

TITLE II--DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

Public and Indian Housing

HOUSING CERTIFICATE FUND

(INCLUDING TRANSFER AND RESCISSION OF FUNDS)

For assistance under the United States Housing Act of 1937, as amended ("the Act" herein) (42 U.S.C. 1437 et seq.), not otherwise provided for, including for activities and assistance to prevent the involuntary displacement of low-income families, the elderly and the disabled because of the loss of affordable housing stock, expiration of subsidy contracts (other than contracts for which amounts are provided under another heading in this Act) or expiration of use restrictions, or other changes in housing assistance arrangements, and for other purposes, \$16,928,697,228 and amounts recaptured in this account, and except as otherwise provided, to remain available until expended: Provided, That of the amount provided under this heading, \$4,200,000,000 shall be available on October 1, 2003: Provided further, That the foregoing amounts shall be for use in connection with expiring or terminating section 8 subsidy contracts, for amendments to section 8 subsidy contracts, for enhanced vouchers (including amendments and renewals) under any provision of law authorizing such assistance under section 8(t) of the Act (42 U.S.C. 1437f(t)), contract administrators, and contracts entered into pursuant to section 441 of the McKinney-Vento Homeless Assistance Act: Provided further, That the Secretary is authorized and directed to enter into contracts for 2,077,336 vouchers under Sections 8(o) and 8(t) of the Act (42 U.S.C. 1437f(o) and (t)), including moderate rehabilitation units under Section 8(e) of the Act (42 U.S.C. 1437f(e)) that are renewed as vouchers, that currently are funded under contracts that are expiring or terminating: Provided further, That of the amount provided under this heading, \$11,676,040,908 shall be for use only for renewal of contracts for vouchers expected to be used in the period covered by the annual contracts and for administrative fees earned for such vouchers: Provided further, That of the amount provided under this heading, \$400,170,000 shall be in a central fund to be allocated by the Secretary for amendments to contracts for periods not exceeding 12 months in duration for expenditures for up to 2,077,336 vouchers under Sections 8(o) and 8(t) of the Act (42 U.S.C. 1437f(o) and (t)), including authorized vouchers that the Secretary reallocates from agencies that have chronically failed to use them to other agencies; and in addition to amounts provided above, such sums as shall be necessary within only this fiscal year, if any, to fulfill the purposes of the preceding proviso: Provided further, That the Secretary shall make all needed funds available under the preceding proviso to an agency within 14 days of the agency demonstrating an ability to enter into additional housing assistance payment contracts within an agency's authorized voucher level: Provided further, That amounts provided under this heading shall be available for section 8 rental assistance under the Act: (1) for the relocation and replacement of housing units that are demolished or disposed of pursuant to the Omnibus Consolidated Rescissions and Appropriations Act of 1996 (Public Law 104-134; Stat. 1321-269); (2) for the conversion of section 23 projects to assistance under section 8; (3) for funds to carry out the family unification program; (4) for the relocation of witnesses

in connection with efforts to combat crime in public and assisted housing pursuant to a request from a law enforcement or prosecution agency; (5) for tenant protection assistance, including replacement and relocation assistance; and (6) for the 1-year renewal of section 8 contracts for units in projects that are subject to approved plans of action under the Emergency Low Income Housing Preservation Act of 1987 or the Low-Income Housing Preservation and Resident Homeownership Act of 1990: Provided further, That of the amount provided under this heading, no less than \$3,000,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under ``Public and Indian Housing'': Provided further, That the amounts made available for incremental vouchers under this heading for any fiscal year (to the extent practicable) for non-elderly disabled families shall be provided to non-elderly disabled families upon turnover or renewal: Provided further, That the amounts made available for incremental vouchers under this heading for any fiscal year (to the extent practicable) for welfare-to-work families shall continue to be made available for welfare-to-work families upon turnover or renewal: Provided further, That up to \$196,000,000 from amounts made available under this heading may be made available for contract administrators: Provided further, That amounts available under this heading may be made available for administrative fees and other expenses to cover the cost of administering rental assistance programs under section 8 of the Act: Provided further, That within 60 days of enactment, the Secretary shall reduce the annual contributions contracts with public housing agencies that received a warning pursuant to the notice published on April 19, 2000 (65 FR 21088) of failure to use at least 90 percent of the vouchers allocated to the agency and to spend at least 90 percent of the budget authority allocated to the agency, and that by the date of enactment or within 16 months of initial receipt of such warning (regardless of any subsequent warning notice from the Secretary), whichever is later, failed in the most recent completed month to utilize at least 95 percent of allocated vouchers or contracted budget authority with respect to vouchers that were under annual contributions contract in the agency's prior fiscal year, and within 150 days of enactment the Secretary shall reallocate the number of vouchers from such chronically underutilizing agencies necessary to bring their current rate of voucher utilization to 95 percent and enter into annual contributions contracts with other public housing agencies for the budget authority to support the reallocated vouchers pursuant to the notice published on November 1, 2001 (66 FR 55524), provided that the Secretary shall give first priority, after agencies that need additional vouchers to address urgent needs arising from federally-declared disasters, to high-performing agencies that can serve applicants on the waiting list of the public housing agency from which vouchers are reallocated and to agencies that have nonelderly disabled families affected by the designation of a public housing development under section 7 of the Act, the establishment of preferences in accordance with section 651 of the Housing and Community Development Act of 1992 (42 U.S.C. 13611), or the restriction of occupancy to elderly families in accordance with section 658 of such Act (42 U.S.C. 13618): Provided further, That the fee otherwise authorized under section 8(q) of the Act shall be determined in accordance with section 8(q), as in effect immediately before the enactment of the Quality Housing and Work Responsibility Act of 1998: Provided further, That \$1,400,000,000 is rescinded from unobligated balances remaining from funds appropriated to the Department of Housing and Urban Development under

this heading or the heading ``Annual contributions for assisted housing" or any other heading for fiscal year 2002 and prior years, to be effected by the Secretary no later than September 30, 2003: Provided further, That any such balances governed by reallocation provisions under the statute authorizing the program for which the funds were originally appropriated may be available for this rescission, except that this proviso does not apply to reallocation of vouchers required under this Act: Provided further, That the Secretary shall have until September 30, 2003, to meet the rescission in the proviso preceding the immediately preceding proviso: Provided further, That any obligated balances of contract authority that have been terminated shall be canceled.

PUBLIC HOUSING CAPITAL FUND (INCLUDING TRANSFERS OF FUNDS)

For the Public Housing Capital Fund Program to carry out capital and management activities for public housing agencies, as authorized under section 9 of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g), \$2,683,400,000, to remain available until September 30, 2006: Provided, That, hereafter, notwithstanding any other provision of law or any failure of the Secretary of Housing and Urban Development to issue regulations to carry out section 9(j) of the United States Housing Act of 1937 (42 U.S.C. 1437g(j)), such section is deemed to have taken effect on October 1, 1998, and, except as otherwise provided in this heading, shall apply to all assistance made available under this same heading on or after such date: Provided further, That notwithstanding any other provision of law or regulation, during fiscal year 2003, the Secretary may not delegate to any Department official other than the Deputy Secretary any authority under paragraph (2) of such section 9(j) regarding the extension of the time periods under such section for obligation of amounts made available for fiscal year 1998, 1999, 2000, 2001, 2002, or 2003: Provided further, That notwithstanding the first proviso and paragraphs (3) and (5)(B) of such section 9(j), if at any time before the effectiveness of final regulations issued by the Secretary under section 6(j) of the United States Housing Act of 1937 (42 U.S.C. 1437d(j)) providing for assessment of public housing agencies and designation of high-performing agencies, any amounts made available under the public housing Capital Fund for fiscal year 1999, 2000, 2001, 2002, or 2003 remain unobligated in violation of paragraph (1) of such section 9(j) or unexpended in violation of paragraph (5)(A) of such section 9(j), the Secretary shall recapture any such amounts and reallocate such amounts among public housing agencies that, at the time of such reallocation, are not in violation of any requirement under paragraph (1) or (5)(A) of such section: Provided further, That for purposes of this heading, the term ``obligate" means, with respect to amounts, that the amounts are subject to a binding agreement that will result in outlays immediately or in the future: Provided further, That of the total amount provided under this heading, up to \$54,000,000 shall be for carrying out activities under section 9(h) of such Act, of which up to \$13,000,000 shall be for the provision of remediation services to public housing agencies identified as ``troubled" under the Section 8 Management Assessment Program and for surveys used to calculate local Fair Market Rents and assess housing conditions in connection with rental assistance under section 8 of the Act: Provided further, That of the total amount provided under this heading, up to

\$500,000 shall be for lease adjustments to section 23 projects, and no less than \$18,600,000 shall be transferred to the Working Capital Fund for the development and maintenance of information technology systems: Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended: Provided further, That of the total amount provided under this heading, up to \$75,000,000 shall be available for the Secretary of Housing and Urban Development to make grants to public housing agencies for emergency capital needs resulting from emergencies and natural disasters in fiscal year 2003: Provided further, That of the total amount provided under this heading, \$15,000,000 shall be for a Neighborhood Networks initiative for activities authorized in section 9(d)(1)(E) of the United States Housing Act of 1937, as amended: Provided further, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That of the total amount provided under this heading, up to \$100,000,000 shall be made available to public housing agencies for use in the substantial rehabilitation of distressed units, the development of off-site public housing units in mixed-income housing developments, or for loan loss reserves to support such activities.

Of the amount made available under this heading, the Secretary of Housing and Urban Development may use up to \$55,000,000 for supportive services for public housing residents, as authorized by section 34 of the United States Housing Act of 1937, as amended, and for residents of housing assisted under the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) and for grants for service coordinators and congregate services for the elderly and disabled residents of public and assisted housing and housing assisted under NAHASDA.

PUBLIC HOUSING OPERATING FUND

For payments to public housing agencies for the operation and management of public housing, as authorized by section 9(e) of the United States Housing Act of 1937, as amended (42 U.S.C. 1437g(e)), \$3,530,000,000, to remain available until September 30, 2004: Provided, That of the total amount provided under this heading, \$10,000,000 shall be for programs, as determined appropriate by the Attorney General, which assist in the investigation, prosecution, and prevention of violent crimes and drug offenses in public and federally-assisted low-income housing, including Indian housing, which shall be administered by the Department of Justice through a reimbursable agreement with the Department of Housing and Urban Development: Provided further, That up to \$250,000,000 shall be made available for payments to public housing agencies that are eligible for additional funds in fiscal year 2002 for the operation and management of public housing: Provided further, That no funds may be made available under this heading in fiscal year 2004 and subsequent fiscal years for payments to public housing agencies for the operation and management of public housing in fiscal year 2003: Provided further, That no funds may be used under this heading for the purposes specified in section 9(k) of the United States Housing Act of 1937, as amended.

REVITALIZATION OF SEVERELY DISTRESSED PUBLIC HOUSING (HOPE VI)

For grants to public housing agencies for demolition, site revitalization, replacement housing, and tenant-based assistance grants to projects as authorized by section 24 of the United States Housing Act of 1937, as amended, \$574,000,000, to remain available until September 30, 2004, of which the Secretary may use up to \$6,250,000 for technical assistance and contract expertise, to be provided directly or indirectly by grants, contracts or cooperative agreements, including training and cost of necessary travel for participants in such training, by or to officials and employees of the department and of public housing agencies and to residents: Provided, That none of such funds shall be used directly or indirectly by granting competitive advantage in awards to settle litigation or pay judgments, unless expressly permitted herein: Provided further, That of the total amount provided under this heading, \$5,000,000 shall be for a Neighborhood Networks initiative for activities authorized in section 24(d)(1)(G) of the United States Housing Act of 1937, as amended: Provided further, That notwithstanding any other provision of law, amounts made available in the previous proviso shall be awarded to public housing agencies on a competitive basis as provided in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

NATIVE AMERICAN HOUSING BLOCK GRANTS (INCLUDING TRANSFERS OF FUNDS)

For the Native American Housing Block Grants program, as authorized under title I of the Native American Housing Assistance and Self-Determination Act of 1996 (NAHASDA) (25 U.S.C. 4111 et seq.), \$648,570,000, to remain available until expended, of which \$2,200,000 shall be contracted through the Secretary as technical assistance and capacity building to be used by the National American Indian Housing Council in support of the implementation of NAHASDA; of which \$5,000,000 shall be to support the inspection of Indian housing units, contract expertise, training, and technical assistance in the training, oversight, and management of Indian housing and tenant-based assistance, including up to \$300,000 for related travel; and of which no less than \$600,000 shall be transferred to the Working Capital Fund for development of and modifications to information technology systems which serve programs or activities under "Public and Indian housing": Provided, That of the amount provided under this heading, \$2,000,000 shall be made available for the cost of guaranteed notes and other obligations, as authorized by title VI of NAHASDA: Provided further, That such costs, including the costs of modifying such notes and other obligations, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize the total principal amount of any notes and other obligations, any part of which is to be guaranteed, not to exceed \$16,658,000: Provided further, That the Secretary of Housing and Urban Development may provide technical and financial assistance to Indian tribes and their tribally-designated housing entities in accordance with the provisions of NAHASDA for emergency housing, housing assistance, and other assistance to address the problem of mold: Provided further, That for administrative expenses to carry out the guaranteed loan program, up to \$150,000 from amounts in the first proviso, which shall be transferred to and merged with the

appropriation for ``Salaries and expenses", to be used only for the administrative costs of these guarantees.

INDIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184 of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13a), \$5,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$197,243,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$200,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for ``Salaries and expenses", to be used only for the administrative costs of these guarantees.

NATIVE HAWAIIAN HOUSING LOAN GUARANTEE FUND PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, as authorized by section 184A of the Housing and Community Development Act of 1992 (12 U.S.C. 1715z-13b), \$1,000,000, to remain available until expended: Provided, That such costs, including the costs of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$39,712,000.

In addition, for administrative expenses to carry out the guaranteed loan program, up to \$35,000 from amounts in the first paragraph, which shall be transferred to and merged with the appropriation for ``Salaries and expenses", to be used only for the administrative costs of these guarantees.

Community Planning and Development

HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS

For carrying out the Housing Opportunities for Persons with AIDS program, as authorized by the AIDS Housing Opportunity Act (42 U.S.C. 12901 et seq.), \$292,000,000, to remain available until September 30, 2004: Provided, That the Secretary shall renew all expiring contracts for permanent supportive housing that were funded under section 854(c)(3) of such Act that meet all program requirements before awarding funds for new contracts and activities authorized under this section: Provided further, That the Secretary may use up to \$2,000,000 of the funds under this heading for training, oversight, and technical assistance activities.

RURAL HOUSING AND ECONOMIC DEVELOPMENT

For the Office of Rural Housing and Economic Development in the Department of Housing and Urban Development, \$25,000,000 to remain available until expended, which amount shall be awarded by June 1, 2004, to Indian tribes, State housing finance agencies, State community and/or economic development agencies, local rural nonprofits and community development corporations to support innovative housing and economic development activities in rural areas: Provided, That all grants shall be awarded on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989.

EMPOWERMENT ZONES/ENTERPRISE COMMUNITIES

For grants in connection with a second round of empowerment zones and enterprise communities, \$30,000,000, to remain available until expended, for "Urban Empowerment Zones", as authorized in section 1391(g) of the Internal Revenue Code of 1986 (26 U.S.C. 1391(g)), including \$2,000,000 for each empowerment zone for use in conjunction with economic development activities consistent with the strategic plan of each empowerment zone: Provided, That no funds shall be available under this heading for expenditure in fiscal year 2004 and thereafter unless the Congress enacts tax legislation to fund eligible activities in fiscal year 2004 and thereafter.

COMMUNITY DEVELOPMENT FUND (INCLUDING TRANSFERS OF FUNDS)

For assistance to units of State and local government, and to other entities, for economic and community development activities, and for other purposes, \$5,000,000,000, to remain available until September 30, 2005: Provided, That of the amount provided, \$4,580,200,000 is for carrying out the community development block grant program under title I of the Housing and Community Development Act of 1974, as amended (the "Act" herein) (42 U.S.C. 5301 et seq.): Provided further, That \$72,500,000 shall be for grants to Indian tribes notwithstanding section 106(a)(1) of such Act; \$3,300,000 shall be for a grant to the Housing Assistance Council; \$2,600,000 shall be for a grant to the National American Indian Housing Council; \$2,000,000 shall be for a grant to Girl Scouts of the USA for youth development initiatives in public housing; \$2,000,000 shall be for a grant to Boys and Girls Clubs of America for the operating and start-up costs of clubs located in or near, and primarily serving residents of, public and Indian housing; and \$45,500,000 shall be for grants pursuant to section 107 of the Act of which \$4,000,000 shall be to support Alaska Native serving institutions and Native Hawaiian serving institutions as defined under the Higher Education Act, as amended, \$3,000,000 shall be for tribal colleges and universities to build, expand, renovate and equip their facilities, \$7,000,000 shall be for insular areas, \$11,000,000 shall be for historically black colleges and universities, \$3,000,000 shall be for community development work study, \$10,000,000 shall be for the Department of Hawaiian Homeland to provide assistance as authorized under title VIII of the Native American

Housing Assistance and Self-Determination Act of 1996 (22 U.S.C. 4221 et seq.) (with no more than 5 percent of such funds being available for administrative costs), and of which \$7,500,000 shall be for Hispanic serving institutions: Provided further, That no less than \$3,400,000 shall be transferred to the Working Capital Fund for the development of and modification to information technology systems which serve programs or activities under "Community planning and development": Provided further, That \$3,000,000 shall be made available for construction costs of the Paul and Sheila Wellstone Center for Community Building: Provided further, That \$22,000,000 shall be for grants pursuant to the Self Help Homeownership Opportunity Program: Provided further, That not to exceed 20 percent of any grant made with funds appropriated under this heading (other than a grant made available in this paragraph to the Housing Assistance Council or the National American Indian Housing Council, or a grant using funds under section 107(b)(3) of the Act) shall be expended for "Planning and Management Development" and "Administration", as defined in regulations promulgated by the Department.

Of the amount made available under this heading, \$35,500,000 shall be for capacity building, of which \$31,500,000 shall be for Capacity Building for Community Development and Affordable Housing for LISC and the Enterprise Foundation for activities as authorized by section 4 of the HUD Demonstration Act of 1993 (42 U.S.C. 9816 note), as in effect immediately before June 12, 1997, with not less than \$5,000,000 of the funding to be used in rural areas, including tribal areas, and of which \$4,000,000 shall be for capacity building activities administered by Habitat for Humanity International.

Of the amount made available under this heading, \$40,000,000 shall be available for neighborhood initiatives that are utilized to improve the conditions of distressed and blighted areas and neighborhoods, to stimulate investment, economic diversification, and community revitalization in areas with population outmigration or a stagnating or declining economic base, or to determine whether housing benefits can be integrated more effectively with welfare reform initiatives, of which \$1,000,000 shall be for a grant to National Housing Trust/Enterprise Preservation Corporation to preserve 5,000 affordable apartments for low-income people and \$5,000,000 shall be for a grant to the Housing Partnership Network for a revolving loan fund for single-family homeownership development and loans to nonprofit affordable housing organizations.

Of the amount made available under this heading, notwithstanding any other provision of law, \$65,000,000 shall be available for YouthBuild program activities authorized by subtitle D of title IV of the Cranston-Gonzalez National Affordable Housing Act, as amended, and such activities shall be an eligible activity with respect to any funds made available under this heading: Provided, That local YouthBuild programs that demonstrate an ability to leverage private and nonprofit funding shall be given a priority for YouthBuild funding: Provided further, That no more than 10 percent of any grant award may be used for administrative costs: Provided further, That not less than \$10,000,000 shall be available for grants to establish YouthBuild programs in underserved and rural areas: Provided further, That of the amount provided under this paragraph, \$2,000,000

shall be set aside and made available for a grant to YouthBuild USA for capacity building for community development and affordable housing activities as specified in section 4 of the HUD Demonstration Act of 1993, as amended.

Of the amount made available under this heading, \$130,500,000 shall be available for grants for the Economic Development Initiative (EDI) to finance a variety of targeted economic investments in accordance with the terms and conditions specified in the statement of the Committee on Appropriations submitted for the record accompanying this Act: Provided, That each grant specified in the report shall be reduced by 10 percent.

The referenced statement of the managers under the heading ``Community development block grants" in title II of Public Law 105-277 is deemed to be amended by striking ``\$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland" and insert in lieu thereof ``\$750,000 to the Maryland State Department of Housing and Community Development for relocation of residents of Wagners Point community in Baltimore, Maryland (\$514,000) and for recovery efforts that occurred on or after the April 28, 2002 tornado in Charles and Calvert Counties (\$236,000)".

COMMUNITY DEVELOPMENT LOAN GUARANTEES PROGRAM ACCOUNT (INCLUDING TRANSFER OF FUNDS)

For the cost of guaranteed loans, \$14,000,000, to remain available until September 30, 2004, as authorized by section 108 of the Housing and Community Development Act of 1974, as amended: Provided, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974, as amended: Provided further, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, not to exceed \$608,696,000, notwithstanding any aggregate limitation on outstanding obligations guaranteed in section 108(k) of the Housing and Community Development Act of 1974, as amended: Provided further, That in addition, for administrative expenses to carry out the guaranteed loan program, \$1,000,000, which shall be transferred to and merged with the appropriation for ``Salaries and expenses".

BROWNFIELDS REDEVELOPMENT

For Economic Development Grants for Brownfields redevelopment projects, \$25,000,000, to remain available until September 30, 2004: Provided, That the Secretary of Housing and Urban Development shall make these grants available on a competitive basis as specified in section 102 of the Department of Housing and Urban Development Reform Act of 1989: Provided further, That notwithstanding section 108(q) of the Housing and Community Development Act of 1974, recipients of funding made available under this heading may, at the discretion of the Secretary, also apply for funding under section 108.

HOME INVESTMENT PARTNERSHIPS PROGRAM (INCLUDING TRANSFER OF FUNDS)

For the HOME investment partnerships program, as authorized under title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, \$1,950,000,000, to remain available until September 30, 2005: Provided, That of the total amount provided under this heading, up to \$40,000,000 shall be available for housing counseling under section 106 of the Housing and Urban Development Act of 1968; and no less than \$1,100,000 shall be transferred to the Working Capital Fund for the development of and maintenance of, and modification to information technology systems which serve Programs or activities under ``Community Planning and Development''.

HOMELESS ASSISTANCE GRANTS (INCLUDING TRANSFER OF FUNDS)

For the emergency shelter grants program as authorized under subtitle B of title IV of the McKinney-Vento Homeless Assistance Act, as amended; the supportive housing program as authorized under subtitle C of title IV of such Act; the section 8 moderate rehabilitation single room occupancy program as authorized under the United States Housing Act of 1937, as amended, to assist homeless individuals pursuant to section 441 of the McKinney-Vento Homeless Assistance Act; and the shelter plus care program as authorized under subtitle F of title IV of such Act, \$1,215,025,000, of which \$193,000,000 shall be available to renew expiring shelter plus care grants, to remain available until September 30, 2005: Provided, That not less than 30 percent of funds made available, excluding amounts provided for renewals under the shelter plus care program, shall be used for permanent housing: Provided further, That all funds awarded for services shall be matched by 25 percent in funding by each grantee: Provided further, That the Secretary shall renew on an annual basis expiring contracts or amendments to contracts funded under the shelter plus care program if the program is determined to be needed under the applicable continuum of care and meets appropriate program requirements and financial standards, as determined by the Secretary: Provided further, That all awards of assistance under this heading shall be required to coordinate and integrate homeless programs with other mainstream health, social services, and employment programs for which homeless populations may be eligible, including Medicaid, State Children's Health Insurance Program, Temporary Assistance for Needy Families, Food Stamps, and services funding through the Mental Health and Substance Abuse Block Grant, Workforce Investment Act, and the Welfare-to-Work grant program: Provided further, That \$17,600,000 of the funds appropriated under this heading shall be available for technical assistance and management information systems: Provided further, That no less than \$1,500,000 of the funds appropriated under this heading shall be transferred to the Working Capital Fund: for the development of and modifications to information technology systems which serve activities under ``Community Planning and Development''.

Housing Programs

HOUSING FOR SPECIAL POPULATIONS

(INCLUDING TRANSFER OF FUNDS)

For assistance for the purchase, construction, acquisition, or development of additional public and subsidized housing units for low income families not otherwise provided for, \$1,033,801,000, to remain available until September 30, 2005: Provided, That \$783,286,000, plus recaptures or cancelled commitments, shall be for capital advances, including amendments to capital advance contracts, for housing for the elderly, as authorized by section 202 of the Housing Act of 1959, as amended, and for project rental assistance for the elderly under section 202(c)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2015, and for supportive services associated with the housing, of which amount \$44,000,000 plus up to \$9,000,000 of amounts recaptured or commitments cancelled under this heading, shall be for service coordinators and the continuation of existing congregate service grants for residents of assisted housing projects, and of which amount up to \$50,000,000 shall be for grants under section 202b of the Housing Act of 1959 (12 U.S.C. 1701q-2) for conversion of eligible projects under such section to assisted living or related use: Provided further, That of the amount under this heading, \$250,515,000 shall be for capital advances, including amendments to capital advance contracts, for supportive housing for persons with disabilities, as authorized by section 811 of the Cranston-Gonzalez National Affordable Housing Act, for project rental assistance for supportive housing for persons with disabilities under section 811(d)(2) of such Act, including amendments to contracts for such assistance and renewal of expiring contracts for such assistance for up to a 1-year term, which shall remain available for disbursement until September 30, 2015, and for supportive services associated with the housing for persons with disabilities as authorized by section 811(b)(1) of such Act, and for tenant-based rental assistance contracts entered into pursuant to section 811 of such Act: Provided further, That no less than \$500,000, to be divided evenly between the appropriations for the section 202 and section 811 programs, shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration": Provided further, That, in addition to amounts made available for renewal of tenant-based rental assistance contracts pursuant to the second proviso of this paragraph, the Secretary may designate up to 25 percent of the amounts earmarked under this paragraph for section 811 of such Act for tenant-based assistance, as authorized under that section, including such authority as may be waived under the next proviso, which assistance is 5 years in duration: Provided further, That the Secretary may waive any provision of such section 202 and such section 811 (including the provisions governing the terms and conditions of project rental assistance and tenant-based assistance) that the Secretary determines is not necessary to achieve the objectives of these programs, or that otherwise impedes the ability to develop, operate, or administer projects assisted under these programs, and may make provision for alternative

conditions or terms where appropriate: Provided further, That all balances and recaptures, as of October 1, 2002, remaining in the ``Congregate Housing Services" account as authorized by the Housing and Community Development Amendments of 1978, as amended, shall be transferred to and merged with the amounts for those purposes under this heading.

FLEXIBLE SUBSIDY FUND

(TRANSFER OF FUNDS)

From the Rental Housing Assistance Fund, all uncommitted balances of excess rental charges as of September 30, 2002, and any collections made during fiscal year 2003, shall be transferred to the Flexible Subsidy Fund, as authorized by section 236(g) of the National Housing Act, as amended.

RENTAL HOUSING ASSISTANCE

The limitation otherwise applicable to the maximum payments that may be required in any fiscal year by all contracts entered into under section 236 of the National Housing Act (12 U.S.C. 1715z-1) is reduced in fiscal year 2003 by not more than \$100,000,000 in uncommitted balances of authorizations of contract authority provided for this purpose in appropriations acts: Provided, That up to \$100,000,000 of recaptured section 236 budget authority resulting from any actions described in section 236(s)(7)(A) of the National Housing Act (12 U.S.C. 1715z-1) shall be made available as provided under section 236(s) of the National Housing Act.

MANUFACTURED HOUSING FEES TRUST FUND

For necessary expenses as authorized by the National Manufactured Housing Construction and Safety Standards Act of 1974, as amended (42 U.S.C. 5401 et seq.), \$13,000,000, to remain available until expended, to be derived from the Manufactured Housing Fees Trust Fund: Provided, That not to exceed the total amount appropriated under this heading shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund pursuant to section 620 of such Act: Provided further, That the amount made available under this heading from the general fund shall be reduced as such collections are received during fiscal year 2003 so as to result in a final fiscal year 2003 appropriation from the general fund estimated at not more than \$0 and fees pursuant to such section 620 shall be modified as necessary to ensure such a final fiscal year 2003 appropriation.

Federal Housing Administration

MUTUAL MORTGAGE INSURANCE PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

During fiscal year 2003, commitments to guarantee loans to carry out the purposes of section 203(b) of the National Housing Act, as amended, shall not exceed a loan principal of \$160,000,000,000.

During fiscal year 2003, obligations to make direct loans to carry out the purposes of section 204(g) of the National Housing Act, as amended, shall not exceed \$250,000,000: Provided, That the foregoing amount shall be for loans to nonprofit and governmental entities in connection with sales of single family real properties owned by the Secretary and formerly insured under the Mutual Mortgage Insurance Fund.

For administrative expenses necessary to carry out the guaranteed and direct loan program, \$347,829,000, of which not to exceed \$343,807,000 shall be transferred to the appropriation for "Salaries and expenses"; and not to exceed \$4,022,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses, \$85,720,000, of which no less than \$21,360,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve programs or activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$65,500,000,000 on or before April 1, 2003, an additional \$1,400 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments (including a pro rata amount for any amount below \$1,000,000), but in no case shall funds made available by this proviso exceed \$16,000,000.

GENERAL AND SPECIAL RISK PROGRAM ACCOUNT

(INCLUDING TRANSFERS OF FUNDS)

For the cost of guaranteed loans, as authorized by sections 238 and 519 of the National Housing Act (12 U.S.C. 1715z-3 and 1735c), including the cost of loan guarantee modifications, as that term is defined in section 502 of the Congressional Budget Act of 1974, as amended, \$15,000,000, to remain available until expended: Provided, That these funds are available to subsidize total loan principal, any part of which is to be guaranteed, of up to \$21,000,000,000.

Gross obligations for the principal amount of direct loans, as authorized by sections 204(g), 207(l), 238, and 519(a) of the National Housing Act, shall not exceed \$50,000,000, of which not to exceed \$30,000,000 shall be for bridge financing in connection with the sale of multifamily real properties owned by the Secretary and formerly insured under such Act; and of which not to exceed \$20,000,000 shall be for loans to nonprofit and governmental entities in connection with the sale of single-family real properties owned by the Secretary and formerly insured under such Act.

In addition, for administrative expenses necessary to carry out the guaranteed and direct loan programs, \$223,716,400, of which \$204,395,400, shall be transferred to the appropriation for "Salaries and expenses"; and of which \$19,321,000 shall be transferred to the appropriation for "Office of Inspector General". In addition, for administrative contract expenses necessary to carry out the guaranteed and direct loan programs, \$93,780,000, of which no less than \$14,240,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems which serve activities under "Housing Programs" or "Federal Housing Administration": Provided, That to the extent guaranteed loan commitments exceed \$8,426,000,000 on or before April 1, 2003, an additional \$1,980 for administrative contract expenses shall be available for each \$1,000,000 in additional guaranteed loan commitments over \$8,426,000,000 (including a pro rata amount for any increment below \$1,000,000), but in no case shall funds made available by this proviso exceed \$14,400,000.

Government National Mortgage Association

GUARANTEES OF MORTGAGE-BACKED SECURITIES LOAN GUARANTEE PROGRAM ACCOUNT

(INCLUDING TRANSFER OF FUNDS)

New commitments to issue guarantees to carry out the purposes of section 306 of the National Housing Act, as amended (12 U.S.C. 1721(g)), shall not exceed \$200,000,000,000, to remain available until September 30, 2004.

For administrative expenses necessary to carry out the guaranteed mortgage-backed securities program, \$10,343,000, to be derived from the GNMA guarantees of mortgage-backed securities guaranteed loan receipt account, of which not to exceed \$10,343,000, shall be transferred to the appropriation for "Salaries and expenses".

Policy Development and Research

RESEARCH AND TECHNOLOGY

For contracts, grants, and necessary expenses of programs of research and studies relating to housing and urban problems, not otherwise provided for, as authorized by title V of the Housing and Urban Development Act of 1970, as amended (12 U.S.C. 1701z-1 et seq.), including carrying out the functions of the Secretary under section 1(a)(1)(i) of Reorganization Plan No. 2 of 1968, \$47,000,000, to remain available until September 30, 2004: Provided, That of the total amount provided under this heading, \$8,750,000 shall be for the Partnership for Advancing Technology in Housing (PATH) Initiative.

Fair Housing and Equal Opportunity

FAIR HOUSING ACTIVITIES

For contracts, grants, and other assistance, not otherwise provided for, as authorized by title VIII of the Civil Rights Act of 1968, as amended by the Fair Housing Amendments Act of 1988, and section 561 of the Housing and Community Development Act of 1987, as amended, \$45,899,000, to remain available until September 30, 2004, of which \$20,250,000 shall be to carry out activities pursuant to such section 561: Provided, That no funds made available under this heading shall be used to lobby the executive or legislative branches of the Federal Government in connection with a specific contract, grant or loan.

Office of Lead Hazard Control

LEAD HAZARD REDUCTION

For the Lead Hazard Reduction Program, as authorized by section 1011 of the Residential Lead-Based Paint Hazard Reduction Act of 1992, \$201,000,000, to remain available until September 30, 2004, of which \$10,000,000 shall be for the Healthy Homes Initiative, pursuant to sections 501 and 502 of the Housing and Urban Development Act of 1970 that shall include research, studies, testing, and demonstration efforts, including education and outreach concerning lead-based paint poisoning and other housing-related diseases and hazards: Provided, That of the total amount made available under this heading, \$75,000,000 shall be made available for an urban lead hazard reduction demonstration program in the form of grants to up to 25 major urban areas, as identified by the Secretary as having: (1) the highest number of pre-1940 units of rental housing; (2) significant deterioration of paint; and (3) a disproportionately high number of documented cases of lead-poisoned children: Provided further, That of the amounts made available under this paragraph, grants will be allocated equally among major urban areas that meet the eligibility criteria for the abatement of lead-based paint hazards so long as a major urban area makes a contribution equal to 10 percent of the funds that are available to the grantee under this paragraph should all of the 25 eligible grantees receive awards: Provided further, That not less than 80 percent of the funds made available under this paragraph shall be used exclusively for abatement and interim control of lead-based hazards as defined by 42 U.S.C. 4851: Provided further, That of the total grant, up to 15 percent may be used for demolition and up to 20 percent of the funds may be available for other lead-based paint hazards activities including risk assessments, testing and education: Provided further, That each major urban area shall target those privately-owned units and multifamily buildings that serve a majority of low-income families that are defined as low-income families as provided under section 3(b)(2) of the United States Housing Act of 1937: Provided further, That each major urban area shall submit a detailed plan and strategy that demonstrates adequate capacity that is acceptable to the Secretary of Housing and Urban Development on the proposed use of these funds pursuant to a Notice of Funding Availability issued by the Secretary no later than February 15, 2003: Provided further, That for the purposes of environmental reviews for the urban lead hazard reduction demonstration, section 1011 of Title X of the 1992 Housing and Community Development Act shall apply: Provided further, That units treated, and the majority of units in multifamily buildings, remain available for low-

income residents for at least 3 years following treatment: Provided further, That where a major urban area fails to meet the requirements of this demonstration program, the Secretary shall reallocate the funds for that urban area to each of the other eligible major urban areas: Provided further, That the Secretary shall submit an annual report to the Congress on the effectiveness of this demonstration program concurrently with the submission of the congressional justifications for the budget of the Department of Housing and Urban Development: Provided further, That should legislation authorizing the urban lead hazard reduction demonstration program not be enacted by June 30, 2003, amounts designated for this initiative shall become available for any such purpose authorized under Section 1011 of the Residential Lead-based Paint Hazard Reduction Act of 1992.

Management and Administration

SALARIES AND EXPENSES (INCLUDING TRANSFERS OF FUNDS)

For necessary administrative and non-administrative expenses of the Department of Housing and Urban Development, not otherwise provided for, including purchase of uniforms, or allowances therefor, as authorized by 5 U.S.C. 5901-5902; hire of passenger motor vehicles; services as authorized by 5 U.S.C. 3109; and not to exceed \$25,000 for official reception and representation expenses, \$1,070,229,000, of which \$548,202,400 shall be provided from the various funds of the Federal Housing Administration, \$10,343,000 shall be provided from funds of the Government National Mortgage Association, \$1,000,000 shall be provided from the "Community development loan guarantees program" account, \$150,000 shall be provided by transfer from the "Native American housing block grants" account, \$200,000 shall be provided by transfer from the "Indian housing loan guarantee fund program" account and \$35,000 shall be transferred from the "Native Hawaiian housing loan guarantee fund" account: Provided, That no less than \$10,500,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems.

OFFICE OF INSPECTOR GENERAL (INCLUDING TRANSFER OF FUNDS)

For necessary expenses of the Office of Inspector General in carrying out the Inspector General Act of 1978, as amended, \$97,684,000, of which \$23,343,000 shall be provided from the various funds of the Federal Housing Administration: Provided, That the Inspector General shall have independent authority over all personnel issues within this office: Provided further, That no less than \$300,000 shall be transferred to the Working Capital Fund for the development of and modifications to information technology systems for the Office of Inspector General.

WORKING CAPITAL FUND

For additional capital for Working Capitol Fund (42 U.S.C. 3535) for the development of, modifications to, and infrastructure for Department-wide Information technology systems, and for the continuing operation of both Department-wide and program-specific information systems, \$276,737,000 to remain available until September 30, 2004: Provided, That any amounts transferred to this Fund under this Act shall remain available until expended.

CONSOLIDATED FEE FUND (RESCISSION)

Of the balances remaining available from fees and charges under section 7(j) of the Department of Housing and Urban Development Act on October 1, 2002, \$8,000,000 are rescinded.

Office of Federal Housing Enterprise Oversight

SALARIES AND EXPENSES (INCLUDING TRANSFER OF FUNDS)

For carrying out the Federal Housing Enterprises Financial Safety and Soundness Act of 1992, including not to exceed \$500 for official reception and representation expenses, \$30,000,000, to remain available until expended, to be derived from the Federal Housing Enterprises Oversight Fund: Provided, That not to exceed such amount shall be available from the general fund of the Treasury to the extent necessary to incur obligations and make expenditures pending the receipt of collections to the Fund: Provided further, That the general fund amount shall be reduced as collections are received during the fiscal year so as to result in a final appropriation from the general fund estimated at not more than \$0.

Administrative Provisions

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

SEC. 202. None of the amounts made available under this Act may be used during fiscal year 2003 to investigate or prosecute under the Fair Housing Act any otherwise

lawful activity engaged in by one or more persons, including the filing or maintaining of a non-frivolous legal action, that is engaged in solely for the purpose of achieving or preventing action by a Government official or entity, or a court of competent jurisdiction.

SEC. 203. (a) Notwithstanding section 854(c)(1)(A) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)(1)(A)), from any amounts made available under this title for fiscal year 2003 that are allocated under such section, the Secretary of Housing and Urban Development shall allocate and make a grant, in the amount determined under subsection (b), for any State that--

(1) received an allocation in a prior fiscal year under clause (ii) of such section; and

(2) is not otherwise eligible for an allocation for fiscal year 2003 under such clause (ii) because the areas in the State outside of the metropolitan statistical areas that qualify under clause (i) in fiscal year 2003 do not have the number of cases of acquired immunodeficiency syndrome (AIDS) required under such clause.

(b) The amount of the allocation and grant for any State described in subsection (a) shall be an amount based on the cumulative number of AIDS cases in the areas of that State that are outside of metropolitan statistical areas that qualify under clause (i) of such section 854(c)(1)(A) in fiscal year 2003, in proportion to AIDS cases among cities and States that qualify under clauses (i) and (ii) of such section and States deemed eligible under subsection (a).

SEC. 204. (a) Section 225(a) of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 2000, Public Law 106-74 (113 Stat. 1076), is amended by striking "year 2000, and the amounts that would otherwise be allocated for fiscal year 2001 and fiscal year 2002", and inserting "years 2000, 2001, 2002, and 2003".

(b) Notwithstanding any other provision of law, the Secretary of Housing and Urban Development shall allocate to Wake County, North Carolina, the amounts that otherwise would be allocated for fiscal year 2003 under section 854(c) of the AIDS Housing Opportunity Act (42 U.S.C. 12903(c)) to the City of Raleigh, North Carolina, on behalf of the Raleigh-Durham-Chapel Hill, North Carolina Metropolitan Statistical Area. Any amounts allocated to Wake County shall be used to carry out eligible activities under section 855 of such Act (42 U.S.C. 12904) within such metropolitan statistical area.

SEC. 205. (a) During fiscal year 2003, in the provision of rental assistance under section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) in connection with a program to demonstrate the economy and effectiveness of providing such assistance for use in assisted living facilities that is carried out in the counties of the State of Michigan specified in subsection (b) of this section, notwithstanding paragraphs (3) and (18)(B)(iii) of such section 8(o), a family residing in an assisted living facility in any such county, on behalf of which a public housing agency provides assistance pursuant to section 8(o)(18) of such Act, may be required, at the time the family initially receives

such assistance, to pay rent in an amount exceeding 40 percent of the monthly adjusted income of the family by such a percentage or amount as the Secretary of Housing and Urban Development determines to be appropriate.

(b) The counties specified in this subsection are Oakland County, Macomb County, Wayne County, and Washtenaw County, in the State of Michigan.

SEC. 206. Except as explicitly provided in law, any grant or assistance made pursuant to title II of this Act shall be made on a competitive basis in accordance with section 102 of the Department of Housing and Urban Development Reform Act of 1989.

SEC. 207. Section 683(2) of the Housing and Community Development Act of 1992 is amended--

(1) in subparagraph (F), by striking ``and";

(2) in subparagraph (G), by striking ``section." and inserting ``section; and"; and

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

``(H) housing that is assisted under section 811 of the Cranston-Gonzalez National Affordable Housing Act.".

SEC. 208. Section 9 of the United States Housing Act of 1937 is amended by inserting at the end the following new subsection:

``(o) LOAN DEVELOPMENT FUNDING.--

``(1) In order to facilitate the financing of the rehabilitation and development needs of public housing, public housing agencies may enter into loans or other financial obligations with financial institutions for the purpose of financing the rehabilitation of a portion of public housing or the development off-site of public housing in mixed income developments (including demolition costs of the public housing units to be replaced), provided that the number of public housing units developed off-site replaces no less than an equal number of on-site public housing units in a project. Loans or other obligations entered into pursuant to this subsection shall be in such form and denominations, have such maturities, and be subject to such conditions as may be prescribed by regulations issued by the Secretary.

``(2) The Secretary may prohibit a public housing agency from obtaining a loan under this subsection only if the rehabilitation or replacement housing proposed by a public housing agency is inconsistent with its Public Housing Agency Plan, as submitted under section 5A, or the proposed terms of the guaranteed loan constitutes an unacceptable financial risk to the public housing agency or for repayment of the loan under this subsection.

“(3) Notwithstanding any other provision of this title, funding allocated to a public housing agency under subsections (d)(2) and (e)(2) of this section for capital and operating funds is authorized for use in the payment of the principal and interest due (including such servicing, underwriting or other costs as may be specified in the regulations of the secretary) on the loans or other obligations entered into pursuant to this subsection.

“(4) The amount of any loan or other obligation entered into under this subsection shall not exceed in total the pro-rata amount of funds that would be allocated over a period not to exceed 30 years under subsections (d)(2) and (e)(2) of this section on a per unit basis as a percentage of the number of units that are designated to be rehabilitated or replaced under this subsection by a public housing agency as compared to the total number of units in the public housing development, as determined on the basis of funds made available under such subsections (d)(2) and (e)(2) in the previous year. Any reduction in the total amount of funds provided to a public housing agency under this section in subsequent years shall not reduce the amount of funds to be paid under a loan entered into under this subsection but instead shall reduce the capital and operating funds which are available for the other housing units in the public housing development in that fiscal year. Any additional income, including the receipt of rental income from tenants, generated by the rehabilitated or replaced units may be used to establish a loan loss reserve for the public housing agency to assist in the repayment of loans or other obligations entered into under this subsection or to address any shortfall in the operating or capital needs of the public housing agency in any fiscal year.

“(5) Subject to appropriations, the Secretary may use funds from the Public Housing Capital Fund to (A) establish a loan loss reserve account within the Department of Housing and Urban Development to minimize the risk of loss associated with the repayment of loans made under this subsection, or (B) make grants to a public housing agency for capital investment needs or for the creation of a loan loss reserve account to be used in conjunction with a loan made under this subsection for the rehabilitation of a portion of public housing or the development off-site of public housing in mixed income developments (including demolition costs of the public housing units to be replaced).

“(6) The Secretary may, to the extent approved in appropriations Acts, assist in the payment of all or a portion of the principal and interest amount due under the loan or other obligation entered into under this subsection, if the Secretary determines that the public housing agency is unable to pay the amount it owes because of circumstances of extreme hardship beyond the control of the public housing agency.

“(7) Any loan or other obligation (including any mortgage instrument) entered into under this subsection shall include use restrictions that ensure the units rehabilitated or developed under this subsection shall be reserved for occupancy by families eligible for public housing under section 3 of this Act, and such use restrictions shall continue to apply to these units upon any default or foreclosure.

“(8) The Secretary is authorized to provide mortgage insurance upon such terms and conditions as may be appropriate to underwrite any loan or other obligation (including any mortgage instrument) entered into under this subsection. The Secretary shall establish premiums to support the cost of this mortgage insurance which shall be paid by public housing agencies through funds made available under subsections (d)(2) and (e)(2) of this section. The Secretary shall maintain all units subject to a loan or other obligation insured under this section as public housing upon any default and foreclosure and shall establish upon such terms and conditions as may be appropriate to ensure repayment of any amounts that are owed upon default or foreclosure.”.

SEC. 209. Notwithstanding any other provision of law, no funds in this Act or in any other Act in any fiscal year, including all future and prior fiscal years, may be used hereafter by the Secretary of Housing and Urban Development to provide any assistance or other funds for housing units defined in section 9(n) of the United States Housing Act of 1937 (as in effect immediately before the enactment of this Act) as “covered locally developed public housing units”. The States of New York and Massachusetts shall reimburse any funds already made available under any appropriations Act for these units to the Secretary of Housing and Urban Development for reallocation to public housing agencies: Provided, That, if either State fails to make such reimbursement within 12 months, the Secretary shall recapture such funds through reductions from the amounts allocated to each State under section 106 of the Housing and Community Development Act of 1974.

SEC. 210. Funds of the Department of Housing and Urban Development subject to the Government Corporation Control Act or section 402 of the Housing Act of 1950 shall be available, without regard to the limitations on administrative expenses, for legal services on a contract or fee basis, and for utilizing and making payment for services and facilities of the Federal National Mortgage Association, Government National Mortgage Association, Federal Home Loan Mortgage Corporation, Federal Financing Bank, Federal Reserve banks or any member thereof, Federal Home Loan banks, and any insured bank within the meaning of the Federal Deposit Insurance Corporation Act, as amended (12 U.S.C. 1811-1831).

SEC. 211. Unless otherwise provided for in this Act or through a reprogramming of funds, no part of any appropriation for the Department of Housing and Urban Development shall be available for any activity in excess of amounts set forth in the budget estimates submitted to Congress.

SEC. 212. Corporations and agencies of the Department of Housing and Urban Development which are subject to the Government Corporation Control Act, as amended, are hereby authorized to make such expenditures, within the limits of funds and borrowing authority available to each such corporation or agency and in accordance with law, and to make such contracts and commitments without regard to fiscal year limitations as provided by section 104 of such Act as may be necessary in carrying out the programs set forth in the budget for 2003 for such corporation or agency except as hereinafter provided: Provided, That collections of these corporations and agencies may

be used for new loan or mortgage purchase commitments only to the extent expressly provided for in this Act (unless such loans are in support of other forms of assistance provided for in this or prior appropriations Acts), except that this proviso shall not apply to the mortgage insurance or guaranty operations of these corporations, or where loans or mortgage purchases are necessary to protect the financial interest of the United States Government.

SEC. 213. (a) Section 9(n)(1) of the United States Housing Act of 1937 is hereby repealed.

(b) Section 226 of the Departments of Veterans Affairs and Housing and Urban development, and Independent Agencies Appropriations Act, 1999, is hereby repealed.

(c) The amendment made by subsection (a) shall be deemed to have taken effect on October 1, 1998.

(d) The amendment made by subsection (b) shall be deemed to have taken effect on October 21, 1998.

SEC. 214. Notwithstanding any other provision of law, in fiscal year 2003 and each fiscal year thereafter, in managing and disposing of any multifamily property that is owned or held by the Secretary and is occupied primarily by elderly or disabled families, the Secretary of Housing and Urban Development shall maintain any rental assistance payments under section 8 of the United States Housing Act of 1937 that are attached to any dwelling units in the property. To the extent the Secretary determines that such a multifamily property owned or held by the Secretary is not feasible for continued rental assistance payments under such section 8, the Secretary may, in consultation with the tenants of that property, contract for project-based rental assistance payments with an owner or owners of other existing housing properties or provide other rental assistance.

SEC. 215. (a) Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended by adding at the end the following:

“(22) WELFARE-TO-WORK HOUSING VOUCHER PROGRAM.--

“(A) RENEWAL.--Upon renewal, incremental vouchers awarded under this paragraph shall continue to be administered under this paragraph

“(B) ELIGIBLE GRANTEEES.--A public housing agency (including Indian tribes and tribally designated housing entities, as defined by the Secretary) is eligible to receive assistance under this paragraph if the public housing agency demonstrates, to the satisfaction of the Secretary--

“(i) that the agency--

“(I) is effectively administering a voucher program;

“(II) is capable of leasing the allotted number of welfare-to-work vouchers in the time allowed by the Secretary; and

“(III) has included in the annual plan of the agency a description of a program to provide welfare-to-work vouchers; and

“(ii) that the agency--

“(I) is carrying out an effective welfare-to-work housing program using Federal, State, or local funds (including vouchers funded under the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1999 (Public Law 105-276), or other vouchers), and has a collaboration with the State, local, or tribal entities administering the programs under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and under the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.) that serve families in the jurisdiction; or

“(II) has entered into a memorandum of understanding with the State, local, or tribal entities that administer the programs under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) and under the Workforce Investment Act of 1998 (29 U.S.C. 2811 et seq.) that serve families in the jurisdiction, and such memoranda specify how the agencies will collaborate with the public housing agency in identifying eligible families, determining criteria for selection among eligible families in light of the circumstances in the jurisdiction, and providing payments and services to families (including outreach to owners and case management) so that families may obtain housing in an area of greater employment opportunity or in proximity to a current place of employment or transportation to employment and overcome other barriers to obtaining or retaining employment.

“(C) ADDITIONAL CRITERIA FOR GRANTEE SELECTION.--The Secretary--

“(i) may establish criteria in addition to that established in subparagraph (B) for the selection of public housing agencies that are eligible to receive assistance under this paragraph; and

“(ii) shall consult with the Secretary of Health and Human Services and the Secretary of Labor in determining additional criteria under this subparagraph.

“(D) ELIGIBLE FAMILIES.--Families selected to receive assistance under this paragraph shall be--

“(i) receiving, or shall have received in the 2 years preceding the date on which the family was selected to receive assistance under this paragraph, assistance or other payments (including benefits provided by payments to third parties) or services funded under the Temporary Assistance for Needy Families (TANF) program under part A of title IV of the Social Security Act or as part of a qualified State expenditure of a State under section 409(a)(7)(B)(i) of such Act; and

“(ii) in need of housing voucher assistance as determined by the public housing agency, the agency that administers the Temporary Assistance for Needy Families program, or the Workforce Investment Agency in order to obtain housing in an area of greater employment opportunity or in proximity to a current place of employment or transportation to employment; participate effectively in a program to overcome barriers to employment; or retain employment or increase hours of employment.

“(E) PREFERENCE.--The Secretary shall give preference in the award of assistance under this paragraph to public housing agencies within a State--

“(i) with jurisdiction that minimizes the need to use the procedures established under subsection (r) to allow families to reside in areas with job opportunities; or

“(ii) that demonstrate, to the satisfaction of the Secretary, that the procedures under subsection (r) do not pose a barrier to the choice of housing for families.”.

SEC. 216. A public housing agency or such other entity that administers Federal housing assistance in the states of Alaska, Iowa, and Mississippi shall not be required to include a resident of public housing or a recipient of assistance provided under section 8 of the United States Housing Act of 1937 on the board of directors or a similar governing board of such agency or entity as required under section (2)(b) of such Act. Each public housing agency or other entity that administers Federal housing assistance under section 8 in the states of Alaska, Iowa and Mississippi shall establish an advisory board of not less than 6 residents of public housing or recipients of section 8 assistance to provide advice and comment to the public housing agency or other administering entity on issues related to public housing and section 8. Such advisory board shall meet not less than quarterly.

SEC. 217. The Director of the Office of Management and Budget and the Secretary of Housing and Urban Development shall include as part of the fiscal year 2004 budget (and for each budget in each succeeding fiscal year) for the Department of Housing and Urban Development a separate line in each account for the cost of contract rental renewals, where applicable. The Budget Justifications for Department of Housing and Urban Development shall include a five-year run-out of the cost of all contract rental renewals.

SEC. 218. (a) Section 24(m)(1) of the United States Housing Act of 1937 (42 U.S.C. 1437v(m)(1)) is amended by striking “\$600,000,000” and all that follows through “2002” and inserting the following: “\$574,000,000 for fiscal year 2003”.

(b) Section 24(n) of the United States Housing Act of 1937 (42 U.S.C. 1437v(n)) is amended by striking “September 30, 2002” and inserting “September 30, 2004”.

SEC. 219. No funds in this Act or any other Act in any fiscal year may hereafter be used by the Secretary of Housing and Urban Development to waive any income

eligibility restrictions on housing that has been assisted under Section 8 of the United States Housing Act of 1937 unless explicitly authorized by law.

SEC. 220. The Director of the Office of Budget in the Department of Housing and Urban Development shall provide quarterly reports to the House and Senate Committees on Appropriations regarding all uncommitted, unobligated, and excess funds in each program and activity within the jurisdiction of the Department of Housing and Urban Development and shall submit additional, updated information to these committees within 12 hours of any request.

SEC. 221. Section 204, as amended, of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Public Law 104-204 (12 U.S.C. 1715z-11a), is amended by inserting "or other sites as part of a revitalization plan that includes such a property" after the words "on the properties (which shall be eligible whether vacant or occupied)".

SEC. 222. The Secretary of Housing and Urban Development shall submit an annual report no later than August 30, 2003 and annually thereafter to the House and Senate Committees on Appropriations regarding the number of Federally assisted units under lease and the per unit cost of these units to the Department of Housing and Urban Development. This data shall cover all units that are assisted by funds made available under the "Housing Certificate Fund". This report should be accurate within 30 days of submission.

SEC. 223. Notwithstanding the requirements regarding first-time homebuyers in section 104 of the National Affordable Housing Act of 1990 (42 U.S.C. 12704), the Enterprise Housing Corporation of Maryland may use the remaining balance of the grant award, H3-95MD0005-I-N, within the East Baltimore Community of the City of Baltimore, Maryland.

SEC. 224. The part of the HUD Community Development Block Grant to the State of Iowa which is administered by the Iowa Department of Economic Development (grant number B99DC190001) and which, in turn, was granted by the Iowa Department of Economic Development to Benton County, Iowa (Benton County contract number 01-WS-006-99), for the purpose of providing safe potable water to residences of southern Benton County through a distribution system constructed by Poweshiek Water Association, is exempt from the provisions of section 104(g)(2), (g)(3) and (g)(4) of title I of the Housing and Community Act of 1974, as amended.