



1           (2) to provide supportive services through such  
2 housing to support the needs of such veteran fami-  
3 lies.

4           (b) AUTHORITY.—

5           (1) IN GENERAL.—The Secretary of Housing  
6 and Urban Development shall, to the extent amounts  
7 are made available for assistance under this section  
8 and the Secretary receives approvable applications  
9 for such assistance, provide assistance to private  
10 nonprofit organizations and consumer cooperatives  
11 to expand the supply of supportive housing for very  
12 low-income veteran families.

13           (2) NATURE OF ASSISTANCE.—The assistance  
14 provided under paragraph (1)—

15           (A) shall be available for use to plan for  
16 and finance the acquisition, construction, recon-  
17 struction, or moderate or substantial rehabilita-  
18 tion of a structure or a portion of a structure  
19 to be used as supportive housing for very low-  
20 income veteran families in accordance with this  
21 section; and

22           (B) may also cover the cost of real prop-  
23 erty acquisition, site improvement, conversion,  
24 demolition, relocation, and other expenses that  
25 the Secretary determines are necessary to ex-

1           pand the supply of supportive housing for very  
2           low-income veteran families.

3           (3) CONSULTATION.—In meeting the require-  
4           ment of paragraph (1), the Secretary shall consult  
5           with—

6                   (A) the Secretary of Veterans Affairs; and

7                   (B) the Special Assistant for Veterans Af-  
8           fairs, as such Special Assistant was established  
9           under section 4(h) of the Department of Hous-  
10          ing and Urban Development Act.

11          (c) FORMS OF ASSISTANCE.—Assistance under this  
12          section shall be made available in the following forms:

13                  (1) PLANNING GRANTS.—Assistance may be  
14          provided as a grant for costs of planning a project  
15          to be used as supportive housing for very low-income  
16          veteran families.

17                  (2) CAPITAL ADVANCES.—Assistance may be  
18          provided as a capital advance under this paragraph  
19          for a project, such advance shall—

20                          (A) bear no interest;

21                          (B) not be required to be repaid so long as  
22          the housing remains available for occupancy by  
23          very low-income veteran families in accordance  
24          with this section; and

1 (C) be in an amount calculated in accord-  
2 ance with the development cost limitation estab-  
3 lished pursuant to subsection (i).

4 (3) PROJECT RENTAL ASSISTANCE.—Assistance  
5 may be provided as project rental assistance, under  
6 an annual contract that—

7 (A) obligates the Secretary to make  
8 monthly payments to cover any part of the  
9 costs attributed to units occupied (or, as ap-  
10 proved by the Secretary, held for occupancy) by  
11 very low-income veteran families that is not met  
12 from project income;

13 (B) provides for the project not more than  
14 the sum of the initial annual project rentals for  
15 all units so occupied and any initial utility al-  
16 lowances for such units, as approved by the  
17 Secretary;

18 (C) provides that any contract amounts  
19 not used by a project in any year shall remain  
20 available to the project until the expiration of  
21 the contract;

22 (D) provides that upon the expiration of  
23 each contract term, the Secretary shall adjust  
24 the annual contract amount to provide for rea-  
25 sonable project costs, and any increases, includ-

1           ing adequate reserves, supportive services, and  
2           service coordinators, except that any contract  
3           amounts not used by a project during a con-  
4           tract term shall not be available for such ad-  
5           justments upon renewal; and

6                   (E) provides that in the event of emer-  
7           gency situations that are outside the control of  
8           the owner, the Secretary shall increase the an-  
9           nual contract amount, subject to reasonable re-  
10          view and limitations as the Secretary shall pro-  
11          vide.

12          (d) TENANT RENT CONTRIBUTION.—A very low-in-  
13          come veteran family shall pay as rent for a dwelling unit  
14          assisted under this section the highest of the following  
15          amounts, rounded to the nearest dollar:

16                  (1) Thirty percent of the veteran family's ad-  
17          justed monthly income.

18                  (2) Ten percent of the veteran family's monthly  
19          income.

20                  (3) If the veteran family is receiving payments  
21          for welfare assistance from a public agency and a  
22          part of such payments, adjusted in accordance with  
23          the veteran family's actual housing costs, is specifi-  
24          cally designated by such agency to meet the veteran

1 family's housing costs, the portion of such payments  
2 which is so designated.

3 (e) TERM OF COMMITMENT.—

4 (1) USE LIMITATIONS.—All units in housing as-  
5 sisted under this section shall be made available for  
6 occupancy by very low-income veteran families for  
7 not less than 15 years.

8 (2) CONTRACT TERMS FOR PROJECT RENTAL  
9 ASSISTANCE.—

10 (A) INITIAL TERM.—The initial term of a  
11 contract entered into under subsection (c)(3)  
12 shall be 60 months.

13 (B) EXTENSION.—The Secretary shall,  
14 subject only to the availability of amounts pro-  
15 vided in appropriation Acts, renew the contract  
16 entered into under subsection (c)(3) for 10 con-  
17 secutive 1-year terms, the first such term begin-  
18 ning upon the expiration of such 60-month pe-  
19 riod.

20 (C) AUTHORITY OF SECRETARY TO MAKE  
21 EARLY COMMITMENTS.—In order to facilitate  
22 the orderly extension of expiring contracts, the  
23 Secretary may make commitments to extend ex-  
24 piring contracts during the year prior to the  
25 date of expiration.

1 (f) APPLICATIONS.—

2 (1) IN GENERAL.—Amounts made available  
3 under this section shall be allocated by the Secretary  
4 among approvable applications submitted by private  
5 nonprofit organizations and consumer cooperatives.

6 (2) CONTENT OF APPLICATION.—

7 (A) IN GENERAL.—Applications for assist-  
8 ance under this section shall be submitted by an  
9 applicant in such form and in accordance with  
10 such procedures as the Secretary shall estab-  
11 lish.

12 (B) REQUIRED CONTENT.—Applications  
13 for assistance under this section shall contain—

14 (i) a description of the proposed hous-  
15 ing;

16 (ii) a description of the assistance the  
17 applicant seeks under this section;

18 (iii) a description of—

19 (I) the supportive services to be  
20 provided to the persons occupying  
21 such housing;

22 (II) the manner in which such  
23 services will be provided to such per-  
24 sons, including, in the case of frail el-  
25 derly persons (as such term is defined

1 in section 202 of the Housing Act of  
2 1959 (12 U.S.C. 1701q)), evidence of  
3 such residential supervision as the  
4 Secretary determines is necessary to  
5 facilitate the adequate provision of  
6 such services; and

7 (III) the public or private sources  
8 of assistance that can reasonably be  
9 expected to fund or provide such serv-  
10 ices;

11 (iv) a certification from the public of-  
12 ficial responsible for submitting a housing  
13 strategy for the jurisdiction to be served in  
14 accordance with section 105 of the Cran-  
15 ston-Gonzalez National Affordable Housing  
16 Act (42 U.S.C. 12705) that the proposed  
17 project is consistent with the approved  
18 housing strategy; and

19 (v) such other information or certifi-  
20 cations that the Secretary determines to be  
21 necessary or appropriate to achieve the  
22 purposes of this section.

23 (3) REJECTION.—The Secretary shall not reject  
24 any application for assistance under this section on



1 technical grounds without giving notice of that rejection  
2 and the basis therefore to the applicant.

3 (g) INITIAL SELECTION CRITERIA AND PROC-  
4 ESSING.—

5 (1) SELECTION CRITERIA.—The Secretary shall  
6 establish selection criteria for assistance under this  
7 section, which shall include—

8 (A) criteria based upon—

9 (i) the ability of the applicant to de-  
10 velop and operate the proposed housing;

11 (ii) the need for supportive housing  
12 for very low-income veteran families in the  
13 area to be served;

14 (iii) the extent to which the proposed  
15 size and unit mix of the housing will en-  
16 able the applicant to manage and operate  
17 the housing efficiently and ensure that the  
18 provision of supportive services will be ac-  
19 complished in an economical fashion;

20 (iv) the extent to which the proposed  
21 design of the housing will meet the service-  
22 connected disability needs of very low-in-  
23 come veteran families;

24 (v) the extent to which the applicant  
25 has demonstrated that the supportive serv-

1           ices identified pursuant to subsection  
2           (f)(2)(B)(iii) will be provided on a con-  
3           sistent, long-term basis;

4           (vi) the extent to which the proposed  
5           design of the housing will accommodate the  
6           provision of supportive services that are ex-  
7           pected to be needed, either initially or over  
8           the useful life of the housing, by the very  
9           low-income veterans the housing is in-  
10          tended to serve;

11          (vii) the extent to which the applicant  
12          has ensured that a service coordinator will  
13          be employed or otherwise retained for the  
14          housing, who has the managerial capacity  
15          and responsibility for carrying out the ac-  
16          tions described in clauses (i) and (ii) of  
17          subsection (h)(2)(A); and

18          (viii) such other factors as the Sec-  
19          retary determines to be appropriate to en-  
20          sure that funds made available under this  
21          section are used effectively;

22          (B) a preference in such selection for ap-  
23          plications proposing housing to be reserved for  
24          occupancy by very low-income veteran families  
25          who are homeless (as such term is defined in

1 section 103 of the McKinney-Vento Homeless  
2 Assistance Act (42 U.S.C. 11302)); and

3 (C) criteria appropriate to consider the  
4 need for supportive housing for very low-income  
5 veteran families in nonmetropolitan areas and  
6 by Indian tribes.

7 (2) DELEGATED PROCESSING.—

8 (A) DELEGATION TO STATE OR LOCAL  
9 HOUSING AUTHORITY.—In issuing a capital ad-  
10 vance under this subsection for any project for  
11 which financing for the purposes described in  
12 subsection (b)(2) is provided by a combination  
13 of a capital advance under subsection (c)(2)  
14 and sources other than this section, within 30  
15 days of award of the capital advance, the Sec-  
16 retary shall delegate review and processing of  
17 such projects to a State or local housing agency  
18 that—

19 (i) is in geographic proximity to the  
20 property;

21 (ii) has demonstrated experience in  
22 and capacity for underwriting multifamily  
23 housing loans that provide housing and  
24 supportive services;

1 (iii) may or may not be providing low-  
2 income housing tax credits in combination  
3 with the capital advance under this section;  
4 and

5 (iv) agrees to issue a firm commit-  
6 ment within 12 months of delegation.

7 (B) PROCESSING BY SECRETARY.—The  
8 Secretary shall retain the authority to process  
9 capital advances in cases in which no State or  
10 local housing agency has applied to provide del-  
11 egated processing pursuant to this paragraph or  
12 no such agency has entered into an agreement  
13 with the Secretary to serve as a delegated proc-  
14 essing agency.

15 (C) PROCESSING FEES.—An agency to  
16 which review and processing is delegated pursu-  
17 ant to subparagraph (A) may assess a reason-  
18 able fee which shall be included in the capital  
19 advance amounts and may recommend project  
20 rental assistance amounts in excess of those ini-  
21 tially awarded by the Secretary. The Secretary  
22 shall develop a schedule for reasonable fees  
23 under this subparagraph to be paid to delegated  
24 processing agencies, which shall take into con-  
25 sideration any other fees to be paid to the agen-

1           cy for other funding provided to the project by  
2           the agency, including bonds, tax credits, and  
3           other gap funding.

4           (D) AUTHORITY RETAINED BY SEC-  
5           RETARY.—Under such delegated system, the  
6           Secretary shall retain the authority to approve  
7           rents and development costs and to execute a  
8           capital advance within 60 days of receipt of the  
9           commitment from the State or local agency.  
10          The Secretary shall provide to such agency and  
11          the project sponsor, in writing, the reasons for  
12          any reduction in capital advance amounts or  
13          project rental assistance and such reductions  
14          shall be subject to appeal.

15          (h) PROVISION OF SUPPORTIVE SERVICES TO VET-  
16          ERAN FAMILIES.—

17           (1) IN GENERAL.—The Secretary of Housing  
18          and Urban Development shall coordinate with the  
19          Secretary of Veterans Affairs to ensure that any  
20          housing assistance provided to veterans or veteran  
21          families includes a range of services tailored to the  
22          needs of the very low-income veteran families occu-  
23          pying such housing, which may include services  
24          for—

25           (A) outreach;

- 1 (B) health (including counseling, mental  
2 health, substance abuse, post-traumatic stress  
3 disorder, and traumatic brain injury) diagnosis  
4 and treatment;
- 5 (C) habilitation and rehabilitation;
- 6 (D) case management;
- 7 (E) daily living;
- 8 (F) personal financial planning;
- 9 (G) transportation;
- 10 (H) vocation;
- 11 (I) employment and training;
- 12 (J) education;
- 13 (K) assistance in obtaining veterans bene-  
14 fits and public benefits;
- 15 (L) assistance in obtaining income support;
- 16 (M) assistance in obtaining health insur-  
17 ance;
- 18 (N) fiduciary and representative payee;
- 19 (O) legal aid;
- 20 (P) child care;
- 21 (Q) housing counseling;
- 22 (R) service coordination; and
- 23 (S) other services necessary for maintain-  
24 ing independent living.
- 25 (2) LOCAL COORDINATION OF SERVICES.—

1 (A) IN GENERAL.—The Secretary of Hous-  
2 ing and Urban Development shall coordinate  
3 with the Secretary of the Department of Vet-  
4 erans Affairs to ensure that owners of housing  
5 assisted under this section have the managerial  
6 capacity to—

7 (i) assess on an ongoing basis the  
8 service needs of residents;

9 (ii) coordinate the provision of sup-  
10 portive services and tailor such services to  
11 the individual needs of residents; and

12 (iii) seek on a continuous basis new  
13 sources of assistance to ensure the long-  
14 term provision of supportive services.

15 (B) CLASSIFICATION OF COSTS.—Any cost  
16 associated with this subsection relating to the  
17 coordination of services shall be an eligible cost  
18 under subsection (c)(3).

19 (i) DEVELOPMENT COST LIMITATIONS.—

20 (1) IN GENERAL.—The Secretary shall periodi-  
21 cally establish reasonable development cost limita-  
22 tions by market area for various types and sizes of  
23 supportive housing for very low-income veteran fami-  
24 lies by publishing a notice of the cost limitations in  
25 the Federal Register.

1           (2) CONSIDERATIONS.—The cost limitations es-  
2           tablished under paragraph (1) shall reflect—

3                   (A) the cost of construction, reconstruc-  
4                   tion, or moderate or substantial rehabilitation  
5                   of supportive housing for very low-income vet-  
6                   eran families that meets applicable State and  
7                   local housing and building codes;

8                   (B) the cost of movables necessary to the  
9                   basic operation of the housing, as determined  
10                  by the Secretary;

11                  (C) the cost of special design features nec-  
12                  essary to make the housing accessible to very  
13                  low-income veteran families;

14                  (D) the cost of community space necessary  
15                  to accommodate the provision of supportive  
16                  services to veteran families;

17                  (E) if the housing is newly constructed, the  
18                  cost of meeting the energy efficiency standards  
19                  promulgated by the Secretary in accordance  
20                  with section 109 of the Cranston-Gonzalez Na-  
21                  tional Affordable Housing Act (42 U.S.C.  
22                  12709); and

23                  (F) the cost of land, including necessary  
24                  site improvement.



1           (3) USE OF DATA.—In establishing development  
2 cost limitations for a given market area under this  
3 subsection, the Secretary shall use data that reflect  
4 currently prevailing costs of construction, recon-  
5 struction, or moderate or substantial rehabilitation,  
6 and land acquisition in the area.

7           (4) COMMUNITY SPACE.—For purposes of para-  
8 graph (2), a community space shall include space for  
9 cafeterias or dining halls, community rooms or build-  
10 ings, workshops, child care, adult day health facili-  
11 ties or other outpatient health facilities, or other es-  
12 sential service facilities.

13           (5) COMMERCIAL FACILITIES.—Neither this  
14 section nor any other provision of law may be con-  
15 strued as prohibiting or preventing the location and  
16 operation, in a project assisted under this section, of  
17 commercial facilities for the benefit of residents of  
18 the project and the community in which the project  
19 is located, except that assistance made available  
20 under this section may not be used to subsidize any  
21 such commercial facility.

22           (6) ACQUISITION.—In the case of existing hous-  
23 ing and related facilities to be acquired, the cost lim-  
24 itations shall include—

25                   (A) the cost of acquiring such housing;

1 (B) the cost of rehabilitation, alteration,  
2 conversion, or improvement, including the mod-  
3 erate or substantial rehabilitation thereof; and

4 (C) the cost of the land on which the hous-  
5 ing and related facilities are located.

6 (7) ANNUAL ADJUSTMENTS.—The Secretary  
7 shall adjust the cost limitation not less than annu-  
8 ally to reflect changes in the general level of con-  
9 struction, reconstruction, and moderate and substan-  
10 tial rehabilitation costs.

11 (8) INCENTIVES FOR SAVINGS.—

12 (A) SPECIAL HOUSING ACCOUNT.—

13 (i) IN GENERAL.—The Secretary shall  
14 use the development cost limitations estab-  
15 lished under paragraph (1) or (6) to cal-  
16 culate the amount of financing to be made  
17 available to individual owners.

18 (ii) ACTUAL DEVELOPMENTAL COSTS  
19 LESS THAN FINANCING.—Owners which  
20 incur actual development costs that are  
21 less than the amount of financing shall be  
22 entitled to retain 50 percent of the savings  
23 in a special housing account.

24 (iii) BONUS FOR ENERGY EFFI-  
25 CIENCY.—The percentage established

1 under clause (ii) shall be increased to 75  
2 percent for owners which add energy effi-  
3 ciency features which—

4 (I) exceed the energy efficiency  
5 standards promulgated by the Sec-  
6 retary in accordance with section 109  
7 of the Cranston-Gonzalez National Af-  
8 fordable Housing Act (42 U.S.C.  
9 12709);

10 (II) substantially reduce the life-  
11 cycle cost of the housing; and

12 (III) reduce gross rent require-  
13 ments.

14 (B) USES.—The special housing account  
15 established under subparagraph (A) may be  
16 used—

17 (i) to provide services to residents of  
18 the housing or funds set aside for replace-  
19 ment reserves; or

20 (ii) for such other purposes as deter-  
21 mined by the Secretary.

22 (9) DESIGN FLEXIBILITY.—The Secretary shall,  
23 to the extent practicable, give owners the flexibility  
24 to design housing appropriate to their location and

1 proposed resident population within broadly defined  
2 parameters.

3 (10) USE OF FUNDS FROM OTHER SOURCES.—

4 An owner shall be permitted voluntarily to provide  
5 funds from sources other than this section for amen-  
6 ities and other features of appropriate design and  
7 construction suitable for supportive housing under  
8 this section if the cost of such amenities is—

9 (A) not financed with the advance; and

10 (B) is not taken into account in deter-  
11 mining the amount of Federal assistance or of  
12 the rent contribution of tenants.

13 (j) TENANT SELECTION.—

14 (1) IN GENERAL.—An owner shall adopt writ-  
15 ten tenant selection procedures that are—

16 (A) satisfactory to the Secretary and which  
17 are—

18 (i) consistent with the purpose of im-  
19 proving housing opportunities for very low-  
20 income veteran families; and

21 (ii) reasonably related to program eli-  
22 gibility and an applicant's ability to per-  
23 form the obligations of the lease; and

24 (B) compliant with subtitle C of title VI of  
25 the Housing and Community Development Act

1 of 1992 (42 U.S.C. 13601 et seq.) and any reg-  
2 ulations issued under such subtitle.

3 (2) NOTIFICATION OF REJECTION.—Owners  
4 shall promptly notify in writing any rejected appli-  
5 cant of the grounds for any rejection.

6 (3) INFORMATION REGARDING HOUSING.—

7 (A) IN GENERAL.—The Secretary shall  
8 provide, to the Secretary of Veterans Affairs  
9 and the Secretary of Labor, information regard-  
10 ing the availability of the housing assisted  
11 under this section.

12 (B) SHARING OF INFORMATION WITH AD-  
13 DITIONAL AGENCIES.—Within 30 days of re-  
14 ceipt of the information, the Secretary of Vet-  
15 erans Affairs and the Secretary of Labor shall  
16 provide such information to agencies in the area  
17 of the housing that receive assistance from the  
18 Department of Veterans Affairs and the De-  
19 partment of Labor for providing medical care,  
20 housing, supportive services or employment and  
21 training services to homeless veterans.

22 (k) MISCELLANEOUS PROVISIONS.—

23 (1) TECHNICAL ASSISTANCE.—The Secretary  
24 shall make available appropriate technical assistance  
25 to ensure that prospective applicants are able to par-

1       ticipate more fully in the program carried out under  
2       this section.

3           (2) CIVIL RIGHTS COMPLIANCE.—Each owner  
4       shall certify, to the satisfaction of the Secretary,  
5       that assistance made available under this section will  
6       be conducted and administered in conformity with  
7       title VI of the Civil Rights Act of 1964 (42 U.S.C.  
8       2000a et seq.), the Fair Housing Act (42 U.S.C.  
9       3601 et seq.), and other Federal, State, and local  
10      laws prohibiting discrimination and promoting equal  
11      opportunity.

12           (3) OWNER DEPOSIT.—

13           (A) IN GENERAL.—The Secretary shall re-  
14      quire an owner of housing, assisted under this  
15      section, to deposit an amount not to exceed  
16      \$15,000 in a special escrow account to ensure  
17      the owner's commitment to the housing. Such  
18      amount shall be used only to cover operating  
19      deficits during the first three years of oper-  
20      ations and shall not be used to cover construc-  
21      tion shortfalls or inadequate initial project rent-  
22      al assistance amounts.

23           (B) REDUCTION OF REQUIREMENT.—

24           (i) IN GENERAL.—The Secretary may  
25      reduce or waive the owner deposit specified

1 under subparagraph (A) for individual ap-  
2 plicants if the Secretary finds that such  
3 waiver or reduction is necessary to achieve  
4 the purposes of this section and the appli-  
5 cant demonstrates to the satisfaction of  
6 the Secretary that it has the capacity to  
7 manage and maintain the housing in ac-  
8 cordance with this section.

9 (ii) NONPROFITS.—The Secretary  
10 may reduce or waive the requirement of  
11 the owner deposit under subparagraph (A)  
12 in the case of a nonprofit applicant that is  
13 not affiliated with a national sponsor, as  
14 determined by the Secretary.

15 (4) NOTICE OF APPEAL.—

16 (A) IN GENERAL.—The Secretary shall no-  
17 tify an owner not less than 30 days prior to  
18 canceling any reservation of assistance provided  
19 under this section.

20 (B) APPEAL.—

21 (i) FILING DEADLINE.—During the  
22 30-day period following the receipt of any  
23 notice required under subparagraph (A),  
24 an owner may appeal the proposed can-  
25 cellation.

1                   (ii) TIMING OF DECISION.—Any ap-  
2                   peal undertaken under clause (i), including  
3                   review by the Secretary, shall be completed  
4                   not later than 45 days after the appeal is  
5                   filed.

6                   (5) LABOR.—

7                   (A) IN GENERAL.—The Secretary shall  
8                   take such action as may be necessary to ensure  
9                   that all laborers and mechanics employed by  
10                  contractors and subcontractors in the construc-  
11                  tion of housing with 12 or more units assisted  
12                  under this section shall be paid wages at rates  
13                  not less than the rates prevailing in the locality  
14                  involved for the corresponding classes of labor-  
15                  ers and mechanics employed on construction of  
16                  a similar character, as determined by the Sec-  
17                  retary of Labor in accordance with subchapter  
18                  IV of chapter 31 of title 40, United States  
19                  Code.

20                  (B) EXEMPTION.—Subparagraph (A) shall  
21                  not apply to any individual who—

22                         (i) performs services for which the in-  
23                         dividual volunteered;

24                         (ii) does not receive compensation for  
25                         such services or is paid expenses, reason-



1           able benefits, or a nominal fee for such  
2           services; and

3                   (iii) is not otherwise employed at any  
4           time in the construction work.

5           (6) ACCESS TO RESIDUAL RECEIPTS.—

6                   (A) IN GENERAL.—The Secretary shall au-  
7           thorize the owner of a housing project assisted  
8           under this section to use any residual receipts  
9           held for the project in excess of \$500 per unit  
10          (or in excess of such other amount prescribed  
11          by the Secretary based on the needs of the  
12          project) for activities to retrofit and renovate  
13          the project as described under section 802(d)(3)  
14          of the Cranston-Gonzalez National Affordable  
15          Housing Act (42 U.S.C. 8011(d)(3)) or to pro-  
16          vide supportive services to residents of the  
17          project.

18                   (B) REPORT.—Any owner that uses resid-  
19           ual receipts under this paragraph shall submit  
20           to the Secretary a report, not less than annu-  
21           ally, describing the uses of the residual receipts.

22                   (C) DETERMINATION OF AMOUNT.—In de-  
23           termining the amount of project rental assist-  
24           ance to be provided to a project under sub-  
25           section (c)(3) of this section, the Secretary may

1 take into consideration the residual receipts  
2 held for the project only if, and to the extent  
3 that, excess residual receipts are not used under  
4 this paragraph.

5 (7) OCCUPANCY STANDARDS AND OBLIGA-  
6 TIONS.—Each owner shall operate housing assisted  
7 under this section in compliance with subtitle C of  
8 title VI of the Housing and Community Develop-  
9 ment Act of 1992 (42 U.S.C. 13601 et seq.) and  
10 any regulations issued under such subtitle.

11 (8) USE OF PROJECT RESERVES.—

12 (A) IN GENERAL.—Amounts for project re-  
13 serves for a project assisted under this section  
14 may be used for costs, subject to reasonable  
15 limitations as the Secretary determines appro-  
16 priate, for reducing the number of dwelling  
17 units in the project.

18 (B) APPROVAL OF SECRETARY RE-  
19 QUIRED.—Any use described in subparagraph  
20 (A) of amounts for project reserves for a  
21 project assisted under this section shall be sub-  
22 ject to the approval of the Secretary to ensure  
23 that such use is designed to retrofit units that  
24 are currently obsolete or unmarketable.

1           (9) REPAYMENT OF ASSISTANCE AND PREVEN-  
2           TION OF UNDUE BENEFITS.—

3           (A) REPAYMENT.—If a recipient, or a  
4           project sponsor receiving funds from the recipi-  
5           ent, receives assistance under subsection (b) for  
6           use pursuant to paragraph (2) of such sub-  
7           section for the construction, acquisition, or re-  
8           habilitation of supportive housing for very low-  
9           income veteran families and the project ceases  
10          to provide permanent housing, the Secretary  
11          shall require the recipient, or such project spon-  
12          sor, to repay the following percentage of such  
13          assistance:

14                 (i) In the case of a project that ceases  
15                 to be used for such supportive housing be-  
16                 fore the expiration of the 10-year period  
17                 beginning upon commencement of the op-  
18                 eration of the project, 100 percent.

19                 (ii) In the case of a project that  
20                 ceases to be used for such supportive hous-  
21                 ing on or after the expiration of the 10-  
22                 year period beginning upon commencement  
23                 of the operation of the project, but before  
24                 the expiration of the 15-year period begin-  
25                 ning upon such commencement, 20 percent

1 of the assistance for each of the years dur-  
2 ing such 15-year period for which the  
3 project fails to provide permanent housing.

4 (B) PREVENTION OF UNDUE BENEFITS.—

5 Except as provided in paragraph (C), if any  
6 property is used for a project that receives as-  
7 sistance under subsection (b) for use pursuant  
8 to paragraph (2) of such subsection for the con-  
9 struction, acquisition or rehabilitation of sup-  
10 portive housing for very low-income veteran  
11 families, and the sale or other disposition of the  
12 property occurs before the expiration of the 15-  
13 year period beginning upon commencement of  
14 the operation of the project, the recipient (or  
15 the project sponsor receiving funds from the re-  
16 cipient) shall comply with such terms and con-  
17 ditions as the Secretary may prescribe to pre-  
18 vent the recipient (or such project sponsor)  
19 from unduly benefitting from such sale or dis-  
20 position.

21 (C) EXCEPTION.—A recipient, or a project  
22 sponsor receiving funds from the recipient, shall  
23 not be required to make repayments, and com-  
24 ply with the terms and conditions, required  
25 under subparagraph (A) or (B) if—

1 (i) the sale or disposition of the prop-  
2 erty used for the project results in the use  
3 of the property for the direct benefit of  
4 very-low income persons;

5 (ii) all of the proceeds of the sale or  
6 disposition are used to provide permanent  
7 housing for very-low income veteran fami-  
8 lies meeting the requirements of this sec-  
9 tion;

10 (iii) project-based rental assistance or  
11 operating cost assistance from any Federal  
12 program or an equivalent State or local  
13 program is no longer made available and  
14 the project is meeting applicable perform-  
15 ance standards, provided that the portion  
16 of the project that had benefitted from  
17 such assistance continues to meet the ten-  
18 ant income and rent restrictions for low-in-  
19 come units under section 42(g) of the In-  
20 ternal Revenue Code of 1986; or

21 (iv) there are no low-income veteran  
22 families in the geographic area of the prop-  
23 erty who meet the program criteria, in  
24 which case the project may serve non-vet-  
25 eran individuals and families having in-

1                   comes described in subsection (1)(2) of this  
2                   section.

3                   (10) CONTINUED ELIGIBILITY OF VERY LOW-IN-  
4                   COME VETERAN FAMILIES.—A veteran family resid-  
5                   ing in supportive housing assisted under this section  
6                   may not be considered to lose its status as such a  
7                   family for purposes of eligibility for continued occu-  
8                   pancy in such housing due to the death of any vet-  
9                   eran member of the family, including the sole vet-  
10                  eran member of the family.

11                  (1) DEFINITIONS.—In this section, the following defi-  
12                  nitions shall apply:

13                  (1) CONSUMER COOPERATIVE.—The term “con-  
14                  sumer cooperative” has the same meaning given  
15                  such term for purposes of the supportive housing for  
16                  the elderly program under section 202 of the Hous-  
17                  ing Act of 1959 (12 U.S.C. 1701q).

18                  (2) VERY LOW-INCOME VETERAN FAMILY.—The  
19                  term “very low-income veteran family” means a vet-  
20                  eran family whose income does not exceed 50 per-  
21                  cent of the median income for the area, as deter-  
22                  mined by the Secretary with adjustments for smaller  
23                  and larger families, except that the Secretary may  
24                  establish an income ceiling higher or lower than 50  
25                  percent of the median for the area on the basis of

1 the Secretary's findings that such variations are nec-  
2 essary because of prevailing levels of construction  
3 costs or fair market rents (as determined under sec-  
4 tion 8 of the United States Housing Act of 1937 (42  
5 U.S.C. 1437f)), or unusually high or low family in-  
6 comes.

7 (3) OWNER.—The term “owner” means a pri-  
8 vate nonprofit organization or consumer cooperative  
9 that receives assistance under this section to develop  
10 and operate supportive housing for very low-income  
11 veteran families.

12 (4) PRIVATE NONPROFIT ORGANIZATION.—The  
13 term “private nonprofit organization” means—

14 (A) any incorporated private institution or  
15 foundation—

16 (i) no part of the net earnings of  
17 which inures to the benefit of any member,  
18 founder, contributor, or individual;

19 (ii) which has a governing board that  
20 is responsible for the operation of the  
21 housing assisted under this section; and

22 (iii) which is approved by the Sec-  
23 retary as to financial responsibility;

24 (B) a for-profit limited partnership the  
25 sole or managing general partner of which is an

1 organization meeting the requirements under  
2 clauses (i), (ii), and (iii) of subparagraph (A) or  
3 a corporation meeting the requirements of sub-  
4 subparagraph (C);

5 (C) a corporation wholly owned and con-  
6 trolled by an organization meeting the require-  
7 ments under clauses (i), (ii), and (iii) of sub-  
8 subparagraph (A); and

9 (D) a tribally designated housing entity, as  
10 such term is defined in section 4 of the Native  
11 American Housing Assistance and Self-Deter-  
12 mination Act of 1996 (25 U.S.C. 4103).

13 (5) SECRETARY.—The term “Secretary” means  
14 the Secretary of Housing and Urban Development,  
15 except where specifically provided otherwise.

16 (6) STATE.—The term “State” includes the  
17 several States, the District of Columbia, the Com-  
18 monwealth of Puerto Rico, and the possessions of  
19 the United States.

20 (7) SUPPORTIVE HOUSING FOR VERY LOW-IN-  
21 COME VETERAN FAMILIES.—The term “supportive  
22 housing for very low-income veteran families” means  
23 housing that is designed to accommodate the provi-  
24 sion of supportive services that are expected to be  
25 needed, either initially or over the useful life of the



1 housing, by the veteran families that the housing is  
2 intended to serve.

3 (8) VETERAN.—The term “veteran” has the  
4 meaning given the term in section 101 of title 38,  
5 United States Code.

6 (9) VETERAN FAMILY.—The term “veteran  
7 family” includes a veteran who is a single person, a  
8 family (including families with children) whose head  
9 of household (or whose spouse) is a veteran, and one  
10 or more veterans living together with one or more  
11 persons.

12 (m) ALLOCATION OF FUNDS.—Of any amounts made  
13 available for assistance under this section:

14 (1) PLANNING GRANTS.—Not more than 2.5  
15 percent shall be available for planning grants in ac-  
16 cordance with subsection (c)(1).

17 (2) CAPITAL ADVANCES.—Such sums as may be  
18 necessary shall be available for capital advances in  
19 accordance with subsection (c)(2).

20 (3) PROJECT RENTAL ASSISTANCE.—Such sums  
21 as may be necessary shall be available for project  
22 rental assistance in accordance with subsection  
23 (c)(3).

1           (4) TECHNICAL ASSISTANCE.—Not more than 1  
2           percent shall be available for technical assistance in  
3           accordance with subsection (k)(1).

4           (n) AUTHORIZATION OF APPROPRIATIONS FOR  
5 HOUSING ASSISTANCE.—There is authorized to be appro-  
6 priated for assistance under this section \$200,000,000 for  
7 fiscal year 2017 and such sums as may be necessary for  
8 each fiscal year thereafter.

9 **SEC. 3. HOUSING CHOICE VOUCHERS FOR HOMELESS VET-**  
10 **ERANS.**

11           Section 8(o)(19) of the United States Housing Act  
12 of 1937 (42 U.S.C. 1437f(o)(19)) is amended to read as  
13 follows:

14           “(19) RENTAL VOUCHERS FOR HOMELESS VET-  
15 ERANS.—

16           “(A) ADDITIONAL VOUCHERS.—In addition  
17 to any amount made available for rental assist-  
18 ance under this subsection, the Secretary shall  
19 make available the amount specified in subpara-  
20 graph (B), for use only for providing rental as-  
21 sistance for homeless veterans in conjunction  
22 with the Secretary of Veterans Affairs.

23           “(B) AMOUNT.—The amount specified in  
24 this subparagraph is, for each fiscal year, the  
25 amount necessary to provide not fewer than

1           20,000 vouchers for rental assistance under this  
2           subsection.

3           “(C) CONTINUED ELIGIBILITY OF HOME-  
4           LESS VETERAN FAMILIES.—If any veteran  
5           member of a household for which rental assist-  
6           ance is being provided under this paragraph, in-  
7           cluding the sole veteran member of the house-  
8           hold, dies, such household may not be consid-  
9           ered, due to such death, to lose its status as the  
10          household of a homeless veteran for purposes  
11          of—

12                   “(i) eligibility for continued assistance  
13                   under this paragraph; or

14                   “(ii) continued occupancy in the  
15                   dwelling unit in which such family is resid-  
16                   ing using such assistance at the time of  
17                   such death.

18          “(D) FUNDING.—The budget authority  
19          made available under any other provisions of  
20          law for rental assistance under this subsection  
21          for fiscal year 2017 and each fiscal year there-  
22          after is authorized to be increased in each such  
23          fiscal year by such sums as may be necessary  
24          to provide the number of vouchers specified in  
25          subparagraph (B) for such fiscal year.”.

1 **SEC. 4. INCLUSION OF VETERANS IN HOUSING PLANNING.**

2 (a) PUBLIC HOUSING AGENCY PLANS.—Section  
3 5A(d)(1) of the United States Housing Act of 1937 (42  
4 U.S.C. 1437e–1(d)(1)) is amended by striking “and dis-  
5 abled families” and inserting “, disabled families, and vet-  
6 erans (as such term is defined in section 101 of title 38,  
7 United States Code)”.

8 (b) COMPREHENSIVE HOUSING AFFORDABILITY  
9 STRATEGIES.—

10 (1) IN GENERAL.—Section 105 of the Cran-  
11 ston-Gonzalez National Affordable Housing Act (42  
12 U.S.C. 12705) is amended—

13 (A) in subsection (b)(1), by inserting “vet-  
14 erans (as such term is defined in section 101 of  
15 title 38, United States Code),” after “acquired  
16 immunodeficiency syndrome,”;

17 (B) in subsection (b)(20), by striking “and  
18 service” and inserting “veterans service, and  
19 other service”; and

20 (C) in subsection (e)(1), by inserting “vet-  
21 erans (as such term is defined in section 101 of  
22 title 38, United States Code),” after “homeless  
23 persons,”.

24 (2) CONSOLIDATED PLANS.—The Secretary of  
25 Housing and Urban Development shall revise the  
26 regulations relating to submission of consolidated

1 plans (part 91 of title 24, Code of Federal Regula-  
2 tions) in accordance with the amendments made by  
3 paragraph (1) of this subsection to require inclusion  
4 of appropriate information relating to veterans and  
5 veterans service agencies in all such plans.

6 **SEC. 5. EXCLUSION OF VETERANS BENEFITS FROM AS-**  
7 **SISTED HOUSING RENT CONSIDERATIONS.**

8 (a) **IN GENERAL.**—Notwithstanding any other provi-  
9 sion of law, for purposes of determining the amount of  
10 rent paid by a family for occupancy of a dwelling unit as-  
11 sisted under a federally assisted housing program under  
12 subsection (b) or in housing assisted under any other fed-  
13 erally assisted housing program, the income and the ad-  
14 justed income of the family shall not be considered to in-  
15 clude any amounts received by any member of the family  
16 from the Secretary of Veterans Affairs as—

17 (1) compensation, as such term is defined in  
18 section 101(13) of title 38, United States Code; and

19 (2) dependency and indemnity compensation, as  
20 such term is defined in section 101(14) of such title.

21 (b) **FEDERALLY ASSISTED HOUSING PROGRAM.**—  
22 The federally assisted housing programs under this sub-  
23 section are—

1           (1) the public housing program under the  
2 United States Housing Act of 1937 (42 U.S.C. 1437  
3 et seq.);

4           (2) the tenant-based rental assistance program  
5 under section 8 of the United States Housing Act of  
6 1937 (42 U.S.C. 1437f), including the program  
7 under subsection (o)(19) of such section for housing  
8 rental vouchers for low-income veteran families;

9           (3) the project-based rental assistance program  
10 under section 8 of the United States Housing Act of  
11 1937 (42 U.S.C. 1437f);

12           (4) the program for housing opportunities for  
13 persons with AIDS under subtitle D of title VIII of  
14 the Cranston-Gonzalez National Affordable Housing  
15 Act (42 U.S.C. 12901 et seq.);

16           (5) the supportive housing for the elderly pro-  
17 gram under section 202 of the Housing Act of 1959  
18 (12 U.S.C. 1701q);

19           (6) the supportive housing for persons with dis-  
20 abilities program under section 811 of the Cranston-  
21 Gonzalez National Affordable Housing Act (42  
22 U.S.C. 8013);

23           (7) the continuum of care for the homeless pro-  
24 gram under subtitle C of title IV of the McKinney-

1 Vento Homeless Assistance Act (42 U.S.C. 11381 et  
2 seq.);

3 (8) the supportive housing for very low-income  
4 veteran families program under section 2 of this Act;

5 (9) the rental assistance payments program  
6 under section 521(a)(2)(A) of the Housing Act of  
7 1949 (42 U.S.C. 1490a(a)(2)(A));

8 (10) the rental assistance program under sec-  
9 tion 236 of the National Housing Act (12 U.S.C.  
10 1715z-1);

11 (11) the rural housing programs under sections  
12 515 and 538 of the Housing Act of 1949 (42 U.S.C.  
13 1485, 1490p-2);

14 (12) the HOME investment partnerships pro-  
15 gram under title II of the Cranston-Gonzalez Na-  
16 tional Affordable Housing Act (42 U.S.C. 12721 et  
17 seq.);

18 (13) the block grant programs for affordable  
19 housing for Native Americans and Native Hawaiians  
20 under titles I through IV and VIII of the Native  
21 American Housing Assistance and Self-Determina-  
22 tion Act of 1996 (25 U.S.C. 4111 et seq., 4221 et  
23 seq.);

24 (14) any other program for housing assistance  
25 administered by the Secretary of Housing and

1 Urban Development or the Secretary of Agriculture  
2 under which eligibility for occupancy in the housing  
3 assisted or for housing assistance is based upon in-  
4 come;

5 (15) low-income housing credits allocated pur-  
6 suant to section 42 of the Internal Revenue Code of  
7 1986; and

8 (16) tax-exempt bonds issued for qualified resi-  
9 dential rental projects pursuant to section 142(d) of  
10 the Internal Revenue Code of 1986.

11 **SEC. 6. TECHNICAL ASSISTANCE GRANTS FOR HOUSING AS-**  
12 **SISTANCE FOR VETERANS.**

13 (a) IN GENERAL.—The Secretary of Housing and  
14 Urban Development shall, to the extent amounts are made  
15 available in appropriation Acts for grants under this sec-  
16 tion, make grants to eligible entities under subsection (b)  
17 to provide to nonprofit organizations technical assistance  
18 appropriate to assist such organizations in—

19 (1) sponsoring housing projects for veterans as-  
20 sisted under programs administered by the Depart-  
21 ment of Housing and Urban Development;

22 (2) fulfilling the planning and application proc-  
23 esses and requirements necessary under such pro-  
24 grams administered by the Department; and





1           (1) The Committee on Banking, Housing, and  
2           Urban Affairs of the Senate.

3           (2) The Committee on Veterans' Affairs of the  
4           Senate.

5           (3) The Committee on Appropriations of the  
6           Senate.

7           (4) The Committee on Financial Services of the  
8           House of Representatives.

9           (5) The Committee on Veterans' Affairs of the  
10          House of Representatives.

11          (6) The Committee on Appropriations of the  
12          House of Representatives.

13          (7) The Secretary of Veterans Affairs.

14          (b) CONTENTS.—Each report required under sub-  
15          section (a) shall include the following information with re-  
16          spect to the year for which the report is submitted:

17               (1) The number of very low-income veteran  
18               families provided assistance under the program of  
19               supportive housing for very low-income veteran fami-  
20               lies under section 2, the socioeconomic characteris-  
21               tics of such families, the types of assistance provided  
22               such families, and the number, types, and locations  
23               of owners of housing assisted under such section.

24               (2) The number of homeless veterans provided  
25               assistance under the program of housing choice

1 vouchers for homeless veterans under section  
2 8(o)(19) of the United States Housing Act of 1937  
3 (42 U.S.C. 1437f(o)(19)) (as amended by section 3),  
4 the socioeconomic characteristics of such homeless  
5 veterans, and the number, types, and locations of en-  
6 tities contracted under such section to administer  
7 the vouchers.

8 (3) A summary description of the special con-  
9 siderations made for veterans under public housing  
10 agency plans submitted pursuant to section 5A of  
11 the United States Housing Act of 1937 (42 U.S.C.  
12 1437e-1) and under comprehensive housing afford-  
13 ability strategies submitted pursuant to section 105  
14 of the Cranston-Gonzalez National Affordable Hous-  
15 ing Act (42 U.S.C. 12705).

16 (4) A description of the technical assistance  
17 provided to organizations pursuant to grants under  
18 section 6.

19 (5) A description of the activities of the Special  
20 Assistant for Veterans Affairs.

21 (6) A description of the efforts of the Depart-  
22 ment of Housing and Urban Development to coordi-  
23 nate the delivery of housing and services to veterans  
24 with other Federal departments and agencies, in-  
25 cluding the Department of Defense, Department of

1 Justice, Department of Labor, Department of  
2 Health and Human Services, Department of Vet-  
3 erans Affairs, Interagency Council on Homelessness,  
4 and the Social Security Administration.

5 (7) The cost to the Department of Housing and  
6 Urban Development of administering the programs  
7 and activities relating to veterans.

8 (8) Any other information that the Secretary  
9 considers relevant in assessing the programs and ac-  
10 tivities of the Department of Housing and Urban  
11 Development relating to veterans.

12 (c) ASSESSMENT OF HOUSING NEEDS OF VERY LOW-  
13 INCOME VETERAN FAMILIES.—

14 (1) IN GENERAL.—For the first report sub-  
15 mitted pursuant to subsection (a) and every fifth re-  
16 port thereafter, the Secretary of Housing and Urban  
17 Development shall—

18 (A) conduct an assessment of the housing  
19 needs of very low-income veteran families (as  
20 such term is defined in section 2); and

21 (B) shall include in each such report find-  
22 ings regarding such assessment.

23 (2) CONTENT.—Each assessment under this  
24 subsection shall include—

1 (A) conducting a survey of, and direct  
2 interviews with, a representative sample of very  
3 low-income veteran families (as such term is de-  
4 fined in section 2) to determine past and cur-  
5 rent—

6 (i) socioeconomic characteristics of  
7 such veteran families;

8 (ii) barriers to such veteran families  
9 obtaining safe, quality, and affordable  
10 housing;

11 (iii) levels of homelessness among  
12 such veteran families; and

13 (iv) levels and circumstances of, and  
14 barriers to, receipt by such veteran families  
15 of rental housing and homeownership as-  
16 sistance; and

17 (B) such other information that the Sec-  
18 retary determines, in consultation with the Sec-  
19 retary of Veterans Affairs and national non-  
20 governmental organizations concerned with vet-  
21 erans, homelessness, and very low-income hous-  
22 ing, may be useful to the assessment.

23 (3) CONDUCT.—If the Secretary contracts with  
24 an entity other than the Department of Housing and  
25 Urban Development to conduct the assessment

1 under this subsection, such entity shall be a non-  
2 governmental organization determined by the Sec-  
3 retary to have appropriate expertise in quantitative  
4 and qualitative social science research.

5 (4) FUNDING.—Of any amounts made available  
6 pursuant to section 501 of the Housing and Urban  
7 Development Act of 1970 (42 U.S.C. 1701z–1) for  
8 programs of research, studies, testing, or demonstra-  
9 tion relating to the mission or programs of the De-  
10 partment of Housing and Urban Development for  
11 any fiscal year in which an assessment under this  
12 subsection is required pursuant to paragraph (1) of  
13 this subsection, \$1,000,000 shall be available until  
14 expended for costs of the assessment under this sub-  
15 section.

○