

117TH CONGRESS
1ST SESSION

S. _____

To increase the number of landlords participating in the Housing Choice
Voucher program.

IN THE SENATE OF THE UNITED STATES

Mr. COONS (for himself and Mr. CRAMER) introduced the following bill; which
was read twice and referred to the Committee on _____

A BILL

To increase the number of landlords participating in the
Housing Choice Voucher program.

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

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Choice in Affordable
5 Housing Act of 2021”.

6 **SEC. 2. DEFINITIONS.**

7 In this Act—

8 (1) the term “Housing Choice Voucher pro-
9 gram” means the tenant-based assistance program

1 under section 8(o) of the United States Housing Act
2 of 1937 (42 U.S.C. 1437f(o));

3 (2) the term “Secretary” means the Secretary
4 of Housing and Urban Development; and

5 (3) the term “Tribal Housing and Urban Devel-
6 opment-Veterans Affairs Supportive Housing pro-
7 gram” means the demonstration program estab-
8 lished under paragraph (5) under the heading “TEN-
9 ANT-BASED RENTAL ASSISTANCE” under the heading
10 “PUBLIC AND INDIAN HOUSING” in title II of divi-
11 sion K of the Consolidated and Further Continuing
12 Appropriations Act, 2015 (Public Law 113–235;
13 128 Stat. 2732) (commonly known as “Tribal HUD-
14 VASH”).

15 **SEC. 3. FINDINGS.**

16 Congress finds the following:

17 (1) The Housing Choice Voucher program is
18 the Federal Government’s largest program helping
19 low-income families, the elderly, and persons with
20 disabilities to afford decent, safe, and sanitary hous-
21 ing in the private market.

22 (2) The Housing Choice Voucher program is
23 proven to have positive impacts on voucher holders,
24 including increased housing stability, reduced home-
25 lessness, and children lifted out of poverty.

1 (3) As a public-private partnership, the Hous-
2 ing Choice Voucher program relies on the willingness
3 of private landlords to accept vouchers.

4 (4) Landlord participation is declining in the
5 Housing Choice Voucher program, with an average
6 of 10,000 housing providers leaving the program
7 each year between 2010 and 2016.

8 (5) Landlord participation is especially lacking
9 in “high-opportunity neighborhoods” that have low
10 poverty rates and good access to quality schools,
11 jobs, and public transportation.

12 (6) The Secretary has conducted and continues
13 to conduct research on landlord participation in the
14 Housing Choice Voucher program.

15 (7) The Moving to Work demonstration pro-
16 gram of the Department of Housing and Urban De-
17 velopment has given participating public housing
18 agencies the ability to test innovative strategies to
19 incentivize landlords to accept vouchers.

20 (8) Indian Tribes and tribally designated hous-
21 ing entities, which do not participate in the Housing
22 Choice Voucher program, benefit from the Tribal
23 Housing and Urban Development-Veterans Affairs
24 Supportive Housing program, which provides rental

1 assistance to Native American veterans who are ex-
2 periencing or at risk of experiencing homelessness.

3 **SEC. 4. SENSE OF CONGRESS.**

4 It is the sense of Congress that the Housing Choice
5 Voucher program should be improved to increase the num-
6 ber of landlords, particularly landlords with units in high-
7 opportunity neighborhoods, who accept vouchers in order
8 to expand housing choice and opportunity, and further fair
9 housing.

10 **SEC. 5. INCENTIVIZING LANDLORD PARTICIPATION IN**
11 **HOUSING CHOICE VOUCHER PROGRAM.**

12 (a) ONE-TIME INCENTIVE PAYMENTS.—Section 8(o)
13 of the United States Housing Act of 1937 (42 U.S.C.
14 1437f(o)) is amended by adding at the end the following:

15 “(21) ONE-TIME INCENTIVE PAYMENTS.—

16 “(A) DEFINITION.—In this paragraph, the
17 term ‘eligible unit’ means a dwelling unit
18 that—

19 “(i) is located in a census tract with
20 a poverty rate of less than 20 percent; and

21 “(ii) has not previously been subject
22 to a housing assistance payment contract
23 under this subsection.

24 “(B) INCENTIVE PAYMENT AUTHORITY.—

1 “(i) IN GENERAL.—To incentivize
2 landlords who own dwelling units in low-
3 poverty areas to enter into housing assist-
4 ance payment contracts under this sub-
5 section, the Secretary shall provide assist-
6 ance under this paragraph to public hous-
7 ing agencies to be used to offer a one-time
8 payment directly to the owner of an eligi-
9 ble unit entering into a housing assistance
10 payment contract with the public housing
11 agency for the eligible unit.

12 “(ii) AMOUNT.—The amount of an in-
13 centive payment made to an eligible owner
14 under clause (i) may not exceed 200 per-
15 cent of the monthly housing assistance
16 payment made to the eligible owner for the
17 eligible unit.

18 “(iii) CONDITIONS PERMITTED.—Sub-
19 ject to paragraph (7), a public housing
20 agency may require the owner of an eligi-
21 ble unit, as a condition of receiving an in-
22 centive payment under clause (i), to com-
23 mit to lease the eligible unit to tenants as-
24 sisted under this subsection for more than
25 1 year.

1 “(iv) LIMIT.—The owner of an eligible
2 unit may not receive more than 1 incentive
3 payment under clause (i), regardless of—

4 “(I) the number of eligible units
5 owned by the owner; or

6 “(II) the number of public hous-
7 ing agencies with which the owner has
8 entered into housing assistance pay-
9 ment contracts.”.

10 (b) SECURITY DEPOSIT PAYMENTS.—Section 8(o) of
11 the United States Housing Act of 1937 (42 U.S.C.
12 1437f(o)), as amended by subsection (a), is amended by
13 adding at the end the following:

14 “(22) SECURITY DEPOSIT PAYMENTS.—

15 “(A) SECURITY DEPOSIT PAYMENT AU-
16 THORITY.—The Secretary shall provide assist-
17 ance to public housing agencies to be used to
18 pay the owner of a dwelling unit assisted under
19 this subsection for a security deposit, or a sub-
20 stantial portion thereof, on behalf of the tenant
21 of the dwelling unit in accordance with subpara-
22 graph (B).

23 “(B) MINIMUM PHA REQUIREMENTS.—A
24 public housing agency that receives assistance
25 from the Secretary under subparagraph (A)

1 shall administer the assistance in accordance
2 with the following conditions:

3 “(i) The public housing agency shall
4 pay the owners of dwelling units assisted
5 under this subsection for a security de-
6 posit, or a substantial portion thereof, in
7 an amount determined by the public hous-
8 ing agency, on behalf of the tenants of the
9 dwelling units.

10 “(ii) In making payments to owners of
11 dwelling units under clause (i), the public
12 housing agency shall give priority to own-
13 ers of dwelling units occupied by extremely
14 low-income families.

15 “(iii) The owner of a dwelling unit
16 may deduct amounts from a security de-
17 posit payment received under clause (i) to
18 cover damages beyond normal wear and
19 tear caused by the tenant of the dwelling
20 unit, any member of the tenant’s house-
21 hold, or any guest or other person under
22 the tenant’s control.

23 “(iv) The public housing agency shall
24 conduct a damage claims process where-
25 by—

1 “(I) in order to deduct amounts
2 from a security deposit payment re-
3 ceived under clause (i), the owner of
4 a covered dwelling unit must submit a
5 claim to the public housing agency
6 with an itemized list of damages and
7 evidence and request reimbursement;
8 and

9 “(II) the tenant of a covered
10 dwelling unit may refute a claim sub-
11 mitted under subclause (I).

12 “(v) The public housing agency
13 shall—

14 “(I) establish an amount of re-
15 pair costs for which a tenant will be
16 responsible; and

17 “(II) notify a tenant, upon the
18 tenant entering into a lease for a
19 dwelling unit assisted under this sub-
20 section, of the amount described in
21 subclause (I).

22 “(vi) The public housing agency may
23 determine what action to take if a tenant
24 demonstrates an inability to pay the

1 amount of repair costs for which the ten-
2 ant is responsible under clause (v).

3 “(vii) At the end of a tenant’s occu-
4 pancy of a dwelling unit assisted under
5 this subsection, the landlord shall return to
6 the public housing agency any unused
7 amount of a security deposit payment re-
8 ceived under clause (i).

9 “(C) RULE OF CONSTRUCTION.—Nothing
10 in subparagraph (B) shall be construed to pro-
11 hibit a public housing agency from establishing
12 additional conditions for the administration of
13 assistance received under subparagraph (A) in
14 accordance with applicable State and local
15 laws.”.

16 (c) LANDLORD LIAISON BONUS PAYMENTS.—Section
17 8(o) of the United States Housing Act of 1937 (42 U.S.C.
18 1437f(o)), as amended by subsection (b), is amended by
19 adding at the end the following:

20 “(23) LANDLORD LIAISON BONUS PAYMENTS.—

21 “(A) IN GENERAL.—Each year, the Sec-
22 retary shall award 1 bonus payment to each
23 public housing agency that employs, contracts
24 with a service partner that employs, or dem-
25 onstrates an intent to employ or contract with

1 a service partner that employs, not less than 1
2 dedicated landlord liaison whose duties include,
3 with respect to the tenant-based assistance pro-
4 gram under subsection (o)—

5 “(i) conducting landlord outreach, re-
6 cruitment, and retention;

7 “(ii) educating and training landlords
8 regarding the program; and

9 “(iii) operating a phone hotline, online
10 portal, monitored email address, or other
11 mechanism designated by the Secretary for
12 landlord questions and concerns regarding
13 the program.

14 “(B) DEMONSTRATING COMPLIANCE.—The
15 Secretary shall determine how a public housing
16 agency may demonstrate that it offers or in-
17 tends to offer a landlord liaison service for pur-
18 poses of subparagraph (A).

19 “(C) AMOUNT.—The Secretary shall estab-
20 lish an amount for the landlord liaison bonus
21 payment authorized under subparagraph (A)
22 that—

23 “(i) may vary by region;

24 “(ii) does not exceed the 150 percent
25 of the average cost of employing, or con-

1 tracting with a service partner that em-
2 ploys, such a landlord liaison, based on
3 local market conditions; and

4 “(iii) is sufficient to incentivize public
5 housing agencies to employ, or contact
6 with a service partner that employs, such
7 a landlord liaison.”.

8 (d) HOUSING PARTNERSHIP FUND.—Section 8 of the
9 United States Housing Act of 1937 (42 U.S.C. 1437f) is
10 amended by adding at the end the following:

11 “(ee) HERSCHEL LASHKOWITZ HOUSING PARTNER-
12 SHIP FUND.—

13 “(1) ESTABLISHMENT.—The Secretary shall es-
14 tablish a fund, to be known as the ‘Herschel
15 Lashkowitz Housing Partnership Fund’, for the pur-
16 pose of incentivizing landlords to participate in the
17 tenant-based assistance program under subsection
18 (o) in accordance with paragraph (2) of this sub-
19 section.

20 “(2) AUTHORIZED USES.—The Secretary shall
21 use amounts from the Housing Partnership Fund
22 for—

23 “(A) incentive payments under subsection
24 (o)(21);

1 “(B) security deposit payments under sub-
2 section (o)(22);

3 “(C) landlord liaison bonus payments
4 under subsection (o)(23); and

5 “(D) other uses, as determined by a public
6 housing agency and approved by the Secretary,
7 designed primarily—

8 “(i) to recruit owners of dwelling
9 units, particularly dwelling units in census
10 tracts with a poverty rate of less than 20
11 percent, to enter into housing assistance
12 payment contracts under subsection (o);
13 and

14 “(ii) to ensure that owners that enter
15 into housing assistance payment contracts
16 as described in clause (i) of this subpara-
17 graph continue to lease their dwelling units
18 to tenants assisted under subsection (o).

19 “(3) REPORTS.—The Secretary shall require a
20 public housing agency that receives assistance from
21 the Herschel Lashkowitz Housing Partnership Fund
22 to submit an annual report to the Secretary on the
23 use of the assistance.

24 “(4) AUTHORIZATION OF ADDITIONAL APPRO-
25 PRIATIONS.—There is authorized to be appropriated

1 for deposit in the Herschel Lashkowitz Housing
2 Partnership Fund \$100,000,000 for each of fiscal
3 years 2022 through 2026, to remain available until
4 expended.”.

5 **SEC. 6. TRIBAL HUD-VASH AUTHORIZATION OF APPROPRIA-**
6 **TIONS.**

7 There is authorized to be appropriated to the Sec-
8 retary of Housing and Urban Development \$7,000,000 for
9 each of fiscal years 2022 through 2026 for the Tribal
10 Housing and Urban Development-Veterans Affairs Sup-
11 portive Housing program.

12 **SEC. 7. HOUSING QUALITY STANDARDS.**

13 (a) SATISFACTION OF INSPECTION REQUIREMENTS
14 THROUGH PARTICIPATION IN OTHER HOUSING PRO-
15 GRAMS.—Section 8(o)(8) of the United States Housing
16 Act of 1937 (42 U.S.C. 1437f(o)(8)), as amended by sec-
17 tion 101(a) of the Housing Opportunity Through Mod-
18 ernization Act of 2016 (Public Law 114–201; 130 Stat.
19 783), is amended by adding at the end the following:

20 “(I) SATISFACTION OF INSPECTION RE-
21 QUIREMENTS THROUGH PARTICIPATION IN
22 OTHER HOUSING PROGRAMS.—

23 “(i) LOW-INCOME HOUSING TAX
24 CREDIT-FINANCED BUILDINGS.—A dwell-
25 ing unit shall be deemed to meet the in-

1 specation requirements under this para-
2 graph if—

3 “(I) the dwelling unit is in a
4 building, the acquisition, rehabilita-
5 tion, or construction of which was fi-
6 nanced by a person who received a
7 low-income housing tax credit under
8 section 42 of the Internal Revenue
9 Code of 1986 in exchange for that fi-
10 nancing;

11 “(II) the dwelling unit was phys-
12 ically inspected and passed inspection
13 as part of the low-income housing tax
14 credit program described in subclause
15 (I) during the preceding 12-month pe-
16 riod; and

17 “(III) the applicable public hous-
18 ing agency is able to obtain the re-
19 sults of the inspection described in
20 subclause (II).

21 “(ii) HOME INVESTMENT PARTNER-
22 SHIPS PROGRAM.—A dwelling shall be
23 deemed to meet the inspection require-
24 ments under this paragraph if the dwelling
25 unit—

1 “(I) the dwelling unit is assisted
2 under the HOME Investment Part-
3 nerships Program under title II of the
4 Cranston-Gonzalez National Afford-
5 able Housing Act (42 U.S.C. 12721 et
6 seq.);

7 “(II) the dwelling unit was phys-
8 ically inspected and passed inspection
9 as part of the program described in
10 subclause (I) during the preceding 12-
11 month period; and

12 “(III) the applicable public hous-
13 ing agency is able to obtain the re-
14 sults of the inspection described in
15 subclause (II).

16 “(iii) RURAL HOUSING SERVICE.—A
17 dwelling unit shall be deemed to meet the
18 inspection requirements under this para-
19 graph if—

20 “(I) the dwelling unit is assisted
21 by the Rural Housing Service of the
22 Department of Agriculture;

23 “(II) the dwelling unit was phys-
24 ically inspected and passed inspection
25 in connection with the assistance de-

1 scribed in subclause (I) during the
2 preceding 12-month period; and

3 “(III) the applicable public hous-
4 ing agency is able to obtain the re-
5 sults of the inspection described in
6 subclause (II).

7 “(iv) RULE OF CONSTRUCTION.—
8 Nothing in clause (i), (ii), or (iii) shall be
9 construed to affect the operation of a hous-
10 ing program described in, or authorized
11 under a provision of law described in, that
12 clause.”.

13 (b) PRE-APPROVAL OF UNITS.—Section 8(o)(8)(A) of
14 the United States Housing Act of 1937 (42 U.S.C.
15 1437f(o)(8)(A)) is amended by adding at the end the fol-
16 lowing:

17 “(iv) INITIAL INSPECTION PRIOR TO
18 LEASE AGREEMENT.—

19 “(I) DEFINITION.—In this
20 clause, the term ‘new landlord’ means
21 an owner of a dwelling unit who has
22 not previously entered into a housing
23 assistance payment contract with a
24 public housing agency under this sub-
25 section for any dwelling unit.

1 “(II) EARLY INSPECTION.—Upon
2 the request of a new landlord, a public
3 housing agency may inspect the dwell-
4 ing unit owned by the new landlord to
5 determine whether the unit meets the
6 housing quality standards under sub-
7 paragraph (B) before the unit is se-
8 lected by a tenant assisted under this
9 subsection.

10 “(III) EFFECT.—An inspection
11 conducted under subclause (II) that
12 determines that the dwelling unit
13 meets the housing quality standards
14 under subparagraph (B) shall satisfy
15 this subparagraph and subparagraph
16 (C) if the new landlord enters into a
17 lease agreement with a tenant assisted
18 under this subsection not later than
19 60 days after the date of the inspec-
20 tion.

21 “(IV) INFORMATION WHEN FAM-
22 ILY IS SELECTED.—When a public
23 housing agency selects a family to
24 participate in the tenant-based assist-
25 ance program under this subsection,

1 the public housing agency shall in-
2 clude in the information provided to
3 the family a list of dwelling units that
4 have been inspected under subclause
5 (II) and determined to meet the hous-
6 ing quality standards under subpara-
7 graph (B).”.

8 **SEC. 8. SMALL AREA FAIR MARKET RENT.**

9 (a) USE OF SMALL AREA FAIR MARKET RENT.—
10 Section 8(o)(1) of the United States Housing Act of 1937
11 (42 U.S.C. 1437f(o)(1)) is amended by adding at the end
12 the following:

13 “(F) SMALL AREA FAIR MARKET RENT.—

14 “(i) DEFINITIONS.—In this subpara-
15 graph—

16 “(I) the term ‘metropolitan area’
17 means a metropolitan statistical area,
18 as defined by the Office of Manage-
19 ment and Budget; and

20 “(II) the term ‘small area fair
21 market rent’ means the fair market
22 rent established for a ZIP code area
23 within a metropolitan area.

24 “(ii) USE OF SMALL AREA FAIR MAR-
25 KET RENT.—Notwithstanding subsection

(c) or any other provision of this subsection, not later than 3 years after the date of enactment of this subparagraph, the Secretary shall designate a number of metropolitan areas in which public housing agencies are required to use the small area fair market rent to determine the fair market rental for dwelling units for purposes of tenant-based assistance under this subsection that is not less than 3 times the number of metropolitan areas so designated in the final rule of the Secretary entitled ‘Establishing a More Effective Fair Market Rent System; Using Small Area Fair Market Rents in the Housing Choice Voucher Program Instead of the Current 50th Percentile FMRs’, published in the Federal Register on November 16, 2016 (81 Fed. Reg. 80567).

“(iii) HOLD HARMLESS.—If the application of clause (ii) would cause a decrease in the payment standard used to calculate the amount of tenant-based assistance provided to a family under this subsection, a public housing agency shall continue to use

1 the existing higher payment standard to
2 calculate the amount of such assistance for
3 the family for as long as the family con-
4 tinues to receive such assistance in the
5 same dwelling unit.”.

6 (b) CONFORMING AMENDMENT.—Section 8(o)(1)(B)
7 of the United States Housing Act of 1937 (42 U.S.C.
8 1437f(o)(1)(B)) is amended by inserting after “subsection
9 (c)” the following: “(subject to subparagraph (F) of this
10 paragraph)”.

11 **SEC. 9. SECTION 8 MANAGEMENT ASSESSMENT PROGRAM.**

12 (a) DEFINITION.—In this section, the term “Section
13 8 Management Assessment Program” means the program
14 set forth in part 985 of title 24, Code of Federal Regula-
15 tions (or any successor regulation).

16 (b) DECONCENTRATION OF PARTICIPATING DWELL-
17 ING UNITS.—The Secretary shall explore ways to reform
18 and modernize the Section 8 Management Assessment
19 Program to assess public housing agencies in a manner
20 that promotes—

21 (1) positive interactions with landlords, includ-
22 ing timely payment of rent and identification of the
23 dwelling unit for which a subsidy payment is being
24 made; and

1 (2) an increase in the diversity of areas where
2 dwelling units are leased to support voucher holders
3 who want to access to low-poverty, integrated neigh-
4 borhoods.

5 (c) RULE OF CONSTRUCTION.—Nothing in sub-
6 section (b) shall be construed to prevent the Secretary
7 from—

8 (1) reforming the Section 8 Management As-
9 sessment Program to assess public housing agencies
10 in other areas of performance; or

11 (2) reforming the Section 8 Management As-
12 sessment Program in any other manner, at the dis-
13 cretion of the Secretary.

14 **SEC. 10. ANNUAL REPORT ON EFFECTIVENESS OF ACT.**

15 (a) DEFINITIONS.—In this section—

16 (1) the term “appropriate congressional com-
17 mittees” means—

18 (A) the Committee on Banking, Housing,
19 and Urban Affairs of the Senate;

20 (B) the Subcommittee on Transportation,
21 Housing and Urban Development, and Related
22 Agencies of the Committee on Appropriations of
23 the Senate;

24 (C) the Committee on Financial Services of
25 the House of Representatives; and

1 (D) the Subcommittee on Transportation,
2 Housing and Urban Development, and Related
3 Agencies of the Committee on Appropriations of
4 the House of Representatives; and

5 (2) the term “high-opportunity area”—

6 (A) shall be defined by the Secretary for
7 purposes of this section; and

8 (B) does not include any census tract in
9 which the poverty rate is equal to or greater
10 than 20 percent.

11 (b) REPORT.—Not later than 1 year after the date
12 of enactment of this Act, and annually thereafter for 5
13 total years, the Secretary shall submit to the appropriate
14 congressional committees and make publicly available a re-
15 port that—

16 (1) evaluates the effectiveness of this Act and
17 the amendments made by this Act in recruiting and
18 retaining landlords who accept vouchers under the
19 Housing Choice Voucher program, particularly land-
20 lords with dwelling units in high-opportunity neigh-
21 borhoods; and

22 (2) includes—

23 (A) the number of landlords in the United
24 States who accept housing choice vouchers
25 under the Housing Choice Voucher program

1 and the number of dwelling units assisted under
2 the Housing Choice Voucher program;

3 (B) any net changes to the number of
4 landlords or dwelling units described in sub-
5 paragraph (A) during the preceding year;

6 (C) the number of landlords described in
7 subparagraph (A) who own disability-accessible
8 dwelling units assisted under the Housing
9 Choice Voucher program and the number of
10 those dwelling units; and

11 (D) the number of landlords described in
12 subparagraph (A) who own dwelling units as-
13 sisted under the Housing Choice Voucher pro-
14 gram in high-opportunity areas and the number
15 of those dwelling units.