SEC. 519. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

(a) In General.--Section 9 of the United States Housing Act of 1937

(42 U.S.C. 1437g) is amended to read as follows:

``SEC. 9. PUBLIC HOUSING CAPITAL AND OPERATING FUNDS.

``(a) Merger Into Capital Fund.--Except as otherwise provided in the

Quality Housing and Work Responsibility Act of 1998, any assistance made

available for public housing under section 14 of this Act before October

1, 1999, shall be merged into the Capital Fund established under

subsection (d).

``(b) Merger Into Operating Fund.--Except as otherwise provided in

the Quality Housing and Work Responsibility Act of 1998, any assistance

made available for public housing under section 9 of this Act before

October 1, 1999, shall be merged into the Operating Fund established

under subsection (e).

``(c) Allocation Amount.--

``(1) In General.--For fiscal year 2000 and each fiscal year

thereafter, the Secretary shall allocate amounts in the Capital

Fund and Operating Funds for assistance for public housing

agencies eligible for such assistance. The Secretary shall

determine the amount of the allocation for each eligible

agency, which shall be, for any fiscal year beginning after the

effective date of the formulas described in subsections (d)(2)

and (e)(2)--

``(A) for assistance from the Capital Fund, the

amount determined for the agency under the formula under

subsection (d)(2); and

``(B) for assistance from the Operating Fund, the

amount determined for the agency under the formula under

subsection (e)(2).

``(2) Funding.--There are authorized to be appropriated for

assistance for public housing agencies under this section the

following amounts:

``(A) Capital fund.--For allocations of assistance

from the Capital Fund, $3,000,000,000 for fiscal year

1999, and such sums as may be necessary for fiscal years

2000, 2001, 2002, and 2003.

``(B) Operating fund.--For allocations of assistance

from the Operating Fund, $2,900,000,000 for fiscal year

1999, and such sums as may be necessary for each of

fiscal years 2000, 2001, 2002, and 2003.

``(d) Capital Fund.--

``(1) In general.--The Secretary shall establish a Capital

Fund for the purpose of making assistance available to public

housing agencies to carry out capital and management activities,

including--

``(A) the development, financing, and modernization

of public housing projects, including the redesign,

reconstruction, and reconfiguration of public housing

sites and buildings (including accessibility

improvements) and the development of mixed-finance

projects;

``(B) vacancy reduction;

``(C) addressing deferred maintenance needs and the

replacement of obsolete utility systems and dwelling

equipment;

``(D) planned code compliance;

``(E) management improvements;

``(F) demolition and replacement;

``(G) resident relocation;

``(H) capital expenditures to facilitate programs to

improve the empowerment and economic self-sufficiency of

public housing residents and to improve resident

participation;

``(I) capital expenditures to improve the security

and safety of residents; and

``(J) homeownership activities, including programs

under section 32.

``(2) Formula.--The Secretary shall develop a formula for

determining the amount of assistance provided to public housing

agencies from the Capital Fund for a fiscal year, which shall

include a mechanism to reward performance. The formula may take

into account such factors as--

``(A) the number of public housing dwelling units

owned, assisted, or operated by the public housing

agency, the characteristics and locations of the

projects, and the characteristics of the families served

and to be served (including the incomes of the

families);

``(B) the need of the public housing agency to carry

out rehabilitation and modernization activities,

replacement housing, and reconstruction, construction,

and demolition activities related to public housing

dwelling units owned, assisted, or operated by the

public housing agency, including backlog and projected

future needs of the agency;

``(C) the cost of constructing and rehabilitating

property in the area;

``(D) the need of the public housing agency to carry

out activities that provide a safe and secure

environment in public housing units owned, assisted, or

operated by the public housing agency;

``(E) any record by the public housing agency of

exemplary performance in the operation of public

housing, as indicated by the system of performance

indicators established pursuant to section 6( j); and

``(F) any other factors that the Secretary

determines to be appropriate.

``(3) Conditions on use for development and modernization.--

``(A) Development.--Except as otherwise provided in

this Act, any public housing developed using amounts

provided under this subsection, or under section 14 as

in effect before the effective date under section 503(a)

of the Quality Housing and Work Responsibility Act of

1998, shall be operated under the terms and conditions

applicable to public housing during the 40-year period

that begins on the date on which the project (or stage

of the project) becomes available for occupancy.

``(B) Modernization.--Except as otherwise provided

in this Act, any public housing or portion thereof that

is modernized using amounts provided under this

subsection or under section 14 (as in effect before the

effective date under section 503(a) of the Quality

Housing and Work Responsibility Act of 1998) shall be

maintained and operated under the terms and conditions

applicable to public housing during the 20-year period

that begins on the latest date on which modernization is

completed.

``(C) Applicability of latest expiration date.--

Public housing subject to this paragraph or to any other

provision of law mandating the operation of the housing

as public housing or under the terms and conditions

applicable to public housing for a specified length of

time, shall be maintained and operated as required until

the latest such expiration date.

``(e) Operating Fund.--

``(1) In general.--The Secretary shall establish an

Operating Fund for the purpose of making assistance available to

public housing agencies for the operation and management of

public housing, including--

``(A) procedures and systems to maintain and ensure

the efficient management and operation of public housing

units (including amounts sufficient to pay for the

reasonable costs of review by an independent auditor of

the documentation or other information maintained

pursuant to section 6( j)(6) by a public housing agency

or resident management corporation to substantiate the

performance of that agency or corporation);

``(B) activities to ensure a program of routine

preventative maintenance;

``(C) anticrime and antidrug activities, including

the costs of providing adequate security for public

housing residents, including above-baseline police

service agreements;

``(D) activities related to the provision of

services, including service coordinators for elderly

persons or persons with disabilities;

``(E) activities to provide for management and

participation in the management and policy making of

public housing by public housing residents;

``(F) the costs of insurance;

``(G) the energy costs associated with public

housing units, with an emphasis on energy conservation;

``(H) the costs of administering a public housing

work program under section 12, including the costs of

any related insurance needs;

``(I) the costs of repaying, together with rent

contributions, debt incurred to finance the

rehabilitation and development of public housing units,

which shall be subject to such reasonable requirements

as the Secretary may establish; and

``(J) the costs associated with the operation and

management of mixed finance projects, to the extent

appropriate.

``(2) Formula.--

``(A) In general.--The Secretary shall establish a

formula for determining the amount of assistance

provided to public housing agencies from the Operating

Fund for a fiscal year. The formula may take into

account--

``(i) standards for the costs of operating and

reasonable projections of income, taking into

account the characteristics and locations of the

public housing projects and characteristics of the

families served and to be served (including the

incomes of the families), or the costs of

providing comparable services as determined in

accordance with criteria or a formula representing

the operations of a prototype well-managed public

housing project;

``(ii) the number of public housing dwelling

units owned, assisted, or operated by the public

housing agency;

``(iii) the number of public housing dwelling

units owned, assisted, or operated by the public

housing agency that are chronically vacant and the

amount of assistance appropriate for those units;

``(iv) to the extent quantifiable, the extent

to which the public housing agency provides

programs and activities designed to promote the

economic self-sufficiency and management skills of

public housing residents;

``(v) the need of the public housing agency to

carry out anti-crime and anti-drug activities,

including providing adequate security for public

housing residents;

``(vi) the amount of public housing rental

income foregone by the public housing agency as a

result of escrow savings accounts under section

23(d)(2) for families participating in a family

self-sufficiency program of the agency under such

section 23; and

``(vii) any other factors that the Secretary

determines to be appropriate.

``(B) Incentive to increase certain rental income.--

The formula shall provide an incentive to encourage

public housing agencies to facilitate increases in

earned income by families in occupancy. Any such

incentive shall provide that the agency shall benefit

from increases in such rental income and that such

amounts accruing to the agency pursuant to such benefit

may be used only for low-income housing or to benefit

the residents of the public housing agency.

``(C) Treatment of savings.--The treatment of

utility and waste management costs under the formula

shall provide that a public housing agency shall receive

the full financial benefit from any reduction in the

cost of utilities or waste management resulting from any

contract with a third party to undertake energy

conservation improvements in one or more of its public

housing projects.

``(3) Condition on use.--No portion of any public housing

project operated using amounts provided under this subsection,

or under this section as in effect before the effective date

under section 503(a) of the Quality Housing and Work

Responsibility Act of 1998, may be disposed of before the

expiration of the 10-year period beginning upon the conclusion

of the fiscal year for which such amounts were provided, except

as otherwise provided in this Act.

``(f ) Negotiated Rulemaking Procedure.--The formulas under

subsections (d)(2) and (e)(2) shall be developed according to procedures

for issuance of regulations under the negotiated rulemaking procedure

under subchapter III of chapter 5 of title 5, United States Code.

``(g) Limitations on Use of Funds.--

``(1) Flexibility for capital fund amounts.--Of any amounts

appropriated for fiscal year 2000 or any fiscal year thereafter

that are allocated for fiscal year 2000 or any fiscal year

thereafter from the Capital Fund for any public housing agency,

the agency may use not more than 20 percent for activities that

are eligible under subsection (e) for assistance with amounts

from the Operating Fund, but only if the public housing agency

plan for the agency provides for such use.

``(2) Full flexibility for small pha's.--Of any amounts

allocated for any fiscal year for any public housing agency that

owns or operates less than 250 public housing dwelling units, is

not designated pursuant to section 6( j)(2) as a troubled public

housing agency, and (in the determination of the Secretary) is

operating and maintaining its public housing in a safe, clean,

and healthy condition, the agency may use any such amounts for

any eligible activities under subsections (d)(1) and (e)(1),

regardless of the fund from which the amounts were

allocated <<NOTE: Effective date.>> and provided. This

subsection shall take effect on the date of the enactment of the

Quality Housing and Work Responsibility Act of 1998.

``(3) Limitation on new construction.--

``(A) In general.--Except as provided in

subparagraphs (B) and (C), a public housing agency may

not use any of the amounts allocated for the agency from

the Capital Fund or Operating Fund for the purpose of

constructing any public housing unit, if such

construction would result in a net increase from the

number of public housing units owned, assisted, or

operated by the public housing agency on October 1,

1999, including any public housing units demolished as

part of any revitalization effort.

``(B) Exception regarding use of assistance.--A

public housing agency may use amounts allocated for the

agency from the Capital Fund or Operating Fund for the

construction and operation of housing units that are

available and affordable to low-income families in

excess of the limitations on new construction set forth

in subparagraph (A), but the formulas established under

subsections (d)(2) and (e)(2) shall not provide

additional funding for the specific purpose of allowing

construction and operation of housing in excess of those

limitations (except to the extent provided in

subparagraph (C)).

``(C) Exception regarding formulas.--Subject to

reasonable limitations set by the Secretary, the

formulas established under subsections (d)(2) and (e)(2)

may provide additional funding for the operation and

modernization costs (but not the initial development

costs) of housing in excess of amounts otherwise

permitted under this paragraph, and such amounts may be

so used, if--

``(i) such units are part of a mixed-finance

project or otherwise leverage significant

additional private or public investment; and

``(ii) the estimated cost of the useful life

of the project is less than the estimated cost of

providing tenant-based assistance under section

8(o) for the same period of time.

``(h) Technical <<NOTE: Contracts.>> Assistance.--To the extent

amounts are provided in advance in appropriations Acts, the Secretary

may make grants or enter into contracts or cooperative agreements in

accordance with this subsection for purposes of providing, either

directly or indirectly--

``(1) technical assistance to public housing agencies,

resident councils, resident organizations, and resident

management corporations, including assistance relating to

monitoring and inspections;

``(2) training for public housing agency employees and

residents;

``(3) data collection and analysis;

``(4) training, technical assistance, and education to

public housing agencies that are--

``(A) at risk of being designated as troubled under

section 6( j), to assist such agencies from being so

designated; and

``(B) designated as troubled under section 6( j), to

assist such agencies in achieving the removal of that

designation;

``(5) contract expertise;

``(6) training and technical assistance to assist in the

oversight and management of public housing or tenant-based

assistance; and

``(7) clearinghouse services in furtherance of the goals and

activities of this subsection.

As used in this subsection, the terms `training' and `technical

assistance' shall include training or technical assistance and the cost

of necessary travel for participants in such training or technical

assistance, by or to officials and employees of the Department and of

public housing agencies, and to residents and to other eligible

grantees.

``(i) Eligibility of Units Acquired From Proceeds of Sales Under

Demolition or Disposition Plan.--If a public housing agency uses

proceeds from the sale of units under a homeownership program in

accordance with section 32 to acquire additional units to be sold to

low-income families, the additional units shall be counted as public

housing for purposes of determining the amount of the allocation to the

agency under this section until sale by the agency, but in no case

longer than 5 years.

``( j) Penalty for Slow Expenditure of Capital Funds.--

``(1) Obligation of amounts.--Except as provided in

paragraph (4) and subject to paragraph (2), a public housing

agency shall obligate any assistance received under this section

not later than 24 months after, as applicable--

``(A) the date on which the funds become available

to the agency for obligation in the case of

modernization; or

``(B) the date on which the agency accumulates

adequate funds to undertake modernization, substantial

rehabilitation, or new construction of units.

``(2) Extension of time period for obligation.--The

Secretary--

``(A) may, extend the time period under paragraph

(1) for a public housing agency, for such period as the

Secretary determines to be necessary, if the Secretary

determines that the failure of the agency to obligate

assistance in a timely manner is attributable to--

``(i) litigation;

``(ii) obtaining approvals of the Federal

Government or a State or local government;

``(iii) complying with environmental

assessment and abatement requirements;

``(iv) relocating residents;

``(v) an event beyond the control of the

public housing agency; or

``(vi) <<NOTE: Federal Register,

publication.>> any other reason established by the

Secretary by notice published in the Federal

Register;

``(B) shall disregard the requirements of paragraph

(1) with respect to any unobligated amounts made

available to a public housing agency, to the extent that

the total of such amounts does not exceed 10 percent of

the original amount made available to the public housing

agency; and

``(C) may, with the prior approval of the Secretary,

extend the time period under paragraph (1), for an

additional period not to exceed 12 months, based on--

``(i) the size of the public housing agency;

``(ii) the complexity of capital program of

the public housing agency;

``(iii) any limitation on the ability of the

public housing agency to obligate the amounts

allocated for the agency from the Capital Fund in

a timely manner as a result of State or local law;

or

``(iv) such other factors as the Secretary

determines to be relevant.

``(3) Effect of failure to comply.--

``(A) Prohibition of new assistance.--A public

housing agency shall not be awarded assistance under

this section for any month during any fiscal year in

which the public housing agency has funds unobligated in

violation of paragraph (1) or (2).

``(B) Withholding of assistance.--During any fiscal

year described in subparagraph (A), the Secretary shall

withhold all assistance that would otherwise be provided

to the public housing agency. If the public housing

agency cures its failure to comply during the year, it

shall be provided with the share attributable to the

months remaining in the year.

``(C) Redistribution.--The total amount of any funds

not provided public housing agencies by operation of

this paragraph shall be allocated for agencies

determined under section 6( j) to be high-performing.

``(4) Exception to obligation requirements.--

``(A) In general.--Subject to subparagraph (B), if

the Secretary has consented, before the effective date

under section 503(a) of the Quality Housing and Work

Responsibility Act of 1998, to an obligation period for

any agency longer than provided under paragraph (1), a

public housing agency that obligates its funds before

the expiration of that period shall not be considered to

be in violation of paragraph (1).

``(B) Prior fiscal years.--Notwithstanding

subparagraph (A), any funds appropriated to a public

housing agency for fiscal year 1997 or prior fiscal

years shall be fully obligated by the public housing

agency not later than September 30, 1999.

``(5) Expenditure of amounts.--

``(A) In general.--A public housing agency shall

spend any assistance received under this section not

later than 4 years (plus the period of any extension

approved by the Secretary under paragraph (2)) after the

date on which funds become available to the agency for

obligation.

``(B) Enforcement.--The Secretary shall enforce the

requirement of subparagraph (A) through default remedies

up to and including withdrawal of the funding.

``(6) Right of recapture.--Any obligation entered into by a

public housing agency shall be subject to the right of the

Secretary to recapture the obligated amounts for violation by

the public housing agency of the requirements of this

subsection.

``(k) Emergency Reserve and Use of Amounts.--

``(1) Set-asides.--In each fiscal year after fiscal year

1999, the Secretary shall set aside, for use in accordance with

this subsection, not more than 2 percent of the total amount

made available to carry out this section for such fiscal year. In

addition to amounts set aside under the preceding sentence, in

each fiscal year the Secretary may set from the total amount

made available to carry out this section for such fiscal year

not more than $20,000,000 for the Operation Safe Home program

administered by the Office of the Inspector General of the

Department of Housing and Urban Development, for law enforcement

efforts to combat violent crime on or near the premises of

public and federally assisted housing.

``(2) Use of funds.--Amounts set aside under paragraph (1)

shall be available to the Secretary for use for assistance, as

provided in paragraph (3), in connection with--

``(A) emergencies and other disasters; and

``(C) housing needs resulting from any settlement of

litigation; and

``(3) Eligible uses.--In carrying out this subsection, the

Secretary may use amounts set aside under this subsection to

provide--

``(A) assistance for any eligible use under the

Operating Fund or the Capital Fund established by this

section; or

``(B) tenant-based assistance in accordance with

section 8.

``(4) Limitation.--With respect to any fiscal year, the

Secretary may carry over not more than a total of $25,000,000 in

unobligated amounts set aside under this subsection for use in

connection with the activities described in paragraph (2) during

the succeeding fiscal year.

``(5) Publication.--The <<NOTE: Federal Register,

publication.>> Secretary shall publish the use of any amounts

allocated under this subsection relating to emergencies (other

than disasters and housing needs resulting from any settlement

of litigation) in the Federal Register.

``(l) Treatment of Nonrental Income.--A public housing agency that

receives income from nonrental sources (as determined by the Secretary)

may retain and use such amounts without any decrease in the amounts

received under this section from the Capital or Operating Fund. Any such

nonrental amounts retained shall be used only for low-income housing or

to benefit the residents assisted by the public housing agency.

``(m) Provision of Only Capital or Operating Assistance.--

``(1) Authority.--In appropriate circumstances, as

determined by the Secretary, a public housing agency may commit

capital assistance only, or operating assistance only, for

public housing units, which assistance shall be subject to all

of the requirements applicable to public housing except as

otherwise provided in this subsection.

``(2) Exemptions.--In the case of any public housing unit

assisted pursuant to the authority under paragraph (1), the

Secretary may, by regulation, reduce the period under subsection

(d)(3) or (e)(3), as applicable, during which such units must be

operated under requirements applicable to public housing. In

cases in which there is commitment of operating assistance but

no commitment of capital assistance, the Secretary may make

section 8 requirements applicable, as appropriate, by

regulation.

``(n) Treatment of Public Housing.--

``(1) Certain state and city funded housing.--

``(A) In general.--Notwithstanding any other

provision of this section--

``(i) for purposes of determining the

allocations from the Operating and Capital Funds

pursuant to the formulas under subsections (d)(2)

and (e)(2) and determining assistance pursuant to

section 519(e) of the Quality Housing and Work

Responsibility Act of 1998 and under section 9 or

14 of the United States Housing Act of 1937 (as in

effect before the date of the enactment of this

Act), for any period before the implementation of

such formulas, the Secretary shall deem any

covered locally developed public housing units as

public housing units developed under this title

and such units shall be eligible for such

assistance; and

``(ii) assistance provided under this section,

under such section 518(d)(3), or under such

section 9 or 14 to any public housing agency may

be used with respect to any covered locally

developed public housing units.

``(B) Covered units.--For purposes of this

paragraph, the term `covered locally developed public

housing units' means--

``(i) not more than 7,000 public housing units

developed pursuant to laws of the State of New

York and that received debt service and operating

subsidies pursuant to such laws; and

``(ii) not more than 5,000 dwelling units

developed pursuant to section 34 of chapter 121B

of the General Laws of the State of Massachusetts.

``(2) Reduction of asthma incidence.--Notwithstanding any

other provision of this section, the New York City Housing

Authority may, in its sole discretion, from amounts provided

from the Operating and Capital Funds, or from amounts provided

for public housing before amounts are made available from such

Funds, use not more than exceeding $500,000 per year for the

purpose of initiating, expanding or continuing a program for the

reduction of the incidence of asthma among residents. The

Secretary shall consult with the Administrator of the

Environmental Protection Agency and the Secretary of Health and

Human Services to identify and consider sources of funding for

the reduction of the incidence of asthma among recipients of

assistance under this title.

``(3) Services for elderly residents.--Notwithstanding any

other provision of this section, the New York City Housing

Authority may, in its sole discretion, from amounts provided

from the Operating and Capital Funds, or from amounts provided

for public housing before the amounts are made available from

such Funds, use not more than $600,000 per year for the purpose

of developing a comprehensive plan to address the need for

services for elderly residents. Such plan may be developed by a

partnership created by such Housing Authority and may include

the creation of a model project for assisted living at one or

more developments. The model project may provide for contracting

with private parties for the delivery of services.

``(4) Effective date.--This subsection shall apply to fiscal

year 1999 and each fiscal year thereafter.''.

(b) Allocation of Assistance.--Section 6 of the United States

Housing Act of 1937 (42 U.S.C. 1437d) is amended by striking subsection

(p).

(c) Conforming Amendments.--The United States Housing Act of 1937

(42 U.S.C. 1437 et seq.) is amended--

(1) in section 303(b)(10) (42 U.S.C. 1437aaa-2(b)(10)), by

striking ``under section 9'' the first place it appears and

inserting ``from the Operating Fund''; and

(2) in section 305(e) (42 U.S.C. 1437aaa-4(e)), by striking

``Operating subsidies'' and inserting ``Amounts from an

allocation from the Operating Fund''.

(d) Transitional <<NOTE: 42 USC 1437a note.>> Ceiling Rents.--

Notwithstanding section 3(a)(1) of the United States Housing Act of 1937

(42 U.S.C. 1437a(1)), during the period ending upon the later of the

implementation of the formulas established pursuant to subsections

(d)(2) and (e)(2) of such Act (as amended by this section) and October

1, 1999, a public housing agency may take any of the following actions

with respect to public housing:

(1) New provisions.--An agency may--

(A) adopt and apply ceiling rents that reflect the

reasonable market value of the housing, but that are not

less than--

(i) for housing other than housing

predominantly for elderly or disabled families (or

both), 75 percent of the monthly cost to operate

the housing of the agency;

(ii) for housing predominantly for elderly or

disabled families (or both), 100 percent of the

monthly cost to operate the housing of the agency;

and

(iii) the monthly cost to make a deposit to a

replacement reserve (in the sole discretion of the

public housing agency); and

(B) allow families to pay ceiling rents referred to

in subparagraph (A), unless, with respect to any family,

the ceiling rent established under this paragraph would

exceed the amount payable as rent by that family under

paragraph (1).

(2) Ceiling rents from balanced budget act, I.--An agency

may utilize the authority under section 3(a)(2) of the United

States Housing Act of 1937 (42 U.S.C. 1437a(a)(2)), as in effect

immediately before the enactment of this Act, notwithstanding

any amendment to such section made by this Act.

(3) Transitional ceiling rents for balanced budget act, I.--

An agency may utilize the authority with respect to ceiling

rents under section 402(b)(2) of The Balanced Budget Downpayment

Act, I (42 U.S.C. 1437a note), notwithstanding any other

provision of law (including the expiration of the applicability

of such section or the repeal of such section).

(e) Transitional <<NOTE: 42 USC 1437g note.>> Provision of

Assistance.--

(1) In general.--Subject to paragraph (2), before the

implementation of formulas pursuant to sections 9(d)(2) and

9(e)(2) of the United States Housing Act of 1937 (as amended by

subsection (a) of this section), the Secretary shall provide

that each public housing agency shall receive funding under

sections 9 and 14 of the United States Housing Act of 1937, as

those sections existed immediately before the enactment

of this Act (except that such sections shall be subject to any

amendments to such sections that may be contained in title II of

this Act).

(2) Qualifications.--Before the implementation of formulas

pursuant to sections 9(d)(2) and 9(e)(2) of the United States

Housing Act of 1937 (as amended by subsection (a) of this

section)--

(A) if a public housing agency establishes a rental

amount that is based on a ceiling rent established

pursuant to subsection (d)(1) of this section, the

Secretary shall take into account any reduction of the

per unit dwelling rental income of the public housing

agency resulting from the use of that rental amount in

calculating the contributions for the public housing

agency for the operation of the public housing under

section 9 of the United States Housing Act of 1937;

(B) if a public housing agency establishes a rental

amount that is based on an adjustment to income under

section 3(b)(5)(G) of the United States Housing Act of

1937 (as in effect immediately before the enactment of

this Act), the Secretary shall not take into account any

reduction of or any increase in the per unit dwelling

rental income of the public housing agency resulting

from the use of that rental amount in calculating the

contributions for the public housing agency for the

operation of the public housing under section 9 of the

United States Housing Act of 1937; and

(C) if a public housing agency establishes a rental

amount other than as provided under subparagraph (A) or

(B) that is less than the greatest of the amounts

determined under subparagraphs (A), (B), and (C) of

section 3(a)(1) of the United States Housing Act of

1937, the Secretary shall not take into account any

reduction of the per unit dwelling rental income of the

public housing agency resulting from the use of that

rental amount in calculating the contributions for the

public housing agency for the operation of the public

housing under section 9 of the United States Housing Act

of 1937.

(f ) Effective <<NOTE: 42 USC 1437g note.>> Date of Operating

Formula.--Notwithstanding the effective date under section 503(a), the

Secretary may extend the effective date of the formula under section

9(e)(2) of the United States Housing Act of 1937 (as amended by

subsection (a) of this section) for up to 6 months if such additional

time is necessary to implement such formula.

(g) Effective <<NOTE: 42 USC 1437g note.>> Date.--Subsections (d),

(e), and (f ) shall take effect upon the date of the enactment of this

Act.