

1 appropriations. The annual budget submission for the pro-  
2 gram offices and the Office of General Counsel shall in-  
3 clude any such projected litigation costs for attorney fees  
4 as a separate line item request. No funds provided in this  
5 title may be used to pay any such litigation costs for attor-  
6 ney fees until the Department submits for review a spend-  
7 ing plan for such costs to the House and Senate Commit-  
8 tees on Appropriations.

9       SEC. 222. The Secretary is authorized to transfer up  
10 to 10 percent or \$4,000,000, whichever is less, of funds  
11 appropriated for any office under the heading “Adminis-  
12 trative Support Offices” or for any account under the gen-  
13 eral heading “Program Office Salaries and Expenses” to  
14 any other such office or account: *Provided*, That no appro-  
15 priation for any such office or account shall be increased  
16 or decreased by more than 10 percent or \$4,000,000,  
17 whichever is less, without prior written approval of the  
18 House and Senate Committees on Appropriations: *Pro-*  
19 *vided further*, That the Secretary shall provide notification  
20 to such Committees three business days in advance of any  
21 such transfers under this section up to 10 percent or  
22 \$4,000,000, whichever is less.

23       SEC. 223. (a) Any entity receiving housing assistance  
24 payments shall maintain decent, safe, and sanitary condi-  
25 tions, as determined by the Secretary of Housing and

1 Urban Development (in this section referred to as the  
2 “Secretary”), and comply with any standards under appli-  
3 cable State or local laws, rules, ordinances, or regulations  
4 relating to the physical condition of any property covered  
5 under a housing assistance payment contract.

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

9 (1) receives a Uniform Physical Condition  
10 Standards (UPCS) score of 60 or less; or

11 (2) fails to certify in writing to the Secretary  
12 within 3 days that all Exigent Health and Safety de-  
13 ficiencies identified by the inspector at the project  
14 have been corrected.

15 Such requirements shall apply to insured and noninsured  
16 projects with assistance attached to the units under sec-  
17 tion 8 of the United States Housing Act of 1937 (42  
18 U.S.C. 1437f), but do not apply to such units assisted  
19 under section 8(o)(13) (42 U.S.C. 1437f(o)(13)) or to  
20 public housing units assisted with capital or operating  
21 funds under section 9 of the United States Housing Act  
22 of 1937 (42 U.S.C. 1437g).

23 (c)(1) Within 15 days of the issuance of the REAC  
24 inspection, the Secretary must provide the owner with a  
25 Notice of Default with a specified timetable, determined

1 by the Secretary, for correcting all deficiencies. The Sec-  
2 retary must also provide a copy of the Notice of Default  
3 to the tenants, the local government, any mortgagees, and  
4 any contract administrator. If the owner's appeal results  
5 in a UPCS score of 60 or above, the Secretary may with-  
6 draw the Notice of Default.

7 (2) At the end of the time period for correcting all  
8 deficiencies specified in the Notice of Default, if the owner  
9 fails to fully correct such deficiencies, the Secretary may—

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

13 (B) impose civil money penalties, which shall be  
14 used solely for the purpose of supporting safe and  
15 sanitary conditions at applicable properties, as des-  
16 ignated by the Secretary, with priority given to the  
17 tenants of the property affected by the penalty;

18 (C) abate the section 8 contract, including par-  
19 tial abatement, as determined by the Secretary, until  
20 all deficiencies have been corrected;

21 (D) pursue transfer of the project to an owner,  
22 approved by the Secretary under established proce-  
23 dures, which will be obligated to promptly make all  
24 required repairs and to accept renewal of the assist-  
25 ance contract as long as such renewal is offered;

1 (E) transfer the existing section 8 contract to  
2 another project or projects and owner or owners;

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

5 (G) seek judicial appointment of a receiver to  
6 manage the property and cure all project deficiencies  
7 or seek a judicial order of specific performance re-  
8 quiring the owner to cure all project deficiencies;

9 (H) work with the owner, lender, or other re-  
10 lated party to stabilize the property in an attempt  
11 to preserve the property through compliance, trans-  
12 fer of ownership, or an infusion of capital provided  
13 by a third-party that requires time to effectuate; or

14 (I) take any other regulatory or contractual  
15 remedies available as deemed necessary and appro-  
16 priate by the Secretary.

17 (d) The Secretary shall also take appropriate steps  
18 to ensure that project-based contracts remain in effect,  
19 subject to the exercise of contractual abatement remedies  
20 to assist relocation of tenants for major threats to health  
21 and safety after written notice to the affected tenants. To  
22 the extent the Secretary determines, in consultation with  
23 the tenants and the local government, that the property  
24 is not feasible for continued rental assistance payments

1 under such section 8 or other programs, based on consid-  
2 eration of—

3 (1) the costs of rehabilitating and operating the  
4 property and all available Federal, State, and local  
5 resources, including rent adjustments under section  
6 524 of the Multifamily Assisted Housing Reform  
7 and Affordability Act of 1997 (“MAHRAA”); and

8 (2) environmental conditions that cannot be  
9 remedied in a cost-effective fashion, the Secretary  
10 may contract for project-based rental assistance pay-  
11 ments with an owner or owners of other existing  
12 housing properties, or provide other rental assist-  
13 ance.

14 (e) The Secretary shall report quarterly on all prop-  
15 erties covered by this section that are assessed through  
16 the Real Estate Assessment Center and have UPCS phys-  
17 ical inspection scores of less than 60 or have received an  
18 unsatisfactory management and occupancy review within  
19 the past 36 months. The report shall include—

20 (1) the enforcement actions being taken to ad-  
21 dress such conditions, including imposition of civil  
22 money penalties and termination of subsidies, and  
23 identify properties that have such conditions mul-  
24 tiple times;

1           (2) actions that the Department of Housing  
2           and Urban Development is taking to protect tenants  
3           of such identified properties; and

4           (3) any administrative or legislative rec-  
5           ommendations to further improve the living condi-  
6           tions at properties covered under a housing assist-  
7           ance payment contract.

8           SEC. 224. None of the funds made available by this  
9           Act, or any other Act, for purposes authorized under sec-  
10          tion 8 (only with respect to the tenant-based rental assist-  
11          ance program) and section 9 of the United States Housing  
12          Act of 1937 (42 U.S.C. 1437 et seq.), may be used by  
13          any public housing agency for any amount of salary, in-  
14          cluding bonuses, for the chief executive officer of which,  
15          or any other official or employee of which, that exceeds  
16          the annual rate of basic pay payable for a position at level  
17          IV of the Executive Schedule at any time during any pub-  
18          lic housing agency fiscal year 2017.

19          SEC. 225. None of the funds in this Act may be avail-  
20          able for the doctoral dissertation research grant program  
21          at the Department of Housing and Urban Development.

22          SEC. 226. Section 24 of the United States Housing  
23          Act of 1937 (42 U.S.C. 1437v) is amended—