(Original Signature of Member)

117TH CONGRESS 1ST SESSION

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, and for other purposes.

H.R.

IN THE HOUSE OF REPRESENTATIVES

Mr. CLEAVER introduced the following bill; which was referred to the Committee on

A BILL

To authorize the Department of Housing and Urban Development to transform neighborhoods of extreme poverty into sustainable, mixed-income neighborhoods with access to economic opportunities, by revitalizing severely distressed housing, and investing and leveraging investments in well-functioning services, educational opportunities, public assets, public transportation, and improved access to jobs, and for other purposes.

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

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Choice Neighborhoods3 Initiative Act of 2021".

4 SEC. 2. GRANT AUTHORITY.

5 The Secretary of Housing and Urban Development 6 may make competitive grants to eligible entities that sub-7 mit transformation plans for eligible neighborhoods that 8 will further the purposes of this Act in such neighbor-9 hoods.

10 SEC. 3. ELIGIBLE ENTITIES.

(a) PRIMARY APPLICANTS.—A grant under this Act 11 12 may be made only to a unit of local government, a public housing agency, or a nonprofit entity that owns a major 13 housing project that is proposed to be assisted under a 14 grant under this Act, either as a sole applicant or as a 15 co-applicant with another unit of local government or pub-16 17 lic housing agency or with an entity specified in subsection (b). A nonprofit entity may be a sole applicant only if the 18 application has the support of a unit of local government. 19

20 (b) CO-APPLICANTS.—

(1) COMMUNITY DEVELOPMENT CORPORATIONS.—A community development corporation (as
such term is defined in section 204(b) of the Departments of Veterans Affairs and Housing and Urban
Development, and Independent Agencies Appropriations Act, 1997 (12 U.S.C. 1715z–11a(b))) may, at

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the request of an entity specified in subsection (a), 2 be a co-applicant for a grant under this Act.

3 (2) FOR-PROFIT ENTITIES.—A for-profit entity 4 that owns a major housing project that is proposed 5 to be assisted under a grant under this Act made in 6 fiscal year 2022 or thereafter and that has an estab-7 lished presence in the community may be a co-appli-8 cant for a grant under this Act.

9 (3) REQUIRED CO-APPLICANTS.—A grant under 10 this Act may not be made for an application that 11 will involve transformation of a major public housing 12 project unless the public housing agency having ju-13 risdiction with respect to such project is the sole ap-14 plicant or a co-applicant for such application.

15 (c) PARTNERS.—Nothing in this section may be con-16 strued to limit the ability of an applicant to partner with 17 any entity in carrying out activities with a grant under 18 this Act.

19 **SEC. 4. ELIGIBLE NEIGHBORHOODS.**

20A grant under this Act may be made only for activi-21 ties to be conducted in neighborhoods that have—

22 (1) a concentration of extreme poverty (as such 23 term is defined in section 15); and

24 (2) housing that is severely distressed housing 25 (as such term is defined in section 15).

1 SEC. 5. AUTHORIZED ACTIVITIES.

2 (a) IN GENERAL.—Amounts from a grant under this 3 Act may be used only for transformational programs and 4 activities in accordance with a transformation plan ap-5 proved under section 6 that will further the purposes of 6 this Act.

7 (b) REQUIRED ACTIVITIES.—Each transformation
8 plan submitted pursuant to section 6 and implemented by
9 a grantee under this Act shall include the following activi10 ties:

(1) The transformation of housing through rehabilitation, preservation, or demolition and replacement of severely distressed housing projects, expansion of affordable housing opportunities, or any combination thereof, which may incorporate energy-efficient design principles.

(2) The one-for-one replacement of any public
and assisted housing units demolished or disposed of
in accordance with the requirements under section 8.
(3) Activities that promote economic self-sufficiency of residents of the revitalized housing and of
the surrounding neighborhood.

(4) Activities that preserve affordable housing
in the neighborhood and other activities necessary to
ensure that existing public and assisted housing resi-

dents have access to the benefits of the neighbor hood transformation.

3 (5) Activities that demonstrate that each resi-4 dent of housing assisted by the grant who is dis-5 placed by the transformation plan and who wishes to 6 return to the revitalized on-site housing in the neigh-7 borhood or to replacement housing outside of the 8 neighborhood, can return, and shall be provided a 9 preference in accordance with the program require-10 ments under section 7.

(6) Activities that meet the program requirements for replacement of housing units under section 8.

14 (7) Activities that meet the fair housing pro15 gram requirements under section 9(a) and the acces16 sibility requirements under section 9(b).

17 (8) Appropriate service coordination and sup-18 portive services.

(9) Resident involvement, as described in section 7, in planning and implementation of the transformation plan, including reasonable steps to help
ensure meaningful participation for residents who,
as a result of their national origin, are limited in
their English language proficiency.

1 (10) Monitoring, under section 7(g), of resi-
2 dents relocated during redevelopment throughout the
3 term of the grant or until full occupancy of replace-
4 ment housing, whichever is completed later.
5 (11) Relocation assistance, including tenant-
6 based rental assistance renewable under section 8 of
7 the United States Housing Act of 1937 (42 U.S.C.
8 1437f), mobility or relocation counseling over mul-
9 tiple years, reasonable moving costs, and security de-
10 posits.
11 (12) Establishment of links to local education
12 efforts, as described in subsection $(c)(3)$ of this sec-
13 tion.
14 (13) Activities to comply with section 3 of the
15 Housing and Urban Development Act of 1968 (12
16 U.S.C. 1701u).
17 (c) ELIGIBLE ACTIVITIES.—Amounts from a grant
18 under this Act may be used for the following activities:
19 (1) Construction, acquisition, or rehabilitation
20 of affordable housing (as such term is defined in
21 section 15), which may include energy efficiency im-
22 provements and sustainable design features for such
23 housing.
24 (2) Acquisition or disposition of residential
25 properties, including properties subject to a mort-

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gage previously insured, and foreclosed upon, by the Federal Housing Administration, and demolition.

(3) Outreach to local educators, and engaging in local community planning, to help increase access to educational opportunities, a continuum of effective community services, and strong family supports, and to improve the educational and life outcomes which have a significant benefit to residents of housing assisted under this Act, including children and youth and, as appropriate, for adult residents, including the elderly or persons with disabilities.

(4) Providing supportive services (as such term
is defined in section 15) which have a significant
benefit to residents of housing assisted under this
Act, primarily focused on services described in subparagraphs (B) and (C) of section 15(14).

17 (5) Rehabilitation and physical improvement of
18 community facilities that are primarily intended to
19 facilitate the delivery of community and supportive
20 services which have a significant benefit to residents
21 of housing assisted by the grant and residents of off22 site replacement housing.

(6) Work incentives designed to help low-income
residents assisted by the housing under this Act access jobs and move toward self-sufficiency.

1 (7) Partnering with employers and for-profit 2 and nonprofit organizations to create jobs and job 3 training opportunities which have a significant benefit to residents of housing assisted under this Act. 4 5 (8) Activities that promote sustainable housing 6 by incorporating principles of sustainable design and 7 development, including energy efficiency. 8 (9) Critical community improvements (as such 9 term is defined in section 15 of this Act) undertaken 10 at sites that are adjacent to, or in the immediate vi-11 cinity of, housing assisted under this Act. 12 (10) Loss reserves to protect residents of hous-13 ing assisted by the grant and continue the project in 14 the case of default, foreclosure, or any other adverse 15 financial event. The Secretary shall require any grantee under this Act 16 17 that will provide benefits under paragraph (3), (4), (5), or (7) to any residents who are not living in housing as-18 sisted with a grant under this Act, to submit to the Sec-19 retary a plan identifying how such services will be pro-20 vided. 21 22 (d) ELIGIBLE METHODS OF SUPPORT.—Activities carried out with amounts from a grant under this Act may 23 be carried out through----24

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(1) endowments or revolving loan funds; or

(2) land assembly, land banking, and other ac tivities, except that no amounts made available for
 use under this Act may be used to acquire any prop erty by means of the exercise of the power of emi nent domain.

6 (e) FUNDING LIMITATIONS.—

7 (1) SCHOOL BUILDINGS.—No amounts from a 8 grant under this Act may be used for construction 9 or rehabilitation of an elementary school or sec-10 ondary school (as such terms are defined in section 11 9101 of the Elementary and Secondary Education 12 Act of 1965 (20 U.S.C. 7801)) or an institution of 13 higher education (as such term is defined in section 14 102 of the Higher Education Act of 1965 (20 15 U.S.C. 1002)), except that such amounts may be 16 used to construct common infrastructure that is 17 shared by such a school or institution and by hous-18 ing assisted under this Act, or community facilities 19 authorized under subsection (c)(5), but only if costs 20 are shared on a pro rata basis and the grantee cer-21 tifies, and the Secretary determines, that such use 22 of funds will not promote or further segregation.

23 (2) NON-HOUSING ACTIVITIES AND SUPPORTIVE
24 SERVICES.—For each grant under this Act, the

1	grantee shall comply with each of the following re-
2	quirements:
3	(A) Of the amount of the grant, not more
4	than 25 percent may be used for eligible activi-
5	ties under paragraphs (3) through (9) of sub-
6	section (c).
7	(B) Of the amount of the grant, not more
8	than 5 percent may be used for eligible activi-
9	ties under paragraphs (8) and (9) of subsection
10	(c).
11	(3) CONSULTATION.—With respect to activities
12	assisted pursuant to paragraph (2), the Secretary
13	shall consult with the Secretary of Labor, the Sec-
14	retary of Health and Human Services, the Secretary
15	of Energy, the Secretary of Transportation, the Sec-
16	retary of Education, and the Attorney General in
17	identifying funding resources that may be provided
18	to supplement amounts from grants under this Act.
19	SEC. 6. SUBMISSION AND SELECTION OF TRANS-
20	FORMATION PLANS.
21	(a) TRANSFORMATION PLAN REQUIREMENTS.—To
22	be eligible for a grant under this Act, an eligible entity
23	shall submit to the Secretary, at such time in accordance
24	with procedures as the Secretary shall prescribe, an appli-
25	cation in the form of a transformation plan that—

1 (1) demonstrates how the transformation plan 2 will achieve the desired priority outcomes of trans-3 forming a distressed neighborhood of extreme pov-4 erty into a mixed-income neighborhood with high-5 quality, safe, and affordable housing (including the 6 one-for-one replacement of any public or assisted 7 housing units demolished or disposed of under the 8 transformation plan), economic opportunities, well-9 functioning services, public assets, access to jobs, 10 public transportation, and effective education pro-11 grams and public schools, including charter schools 12 and other autonomous public schools;

(2) demonstrates how the required activities
under section 5(b) will be carried out, including a
detailed description of the housing transformation
activities under paragraphs (1) and (2) of such section;

18 (3) describes the other eligible activities under
19 section 5(c) that will be carried out in support of the
20 housing transformation;

(4) defines desired outcomes of the strategy,
how residents of housing assisted under this Act will
benefit, describes the challenges they face, and the
evidence base that informs the proposed strategies

that will result in the desired outcomes for the com munity and residents;

3 (5) includes a long-term affordability plan, de-4 veloped in collaboration with residents of the public 5 and assisted housing assisted under this Act, that 6 describes how the grantee will maintain affordable 7 housing in the neighborhood over the next 50 years 8 or longer, including affordability provisions relating 9 to dwelling units provided using assistance under the 10 grant under this Act, and an agreement by the ap-11 plicant to update such plan every 5 years during 12 such period; and

13 (6) includes such other information as the Sec-14 retary shall, by regulation, prescribe.

15 (b) SELECTION CRITERIA.—The Secretary shall es-16 tablish criteria for the award of grants under this Act, 17 with the greatest consideration given to applicant and 18 neighborhood need as identified in section 4, and which 19 shall include the extent to which the transformation 20 plan—

(1) demonstrates the ability of the plan to further the purposes of this Act;

(2) demonstrates inclusive local planning with
input from units of local government, housing owners and providers, educators, residents of housing

assisted under this Act, local community organiza tions, public schools, early learning in programs,
 health service organizations, and community stake holders in the development and implementation of a
 sustainable revitalization program;

6 (3) includes efforts to coordinate multiple fund-7 ing resources, including public, private, and philan-8 thropic funding, and emphasizes collaboration be-9 tween the units of local government, early learning 10 programs and public schools, or a public housing 11 agency, or all three;

12 (4) includes current data showing that the
13 neighborhood targeted for revitalization is in need of
14 and can benefit from the authorized activities de15 scribed in section 5 and proposed in the trans16 formation plan;

(5) demonstrates the capability and record of
the applicant and its partners for managing housing
redevelopment or modernization projects, successfully working with public and assisted housing residents during the planning and redesign process, and
meeting performance benchmarks;

(6) demonstrates that sustainable building and
energy efficient design principles are incorporated or

will be incorporated in the activities conducted pur suant to the plan;

3 (7) demonstrates that the applicant has plans
4 to have, within a reasonable time, improved access
5 to public transportation in the neighborhood that
6 provides access to economic opportunities and com7 mercial and public services;

8 (8) demonstrates that the residents of revital-9 ized housing developments will have, to the extent 10 possible, improved access to high-quality educational 11 opportunities, including early learning and effective 12 elementary and secondary public schools, in or out-13 side of the neighborhood;

(9) demonstrates that the transformation plan
includes the provision of appropriate supportive services and activities that promote economic self-sufficiency of residents of housing assisted under the
grant, and a plan to sustain such services;

(10) demonstrates that the transformation plan
provides support for residents displaced as a result
of the revitalization of the project, including assistance in obtaining housing in areas with low concentrations of poverty in a manner that does not increase racial segregation;

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(11) demonstrates that sufficient housing op portunities are available in the neighborhood to be
 revitalized and in low-poverty areas to accommodate
 displaced residents, in a manner that does not in crease racial segregation;

6 (12) includes a well-documented assessment of 7 the number of households with special needs for on-8 going supportive services residing in the public or 9 assisted housing properties that are the target of the 10 grant and an effective plan to address such needs; 11 (13) demonstrates the compliance with the re-

quirements of section 8, regarding one-for-one replacement of public and assisted housing units;

(14) demonstrates how the applicant will use
indicators of housing redevelopment, neighborhood
quality, resident well-being, and other outcomes to
measure success, manage program implementation,
and engage stakeholders, consistent with requirements established by the Secretary;

20 (15) demonstrates, if feasible, phased redevelop21 ment that provides for demolition and construction
22 of dwelling units in phases, to limit disruptions to
23 residents;

(16) demonstrates that the neighborhood willimprove its long-term viability through the revitaliza-

tion of severely distressed housing, improved access
 to economic opportunities, improved investment and
 leveraging in well-functioning services, and improved
 education programs, public assets, public transpor tation and access to jobs; and

6 (17) demonstrates compliance with any other
7 factors and priorities that further the purposes of
8 this Act, as the Secretary may, by regulation, pre9 scribe.

10 SEC. 7. RIGHT OF RESIDENTS TO RETURN; RELOCATION.

(a) DETERMINATION OF RESIDENT PREF12 ERENCES.—An applicant shall, not later than 30 days be13 fore submitting an application to the Secretary for a grant
14 under this Act—

(1) hold a community meeting and provide information to all residents who occupy a dwelling unit
in public housing or assisted housing subject to the
transformation plan of—

(A) the applicant's intent to submit an application for a grant under this Act;

(B) their right to return and relocationhousing options; and

23 (C) all planned replacement housing units;24 and

(2) solicit from each resident information re garding the resident's desire to return to the re placement housing units constructed upon the origi nal public or assisted housing location, interest in
 moving to other neighborhoods or communities, or
 interest in retaining a voucher for rental assistance.
 (b) RESIDENT INVOLVEMENT.—

8 (1) IN GENERAL.—Each transformation plan 9 assisted under this Act shall provide opportunities 10 for the active involvement and participation of, and 11 consultation with, residents of the public and as-12 sisted housing that is subject to the transformation 13 plan during the planning process for the trans-14 formation plan, including prior to submission of the 15 application, and during all phases of the planning 16 and implementation. Such opportunities for partici-17 pation may include participation of members of any 18 resident council or tenant organization, but may not 19 be limited to such members, and shall include all 20 segments of the population of residents of the public 21 and assisted housing that is subject to the revitaliza-22 tion plan, including single parent-headed households, 23 the elderly, young employed and unemployed adults, 24 teenage youth, and disabled persons. Such opportu-25 nities shall include a process that provides opportunity for comment on specific proposals for redevel opment, any demolition and disposition involved, and
 any proposed significant amendments or changes to
 the transformation plan.

5 (2) PUBLIC MEETING.—The Secretary may not 6 make a grant under this Act to an applicant unless 7 the applicant has convened and conducted a public 8 meeting regarding the transformation plan, includ-9 ing the one-for-one replacement to occur under the 10 plan, not later than 30 days before submission of the 11 application for the grant under this section for such 12 plan, at a time and location that is convenient for 13 residents of the public and assisted housing subject 14 to the plan.

(3) SIGNIFICANT AMENDMENTS OR CHANGES
TO PLAN.—An applicant may not carry out any significant amendment or change to a transformation
plan unless—

(A) the applicant has convened and conducted a public meeting regarding the significant amendment or change at a time and location that is convenient for residents of the public and assisted housing subject to the plan and
has provided each household occupying a dwelling unit in such public and assisted housing

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with written notice of such meeting not less than 10 days before such meeting;

(B) after such meeting, the applicant consults with the households occupying dwelling units in the public and assisted housing that are subject to, or to be subject to the plan, and the agency submits a report to the Secretary describing the results of such consultation; and
(C) the Secretary approves the significant amendment or change.

(c) RIGHT TO RETURN.—The Secretary may not approve a transformation plan under this Act unless the plan
provides that each resident of public or assisted housing
displaced by activities under the transformation plan who
wishes to return to the on-site or off-site replacement
housing provided under the plan may return if the resident—

18 (1) was in compliance with the lease at the time
19 of departure from the housing subject to rehabilita20 tion or demolition; and

(2) would be eligible, as of the time of such return, for occupancy under the eligibility, screening,
and occupancy standards, policies, or practices applicable to the housing from which the resident was
displaced, as in effect at such time of displacement.

NOTICE, 1 (d) RELOCATION, APPLICATION FOR 2 VOUCHERS, AND DATA.—All relocation activities resulting from, or that will result from, demolition, disposition, or 3 both demolition and disposition, to be carried out under 4 a transformation plan relating to a grant under this Act 5 shall be subject to the following requirements: 6

7 (1) UNIFORM RELOCATION AND REAL PROP-ERTY ACQUISITION ACT.—The Uniform Relocation 8 9 and Real Property Acquisition Policies Act of 1970 10 (42 U.S.C. 4601 et seq.) shall apply. To the extent the provisions of this subsection and such Act con-11 12 flict, the provisions that provide greater protection 13 to residents displaced by the demolition, disposition, 14 or demolition and disposition, shall apply.

15 (2) RELOCATION PLAN.—The applicant shall 16 submit to the Secretary, together with the applica-17 tion for a grant under this Act, a relocation plan 18 providing for the relocation of residents occupying 19 the public or assisted housing for which the demolition or disposition is proposed, which shall include— 20 21 (A) a statement of the estimated number 22 of vouchers for rental assistance under section 23 7 that will be needed for such relocation;

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1	(B) identification of the location of the re-
2	placement dwelling units that will be made
3	available for permanent occupancy; and
4	(C) a statement of whether any temporary,
5	off-site relocation of any residents is necessary
6	and a description of the plans for such reloca-
7	tion.
8	(3) NOTICE UPON APPROVAL OF APPLICA-
9	TION.—Within a reasonable time after notice to the
10	applicant of the approval of an application for a
11	grant under this section, the applicant shall provide
12	notice in writing, in plain and non-technical lan-
13	guage, to the residents of the public and assisted
14	housing subject to the approved transformation plan
15	that—
16	(A) states that the application and trans-
17	formation plan has been approved;
18	(B) describes the process involved to relo-
19	cate the residents, including a statement that
20	the residents may not be relocated until the
21	conditions set forth in section 9 have been met;
22	(C) provides information regarding reloca-
23	tion options; and

1 (D) advises residents of the availability of 2 relocation counseling as required in paragraph 3 (7).

(4) NOTICE BEFORE RELOCATION.—Except in 4 5 cases of a substantial and imminent threat to health 6 or safety, not later than 90 days before the date on 7 which residents will be relocated, the grantee shall 8 provide notice in writing, in plain and non-technical 9 language, to each family residing in a public or as-10 sisted housing project that is subject to an approved 11 transformation plan, and in accordance with such 12 guidelines as the Secretary may issue governing such 13 notifications, that— 14 (A) the public or assisted housing project 15 will be demolished or disposed of;

16 (B) the demolition of the building in which
17 the family resides will not commence until each
18 resident of the building is relocated; and

(C) if temporary, off-site relocation is necessary, each family displaced by such action
shall be offered comparable housing—

22 (i) that meets housing quality stand-23 ards;

24 (ii) that is located in an area that is25 generally not less desirable than the loca-

1	tio	n of the displaced family's housing,
2	wh	ich shall include at least one unit lo-
3	cat	ed in an area of low poverty or one unit
4	loe	ated within the neighborhood of the
5	ori	ginal public or assisted housing site;
6		(iii) that is identified and available to
7	the	e family; and
8		(iv) which shall include—
9		(I) tenant-based assistance, ex-
10		cept that the requirement under this
11		subparagraph regarding offering of
12		comparable housing shall be fulfilled
13		by use of tenant-based assistance only
14		upon the relocation of the family into
15		such housing;
16		(II) project-based assistance;
17		(III) occupancy in a unit oper-
18		ated or assisted by the public housing
19		agency or the owner of the assisted
20		project demolished or disposed of
21		under this section, at a rental rate
22		paid by the family that is comparable
23		to the rental rate applicable to the
24		unit from which the family is relo-
25		cated; or

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(IV) other comparable housing.

2 (5)SEARCH PERIOD.—Notwithstanding any 3 other provision of law, in the case of a household 4 that is provided tenant-based assistance for reloca-5 tion of the household under this section, the period 6 during which the household may lease a dwelling 7 unit using such assistance shall not be shorter in du-8 ration than the 150-day period that begins at the 9 time a comparable replacement unit is made avail-10 able to the family. If the household is unable to lease 11 a dwelling unit using such assistance during such 12 period, the grantee shall extend the period during 13 which the household may lease a dwelling unit using 14 such assistance, or at the resident's request, shall 15 provide the resident with the next available com-16 parable public housing unit or comparable housing 17 unit for which project-based assistance is provided. 18 (6) PAYMENT OF RELOCATION EXPENSES.— 19 The grantee shall provide for the payment of the ac-20 tual and reasonable relocation expenses, including 21 security deposits, of each resident to be displaced and any other relocation expenses as are required by 22 23 the Uniform Relocation Assistance and Real Prop-24 erty Acquisition Policies Act of 1970.

1 (7)Comprehensive RELOCATION COUN-2 SELING.—The grantee shall provide all advisory pro-3 grams and services as required by the Uniform Relo-4 cation Assistance and Real Property Acquisition 5 Policies Act of 1970 and counseling for residents 6 who are displaced that shall fully inform residents to 7 be displaced of all relocation options, which may in-8 clude relocating to housing in a neighborhood with 9 a lower concentration of poverty than their current 10 residence, a neighborhood where relocation will not 11 increase racial segregation, or remaining in the cur-12 rent neighborhood. Such counseling shall also in-13 clude providing school options for children and com-14 prehensive housing search assistance for households 15 that receive a voucher for tenant-based assistance.

16 (8) TIMING OF DEMOLITION OR DISPOSITION.—
17 The grantee shall not commence demolition or com18 plete disposition of a building subject to the ap19 proved transformation plan until all residents resid20 ing in the building are relocated.

(9) TIMING OF RELOCATION.—The applicant
shall not commence relocation before approval by the
Secretary of the transformation plan providing for
the demolition or disposition, unless the applicant
generally relocates residents in accordance with this

section, as determined by the Secretary, except in
 the case of a substantial and imminent threat to
 health or safety.

4 (e) MONITORING OF DISPLACED HOUSEHOLDS.—

5 (1) GRANTEE RESPONSIBILITIES.—To facilitate 6 compliance with the requirement under subsection 7 (a) (relating to right of residents to return), the Secretary shall, by regulation, require each grantee of 8 9 a grant under this section, during the period of the 10 transformation plan assisted with the grant and 11 until all funding under the grant has been ex-12 pended-

(A) to maintain a current address of residence and contact information for each household affected by the transformation plan who
was occupying a dwelling unit in the housing
that is subject to the plan; and

18 (B) to provide such updated information to19 the Secretary on at least a quarterly basis.

20 (2) CERTIFICATION.—The Secretary may not 21 close out any grant made under this section before 22 the grantee has certified to the Secretary that the 23 agency has complied with subsection (a) (relating to 24 right of residents to return) with respect to each 25 resident displaced as a result of the transformation

plan, including providing occupancy in a replacement
 dwelling unit for each resident who requested such
 a unit in accordance with such subsection.

4 (f) PREFERENCE.—A returning resident shall be provided a preference for occupancy of on-site or off-site re-5 placement units before such units are made available for 6 7 occupancy by any other eligible households, or the resident 8 may choose to retain tenant-based voucher assistance pro-9 vided under section 8(0) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) for relocation from the prop-10 11 erties revitalized under a transformation plan assisted 12 with a grant under this Act.

(g) PROHIBITION ON RE-SCREENING.—A public
housing agency or any other manager of on-site or offsite replacement housing shall not, through the application
of any additional eligibility, screening, occupancy, or other
policy or practice, prevent any person otherwise eligible
under subsection (a) from occupying a replacement housing unit.

20 SEC. 8. ONE-FOR-ONE REPLACEMENT OF PUBLIC AND AS-21 SISTED HOUSING DWELLING UNITS.

(a) ONE-FOR-ONE REPLACEMENT OF PUBLIC OR ASSISTED HOUSING UNITS.—The Secretary may not approve a transformation plan that provides for dwelling

units to be demolished or disposed of unless the plan pro vides as follows:

3 (1) REQUIREMENT TO REPLACE EACH UNIT.-4 One hundred percent of the public and assisted 5 housing dwelling units and units described in section 6 15(1)(E) that are demolished or disposed of pursu-7 ant to the transformation plan shall be replaced with 8 a newly constructed, rehabilitated, or purchased pub-9 lic or assisted housing unit or with a newly constructed, rehabilitated, or purchased unit (including 10 11 through project-based assistance) that is subject to 12 requirements regarding eligibility for occupancy, ten-13 ant contribution toward rent, and long-term afford-14 ability restrictions that are consistent with such re-15 quirements for public and assisted housing dwelling 16 units or for State units, as applicable, except that subparagraphs (B) and (D) of section 8(0)(13) of 17 18 the United States Housing Act of 1936 (relating to percentage limitation and income mixing require-19 20 ment of project-based assistance) shall not apply 21 with respect to vouchers used to comply with the re-22 quirements of this paragraph.

(2) OTHER REQUIREMENTS.—Admission to, administration of, and eviction from replacement housing units that replaced public housing units, but

1	that are not public housing dwelling units, shall be
2	subject to the following provisions to the same ex-
3	tent as public housing dwelling units:
4	(A) Section 578 of the Quality Housing
5	and Work Responsibility Act of 1998 (42
6	U.S.C. 13663; relating to ineligibility of dan-
7	gerous sex offenders).
8	(B) Section 16(f) of the United States
9	Housing Act of 1937 (42 U.S.C. 1437n(f); re-
10	lating to ineligibility of certain drug offenders).
11	(C) Sections 20 and 21 of the United
12	States Housing Act of 1937 (42 U.S.C. 1437r,
13	1437s; relating to resident management).
14	(D) Section 25 of the United States Hous-
15	ing Act of 1937 (42 U.S.C. 1437w; relating to
16	transfer of management at request of resi-
17	dents).
18	(E) Section 6(k) of the United States
19	Housing Act of 1937 (42 U.S.C. 1437d(k); re-
20	lating to administrative grievance procedure).
21	(F) Section 6(f) of the United States
22	Housing Act of 1937 (42 U.S.C. 1437d(f); re-
23	lating to housing quality requirements).

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1	(G) Part 964 of title 24, Code of Federal
2	regulations (relating to tenant participation and
3	opportunities).
4	(3) RETENTION OF RIGHTS.—Tenants occu-
5	pying a replacement housing unit shall have all
6	rights provided to tenants of the housing from which
7	the tenants were relocated.
8	(4) SIZE.—
9	(A) IN GENERAL.—Replacement units shall
10	be of comparable size, unless a market analysis
11	shows a need for other-sized units, in which
12	case such need shall be addressed.
13	(B) BEDROOMS.—The number of bed-
14	rooms within each replacement unit shall be
15	sufficient to serve families displaced as a result
16	of the demolition or disposition.
17	(5) LOCATION ON SITE.—At least one-third of
18	all replacement units for public and assisted housing
19	units demolished shall be public or assisted housing
20	units constructed within the immediate area of the
21	original public or assisted housing location, unless
22	the Secretary determines that—
23	(A) construction on such location would re-
24	sult in the violation of a consent decree; or

1	(B) the land on which the public and as-
2	sisted housing is located is environmentally un-
3	safe or geologically unstable.
4	(6) LOCATION IN THE NEIGHBORHOOD.—Any
5	replacement housing units provided in addition to
6	dwelling units provided pursuant to paragraph (5)
7	shall—
8	(A) be provided in areas within the neigh-
9	borhood, except that if rebuilding the units
10	within the neighborhood is not feasible, units
11	shall be provided within the jurisdiction of the
12	public housing agency—
13	(i) in a manner that furthers the eco-
14	nomic and educational opportunities for
15	residents; and
16	(ii) in areas offering access to public
17	transportation; and
18	(B) have access to social, recreational, edu-
19	cational, commercial, and health facilities and
20	services, including municipal services and facili-
21	ties, that are comparable to services provided to
22	the revitalized neighborhood from which resi-
23	dents were displaced.
24	(7) Location outside of jurisdiction.—If
25	rebuilding replacement housing units within the ju-

1 risdiction, in a manner that complies with the re-2 quirements of clauses (i) through (iv) of subpara-3 graph (A) and subparagraph (B) of paragraph (6) 4 is not feasible, units may be provided outside of the 5 jurisdiction of the public housing agency, but within 6 the metropolitan area of such jurisdiction, provided 7 the grantee requests, and the public housing agency 8 or unit of local government in which such units shall 9 be located, agrees to such transfer of units. All such 10 units shall comply with the requirements of clauses 11 (i) through (iv) of subparagraph (A) and subpara-12 graph (B) of paragraph (6). 13 (b) WAIVER.—

(1) AUTHORITY.—Upon the written request of
an applicant for a grant under this Act submitted as
part of the transformation plan pursuant to section
6, the Secretary may reduce the percentage applicable under subsection (a)(1) to the transformation
plan of the applicant to not less than 90 percent,
but only if—

(A) a judgment, consent decree, or other
order of a court limits the ability of the applicant to comply with such requirements; or
(B) the applicant demonstrates that there

is an excess supply of affordable rental housing

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25

(79673916)

in areas of low poverty and provides data showing that, in the area surrounding the revitalized neighborhood—

(i) at least 90 percent of vouchers issued under section 8(o) of the United States Housing Act of 1937 over the last 24 months to comparable families were successfully used to lease a dwelling unit within 120 days of issuance or, if a sufficient number of comparable families have not received vouchers, an alternative measure, as the Secretary shall design, is met;

(ii) existing voucher holders are widely
 dispersed geographically in areas of low
 poverty with access to public transpor tation, education, and other amenities, as
 determined by the Secretary, among the
 available private rental housing stock; and
 (iii) the applicant provides a market
 analysis demonstrating that—

(I) there is a relatively high vacancy rate among units that would meet or exceed housing quality standards, as determined by the Secretary, within the market area with rent and

1	utility costs not exceeding the applica-
2	ble payment standard under section
3	8(o) of the United States Housing Act
4	of 1937 (42 U.S.C. 1437f(o)); and
5	(II) such high vacancy rate with-
6	in the market area is expected to con-
7	tinue for the next 5 years or longer.
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8 SEC. 9. OTHER PROGRAM REQUIREMENTS.

9 (a) FAIR HOUSING.—The demolition or disposition, relocation, replacement, and re-occupancy of housing units 10 in connection with a grant under this Act shall be carried 11 out in a manner that affirmatively furthers fair housing, 12 13 as required by section 808 of the Civil Rights Act of 1968 (42 U.S.C. 3608(e)). Grantees shall adopt affirmative 14 15 marketing procedures, and require affirmative marketing activities of project owners and managers. Such special 16 17 outreach efforts shall be targeted to those who are least likely to apply for the housing, to ensure that all persons 18 regardless of their race, color, national origin, religion, 19 sex, disability, or familial status are aware of the housing 20 opportunities in each project funded with a grant under 21 this Act. 22

(b) ACCESSIBILITY REQUIREMENTS.—All new construction and alterations of existing buildings carried out
in connection with a grant under this Act shall comply

with the requirements of the section 504 of Rehabilitation
 Act of 1973 (29 U.S.C. 794), the Accessibility Standards
 for Design, Construction, and Alteration of Publicly
 Owned Residential Structures of the Department of Hous ing and Urban Development (24 C.F.R. part 40), the Fair
 Housing Act (42 U.S.C. 3601 et seq.), and any other re quirements as determined by the Secretary.

8 (c) AFFORDABILITY REQUIREMENT.—Amounts from 9 a grant under this Act may not be used for assistance 10 for any housing property unless the owner of the property 11 assisted agrees to a period of affordability for the property 12 which shall be not shorter than the period of affordability 13 to which the property is already subject and remains sub-14 ject, or 20 years, whichever is longer.

(d) COST LIMITS.—Subject to the provisions of this
Act, the Secretary shall establish cost limits on eligible activities under this Act sufficient to provide for effective
transformation programs.

(e) ENVIRONMENTAL REVIEW.—For purposes of environmental review, assistance and projects under this Act
shall be treated as assistance for special projects that are
subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994 (42 U.S.C. 3547),
and shall be subject to the regulations issued by the Secretary to implement such section.

1 (f) GRANTEE REPORTING.—The Secretary shall re-2 quire grantees under this Act to report the sources and 3 uses of all amounts expended and other information for 4 transformation plans for the Secretary's annual report to 5 Congress or other purposes as determined by the Sec-6 retary.

7 SEC. 10. DEMOLITION AND DISPOSITION.

8 (a) INAPPLICABILITY OF PUBLIC HOUSING DEMOLI-9 TION AND DISPOSITION REQUIREMENTS TO TRANS-10 FORMATION PLAN.—The demolition or disposition of se-11 verely distressed public housing pursuant to a trans-12 formation plan approved under this Act shall be exempt 13 from the provisions of section 18 of the United States 14 Housing Act of 1937 (42 U.S.C. 1437p).

(b) APPLICABILITY OF PUBLIC HOUSING DEMOLI-15 TION AND DISPOSITION REQUIREMENTS TO REPLACE-16 MENT PUBLIC HOUSING.—Nothing in this Act may be 17 construed to exempt any replacement public housing 18 dwelling units provided under a transformation plan in ac-19 cordance with the requirements under section 8 (relating 20 to one-for-one replacement of public housing dwelling 21 22 units) from the provisions of section 18 of the United 23 States Housing Act of 1937.
1 SEC. 11. PHASE-SPECIFIC UNDERWRITING.

2 To the extent that a transformation plan provides for
3 different phases of activities, the Secretary may allow for
4 the various phases of such plan to be underwritten on a
5 separate basis.

6 SEC. 12. ADMINISTRATION BY OTHER ENTITIES.

7 The Secretary may require a grantee under this Act 8 to make arrangements satisfactory to the Secretary for 9 use of an entity other than the original grantee to carry 10 out activities assisted under the transformation plan of the 11 grantee, if—

12 (1) the original grantee has failed to meet per13 formance benchmarks relating to implementation of
14 the transformation plan; and

(2) the Secretary determines that such actionwill help to effectuate the purposes of this Act.

17 SEC. 13. WITHDRAWAL OF FUNDING.

18 If a grantee under this Act does not proceed within 19 a reasonable timeframe in implementing its trans-20 formation plan or does not otherwise comply with the requirements of this Act and the grant agreement, as deter-21 22 mined by the Secretary, the Secretary may withdraw any grant amounts under this Act that have not been obligated 23 24 by the grantee. The Secretary may redistribute any withdrawn amounts to one or more other eligible entities capa-25 ble of proceeding expeditiously in the same locality in car-26

1 rying out the transformation plan of the original grantee, or as such plan may be modified and approved by the Sec-2 retary, or, if that is not feasible, to one or more other 3 applicants that has already received assistance under this 4 5 Act.

SEC. 14. ANNUAL REPORT; PUBLIC AVAILABILITY OF 6 7 **GRANT INFORMATION.**

(a) ANNUAL REPORT.—Not less than 90 days before 8 9 the conclusion of each fiscal year, the Secretary shall submit to Committee on Financial Services of the House of 10 Representatives and the Committee on Banking, Housing, 11 and Urban Affairs of the Senate a report on the imple-12 mentation and status of grants awarded under this Act, 13 which shall include— 14

(1) the number, type, and cost of affordable 15 housing units revitalized pursuant to this Act; 16

17 (2) the amount and type of financial assistance 18 provided under and in conjunction with this Act, in-19 cluding a specification of the amount and type of as-20 sistance provided for educational opportunities, serv-21 ices, public assets, public transportation, and access 22 to jobs;

(3) the impact of grants made under this Act 24 on the original residents, the target neighborhoods,

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and the larger communities within which they are lo cated;

(4) all information submitted to the Secretarypursuant to section 7(e)(1) by all grantees and summaries of the extent of compliance by grantees withthe requirements under subsections (a) and (g) ofsection 7; and

8 (5) any information related to grantees imple-9 mentation of the requirements under section 8 (re-10 lating to one-for-one replacement of public housing 11 dwelling units) and the efforts of the Secretary to 12 coordinate funding pursuant to section 5(e)(3).

13 (b) PUBLIC AVAILABILITY OF GRANT INFORMA-TION.—To the extent not inconsistent with any other pro-14 15 visions of law, the Secretary shall make publicly available through a World Wide Web site of the Department of 16 17 Housing and Urban Development all documents of, or 18 filed with, the Department relating to the program under 19 this Act, including applications, grant agreements, plans, 20 budgets, reports, and amendments to such documents; ex-21 cept that in carrying out this subsection, the Secretary 22 shall take such actions as may be necessary to protect the 23 privacy of any residents and households displaced from 24 public or assisted housing as a result of a transformation 25 plan assisted under a grant under this Act.

1 SEC. 15. DEFINITIONS.

2	For purposes of this Act, the following definitions
3	shall apply:
4	(1) AFFORDABLE HOUSING.—The term "afford-
5	able housing" includes—
6	(A) public housing assisted under section 9
7	of the United States Housing Act of 1937 (42
8	U.S.C. 1437g);
9	(B) assisted housing (as such term is de-
10	fined in this section);
11	(C) housing assisted under an affordable
12	housing program administered by the Secretary
13	of Agriculture through Rural Housing Service;
14	(D) rental housing that utilizes tax credits
15	under section 42 or the Internal Revenue Code
16	of 1986;
17	(E) affordable rental housing owned, devel-
18	oped, or assisted through a State or unit of
19	local government or State housing finance agen-
20	cy, including State-assisted public housing,
21	which is subject to a long-term affordability re-
22	striction requiring occupancy by low-income
23	households; and
24	(F) private housing for low- and moderate-
25	income households and for which the Secretary

requires the owner or purchaser of the project

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26

(79673916)

1	to maintain affordability for no fewer than 20
2	years in accordance with use restrictions under
3	regulations issued by the Secretary, which re-
4	strictions shall be—
5	(i) contained in a legally enforceable
6	document recorded in the appropriate
7	records; and
8	(ii) consistent with the long-term via-
9	bility of the project as rental or homeown-
10	ership housing.
11	(2) APPLICANT.—The term "applicant" means
12	an eligible entity under section 3(a) that submits an
13	application for a grant under this Act pursuant to
14	section 6.
15	(3) Assisted Housing.—The term "assisted
16	housing" means rental housing assisted under-
17	(A) section 8 of the United States Housing
18	Act of 1937 (42 U.S.C. 1437f, 1437g);
19	(B) section $221(d)(3)$ or 236 of the Na-
20	tional Housing Act (12 U.S.C. 1715l, 1715z-
21	1);
22	(C) section 202 of the Housing Act of
23	1959 (12 U.S.C. 1701q); or

1	(D) section 811 of Cranston-Gonzalez Na-
2	tional Affordable Housing Act (42 U.S.C.
3	8013).
4	(4) CRITICAL COMMUNITY IMPROVEMENTS
5	The term "critical community improvements"
6	means
7	(A) development or improvement of com-
8	munity facilities to promote upward mobility,
9	self-sufficiency, or improved quality of life for
10	residents of the neighborhood, such as construc-
11	tion or rehabilitation of parks and community
12	gardens, environmental improvements, or site
13	remediation at affected sites; or
14	(B) activities to promote economic develop-
15	ment, such as development or improvement of
16	transit, retail, community financial institutions,
17	public services, facilities, assets, or other com-
18	munity resources.
19	(5) EXTREME POVERTY.—The term "extreme
20	poverty" means, with respect to a neighborhood,
21	that the neighborhood—
22	(A) has a high percentage of residents who
23	are—
24	(i) estimated to be in poverty; or

1	(ii) have extremely low incomes based
2	on the most recent data collected by the
3	United States Census Bureau; and
4	(B) is experiencing distress related to one
5	or more of the following:
6	(i) Per capita crime rates over 3 or
7	more years that are significantly higher
8	than the per capita crime rates of the city
9	or county in which the neighborhood is lo-
10	cated.
11	(ii) High rates of vacant, abandoned,
12	or substandard homes relative to the city
13	or county as a whole.
14	(iii) A low-performing public school.
15	(iv) Other such factors as determined
16	by the Secretary that further the purposes
17	of this Act.
18	(6) FAMILIES.—The term "families" has the
19	meaning given such term in section 3(b) of the
20	United States Housing Act of 1937 (42 U.S.C.
21	1437a(b)).
22	(7) GRANTEE.—The term "grantee" means an
23	eligible entity under section 3 that is awarded a
24	grant under this Act, pursuant to selection under
25	section 6.

1	(8) LOCAL GOVERNMENT.—The term "local
2	government" has the meaning given the term "unit
3	of general local government" in section $102(a)(1)$ of
4	the Housing and Community Development Act of
5	1974 (42 U.S.C. 5302).
6	(9) LONG-TERM VIABILITY.—The term "long-
7	term viability" means, with respect to a neighbor-
8	hood, that the neighborhood is sustainable on an
9	economic, education, and environmental basis.
10	(10) NEIGHBORHOOD.—The term "neighbor-
11	hood" means an area that—
12	(A) has distinguishing characteristics;
13	(B) represents the geographical distribu-
14	tion of targeted populations; and
15	(C) is not exclusive of areas that are inte-
16	grally related to the composition of the commu-
17	nity.
18	(11) Public Housing; public housing agen-
19	CY.—The terms "public housing" and "public hous-
20	ing agency" have the meanings given such terms in
21	section 3(b) of the United States Housing Act of
22	1937 (42 U.S.C. 1437a(b)).
23	(12) SECRETARY.—The term "Secretary"
24	means the Secretary of Housing and Urban Develop-
25	ment.

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(13) SEVERELY DISTRESSED HOUSING.—The
 term "severely distressed housing" means a public
 or assisted housing project (or building in a project)
 that—

5 (A)(i) has been certified, by an engineer or 6 architect licensed by a State licensing board, as 7 meeting criteria for physical distress that indi-8 cate that the project requires major redesign, 9 reconstruction, or redevelopment, or partial or 10 total demolition, to correct serious deficiencies 11 in the original design (including inappropriately 12 high-population density), deferred maintenance, 13 physical deterioration or obsolescence of major 14 systems, and other deficiencies in the physical 15 plant of the project; and

(ii) is a significant contributing factor to the physical decline of and disinvestment by public and private entities in the surrounding neighborhood, as documented by evidence of non-physical distress, such as extreme poverty, including census data and past surveys of neighborhood stability conducted by an applicant or co-applicant or their qualified designee; or

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1	(B) was a project described in subpara-
2	graph (A) that has been legally vacated or de-
3	molished, but for which the Secretary has not
4	yet provided replacement housing assistance
5	other than tenant-based assistance.
6	(14) Significant amendment or change.—
7	The term "significant" means, with respect to an
8	amendment or change to a transformation plan, that
9	the amendment or change—
10	(A) changes the use of 20 percent or more
11	of the total amount of the grant provided under
12	this Act from use for one activity to use for an-
13	other;
14	(B) eliminates an activity that is a re-
15	quired activity that, notwithstanding the
16	change, would otherwise be carried out under
17	the plan; or
18	(C) significantly changes the scope, loca-
19	tion, or beneficiaries of the project carried out
20	under the plan.
21	(15) SUPPORTIVE SERVICES.—The term "sup-
22	portive services" includes all activities that will pro-
23	mote upward mobility, self-sufficiency, or improved
24	quality of life, including—

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(A) such activities as literacy training, remedial and continuing education, job training, financial literacy instruction, daycare, youth services, aging-in-place, physical and mental health services, and other programs for which such residents demonstrate need;

7 (B) case management and service coordi-8 nation services, including providing coordinators 9 for the Family Self-Sufficiency program under 10 section 23 of the United States Housing Act of 11 1937 (42 U.S.C. 1437u) and the Resident Op-12 portunity and Supportive Services program 13 under section 34 of such Act (42 U.S.C. 14 1437z-6); and

15 (C) technical assistance to enable residents 16 to access programs from other key agencies and 17 local service providers in order to help residents 18 be stably housed, improve outcomes for chil-19 dren, and enhance adults' capacity for self-suf-20 ficiency and economic security, and services for 21 the elderly and persons with disabilities to 22 maintain independence.

23 **SEC. 16. FUNDING.**

24 There are authorized to be appropriated the following25 amounts:

1	(1) GRANTS.—\$1,000,000,000 for fiscal year
2	2022 and such sums as may be necessary in each
3	subsequent fiscal year, for grants under this Act, of
4	which, in any fiscal year—
5	(A) up to 10 percent of such amount au-
6	thorized may be used for planning grants, ex-
7	cept that in awarding planning grants, the Sec-
8	retary may elect to base selection on a subset
9	of the required provisions of this Act;
10	(B) up to 5 percent of the amount author-
11	ized may be used for technical assistance and
12	program evaluation efforts related to grants
13	awarded under this Act, or under predecessor
14	programs; and
15	(C) not less than 80 percent shall be used
16	for, or 80 percent of the number of housing
17	units assisted under this Act shall be, public
18	housing units, subject to de minimis variations
19	as may result from the grantee selection proc-
20	ess.
21	(2) RENTAL ASSISTANCE.—Such sums as may
22	be necessary for fiscal year 2022 and each subse-
23	quent fiscal year for providing tenant-based assist-
24	ance for relocation and for rental assistance under
25	section 8 of the United States Housing Act of 1937

for the purposes of complying with section 7(c) of
 this Act, but not to exceed the amount of assistance
 for the number of units demolished or disposed of
 under section 7(c)(1).

5 SEC. 17. REGULATIONS.

6 Not later than the expiration of the 180-day period
7 beginning on the date of the enactment of this Act, the
8 Secretary shall issue regulations to carry out the following
9 provisions of this Act:

10 (1) Subsections (c) and (e) of section 5.

11 (2) Section 8(b).

12 (3) Paragraphs (4), (5), (9), (10), and (13) of 13 section 15.

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