (except for requirements related to fair housing, nondiscrimination, labor standards, and the environment) any provision of section 8(o)(13) or any provision that governs the use of assistance from which a property is converted under the demonstration or funds made available under the headings of “Public Housing Capital Fund”, “Public Housing Operating Fund”, and “Project-Based Rental Assistance”, under this Act or any prior Act or any Act enacted during the period of conversion of assistance under the demonstration for properties with assistance converted under the demonstration, upon a finding by the Secretary that any such waivers or alternative requirements are necessary for the effective conversion of assistance under the demonstration: *Provided further*, That the Secretary shall publish by notice in the Federal Register any waivers or alternative requirements pursuant to the previous proviso no later than 10 days before the effective date of such notice: *Provided further*, That the demonstration may proceed after the Secretary publishes notice of its terms in the Federal Register: *Provided further*, That notwithstanding sections 3 and 16 of the Act, the conversion of assistance under the demonstration shall not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the demonstration, and such a family shall not be considered a new admission for any purpose, including compliance with income targeting requirements: *Provided further*, That in the case of a property with assistance converted under the demonstration from assistance under section 9 of the Act, section 18 of the Act shall not apply to a property converting assistance under the dem-

onstration for all or substantially all of its units, the Secretary shall require ownership or control of assisted units by a public or nonprofit entity except as determined by the Secretary to be necessary pursuant to foreclosure, bankruptcy, or termination and transfer of assistance for material violations or substantial default, in which case the priority for ownership or control shall be provided to a capable public or nonprofit entity, then a capable entity, as determined by the Secretary, shall require long-term renewable use and affordability restrictions for assisted units, and may allow ownership to be transferred to a for-profit entity to facilitate the use of tax credits only if the public housing agency [preserves its interest] or a nonprofit entity preserves an interest in the property in a manner approved by the Secretary, and upon expiration of the initial contract and each renewal contract, the Secretary shall offer and the owner of the property shall accept renewal of the contract subject to the terms and conditions applicable at the time of renewal and the availability of appropriations each year of such renewal: *Provided further*, That the Secretary may permit transfer of assistance at or after conversion under the demonstration to replacement units subject to the requirements in the previous proviso: *Provided further*, That the Secretary may establish the requirements for converted assistance under the demonstration through contracts, use agreements, regulations, or other means: *Provided further*, That the Secretary shall assess and publish findings regarding the impact of the conversion of assistance under the demonstration on the preservation and improvement of public housing, the amount of private sector leveraging as a result of such conversion, and the effect of such conversion on tenants: [*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, including but not limited to tenant consultation procedures, for conversion of assistance available for such vouchers to assistance under a long-term project-based subsidy contract under section 8 of the Act, which 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 of Housing and Urban Development may waive or alter the provisions of subparagraphs (C) and (D) of section 8(o)(13) of the Act]: *Provided further*, That for fiscal year 2012 and hereafter, owners of properties assisted or previously 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 a contract expires or terminates due to prepayment on or after October 1,

2006 has caused or results in the termination of rental assistance or affordability restrictions or both and the issuance of tenant protection vouchers under section 8(o) or section 8(t) of the Act, or with a project rental assistance contract under section 202(c)(2) of Housing Act of 1959, shall be eligible, subject to requirements established by the Secretary, including but not limited to tenant consultation procedures, for conversion of assistance available or provided for such vouchers or assistance contracts, to assistance under a long-term project-based subsidy contract under section 8 of the Act, which shall have a term of no less than 20 years, which shall have initial rents set at comparable market rents for the market area, with subsequent rent adjustments only by an operating cost factor established by the Secretary, and 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 subparagraph (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 (“Second Component” herein): Provided further, That conversions of assistance under the Second Component may not be the basis for re-screening or termination of assistance or eviction of any tenant family in a property participating in the demonstration: Provided further, That amounts made available under the heading “Rental Housing Assistance” during the period of conversion under the [previous proviso, which may extend beyond fiscal year 2016 as necessary to allow processing of all timely applications, shall be available for project-based subsidy contracts entered into pursuant to the previous proviso:] Second Component, except for conversion of Section 202 project rental assistance contracts, shall be available for project-based subsidy contracts entered into pursuant to the Second Component: Provided further, That amounts, including contract authority, recaptured from contracts following a conversion under the [previous two provisos] Second Component, except for conversion of section 202 project rental assistance contracts, are hereby rescinded and an amount of additional new budget authority, equivalent to the amount rescinded is hereby appropriated, to remain available until expended for such conversions: Provided further, That the Secretary may transfer amounts made available under the heading “Rental Housing Assistance”, amounts made available for tenant protection vouchers under the heading “Tenant-Based Rental Assistance” and specifically associated with any such conversions, and amounts made available under the previous proviso as needed to the account under the “Project-Based Rental Assistance” heading to facilitate conversion under the [three previous provisos] Second Component, except for conversion of section 202 project rental assistance contracts, and any increase in cost for “Project-Based Rental Assistance” associated with such conversion shall be equal to amounts so transferred: Provided further, That the Secretary may transfer amounts made available under the heading “Housing for the Elderly” to the accounts under the headings “Project-Based Rental Assistance” or “Tenant-Based Rental Assistance” to facilitate any Section 202 project rental assistance contract conversions under

the Second Component, and any increase in cost for “Project-Based Rental Assistance” or “Tenant-Based Rental Assistance” associated with such conversion shall be equal to amounts so transferred: Provided further, That with respect to the [previous four provisos] Second Component, as applicable, the Comptroller General of the United States shall conduct a study of the long-term impact of the fiscal year 2012 and 2013 conversion of tenant protection vouchers to assistance under section 8(o)(13) of the Act on the ratio of tenant-based vouchers to project-based vouchers.

**FAA MODERNIZATION AND REFORM ACT OF 2012,
PUBLIC LAW 112-95**

TITLE III

SAFETY

SUBTITLE B—UNMANNED AIRCRAFT SYSTEMS

SEC. 332. INTEGRATION OF CIVIL UNMANNED AIRCRAFT SYSTEMS INTO NATIONAL AIRSPACE SYSTEM.

(a) **REQUIRED PLANNING FOR INTEGRATION.—**

* * * * *

(c) **PILOT PROJECTS.—**

(1) **ESTABLISHMENT.—*** * *

* * * * *

(5) **REPORT TO CONGRESS.—**

(A) **IN GENERAL.—*** * *

* * * * *

(B) **ADDITIONAL CONTENTS.—*** * *

(i) * * *

(ii) to validate the sense and avoid capability and operation of unmanned aircraft systems.

(6) *INCLUSION OF CERTAIN FLIGHT TEST FACILITIES.—The Administrator shall expand the program established under paragraph (1) to permit projects under the program to be carried out at any public entity authorized by the Federal Aviation Administration as an unmanned aircraft system flight test center before January 1, 2009.*

* * * * *

TITLE IX

FEDERAL AVIATION RESEARCH AND DEVELOPMENT

SEC. 911 RESEARCH PROGRAM ON ALTERNATIVE JET FUEL TECHNOLOGY FOR CIVIL AIRCRAFT.

(a) **IN GENERAL.—**

* * * * *

(b) **AUTHORITY TO MAKE GRANTS.—**The Administrator shall carry out the program through the use of grants or other measures

BUDGETARY IMPACT OF BILL

PREPARED IN CONSULTATION WITH THE CONGRESSIONAL BUDGET OFFICE PURSUANT TO SEC.
308(A), PUBLIC LAW 93-344, AS AMENDED

[In millions of dollars]

	Budget authority		Outlays	
	Committee allocation	Amount in bill	Committee allocation	Amount in bill
Comparison of amounts in the bill with the subcommittee allocation for 2017: Subcommittee on Transportation and Housing and Urban Development, and Related Agencies:				
Mandatory .....	.....	.....	.....	.....
Discretionary	56,474	56,474	120,471	¹ 120,461
Security	275	275	NA	NA
Nonsecurity	56,199	56,199	NA	NA
Projections of outlays associated with the recommendation:				
2017 .....	.....	.....	.....	² 42,595
2018 .....	.....	.....	.....	36,727
2019 .....	.....	.....	.....	14,920
2020 .....	.....	.....	.....	6,452
2021 and future years .....	.....	.....	.....	8,063
Financial assistance to State and local governments for 2017	NA	31,866	NA	² 32,239

¹ Includes outlays from prior-year budget authority.

² Excludes outlays from prior-year budget authority.

NA: Not applicable.

NOTE.—Consistent with the funding recommended in the bill as an emergency requirement and in accordance with section 251(b)(2)(A)(i) of the BBEDCA of 1985, the Committee anticipates that the Budget Committee will provide a revised 302(a) allocation for the Committee on Appropriations reflecting an upward adjustment of \$1,000,000 in outlays.

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2016 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2017—Continued
 (In thousands of dollars)

Item	2016 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2016 appropriation	Budget estimate
TITLE II—DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Management and Administration					
Executive Offices	13,800	14,479	30,608	+ 16,808	+ 16,129
Administration Support Offices	559,100	520,062	503,852	- 55,248	- 16,210
Program Office Salaries and Expenses:					
Public and Indian Housing	205,500	220,932	220,500	+ 15,000	- 432
Community Planning and Development	104,800	110,259	110,000	+ 5,200	- 259
Housing	375,000	393,148	393,000	+ 18,000	- 148
Policy Development and Research	23,100	24,500	24,500	+ 1,400	.....
Fair Housing and Equal Opportunity	72,000	74,235	74,235	+ 2,235	.....
Office of Lead Hazard Control and Healthy Homes	7,000	7,826	8,075	+ 1,075	+ 249
Subtotal	787,400	830,900	830,310	+ 42,910	- 590
Total, Management and Administration	1,360,300	1,365,441	1,364,770	+ 4,470	- 671
Public and Indian Housing					
Tenant-based rental assistance:					
Renewals	17,681,451	18,447,000	18,355,000	+ 673,549	- 92,000
Tenant protection vouchers	130,000	110,000	110,000	- 20,000	.....
Administrative fees	1,650,000	2,077,000	1,768,696	+ 118,696	- 308,304
Incremental rental vouchers .....	.....	88,000	.....	.....	- 88,000
Incremental family unification vouchers .....	.....	.....	20,000	+ 20,000	+ 20,000
Sec. 811 mainstream voucher renewals	107,074	110,000	110,000	+ 2,926	.....
Veterans affairs supportive housing	60,000	7,000	57,000	- 3,000	+ 90,000
Mobility demonstration .....	.....	15,000	11,000	+ 11,000	- 4,000
Subtotal (available this fiscal year)	19,628,525	20,854,000	20,431,696	+ 803,171	- 422,304
Advance appropriations	4,000,000	4,000,000	4,000,000	.....	.....

Less appropriations from prior year advances	- 4,000,000	- 4,000,000	- 4,000,000	.....
Total, Tenant-based rental assistance appropriated in this bill	19,628,525	20,854,000	20,431,696	+ 803,171
Public Housing Capital Fund	1,900,000	1,865,000	1,925,000	+ 25,000
Public Housing Operating Fund	4,500,000	4,569,000	4,675,000	+ 175,000
Choice neighborhoods	125,000	200,000	80,000	- 45,000
Family self-sufficiency	75,000	75,000	75,000	.....
Native American Housing Block Grants	650,000	700,000	.....	- 700,000
(Limitation on guaranteed loans)	(17,452)	(17,857)	.....	( - 17,857)
Indian blockgrants:	.....	.....	.....	.....
Indian Housing Blocks grants .....	.....	.....	654,000	+ 654,000
(Limitation on guaranteed loans) .....	.....	.....	(17,857)	(+ 17,857)
Indian CDBG .....	.....	.....	60,000	+ 60,000
Subtotal .....	.....	.....	714,000	+ 714,000
Native Hawaiian Housing Block Grant .....	.....	500	5,000	+ 5,000
Indian Housing Loan Guarantee Fund Program Account	7,500	5,500	6,500	- 1,000
(Limitation on guaranteed loans)	(1,190,476)	(1,341,463)	(1,585,366)	(+ 394,890)
Total, Public and Indian Housing	26,886,025	28,269,000	27,912,196	+ 1,026,171
Housing opportunities for persons with AIDS	335,000	335,000	335,000	.....
Community Planning and Development .....	.....	.....	.....	.....
Community Development Fund:	3,000,000	2,800,000	3,000,000	+ 200,000
CDBG formula	60,000	80,000	.....	- 80,000
Indian CDBG .....	.....	.....	.....	.....
Subtotal	3,060,000	2,880,000	3,000,000	+ 120,000
Community development loan guarantees (Section 108):	(300,000)	(300,000)	(300,000)	.....
(Limitation on guaranteed loans)	950,000	950,000	950,000	.....
HOME Investment Partnerships Program .....	.....	.....	.....	.....
Subtotal	950,000	950,000	950,000	.....
Self-help and Assisted Homeownership Opportunity Program	55,700	.....	54,000	- 1,700
Homeless Assistance Grants	2,250,000	2,664,000	2,330,000	+ 80,000
				+ 54,000
				- 334,000

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2016 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
 FOR FISCAL YEAR 2017—Continued
 (In thousands of dollars)

Item	2016 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2016 appropriation	Budget estimate
Total, Community Planning and Development	6,650,700	6,829,000	6,669,000	+ 18,300	- 160,000
Housing Programs					
Rental assistance demonstration		50,000	4,000	+ 4,000	- 46,000
Project-based rental assistance:					
Renewals	10,405,000	10,581,000	10,666,000	+ 261,000	+ 85,000
Contract administrators	215,000	235,000	235,000	+ 20,000	
Subtotal (available this fiscal year)	10,620,000	10,816,000	10,901,000	+ 281,000	+ 85,000
Advance appropriations	400,000	400,000	400,000		
Less appropriations from prior year advances	- 400,000	- 400,000	- 400,000		
Total, Project-based rental assistance appropriated in this bill	10,620,000	10,816,000	10,901,000	+ 281,000	+ 85,000
Housing for the elderly	432,700	505,000	505,000	+ 72,300	
Housing for persons with disabilities	150,600	154,000	154,000	+ 3,400	
Policy Development and Research (transfer out)		(- 770)			(+ 770)
Housing counseling assistance	47,000	47,000	47,000		
Rental housing assistance	30,000	20,000	20,000	- 10,000	
Manufactured Housing Fees Trust Fund	10,500	11,500	10,500		- 1,000
Offsetting collections	- 10,500	- 11,500	- 10,500		+ 1,000
Total, Housing programs	11,280,300	11,592,000	11,631,000	+ 350,700	+ 39,000
Federal Housing Administration					
Mutual Mortgage Insurance Program Account:					
(Limitation on guaranteed loans)	(400,000,000)	(400,000,000)	(400,000,000)		
(Limitation on direct loans)	(5,000)	(5,000)	(5,000)		
Offsetting receipts	- 7,003,000	- 7,437,000	- 7,437,000	- 434,000	

Proposed offsetting receipts (HECM)	-97,000	-97,000	-97,000	-97,000					
Additional offsetting receipts (Sec. 238)		-30,000	-30,000						+30,000
Administrative contract expenses	130,000	160,000	130,000	130,000					-30,000
General and Special Risk Program Account:									
(Limitation on guaranteed loans)	(30,000,000)	(30,000,000)	(30,000,000)	(30,000,000)					
(Limitation on direct loans)	(5,000)	(5,000)	(5,000)	(5,000)					
Offsetting receipts	-657,000	-464,000	-464,000	-464,000				+193,000	
Total, Federal Housing Administration	-7,627,000	-7,868,000	-7,868,000	-7,868,000				-241,000	
Government National Mortgage Association									
Guarantees of Mortgage-backed Securities Loan Guarantee Program Account:									
(Limitation on guaranteed loans)	(500,000,000)	(500,000,000)	(500,000,000)	(500,000,000)					
Administrative expenses	23,000	23,000	23,000	23,000					
Offsetting receipts	-118,000	-101,000	-101,000	-101,000				+17,000	
Offsetting receipts	-747,000	-1,102,000	-1,102,000	-1,102,000				-355,000	
Proposed offsetting receipts (HECM)	-21,000	-21,000	-21,000	-21,000					
Additional contract expenses	1,000	1,000	1,000	1,000					
Total, Gov't National Mortgage Association	-862,000	-1,200,000	-1,200,000	-1,200,000				-338,000	
Policy Development and Research									
Research and technology	85,000	65,000	65,000	65,000				+5,000	+25,000
(By transfer)		(120,000)	(120,000)						(-120,000)
Total (including transfer)	85,000	185,000	185,000	185,000				+5,000	-95,000
Fair Housing and Equal Opportunity									
Fair housing activities	65,300	70,000	65,300	65,300					-4,700
Office of Lead Hazard Control and Healthy Homes									
Lead hazard reduction	110,000	110,000	110,000	110,000				+25,000	+25,000
Policy Development and Research (transfer out)		(-550)	(-550)						(+550)
Information Technology Fund	250,000	286,000	286,000	286,000				+23,000	-13,000
Office of Inspector General	126,000	129,000	129,000	129,000				+3,000	

COMPARATIVE STATEMENT OF NEW BUDGET (OBLIGATIONAL) AUTHORITY FOR FISCAL YEAR 2016 AND BUDGET ESTIMATES AND AMOUNTS RECOMMENDED IN THE BILL
FOR FISCAL YEAR 2017—Continued
(In thousands of dollars)

Item	2016 appropriation	Budget estimate	Committee recommendation	Senate Committee recommendation compared with (+ or -)	
				2016 appropriation	Budget estimate
General Provisions					
Unobligated balances (Sec. 241) (rescission)	- 14,000	.....	.....	+ 14,000	.....
Total, title II, Department of Housing and Urban Development	38,310,625	39,647,441	39,201,266	+ 890,641	- 446,175
Appropriations	(42,578,125)	(44,510,941)	(44,033,766)	(+ 1,455,641)	(- 477,175)
Rescissions	(- 14,000)	.....	.....	(+ 14,000)	.....
Advance appropriations	(4,400,000)	(4,400,000)	(4,400,000)	.....	.....
Offsetting receipts	(- 8,643,000)	(- 9,252,000)	(- 9,222,000)	(- 579,000)	(+ 30,000)
Offsetting collections	(- 10,500)	(- 11,500)	(- 10,500)	.....	(+ 1,000)
(By transfer) .....	.....	120,000	.....	.....	- 120,000
(Limitation on direct loans)	(10,000)	(10,000)	(10,000)	.....	.....
(Limitation on guaranteed loans)	(931,507,928)	(931,659,320)	(931,903,223)	(+ 395,295)	(+ 243,903)
TITLE III—OTHER INDEPENDENT AGENCIES					
Access Board	8,023	8,190	8,190	+ 167	.....
Federal Housing Finance Agency, Office of Inspector General (legislative proposal) (transfer out) .....	.....	(- 50,000)	.....	.....	(+ 50,000)
Office of Inspector General (legislative proposal) (by transfer) .....	.....	(50,000)	.....	.....	(- 50,000)
Federal Maritime Commission	25,660	27,490	27,490	+ 1,830	.....
National Railroad Passenger Corporation Office of Inspector General	24,499	23,274	23,274	- 1,225	.....
National Transportation Safety Board	105,170	106,000	106,000	+ 830	.....
Neighborhood Reinvestment Corporation	175,000	140,000	135,000	- 40,000	- 5,000
Surface Transportation Board .....	.....	42,401	37,000	+ 37,000	- 5,401
Offsetting collections .....	.....	- 1,250	- 1,250	- 1,250	.....
Subtotal .....	.....	41,151	35,750	+ 35,750	- 5,401
United States Interagency Council on Homelessness	3,530	3,600	3,600	+ 70	.....
Total, title III, Other Independent Agencies	341,882	349,705	339,304	- 2,578	- 10,401

TITLE IV—GENERAL PROVISIONS—THIS ACT					
Community Development Fund (disaster relief category) (Sec. 420)					
Grand total	300,000	51,992,343	56,474,000	-300,000	4,481,657
Appropriations	57,600,707	(69,298,093)	(63,518,750)	-1,126,707	(+4,220,657)
Rescissions	(61,615,978)	(-5,000)	(-2,211,000)	(+1,902,772)	(+5,000)
Rescissions of contract authority	(-60,521)	(4,400,000)	(4,400,000)	(+60,521)	(+225,000)
Advance appropriations	(4,400,000)	(-9,252,000)	(-9,222,000)	(-300,000)	
Disaster relief category	(300,000)	(-12,750)	(-11,750)	(-579,000)	(+30,000)
Offsetting receipts	(8,643,000)	171,500	1,500	(+1,000)	
Offsetting collections	(-11,750)	(82,510,278)	(57,725,278)	+1,500	-170,000
(By transfer)					
(Limitation on obligations)	(56,355,237)			(+1,370,041)	(-24,785,000)

○