

HOMELESS EMERGENCY ASSISTANCE AND RAPID
TRANSITION TO HOUSING ACT OF 2008

OCTOBER 2, 2008.—Committed to the Committee of the Whole House on the State
of the Union and ordered to be printed

Mr. FRANK of Massachusetts, from the Committee on Financial
Services, submitted the following

R E P O R T

together with

ADDITIONAL VIEWS

[To accompany H.R. 840]

[Including cost estimate of the Congressional Budget Office]

The Committee on Financial Services, to whom was referred the bill (H.R. 840) to amend the McKinney-Vento Homeless Assistance Act to consolidate the housing assistance programs for homeless persons under title IV of such Act, and for other purposes, having considered the same, report favorably thereon with an amendment and recommend that the bill as amended do pass.

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AMENDMENT

The amendment is as follows:
Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title and table of contents.
Sec. 2. Findings and purposes.
Sec. 3. Definition of homelessness.
Sec. 4. United States Interagency Council on Homelessness.

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS

Sec. 101. Definitions.
Sec. 102. Community homeless assistance planning boards.
Sec. 103. General provisions.
Sec. 104. Protection of personally identifying information by victim service providers.
Sec. 105. Authorization of appropriations.

TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM

Sec. 201. Grant assistance.
Sec. 202. Eligible activities.
Sec. 203. Participation in Homeless Management Information System.
Sec. 204. Administrative provision.

TITLE III—CONTINUUM OF CARE PROGRAM

Sec. 301. Continuum of care.
Sec. 302. Eligible activities.
Sec. 303. High performing communities.
Sec. 304. Program requirements.
Sec. 305. Selection criteria, allocation amounts, and funding.
Sec. 306. Research.

TITLE IV—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

Sec. 401. Rural housing stability assistance.
Sec. 402. GAO study of homelessness and homeless assistance in rural areas.

TITLE V—REPEALS AND CONFORMING AMENDMENTS

Sec. 501. Repeals.
Sec. 502. Conforming amendments.
Sec. 503. Effective date.
Sec. 504. Regulations.
Sec. 505. Amendment to table of contents.

SEC. 2. FINDINGS AND PURPOSES.

(a) **FINDINGS.**—The Congress finds that—

- (1) a lack of affordable housing and limited scale of housing assistance programs are the primary causes of homelessness; and
- (2) homelessness affects all types of communities in the United States, including rural, urban, and suburban areas.

(b) **PURPOSES.**—The purposes of this Act are—

- (1) to consolidate the separate homeless assistance programs carried out under title IV of the McKinney-Vento Homeless Assistance Act (consisting of the supportive housing program and related innovative programs, the safe havens program, the section 8 assistance program for single-room occupancy dwellings, and the shelter plus care program) into a single program with specific eligible activities;
- (2) to codify in Federal law the continuum of care planning process as a required and integral local function necessary to generate the local strategies for ending homelessness; and
- (3) to establish a Federal goal of ensuring that individuals and families who become homeless return to permanent housing within 30 days.

SEC. 3. DEFINITION OF HOMELESSNESS.

(a) **IN GENERAL.**—Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) is amended—

(1) by redesignating subsections (b) and (c) as subsections (c) and (d); and

(2) by striking subsection (a) and inserting the following:

“(a) IN GENERAL.—For purposes of this Act, the terms ‘homeless’, ‘homeless individual’, and ‘homeless person’ means—

“(1) an individual or family who lacks a fixed, regular, and adequate nighttime residence;

“(2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;

“(3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);

“(4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided; and

“(5) an individual or family who—

“(A) will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by—

“(i) a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days;

“(ii) the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days;

“(iii) credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause; or

“(iv) such other factors that the Secretary determines will likely result in the individual or family becoming homeless, which may include recent history of homelessness or residential instability;

“(B) has no subsequent residence identified; and

“(C) lacks the resources or support networks needed to obtain other permanent housing.

“(b) DOMESTIC VIOLENCE AND OTHER DANGEROUS OR LIFE-THREATENING CONDITIONS.—Notwithstanding any other provision of this section, the Secretary shall consider to be homeless any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual’s or family’s current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.”

(b) REGULATIONS.—Not later than the expiration of the 6-month period beginning upon the date of the enactment of this Act, the Secretary of Housing and Urban Development shall issue regulations that provide sufficient guidance to recipients of funds under title IV of the McKinney-Vento Homeless Assistance Act to allow uniform and consistent implementation of the requirements of section 103 of such Act, as amended by subsection (a) of this section. This subsection shall take effect on the date of the enactment of this Act.

(c) CLARIFICATION OF EFFECT ON OTHER LAWS.—This section and the amendments made by this section to section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302) may not be construed to affect, alter, limit, annul, or supersede any other provision of Federal law providing a definition of “homeless”, “homeless individual”, or “homeless person” for purposes other than such Act, except to the extent that such provision refers to such section 103 or the definition provided in such section 103.

(d) GAO STUDY.—The Comptroller General of the United States shall conduct a study to examine and determine the following:

(1) The best available point-in-time and longitudinal estimates available of the number of individuals and families nationwide who are homeless—

(A) as such term is defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)), as in effect immediately before the enactment of this Act;

(B) as such term is defined in paragraphs (1) through (4) of section 103(a) of such Act, as amended by this section;

(C) as such term is defined in section 103(a)(5) of such Act, as amended by this section (relating to imminent loss of housing); and

(D) as such term is defined in other provisions of Federal law.

(2) The best estimates available of the overlap among the populations included in the estimates under subparagraphs (A) through (D) of paragraph (1).

(3) The quality of the data underlying the each of the estimates under subparagraphs (A) through (D) of paragraph (1).

(4) The cost and feasibility of conducting high-quality nationwide point-in-time counts, and longitudinal counts over a duration of more than one year, of homeless individuals and families under each of the definitions of homelessness referred to in subparagraphs (A) through (D) of paragraph (1).

(5) The best available longitudinal data, covering a minimum of six months, on the residential movement of individuals and families who are homeless under the definitions referred to in paragraph (1)(D), but not under the definitions referred to in paragraph (1)(A) or (1)(B), into circumstances that meet the definition of homelessness under paragraph (1)(A) or (1)(B).

(6) The best available data to enable prediction of whether an individual or family that is homeless under the definitions referred to in paragraph (1)(D), but not under the definition referred to in paragraph (1)(A) or (1)(B), will within the next 12 months meet the definition of homelessness under paragraph (1)(A) or (1)(B).

(7) The best available research on the effectiveness of activities eligible for funding under this title IV of the McKinney-Vento Homeless Assistance Act at improving the housing conditions of households described in paragraph (1)(D), but not in subparagraphs (A) through (C) of paragraph (1).

(8) The best available data on the childhood housing, child welfare, and other experiences of adults who are currently homeless, including individuals or heads of household who are chronically homeless, to determine whether homelessness as a child, as defined under subparagraphs (A) through (D) of paragraph (1), or other traumatic childhood experiences, including sexual abuse, predict an increased likelihood of adult homelessness.

(9) The extent to which the definitions of homeless set forth in provisions of Federal law other than section 103 of the McKinney-Vento Homeless Assistance Act fulfill the purposes of the programs authorized by those provisions.

Not later than the expiration of the 12-month period beginning upon the date of the enactment of this Act, the Comptroller General shall submit to the Congress a report setting forth the findings and conclusions of the study required under this subsection. This subsection shall take effect on the date of the enactment of this Act.

SEC. 4. UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS.

(a) IN GENERAL.—Title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.) is amended—

(1) in section 201 (42 U.S.C. 11311), by inserting before the period at the end the following “whose mission shall be to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness”;

(2) in section 202 (42 U.S.C. 11312)—

(A) in subsection (a)—

(i) by redesignating paragraph (16) as paragraph (22); and

(ii) by inserting after paragraph (15) the following:

“(16) The Commissioner of Social Security, or the designee of the Commissioner.

“(17) The Attorney General of the United States, or the designee of the Attorney General.

“(18) The Director of the Office of Management and Budget, or the designee of the Director.

“(19) The Director of the Office of Faith-Based and Community Initiatives, or the designee of the Director.

“(20) The Director of USA FreedomCorps, or the designee of the Director.

“(21) The Commissioner of the Internal Revenue Service, or the designee of the Commissioner.”;

(B) in subsection (c), by striking “annually” and inserting “four times each year, and the rotation of the positions of Chairperson and Vice Chairperson required under subsection (b) shall occur at the first meeting of each year”; and

(C) by adding at the end the following:
“(e) ADMINISTRATION.—The Executive Director of the Council shall report to the Director of Domestic Policy Council.”;

(3) in section 203(a) (42 U.S.C. 11313(a))—

(A) by redesignating paragraphs (1), (2), (3), (4), (5), (6), and (7) as paragraphs (2), (3), (4), (5), (11), (12), and (13), respectively;

(B) by inserting before paragraph (2), as so redesignated by subparagraph (A), the following:

“(1) not later than 12 months after the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, develop, make available for public comment, and submit to the President and to Congress a National Strategic Plan to End Homelessness, and shall update such plan annually.”;

(C) in paragraph (5), as redesignated by subparagraph (A), by striking “at least 2, but in no case more than 5” and inserting “not less than 5, but in no case more than 10”;

(D) by inserting after paragraph (5), as so redesignated by subparagraph (A), the following:

“(6) encourage the creation of State Interagency Councils on Homelessness and the formulation of jurisdictional 10-year plans to end homelessness at state, city, and county levels;

“(7) annually obtain from Federal agencies their identification of consumer-oriented entitlement and other resources for which persons experiencing homelessness may be eligible and the agencies’ identification of improvements to ensure access; develop mechanisms to ensure access by persons experiencing homelessness to all Federal, State, and local programs for which the persons are eligible, and to verify collaboration among entities within a community that receive Federal funding under programs targeted for persons experiencing homelessness, and other programs for which persons experiencing homelessness are eligible, including mainstream programs identified by the Government Accountability Office in the reports entitled ‘Homelessness: Coordination and Evaluation of Programs Are Essential’, issued February 26, 1999, and ‘Homelessness: Barriers to Using Mainstream Programs’, issued July 6, 2000;

“(8) conduct research and evaluation related to its functions as defined in this section;

“(9) develop joint federal agency and other initiatives to fulfill the goals of the agency;

“(10) participate in Federal agency policy development, and development, review, evaluation, and timing of all related Federal funding competitions.”;

(E) in paragraph (12), as so redesignated by subparagraph (A), by striking “and” at the end;

(F) in paragraph (13), as so redesignated by subparagraph (A), by striking the period at the end and inserting a semicolon;

(G) by adding at the end the following new paragraphs:

“(14) develop constructive alternatives to criminalizing homelessness and eliminate laws and policies that prohibit sleeping, feeding, sitting, resting, or lying in public spaces when there are no suitable alternatives, result in the destruction of a homeless person’s property without due process, or are selectively enforced against homeless persons; and

“(15) not later than the expiration of the 6-month period beginning upon completion of the study required under section 3(d) of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, convene a meeting of representatives of all Federal agencies and committees of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families, local and State governments, academic researchers who specialize in homelessness, nonprofit housing and service providers that receive funding under any Federal program to assist homeless individuals or families, organizations advocating on behalf of such nonprofit providers and homeless persons receiving housing or services under any such Federal program, and homeless persons receiving housing or services under any such Federal program, at which meeting such representatives shall discuss all issues relevant to whether the definitions of ‘homeless’ under paragraphs (1) through (4) of section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended by section 3 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, should be modified by the Congress, including whether there is a compelling need for a uniform definition of homelessness under Federal law, the extent to which the differences in such definitions create barriers for individuals to accessing services and to collaboration between agencies, and the relative availability, and barriers to access by persons defined as

homeless, of mainstream programs identified by the Government Accountability Office in the two reports identified in paragraph (7) of this subsection; and shall submit transcripts of such meeting, and any majority and dissenting recommendations from such meetings, to each committee of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families not later than the expiration of the 60-day period beginning upon conclusion of such meeting.”

(4) in section 203(b) (42 U.S.C. 11313(b))—

(A) in paragraph (1)—

(i) by striking “Federal” and inserting “national”;

(ii) by striking “; and” and inserting “and pay for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made;”;

(B) in paragraph (2), by striking the period at the end and inserting “; and”; and

(C) by inserting after paragraph (2) the following:

“(3) establish a National Advisory Panel to advise and assist the Council in achieving its mission by convening a national group of experts in policy and practice from the public and private sector, including consumers.”;

(5) in section 203(c)(1) (42 U.S.C. 11313(c)(1))—

(A) in subparagraph (B), by striking “; and” and inserting a semicolon;

(B) in subparagraph (C), by striking the period at the end and inserting “; and”; and

(C) by adding at the end the following:

“(D) efforts by such agency to prevent homelessness through agency initiatives in targeted or mainstream programs.”;

(6) in section 204, by striking subsection (a) and inserting the following:

“(a) DIRECTOR.—The President shall appoint an Executive Director, with the advice and consent of the Senate, who shall serve at the pleasure of the President, and who shall be compensated at a rate not to exceed the maximum level for the Senior Executive Service.”

(7) in section 205(d) (42 U.S.C. 11315(d)), by striking “property.” and inserting

“property, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Council.”; and

(8) by striking section 208 (42 U.S.C. 11318) and inserting the following:

“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

“There are authorized to be appropriated to carry out this title \$3,000,000 for fiscal year 2009 and such sums as may be necessary for fiscal years 2010, 2011, 2012, and 2013. Any amounts appropriated to carry out this title shall remain available until expended.”

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect on, and shall apply beginning on, the date of the enactment of this Act .

TITLE I—HOUSING ASSISTANCE GENERAL PROVISIONS

SEC. 101. DEFINITIONS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle A—General Provisions”;

(2) by redesignating sections 401 and 402 (42 U.S.C. 11361, 11362) as sections 403 and 406, respectively; and

(3) by inserting before section 403 (as so redesignated by paragraph (2) of this section) the following new section:

“SEC. 401. DEFINITIONS.

“For purposes of this title:

“(1) AT RISK OF HOMELESSNESS.—The term ‘at risk of homelessness’ means, with respect to an individual or family, that the individual or family—

“(A) has income below 30 percent of median income for the geographic area;

“(B) has insufficient resources immediately available to attain housing stability; and

“(C)(i) has moved frequently because of economic reasons;
 “(ii) is living in the home of another because of economic hardship;
 “(iii) has been notified that their right to occupy their current housing or living situation will be terminated;
 “(iv) lives in a hotel or motel;
 “(v) lives in severely overcrowded housing;
 “(vi) is exiting an institution; or
 “(vii) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.
 Such term includes all families with children and youth defined as homeless under other Federal statutes.

“(2) CHRONICALLY HOMELESS.—

“(A) IN GENERAL.—The term ‘chronically homeless’ means, with respect to an individual or family, that the individual or family—

“(i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;

“(ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and

“(iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions.

“(B) RULE OF CONSTRUCTION.—A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility, hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person met all of the requirements described in subparagraph (A) prior to entering that facility.

“(3) COLLABORATIVE APPLICANT.—The term ‘collaborative applicant’ means an entity that—

“(A) carries out the duties specified in section 402;

“(B) serves as the applicant for project sponsors who jointly submit a single application for a grant under subtitle C in accordance with a collaborative process; and

“(C) if the entity is a legal entity and is awarded such grant, receives such grant directly from the Secretary.

“(4) COLLABORATIVE APPLICATION.—The term ‘collaborative application’ means an application for a grant under subtitle C that—

“(A) satisfies section 422; and

“(B) is submitted to the Secretary by a collaborative applicant.

“(5) CONSOLIDATED PLAN.—The term ‘Consolidated Plan’ means a comprehensive housing affordability strategy and community development plan required in part 91 of title 24, Code of Federal Regulations.

“(6) ELIGIBLE ENTITY.—The term ‘eligible entity’ means, with respect to a subtitle, a public entity, a private entity, or an entity that is a combination of public and private entities, that is eligible to directly receive grant amounts under such subtitle.

“(7) FAMILIES WITH CHILDREN AND YOUTH DEFINED AS HOMELESS UNDER OTHER FEDERAL STATUTES.—The term ‘families with children and youth defined as homeless under other Federal statutes’ means any children or youth that are defined as ‘homeless’ under any Federal statute other than this subtitle, but are not defined as homeless under section 103, and shall also include the parent, parents, or guardian of such children or youth under subtitle B of title VII this Act (42 U.S.C. 11431 et seq.).

“(8) GEOGRAPHIC AREA.—The term ‘geographic area’ means a State, metropolitan city, urban county, town, village, or other nonentitlement area, or a combination or consortia of such, in the United States, as described in section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306).

“(9) HOMELESS INDIVIDUAL WITH A DISABILITY.—

“(A) IN GENERAL.—The term ‘homeless individual with a disability’ means an individual who is homeless, as defined in section 103, and has a disability that—

“(i)(I) is expected to be long-continuing or of indefinite duration;

- “(II) substantially impedes the individual’s ability to live independently;
- “(III) could be improved by the provision of more suitable housing conditions; and
- “(IV) is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;
- “(ii) is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or
- “(iii) is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.
- “(B) RULE.—Nothing in clause (iii) of subparagraph (A) shall be construed to limit eligibility under clause (i) or (ii) of subparagraph (A).
- “(10) LEGAL ENTITY.—The term ‘legal entity’ means—
- “(A) an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from tax under section 501(a) of such Code;
- “(B) an instrumentality of State or local government; or
- “(C) a consortium of instrumentalities of State or local governments that has constituted itself as an entity.
- “(11) METROPOLITAN CITY; URBAN COUNTY; NONENTITLEMENT AREA.—The terms ‘metropolitan city’, ‘urban county’, and ‘nonentitlement area’ have the meanings given such terms in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).
- “(12) NEW.—The term ‘new’ means, with respect to housing, that no assistance has been provided under this title for the housing.
- “(13) OPERATING COSTS.—The term ‘operating costs’ means expenses incurred by a project sponsor operating transitional housing or permanent housing under this title with respect to—
- “(A) the administration, maintenance, repair, and security of such housing;
- “(B) utilities, fuel, furnishings, and equipment for such housing; or
- “(C) coordination of services as needed to ensure long-term housing stability.
- “(14) OUTPATIENT HEALTH SERVICES.—The term ‘outpatient health services’ means outpatient health care services, mental health services, and outpatient substance abuse services.
- “(15) PERMANENT HOUSING.—The term ‘permanent housing’ means community-based housing without a designated length of stay, and includes both permanent supportive housing and permanent housing without supportive services.
- “(16) PERSONALLY IDENTIFYING INFORMATION.—The term ‘personally identifying information’ means individually identifying information for or about an individual, including information likely to disclose the location of a victim of domestic violence, dating violence, sexual assault, or stalking, including—
- “(A) a first and last name;
- “(B) a home or other physical address;
- “(C) contact information (including a postal, e-mail or Internet protocol address, or telephone or facsimile number);
- “(D) a social security number; and
- “(E) any other information, including date of birth, racial or ethnic background, or religious affiliation, that, in combination with any other non-personally identifying information, would serve to identify any individual.
- “(17) PRIVATE NONPROFIT ORGANIZATION.—The term ‘private nonprofit organization’ means an organization—
- “(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;
- “(B) that has a voluntary board;
- “(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and
- “(D) that practices nondiscrimination in the provision of assistance.
- “(18) PROJECT.—The term ‘project’ means, with respect to activities carried out under subtitle C, eligible activities described in section 423(a), undertaken pursuant to a specific endeavor, such as serving a particular population or providing a particular resource.
- “(19) PROJECT-BASED.—The term ‘project-based’ means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—
- “(A) is between—

- “(i) the recipient or a project sponsor; and
- “(ii) an owner of a structure that exists as of the date the contract is entered into; and
- “(B) provides that rental assistance payments shall be made to the owner and that the units in the structure shall be occupied by eligible persons for not less than the term of the contract.
- “(20) PROJECT SPONSOR.—The term ‘project sponsor’ means, with respect to proposed eligible activities, the organization directly responsible for carrying out the proposed eligible activities.
- “(21) RECIPIENT.—Except as used in subtitle B, the term ‘recipient’ means an eligible entity who—
 - “(A) submits an application for a grant under section 422 that is approved by the Secretary;
 - “(B) receives the grant directly from the Secretary to support approved projects described in the application; and
 - “(C)(i) serves as a project sponsor for the projects; or
 - “(ii) awards the funds to project sponsors to carry out the projects.
- “(22) SECRETARY.—The term ‘Secretary’ means the Secretary of Housing and Urban Development.
- “(23) SERIOUS MENTAL ILLNESS.—The term ‘serious mental illness’ means a severe and persistent mental illness or emotional impairment that seriously limits a person’s ability to live independently.
- “(24) SOLO APPLICANT.—The term ‘solo applicant’ means an entity that is an eligible entity, directly submits an application for a grant under subtitle C to the Secretary, and, if awarded such grant, receives such grant directly from the Secretary.
- “(25) SPONSOR-BASED.—The term ‘sponsor-based’ means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—
 - “(A) is between—
 - “(i) the recipient or a project sponsor; and
 - “(ii) an independent entity that—
 - “(I) is a private organization; and
 - “(II) owns or leases dwelling units; and
 - “(B) provides that rental assistance payments shall be made to the independent entity and that eligible persons shall occupy such assisted units.
- “(26) STATE.—Except as used in subtitle B, the term ‘State’ means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.
- “(27) SUPPORTIVE SERVICES.—The term ‘supportive services’ means services that address the special needs of people served by a project, including—
 - “(A) the establishment and operation of a child care services program for families experiencing homelessness;
 - “(B) the establishment and operation of an employment assistance program, including providing job training;
 - “(C) the provision of outpatient health services, food, and case management;
 - “(D) the provision of assistance in obtaining permanent housing, employment counseling, and nutritional counseling;
 - “(E) the provision of outreach services, advocacy, life skills training, and housing search and counseling services;
 - “(F) the provision of mental health services, trauma counseling, and victim services;
 - “(G) the provision of assistance in obtaining other Federal, State, and local assistance available for residents of supportive housing (including mental health benefits, employment counseling, and medical assistance, but not including major medical equipment);
 - “(H) the provision of legal services for purposes including requesting reconsiderations and appeals of veterans and public benefit claim denials and resolving outstanding warrants that interfere with an individual’s ability to obtain and retain housing;
 - “(I) the provision of—
 - “(i) transportation services that facilitate an individual’s ability to obtain and maintain employment; and
 - “(ii) health care; and
 - “(J) other supportive services necessary to obtain and maintain housing.
- “(28) TENANT-BASED.—The term ‘tenant-based’ means, with respect to rental assistance, assistance that—

“(A) allows an eligible person to select a housing unit in which such person will live using rental assistance provided under subtitle C, except that if necessary to assure that the provision of supportive services to a person participating in a program is feasible, a recipient or project sponsor may require that the person live—

“(i) in a particular structure or unit for not more than the first year of the participation; or

“(ii) within a particular geographic area for the full period of the participation, or the period remaining after the period referred to in subparagraph (A); and

“(B) provides that a person may receive such assistance and move to another structure, unit, or geographic area if the person has complied with all other obligations of the program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

“(29) TRANSITIONAL HOUSING.—The term ‘transitional housing’ means housing the purpose of which is to facilitate the movement of individuals and families experiencing homelessness to permanent housing within 24 months or such longer period as the Secretary determines necessary.

“(30) UNIFIED FUNDING AGENCY.—The term ‘unified funding agency’ means a collaborative applicant that performs the duties described in section 402(g).

“(31) UNDERSERVED POPULATIONS.—The term ‘underserved populations’ includes populations underserved because of geographic location, underserved racial and ethnic populations, populations underserved because of special needs (such as language barriers, disabilities, alienage status, or age), and any other population determined to be underserved by the Secretary, as appropriate.

“(32) VICTIM SERVICE PROVIDER.—The term ‘victim service provider’ means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. Such term includes rape crisis centers, battered women’s shelters, domestic violence transitional housing programs, and other programs.

“(33) VICTIM SERVICES.—The term ‘victim services’ means services that assist domestic violence, dating violence, sexual assault, or stalking victims, including services offered by rape crisis centers and domestic violence shelters, and other organizations, with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.”

SEC. 102. COMMUNITY HOMELESS ASSISTANCE PLANNING BOARDS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended by inserting after section 401 (as added by section 101(3) of this Act) the following new section:

“SEC. 402. COLLABORATIVE APPLICANTS.

“(a) ESTABLISHMENT AND DESIGNATION.—A collaborative applicant shall be established for a geographic area by the relevant parties in that geographic area to—

“(1) submit an application for amounts under this subtitle; and

“(2) perform the duties specified in subsection (f) and, if applicable, subsection

(g).

“(b) NO REQUIREMENT TO BE A LEGAL ENTITY.—An entity may be established to serve as a collaborative applicant under this section without being a legal entity.

“(c) REMEDIAL ACTION.—If the Secretary finds that a collaborative applicant for a geographic area does not meet the requirements of this section, or if there is no collaborative applicant for a geographic area, the Secretary may take remedial action to ensure fair distribution of grant amounts under subtitle C to eligible entities within that area. Such measures may include designating another body as a collaborative applicant, or permitting other eligible entities to apply directly for grants.

“(d) CONSTRUCTION.—Nothing in this section shall be construed to displace conflict of interest or government fair practices laws, or their equivalent, that govern applicants for grant amounts under subtitles B and C.

“(e) APPOINTMENT OF AGENT.—

“(1) IN GENERAL.—Subject to paragraph (2), a collaborative applicant may designate an agent to—

“(A) apply for a grant under section 422(c);

“(B) receive and distribute grant funds awarded under subtitle C; and

“(C) perform other administrative duties.

- “(2) RETENTION OF DUTIES.—Any collaborative applicant that designates an agent pursuant to paragraph (1) shall regardless of such designation retain all of its duties and responsibilities under this title.
- “(f) DUTIES.—A collaborative applicant shall—
- “(1) design a collaborative process for the development of an application under subtitle C, and for evaluating the outcomes of projects for which funds are awarded under subtitle B, in such a manner as to provide information necessary for the Secretary—
- “(A) to determine compliance with—
- “(i) the program requirements under section 426; and
- “(ii) the selection criteria described under section 427; and
- “(B) to establish priorities for funding projects in the geographic area involved;
- “(2) participate in the Consolidated Plan for the geographic area served by the collaborative applicant;
- “(3) ensure operation of, and consistent participation by, project sponsors in a community-wide homeless management information system (in this subsection referred to as ‘HMIS’) that—
- “(A) collects unduplicated counts of individuals and families experiencing homelessness;
- “(B) analyzes patterns of use of assistance provided under subtitles B and C for the geographic area involved;
- “(C) provides information to project sponsors and applicants for needs analyses and funding priorities; and
- “(D) is developed in accordance with standards established by the Secretary, including standards that provide for—
- “(i) encryption of data collected for purposes of HMIS;
- “(ii) documentation, including keeping an accurate accounting, proper usage, and disclosure, of HMIS data;
- “(iii) access to HMIS data by staff, contractors, law enforcement, and academic researchers;
- “(iv) rights of persons receiving services under this title;
- “(v) criminal and civil penalties for unlawful disclosure of data; and
- “(vi) such other standards as may be determined necessary by the Secretary; and
- “(4) certify as to whether or not the applicable States and units of general local government are criminalizing homelessness through the enforcement of any laws or policies that prohibit sleeping, feeding, sitting, resting, or lying in public spaces when there are no suitable alternatives, or that result in the destruction of a homeless person’s property without due process, or through the selective enforcement of laws or policies against homeless persons.
- “(g) UNIFIED FUNDING.—
- “(1) IN GENERAL.—In addition to the duties described in subsection (f), a collaborative applicant shall receive from the Secretary and distribute to other project sponsors in the applicable geographic area funds for projects to be carried out by such other project sponsors, if—
- “(A) the collaborative applicant—
- “(i) applies to undertake such collection and distribution responsibilities in an application submitted under this subtitle; and
- “(ii) is selected to perform such responsibilities by the Secretary; or
- “(B) the Secretary designates the collaborative applicant as the unified funding agency in the geographic area, after—
- “(i) a finding by the Secretary that the applicant—
- “(I) has the capacity to perform such responsibilities; and
- “(II) would serve the purposes of this Act as they apply to the geographic area; and
- “(ii) the Secretary provides the collaborative applicant with the technical assistance necessary to perform such responsibilities as such assistance is agreed to by the collaborative applicant.
- “(2) REQUIRED ACTIONS BY A UNIFIED FUNDING AGENCY.—A collaborative applicant that is either selected or designated as a unified funding agency for a geographic area under paragraph (1) shall—
- “(A) require each project sponsor who is funded by a grant received under subtitle C to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds awarded to the project sponsor under subtitle C in order to ensure that all financial transactions carried out under subtitle C are conducted, and records maintained, in accordance with generally accepted accounting principles; and

“(B) arrange for an annual survey, audit, or evaluation of the financial records of each project carried out by a project sponsor funded by a grant received under subtitle C.

“(h) CONFLICT OF INTEREST.—No board member of a collaborative applicant may participate in decisions of the collaborative applicant concerning the award of a grant, or provision of other financial benefits, to such member or the organization that such member represents.”.

SEC. 103. GENERAL PROVISIONS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.) is amended by inserting after section 403 (as so redesignated by section 101(2) of this Act) the following new sections:

“SEC. 404. PREVENTING INVOLUNTARY FAMILY SEPARATION.

“(a) IN GENERAL.—After the expiration of the 2-year period that begins upon the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, and except as provided in subsection (b), any project sponsor receiving funds under this title to provide emergency shelter, transitional housing, or permanent housing to families with children under age 18 shall not deny admission to any family based on the age of any child under age 18.

“(b) EXCEPTION.—Notwithstanding the requirement under subsection (a), project sponsors of transitional housing receiving funds under this title may target transitional housing resources to families with children of a specific age only if the project sponsor—

“(1) operates a transitional housing program that has a primary purpose of implementing an evidence-based practice that requires that housing units be targeted to families with children in a specific age group; and

“(2) provides such assurances, as the Secretary shall require, that an equivalent appropriate alternative living arrangement for the whole family or household unit has been secured.

“SEC. 405. TECHNICAL ASSISTANCE.

“(a) IN GENERAL.—The Secretary shall make available technical assistance to private nonprofit organizations and other nongovernmental entities, States, metropolitan cities, urban counties, and counties that are not urban counties, to implement effective planning processes for preventing and ending homelessness, to improve their capacity to prepare collaborative applications, to prevent the separation of families in emergency shelter or other housing programs, and to adopt and provide best practices in housing and services for persons experiencing homeless.

“(b) RESERVATION.—The Secretary shall reserve not more than 1 percent of the funds made available for any fiscal year for carrying out subtitles B and C, to provide technical assistance under subsection (a).”.

SEC. 104. PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), as amended by the preceding provisions of this title, is further amended by adding at the end the following new section:

“SEC. 407. PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS.

“In the course of awarding grants or implementing programs under this title, the Secretary shall instruct any victim service provider that is a recipient or subgrantee not to disclose for purposes of the Homeless Management Information System any personally identifying information about any client. The Secretary may, after public notice and comment, require or ask such recipients and subgrantees to disclose for purposes of the Homeless Management Information System non-personally identifying information that has been de-identified, encrypted, or otherwise encoded. Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this subsection for victims of domestic violence, dating violence, sexual assault, or stalking.”.

SEC. 105. AUTHORIZATION OF APPROPRIATIONS.

Subtitle A of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11361 et seq.), as amended by the preceding provisions of this title, is further amended by adding at the end the following new section:

“SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

“(a) IN GENERAL.—There are authorized to be appropriated to carry out this title \$2,200,000,000 for fiscal year 2010 and such sums as may be necessary for each of fiscal years 2011, 2012, and 2013.

“(b) PERMANENT HOUSING RENEWALS.—Of the amounts made available pursuant to subsection (a), \$595,000,000 for fiscal year 2010, \$670,000,000 for fiscal year 2011, \$745,000,000 for fiscal year 2012, and \$825,000,000 for fiscal year 2013, shall be for renewal for one year of expiring contracts for leasing, rental assistance, and operating costs for permanent housing.”.

TITLE II—EMERGENCY SOLUTIONS GRANTS PROGRAM

SEC. 201. GRANT ASSISTANCE.

Subtitle B of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11371 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle B—Emergency Solutions Grants Program”;

(2) by striking section 417 (42 U.S.C. 11377);

(3) by redesignating sections 413 through 416 (42 U.S.C. 11373-6) as sections 414 through 417, respectively; and

(4) by striking section 412 (42 U.S.C. 11372) and inserting the following:

“SEC. 412. GRANT ASSISTANCE.

“The Secretary shall make grants to States and local governments (and to private nonprofit organizations providing assistance to persons experiencing homelessness or at risk of homelessness, in the case of grants made with reallocated amounts) for the purpose of carrying out activities described in section 415.

“SEC. 413. AMOUNT AND ALLOCATION OF ASSISTANCE.

“(a) IN GENERAL.—Of the amount made available to carry out this title for a fiscal year, not including the amounts made available under section 408(b), the Secretary shall allocate nationally 20 percent of such amount for activities described in section 415. The Secretary shall be required to certify that such allocation will not adversely affect the renewal of existing projects under this subtitle and subtitle C for those individuals or families who are homeless.

“(b) ALLOCATION.—An entity that receives a grant under section 412, and serves an area that includes 1 or more geographic areas (or portions of such areas) served by collaborative applicants that submit applications under subtitle C, shall allocate the funds made available through the grant to carry out activities described in section 415, in consultation with the collaborative applicants.”;

(5) in section 414(b) (42 U.S.C. 11373(b)), as so redesignated by paragraph (3) of this section, by striking “amounts appropriated” and all that follows through “for any” and inserting “amounts appropriated under section 408 and made available to carry out this subtitle for any”; and

(6) in section 414, as so redesignated by paragraph (3) of this section, by adding at the end the following new subsection:

“(f) REDUCTION OF FUNDS FOR CRIMINALIZING HOMELESSNESS.—Of the amount made available to carry out this title for a fiscal year, the Secretary shall reduce the amount of administrative funds available by half to any jurisdiction for which a collaborative applicant has submitted a certification under section 402(f)(4) that the unit of local government has criminalized homelessness. The funds shall instead be made available to the collaborative applicant for the jurisdiction. If no collaborative applicant exists for such jurisdiction, the funds shall be made available to the State to carry out this title.”.

SEC. 202. ELIGIBLE ACTIVITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 415 (42 U.S.C. 11374), as so redesignated by section 201(3) of this Act, and inserting the following new section:

“SEC. 415. ELIGIBLE ACTIVITIES.

“(a) IN GENERAL.—Assistance provided under section 412 may be used for the following activities:

“(1) The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.

“(2) The provision of essential services related to emergency shelter or street outreach, including services concerned with employment, health, education,

family support services for homeless youth, substance abuse services, victim services, or mental health services, if—

“(A) such essential services have not been provided by the local government during any part of the immediately preceding 12-month period or the Secretary determines that the local government is in a severe financial deficit; or

“(B) the use of assistance under this subtitle would complement the provision of those essential services.

“(3) Maintenance, operation, insurance, provision of utilities, and provision of furnishings related to emergency shelter.

“(4) Provision of rental assistance to provide short-term or medium-term housing to homeless individuals or families or individuals or families at risk of homelessness. Such rental assistance may include tenant-based or project-based rental assistance.

“(5) Housing relocation or stabilization services for homeless individuals or families or individuals or families at risk of homelessness, including housing search, mediation or outreach to property owners, legal services, credit repair, providing security or utility deposits, utility payments, rental assistance for a final month at a location, assistance with moving costs, or other activities that are effective at—

“(A) stabilizing individuals and families in their current housing; or

“(B) quickly moving such individuals and families to other permanent housing.

“(b) **MAXIMUM ALLOCATION FOR EMERGENCY SHELTER ACTIVITIES.**—A grantee of assistance provided under section 412 for any fiscal year may not use an amount of such assistance for activities described in paragraphs (1) through (3) of subsection (a) that exceeds the greater of—

“(1) 50 percent of the aggregate amount of such assistance provided for the grantee for such fiscal year; or

“(2) the amount expended by such grantee for such activities during fiscal year most recently completed before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008.”.

SEC. 203. PARTICIPATION IN HOMELESS MANAGEMENT INFORMATION SYSTEM.

Section 416 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11375), as so redesignated by section 201(3) of this Act, is amended by adding at the end the following new subsection:

“(f) **PARTICIPATION IN HMIS.**—The Secretary shall ensure that recipients of funds under this subtitle ensure the consistent participation by emergency shelters and homelessness prevention and rehousing programs in any applicable community-wide homeless management information system.”.

SEC. 204. ADMINISTRATIVE PROVISION.

Section 418 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11378) is amended by striking “5 percent” and inserting “10 percent”.

TITLE III—CONTINUUM OF CARE PROGRAM

SEC. 301. CONTINUUM OF CARE.

The McKinney-Vento Homeless Assistance Act is amended—

(1) by striking the subtitle heading for subtitle C of title IV (42 U.S.C. 11381 et seq.) and inserting the following:

“Subtitle C—Continuum of Care Program”; and

(2) by striking sections 421 and 422 (42 U.S.C. 11381 and 11382) and inserting the following new sections:

“SEC. 421. PURPOSES.

“The purposes of this subtitle are—

“(1) to promote community-wide commitment to the goal of ending homelessness;

“(2) to provide funding for efforts by nonprofit providers and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to individuals, families, and communities by homelessness;

“(3) to promote access to, and effective utilization of, mainstream programs described in section 203(a)(7) and programs funded with State or local resources; and

“(4) to optimize self-sufficiency among individuals and families experiencing homelessness.

“SEC. 422. CONTINUUM OF CARE APPLICATIONS AND GRANTS.

“(a) **PROJECTS.**—The Secretary shall award grants, on a competitive basis, and using the selection criteria described in section 427, to carry out eligible activities under this subtitle for projects that meet the program requirements under section 426, either by directly awarding funds to project sponsors or by awarding funds to unified funding agencies.

“(b) **NOTIFICATION OF FUNDING AVAILABILITY.**—The Secretary shall release a notification of funding availability for grants awarded under this subtitle for a fiscal year not later than 3 months after the date of the enactment of the appropriate Act making appropriations for the Department of Housing and Urban Development for such fiscal year.

“(c) **APPLICATIONS.**—

“(1) **SUBMISSION TO THE SECRETARY.**—To be eligible to receive a grant under subsection (a), a project sponsor or unified funding agency in a geographic area shall submit an application to the Secretary at such time and in such manner as the Secretary may require, and containing such information as the Secretary determines necessary—

“(A) to determine compliance with the program requirements and selection criteria under this subtitle; and

“(B) to establish priorities for funding projects in the geographic area.

“(2) **ANNOUNCEMENT OF AWARDS.**—

“(A) **IN GENERAL.**—Except as provided in subparagraph (B), the Secretary shall announce, within 5 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

“(B) **TRANSITION.**—For a period of up to 2 years beginning after the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall announce, within 6 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

“(d) **OBLIGATION, DISTRIBUTION, AND UTILIZATION OF FUNDS.**—

“(1) **REQUIREMENTS FOR OBLIGATION.**—

“(A) **IN GENERAL.**—Not later than 9 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements, except as provided in subparagraphs (B) and (C).

“(B) **ACQUISITION, REHABILITATION, OR CONSTRUCTION.**—Not later than 24 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor seeking the obligation of funds for acquisition of housing, rehabilitation of housing, or construction of new housing for a grant announced under subsection (c)(2) shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements.

“(C) **EXTENSIONS.**—At the discretion of the Secretary, and in compelling circumstances, the Secretary may extend the date by which a recipient or project sponsor shall meet the requirements described in subparagraphs (A) and (B) if the Secretary determines that compliance with the requirements was delayed due to factors beyond the reasonable control of the recipient or project sponsor. Such factors may include difficulties in obtaining site control for a proposed project, completing the process of obtaining secure financing for the project, obtaining approvals from State or local governments, or completing the technical submission requirements for the project.

“(2) **OBLIGATION.**—Not later than 45 days after a recipient or project sponsor meets the requirements described in paragraph (1), the Secretary shall obligate the funds for the grant involved.

“(3) **DISTRIBUTION.**—A recipient that receives funds through such a grant—

“(A) shall distribute the funds to project sponsors (in advance of expenditures by the project sponsors); and

“(B) shall distribute the appropriate portion of the funds to a project sponsor not later than 45 days after receiving a request for such distribution from the project sponsor.

“(4) EXPENDITURE OF FUNDS.—The Secretary may establish a date by which funds made available through a grant announced under subsection (c)(2) for a homeless assistance project shall be entirely expended by the recipient or project sponsors involved. The date established under this paragraph shall not occur before the expiration of the 24-month period beginning on the date that funds are obligated for activities described under paragraphs (1) or (2) of section 423(a). The Secretary shall recapture the funds not expended by such date. The Secretary shall reallocate the funds for another homeless assistance and prevention project that meets the requirements of this subtitle to be carried out, if possible and appropriate, in the same geographic area as the area served through the original grant.

“(e) RENEWAL FUNDING FOR UNSUCCESSFUL APPLICANTS.—The Secretary may renew funding for a specific project previously funded under this subtitle that the Secretary determines meets the purposes of this subtitle, and was included as part of a total application that met the criteria of subsection (c), even if the application was not selected to receive grant assistance. The Secretary may renew the funding for a period of not more than 1 year, and under such conditions as the Secretary determines to be appropriate.

“(f) CONSIDERATIONS IN DETERMINING RENEWAL FUNDING.—When providing renewal funding for leasing, operating costs, or rental assistance for permanent housing, the Secretary shall make adjustments proportional to increases in the fair market rents in the geographic area.

“(g) MORE THAN 1 APPLICATION FOR A GEOGRAPHIC AREA.—If more than 1 collaborative applicant applies for funds for a geographic area, the Secretary shall award funds to the collaborative applicant with the highest score based on the selection criteria set forth in section 427.

“(h) COORDINATION WITH LOW INCOME HOUSING CREDIT.—Assistance under this subtitle is intended to facilitate the utilization of Low Income Housing Credits under section 42 of the Internal Revenue Code of 1986.

“(i) APPEALS.—

“(1) IN GENERAL.—The Secretary shall establish a timely appeal procedure for grant amounts awarded or denied under this subtitle pursuant to a collaborative application or solo application for funding.

“(2) PROCESS.—The Secretary shall ensure that the procedure permits appeals submitted by entities carrying out homeless housing and services projects (including emergency shelters and homelessness prevention programs), and all other applicants under this subtitle.

“(j) SOLO APPLICANTS.—A solo applicant may submit an application to the Secretary for a grant under subsection (a) and be awarded such grant on the same basis as such grants are awarded to other applicants based on the criteria described in section 427, but only if the Secretary determines that the solo applicant has attempted to participate in the continuum of care process but was not permitted to participate in a reasonable manner. The Secretary may award such grants directly to such applicants in a manner determined to be appropriate by the Secretary.

“(k) FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.—

“(1) IN GENERAL.—A collaborative applicant may use up to 10 percent of funds awarded under title III (continuum of care funding) for any of the types of eligible activities specified in paragraphs (1) through (7) of section 423(a) to serve families with children and youth defined as homeless under other Federal statutes, provided that the applicant demonstrates that the use of such funds is of an equal or greater priority or is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under section 427(b)(1)(B), especially with respect to children and unaccompanied youth.

“(2) LIMITATIONS.—The 10 percent limitation under paragraph (1) shall not apply to collaborative applicants in which the rate of homelessness, as calculated under section 427(b)(3), is less than one-tenth of 1 percent of total population.”

SEC. 302. ELIGIBLE ACTIVITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 423 (42 U.S.C. 11383) and inserting the following new section:

“SEC. 423. ELIGIBLE ACTIVITIES.

“(a) IN GENERAL.—Grants awarded under section 422 to qualified applicants shall be used to carry out projects that serve homeless individuals or families that consist of one or more of the following eligible activities:

“(1) Construction of new housing units to provide transitional or permanent housing.

“(2) Acquisition or rehabilitation of a structure to provide transitional or permanent housing, other than emergency shelter, or to provide supportive services.

“(3) Leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing, or providing supportive services.

“(4) Provision of rental assistance to provide transitional or permanent housing to eligible persons. The rental assistance may include tenant-based, project-based, or sponsor-based rental assistance. Project-based rental assistance, sponsor-based rental assistance, and operating cost assistance contracts carried out by project sponsors receiving grants under this section may, at the discretion of the applicant and the project sponsor, have an initial term of 15 years, with assistance for the first 5 years paid with funds authorized for appropriation under this Act, and assistance for the remainder of the term treated as a renewal of an expiring contract as provided in section 408(b). Project-based rental assistance may include rental assistance to preserve existing permanent supportive housing for homeless individuals and families.

“(5) Payment of operating costs for housing units assisted under this subtitle or for the preservation of housing that will serve homeless individuals and families and for which another form of assistance is expiring or otherwise no longer available.

“(6) Supportive services for individuals and families who are currently homeless, who have been homeless in the prior six months but are currently residing in permanent housing, or who were previously homeless and are currently residing in permanent supportive housing.

“(7) Provision of rehousing services, including housing search, mediation or outreach to property owners, credit repair, providing security or utility deposits, rental assistance for a final month at a location, assistance with moving costs, or other activities that—

“(A) are effective at moving homeless individuals and families immediately into housing; or

“(B) may benefit individuals and families who in the prior 6 months have been homeless, but are currently residing in permanent housing.

“(8) In the case of a collaborative applicant that is a legal entity, performance of the duties described under section 402(f)(3).

“(9) Operation of, participation in, and ensuring consistent participation by project sponsors in, a community-wide homeless management information system.

“(10) In the case of a collaborative applicant that is a legal entity, payment of administrative costs related to meeting the requirements described in paragraphs (1) and (2) of section 402(f), for which the collaborative applicant may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs.

“(11) In the case of a collaborative applicant that is a unified funding agency under section 402(g), payment of administrative costs related to meeting the requirements of that section, for which the unified funding agency may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs, in addition to funds used under paragraph (10).

“(12) Payment of administrative costs to project sponsors, for which each project sponsor may use not more than 10 percent of the total funds made available to that project sponsor through this subtitle for such costs.

“(b) MINIMUM GRANT TERMS.—The Secretary may impose minimum grant terms of up to 5 years for new projects providing permanent housing.

“(c) USE RESTRICTIONS.—

“(1) ACQUISITION, REHABILITATION, AND NEW CONSTRUCTION.—A project that consists of activities described in paragraph (1) or (2) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for not less than 20 years.

“(2) OTHER ACTIVITIES.—A project that consists of activities described in any of paragraphs (3) through (12) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for the duration of the grant period involved.

“(3) CONVERSION.—If the recipient or project sponsor carrying out a project that provides transitional or permanent housing submits a request to the Secretary to carry out instead a project for the direct benefit of low-income persons, and the Secretary determines that the initial project is no longer needed to provide transitional or permanent housing, the Secretary may approve the project

described in the request and authorize the recipient or project sponsor to carry out that project.

“(d) REPAYMENT OF ASSISTANCE AND PREVENTION OF UNDUE BENEFITS.—

“(1) REPAYMENT.—If a recipient or project sponsor receives assistance under section 422 to carry out a project that consists of activities described in paragraph (1) or (2) of subsection (a) and the project ceases to provide transitional or permanent housing—

“(A) earlier than 10 years after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 100 percent of the assistance; or

“(B) not earlier than 10 years, but earlier than 20 years, after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 10 percent of the assistance for each of the years in the 20-year period for which the project fails to provide that housing.

“(2) PREVENTION OF UNDUE BENEFITS.—Except as provided in paragraph (3), if any property is used for a project that receives assistance under subsection (a) and consists of activities described in paragraph (1) or (2) of subsection (a), and the sale or other disposition of the property occurs before the expiration of the 20-year period beginning on the date that operation of the project begins, the recipient or project sponsor who received the assistance shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient or project sponsor from unduly benefitting from such sale or disposition.

“(3) EXCEPTION.—A recipient or project sponsor shall not be required to make the repayments, and comply with the terms and conditions, required under paragraph (1) or (2) if—

“(A) the sale or disposition of the property used for the project results in the use of the property for the direct benefit of very low-income persons;

“(B) all of the proceeds of the sale or disposition are used to provide transitional or permanent housing meeting the requirements of this subtitle;

“(C) project-based rental assistance or operating cost assistance from any Federal program or an equivalent State or local program is no longer made available and the project is meeting applicable performance standards, provided that the portion of the project that had benefitted from such assistance continues to meet the tenant income and rent restrictions for low-income units under section 42(g) of the Internal Revenue Code of 1986; or

“(D) there are no individuals and families in the geographic area who are homeless, in which case the project may serve individuals and families at risk of homelessness.

“(e) STAFF TRAINING.—The Secretary may allow reasonable costs associated with staff training to be included as part of the activities described in subsection (a).

“(f) ELIGIBILITY FOR PERMANENT HOUSING.—Any project that receives assistance under subsection (a) and that provides project-based or sponsor-based permanent housing for homeless individuals or families with a disability, including projects that meet the requirements of subsection (a) and subsection (d)(2)(A) of section 428 may also serve individuals who had previously met the requirements for such project prior to moving into a different permanent housing project.

“(g) ADMINISTRATION OF RENTAL ASSISTANCE.—Provision of permanent housing rental assistance shall be administered by a State, unit of general local government, or public housing agency.”.

SEC. 303. HIGH PERFORMING COMMUNITIES.

The McKinney-Vento Homeless Assistance Act is amended by striking section 424 (42 U.S.C. 11384) and inserting the following:

“SEC. 424. INCENTIVES FOR HIGH-PERFORMING COMMUNITIES.

“(a) DESIGNATION AS A HIGH-PERFORMING COMMUNITY.—

“(1) IN GENERAL.—The Secretary shall designate, on an annual basis, which collaborative applicants represent high-performing communities.

“(2) CONSIDERATION.—In determining whether to designate a collaborative applicant as a high-performing community under paragraph (1), the Secretary shall establish criteria to ensure that the requirements described under paragraphs (1)(B) and (2)(B) of subsection (d) are measured by comparing homeless individuals and families under similar circumstances, in order to encourage projects in the geographic area to serve homeless individuals and families with more severe barriers to housing stability.

“(3) 2-YEAR PHASE IN.—In each of the first 2 years after the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall designate not more than 10 collaborative applicants as high-performing communities.

“(4) EXCESS OF QUALIFIED APPLICANTS.—If, during the 2-year period described under paragraph (2), more than 10 collaborative applicants could qualify to be designated as high-performing communities, the Secretary shall designate the 10 that have, in the discretion of the Secretary, the best performance based on the criteria described under subsection (d).

“(5) TIME LIMIT ON DESIGNATION.—The designation of any collaborative applicant as a high-performing community under this subsection shall be effective only for the year in which such designation is made. The Secretary, on an annual basis, may renew any such designation.

“(b) APPLICATION.—

“(1) IN GENERAL.—A collaborative applicant seeking designation as a high-performing community under subsection (a) shall submit an application to the Secretary at such time, and in such manner as the Secretary may require.

“(2) CONTENT OF APPLICATION.—In any application submitted under paragraph (1), a collaborative applicant shall include in such application—

“(A) a report showing how any money received under this subtitle in the preceding year was expended; and

“(B) information that such applicant can meet the requirements described under subsection (d).

“(3) PUBLICATION OF APPLICATION.—The Secretary shall—

“(A) publish any report or information submitted in an application under this section in the geographic area represented by the collaborative applicant; and

“(B) seek comments from the public as to whether the collaborative applicant seeking designation as a high-performing community meets the requirements described under subsection (d).

“(c) USE OF FUNDS.—Funds awarded under section 422(a) to a project sponsor who is located in a high-performing community may be used—

“(1) for any of the eligible activities described in section 423; or

“(2) for any of the eligible activities described in paragraphs (4) and (5) of section 415(a).

“(d) DEFINITION OF HIGH-PERFORMING COMMUNITY.—For purposes of this section, the term ‘high-performing community’ means a geographic area that demonstrates through reliable data that all five of the following requirements are met for that geographic area:

“(1) TERM OF HOMELESSNESS.—The mean length of episodes of homelessness for that geographic area—

“(A) is less than 20 days; or

“(B) for individuals and families in similar circumstances in the preceding year was at least 10 percent less than in the year before.

“(2) FAMILIES LEAVING HOMELESSNESS.—Of individuals and families—

“(A) who leave homelessness, fewer than 5 percent of such individuals and families become homeless again at any time within the next 2 years; or

“(B) in similar circumstances who leave homelessness, the percentage of such individuals and families who become homeless again within the next 2 years has decreased by at least 20 percent from the preceding year.

“(3) COMMUNITY ACTION.—The communities that compose the geographic area have—

“(A) actively encouraged homeless individuals and families to participate in homeless assistance services available in that geographic area; and

“(B) included each homeless individual or family who sought homeless assistance services in the data system used by that community for determining compliance with this subsection.

“(4) EFFECTIVENESS OF PREVIOUS ACTIVITIES.—If recipients in the geographic area have used funding awarded under section 422(a) for eligible activities described under section 415(a) in previous years based on the authority granted under subsection (c), that such activities were effective at reducing the number of individuals and families who became homeless in that community.

“(5) FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.—With respect to collaborative applicants exercising the authority under section 422(k) to serve homeless families with children and youth defined as homeless under other Federal statutes, effectiveness in achieving the goals and outcomes identified in subsection 427(b)(1)(F) according to such standards as the Secretary shall promulgate.

“(e) COOPERATION AMONG ENTITIES.—A collaborative applicant designated as a high-performing community under this section shall cooperate with the Secretary in distributing information about successful efforts within the geographic area represented by the collaborative applicant to reduce homelessness.”.

SEC. 304. PROGRAM REQUIREMENTS.

Section 426 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11386) is amended—

(1) by striking subsections (a), (b), and (c) and inserting the following:

“(a) **SITE CONTROL.**—The Secretary shall require that each application include reasonable assurances that the applicant will own or have control of a site for the proposed project not later than the expiration of the 12-month period beginning upon notification of an award for grant assistance, unless the application proposes providing supportive housing assistance under section 423(a)(3) or housing that will eventually be owned or controlled by the families and individuals served. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If any recipient or project sponsor fails to obtain ownership or control of the site within 12 months after notification of an award for grant assistance, the grant shall be recaptured and reallocated under this subtitle.

“(b) **REQUIRED AGREEMENTS.**—The Secretary may not provide assistance for a proposed project under this subtitle unless the collaborative applicant involved agrees—

“(1) to ensure the operation of the project in accordance with the provisions of this subtitle;

“(2) to monitor and report to the Secretary the progress of the project;

“(3) to ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;

“(4) to require certification from all project sponsors that—

“(A) they will maintain the confidentiality of records pertaining to any individual or family provided family violence prevention or treatment services through the project;

“(B) that the address or location of any family violence shelter project assisted under this subtitle will not be made public, except with written authorization of the person responsible for the operation of such project;

“(C) they will establish policies and practices that are consistent with, and do not restrict the exercise of rights provided by, subtitle B of title VII, and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;

“(D) in the case of programs that provide housing or services to families, they will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of this Act (42 U.S.C. 11431 et seq.); and

“(E) they will provide data and reports as required by the Secretary pursuant to the Act;

“(5) if a collaborative applicant is a unified funding agency under section 402(g) and receives funds under subtitle C to carry out the payment of administrative costs described in section 423(a)(11), to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, such funds in order to ensure that all financial transactions carried out with such funds are conducted, and records maintained, in accordance with generally accepted accounting principles;

“(6) to monitor and report to the Secretary the provision of matching funds as required by section 430;

“(7) to take the educational needs of children into account when families are placed in emergency or transitional shelter and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children’s education; and

“(8) to comply with such other terms and conditions as the Secretary may establish to carry out this subtitle in an effective and efficient manner.”;

(2) by redesignating subsection (d) as subsection (c);

(3) in the first sentence of subsection (c) (as so redesignated by paragraph (2) of this subsection), by striking “recipient” and inserting “recipient or project sponsor”;

(4) by striking subsection (e);

(5) by redesignating subsections (f), (g), and (h), as subsections (d), (e), and (f), respectively;

(6) in the first sentence of subsection (e) (as so redesignated by paragraph (5) of this section), by striking “recipient” each place it appears and inserting “recipient or project sponsor”;

- (7) by striking subsection (i); and
- (8) by redesignating subsection (j) as subsection (g).

SEC. 305. SELECTION CRITERIA, ALLOCATION AMOUNTS, AND FUNDING.

The McKinney-Vento Homeless Assistance Act is amended—

- (1) by repealing section 429 (42 U.S.C. 11389); and
- (2) by redesignating sections 427 and 428 (42 U.S.C. 11387, 11388) as sections 432 and 433, respectively; and
- (3) by inserting after section 426 the following new sections:

“SEC. 427. SELECTION CRITERIA.

“(a) **IN GENERAL.**—The Secretary shall award funds to recipients through a national competition between geographic areas based on criteria established by the Secretary.

“(b) **REQUIRED CRITERIA.**—

“(1) **IN GENERAL.**—The criteria established under subsection (a) shall include—

“(A) the previous performance of the recipient regarding homelessness, including performance related to funds provided under section 412 (except that recipients applying from geographic areas where no funds have been awarded under this subtitle, or under subtitles C, D, E, or F of title IV of this Act, as in effect prior to the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, shall receive full credit for performance under this subparagraph), measured by criteria that shall be announced by the Secretary, that shall take into account barriers faced by individual homeless people, and that shall include—

“(i) the length of time individuals and families remain homeless;

“(ii) the extent to which individuals and families who leave homelessness experience additional spells of homelessness;

“(iii) the thoroughness of grantees in the geographic area in reaching homeless individuals and families;

“(iv) overall reduction in the number of homeless individuals and families;

“(v) jobs and income growth for homeless individuals and families;

“(vi) success at reducing the number of individuals and families who become homeless;

“(vii) other accomplishments by the recipient related to reducing homelessness; and

“(viii) for collaborative applicants that have exercised the authority under section 422(k) to serve families with children and youth defined as homeless under other Federal statutes, success in achieving the goals and outcomes identified in section 427(b)(1)(F);

“(B) the plan of the recipient, which shall describe—

“(i) how the number of individuals and families who become homeless will be reduced in the community;

“(ii) how the length of time that individuals and families remain homeless will be reduced;

“(iii) how the recipient will collaborate with local education authorities to assist in the identification of individuals and families who become or remain homeless and are informed of their eligibility for services under subtitle B of title VII of this Act (42 U.S.C. 11431 et seq.);

“(iv) the extent to which the recipient will—

“(I) address the needs of all relevant subpopulations;

“(II) incorporate comprehensive strategies for reducing homelessness, including the interventions referred to in section 428(d);

“(III) set quantifiable performance measures;

“(IV) set timelines for completion of specific tasks;

“(V) identify specific funding sources for planned activities; and

“(VI) identify an individual or body responsible for overseeing implementation of specific strategies; and

“(v) whether the recipient proposes to exercise authority to use funds under section 422(k), and if so, how the recipient will achieve the goals and outcomes identified in section 427(b)(1)(F);

“(C) the methodology of the recipient used to determine the priority for funding local projects under section 422(c)(1), including the extent to which the priority-setting process—

“(i) uses periodically collected information and analysis to determine the extent to which each project has resulted in rapid return to permanent housing for those served by the project, taking into account the severity of barriers faced by the people the project serves;

“(ii) considers the full range of opinions from individuals or entities with knowledge of homelessness in the geographic area or an interest in preventing or ending homelessness in the geographic area;

“(iii) is based on objective criteria that have been publicly announced by the recipient; and

“(iv) is open to proposals from entities that have not previously received funds under this subtitle;

“(D) the extent to which the amount of assistance to be provided under this subtitle to the recipient will be supplemented with resources from other public and private sources, including mainstream programs identified by the Government Accountability Office in the two reports described in section 203(a)(7);

“(E) demonstrated coordination by the recipient with the other Federal, State, local, private, and other entities serving individuals and families experiencing homelessness and at risk of homelessness in the planning and operation of projects;

“(F) for collaborative applicants exercising the authority under section 422(k) to serve homeless families with children and youth defined as homeless under other Federal statutes, program goals and outcomes, which shall include—

“(i) preventing homelessness among the subset of such families with children and youth who are at highest risk of becoming homeless, as such term is defined for purposes of this title; or

“(ii) achieving independent living in permanent housing among such families with children and youth, especially those who have a history of doubled-up and other temporary housing situations or are living in a temporary housing situation due to lack of available and appropriate emergency shelter, through the provision of eligible assistance that directly contributes to achieving such results including assistance to address chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, or multiple barriers to employment; and

“(G) such other factors as the Secretary determines to be appropriate to carry out this subtitle in an effective and efficient manner.

“(2) ADDITIONAL CRITERIA.—In addition to the criteria required under paragraph (1), the criteria established under paragraph (1) shall also include the need within the geographic area for homeless services, determined as follows and under the following conditions:

“(A) NOTICE.—The Secretary shall inform each collaborative applicant, at a time concurrent with the release of the notice of funding availability for the grants, of the pro rata estimated grant amount under this subtitle for the geographic area represented by the collaborative applicant.

“(B) AMOUNT.—

“(i) BASIS.—Such estimated grant amount shall be based on a percentage of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year that is equal to the percentage of the total amount available for section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) for the prior fiscal year that

“(I) was allocated to all metropolitan cities and urban counties within the geographic area represented by the collaborative applicant; or

“(II) would have been distributed to all counties within such geographic area that are not urban counties, if the 30 percent portion of the allocation to the State involved (as described in subsection (d)(1) of that section 106) for that year had been distributed among the counties that are not urban counties in the State in accordance with the formula specified in that subsection (with references in that subsection to nonentitlement areas considered to be references to those counties).

“(ii) ADJUSTMENT.—In computing the estimated grant amount, the Secretary shall adjust the estimated grant amount determined pursuant to clause (i) to ensure that—

“(I) 75 percent of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year are allocated to the metropolitan cities and urban counties that received a direct allocation of funds under section 413 for the prior fiscal year; and

“(II) 25 percent of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year are allocated—

“(aa) to the metropolitan cities and urban counties that did not receive a direct allocation of funds under section 413 for the prior fiscal year; and

“(bb) to counties that are not urban counties.

“(iii) COMBINATIONS OR CONSORTIA.—For any collaborative applicant that represents a combination or consortium of cities or counties, the estimated grant amount shall be the sum of the estimated grant amounts for the cities or counties represented by the collaborative applicant.

“(3) HOMELESSNESS COUNTS.—The Secretary shall not require that communities conduct an actual count of homeless people other than those described in paragraphs (1) through (4) of section 103(a) of this Act (42 U.S.C. 11302(a)).

“(c) ADJUSTMENTS.—The Secretary may adjust the formula described in subsection (b)(2) as necessary—

“(1) to ensure that each collaborative applicant has sufficient funding to renew all qualified projects for at least one year; and

“(2) to ensure that collaborative applicants are not discouraged from replacing renewal projects with new projects that the collaborative applicant determines will better be able to meet the purposes of this Act.

“SEC. 428. ALLOCATION OF AMOUNTS AND INCENTIVES FOR SPECIFIC ELIGIBLE ACTIVITIES.

“(a) MINIMUM ALLOCATION FOR PERMANENT HOUSING FOR HOMELESS INDIVIDUALS AND FAMILIES WITH DISABILITIES.—

“(1) IN GENERAL.—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 30 percent of the sums made available under section 408, not including amounts described in section 408(b), shall be used for new permanent housing for homeless individuals with disabilities and homeless families that include such an individual who is an adult or a minor head of household if no adult is present in the household.

“(2) CALCULATION.—In calculating the portion of the amount described in paragraph (1) that is used for activities that are described in paragraph (1), the Secretary shall not count funds made available to renew contracts for existing projects under section 408(b).

“(3) ADJUSTMENTS.—The 30 percent figure in paragraph (1) shall be reduced as follows:

“(A) Proportionately based on need under section 427(b)(2) in geographic areas for which subsection (e) applies in regard to subsection (d)(2)(A); and

“(B) by two percentage points for every three percentage points above 35 percent of the amount of funding provided under subtitle B and this subtitle that is needed to renew existing grants for one year, other than those provided for under section 429.

“(4) TERMINATION.—The requirement established in paragraph (1) shall terminate upon a finding by the Secretary that since the beginning of 2001 at least 150,000 new units of permanent housing for homeless individuals and families with disabilities have been funded under this subtitle.

“(b) SET-ASIDE FOR PERMANENT HOUSING FOR HOMELESS FAMILIES WITH CHILDREN.—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 10 percent of the sums made available to carry out subtitle B and this subtitle for that fiscal year shall be used to provide or secure permanent housing for homeless families with children.

“(c) TREATMENT OF AMOUNTS FOR PERMANENT OR TRANSITIONAL HOUSING.—Nothing in this Act may be construed to establish a limit on the amount of funding that an applicant may request under this subtitle for acquisition, construction, or rehabilitation activities for the development of permanent housing or transitional housing.

“(d) INCENTIVES FOR PROVEN STRATEGIES.—

“(1) IN GENERAL.—The Secretary shall provide bonuses or other incentives to geographic areas for using funding under this subtitle for activities that have been proven to be effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

“(2) RULE OF CONSTRUCTION.—For purposes of this subsection, activities that have been proven to be effective at reducing homelessness generally or reducing homelessness for a specific subpopulation includes—

“(A) permanent supportive housing for chronically homeless individuals and families;

“(B) for homeless families, rapid rehousing services, short-term flexible subsidies to overcome barriers to rehousing, support services concentrating on improving incomes to pay rent, coupled with performance measures emphasizing rapid and permanent rehousing and with leveraging funding from mainstream family service systems such as Temporary Assistance for Needy Families and Child Welfare services; and

“(C) any other activity determined by the Secretary, based on research and after notice and comment to the public, to have been proven effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

“(3) BALANCE OF INCENTIVES FOR PROVEN STRATEGIES.—To the extent practicable, in providing bonuses or incentives for proven strategies, the Secretary shall seek to maintain a balance among strategies targeting homeless individuals, families, and other subpopulations. The Secretary shall not implement bonuses or incentives that specifically discourage collaborative applicants from exercising their flexibility to serve families with children and youth defined as homeless under other Federal statutes.

“(e) INCENTIVES FOR SUCCESSFUL IMPLEMENTATION OF PROVEN STRATEGIES.—If any geographic area demonstrates that it has fully implemented any of the activities described in subsection (d) for all homeless individuals and families or for all members of subpopulations for whom such activities are targeted, that geographic area shall receive the bonus or incentive provided under subsection (d), but may use such bonus or incentive for any eligible activity under either section 423 or paragraphs (4) and (5) of section 415(a) for homeless people generally or for the relevant subpopulation.

“SEC. 429. RENEWAL FUNDING AND TERMS OF ASSISTANCE FOR PERMANENT HOUSING.

“(a) IN GENERAL.—Renewal of permanent housing contracts, as provided under section 408(b), may be funded either under the appropriations account for this title or may be funded under the section 8 project-based rental assistance account, except that renewal under the project-based rental assistance account shall be contingent on sufficient funding in such account for the full year renewal of all project-based contracts expiring in such year.

“(b) RENEWALS.—The sums made available under section 408(b) shall be available for the renewal of contracts in the case of tenant-based assistance, successive one-year terms, and in the case of project-based assistance, successive terms of up to 15 years at the discretion of the applicant or project sponsor and subject to the availability of annual appropriations, for rental assistance and housing operation costs associated with permanent housing projects funded under this subtitle, or under subtitle C or F (as in effect on the day before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008). The Secretary shall determine whether to renew a contract for such a permanent housing project on the basis of certification by the collaborative applicant for the geographic area that—

“(1) there is a demonstrated need for the project; and

“(2) the project complies with program requirements and appropriate standards of housing quality and habitability, as determined by the Secretary.

“(c) CONSTRUCTION.—Nothing in this section shall be construed as prohibiting the Secretary from renewing contracts under this subtitle in accordance with criteria set forth in a provision of this subtitle other than this section.

“SEC. 430. MATCHING FUNDING.

“(a) IN GENERAL.—A collaborative applicant in a geographic area in which funds are awarded under this subtitle shall specify contributions from any source other than a grant awarded under this subtitle, including renewal funding of projects assisted under subtitles C, D, and F of this title as in effect before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided to recipients in the geographic area, except that grants for leasing shall not be subject to any match requirement.

“(b) LIMITATIONS ON IN-KIND MATCH.—The cash value of services provided to the residents or clients of a project sponsor by an entity other than the project sponsor may count toward the contributions in subsection (a) only when documented by a memorandum of understanding between the project sponsor and the other entity that such services will be provided.

“(c) COUNTABLE ACTIVITIES.—The contributions required under subsection (a) may consist of—

“(1) funding for any eligible activity described under section 423; and

“(2) subject to subsection (b), in-kind provision of services of any eligible activity described under section 423.

“SEC. 431. APPEAL PROCEDURE.

“(a) IN GENERAL.—With respect to funding under this subtitle, if certification of consistency with the consolidated plan pursuant to section 403 is withheld from an applicant who has submitted an application for that certification, such applicant may appeal such decision to the Secretary.

“(b) PROCEDURE.—The Secretary shall establish a procedure to process the appeals described in subsection (a).

“(c) DETERMINATION.—Not later than 45 days after the date of receipt of an appeal described in subsection (a), the Secretary shall determine if certification was unreasonably withheld. If such certification was unreasonably withheld, the Secretary shall review such application and determine if such applicant shall receive funding under this subtitle.”.

SEC. 306. RESEARCH.

There is authorized to be appropriated \$8,000,000, for each of fiscal years 2010, 2011, 2012, and 2013, for research into the efficacy of interventions for homeless families, to be expended by the Secretary of Housing and Urban Development over the 3 years at 3 different sites to provide services for homeless families and evaluate the effectiveness of such services.

TITLE IV—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

SEC. 401. RURAL HOUSING STABILITY ASSISTANCE.

Subtitle G of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11408 et seq.) is amended—

(1) by striking the subtitle heading and inserting the following:

“Subtitle G—Rural Housing Stability Assistance Program”; and

(2) in section 491—

(A) by striking the section heading and inserting **“RURAL HOUSING STABILITY GRANT PROGRAM.”**;

(B) in subsection (a)—

(i) by striking “rural homelessness grant program” and inserting “rural housing stability grant program”;

(ii) by inserting “in lieu of grants under subtitle C” after “eligible organizations”; and

(iii) by striking paragraphs (1), (2), and (3), and inserting the following:

“(1) rehousing or improving the housing situations of individuals and families who are homeless or at risk of homelessness in the geographic area;

“(2) stabilizing the housing of individuals and families who are in imminent danger of losing housing; and

“(3) improving the ability of the lowest-income residents of the community to afford stable housing.”;

(C) in subsection (b)(1)—

(i) by redesignating subparagraphs (E), (F), and (G) as subparagraphs (I), (J), and (K), respectively; and

(ii) by striking subparagraph (D) and inserting the following:

“(D) construction of new housing units to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness;

“(E) acquisition or rehabilitation of a structure to provide supportive services or to provide transitional or permanent housing, other than emergency shelter, to homeless individuals and families and individuals and families at risk of homelessness;

“(F) leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, or providing supportive services to such homeless and at-risk individuals and families;

“(G) provision of rental assistance to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, such rental assistance may include tenant-based or project-based rental assistance;

“(H) payment of operating costs for housing units assisted under this title.”;

(D) in subsection (b)(2), by striking “appropriated” and inserting “transferred”;

(E) in subsection (c)—

(i) in paragraph (1)(A), by striking “appropriated” and inserting “transferred”; and

(ii) in paragraph (3), by striking “appropriated” and inserting “transferred”;

(F) in subsection (d)—

(i) in paragraph (5), by striking “; and” and inserting a semicolon;

(ii) in paragraph (6)—

(I) by striking “an agreement” and all that follows through “families” and inserting the following: “a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization”; and

(II) by striking the period at the end, and inserting a semicolon; and

(iii) by adding at the end the following:

“(7) a description of consultations that took place within the community to ascertain the most important uses for funding under this section, including the involvement of potential beneficiaries of the project; and

“(8) a description of the extent and nature of homelessness and of the worst housing situations in the community.”;

(G) by striking subsections (f) and (g) and inserting the following:

“(f) MATCHING FUNDING.—

“(1) IN GENERAL.—An organization eligible to receive a grant under subsection (a) shall specify matching contributions from any source other than a grant awarded under this subtitle, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided to recipients in the geographic area, except that grants for leasing shall not be subject to any match requirement.

“(2) LIMITATIONS ON IN-KIND MATCH.—The cash value of services provided to the beneficiaries or clients of an eligible organization by an entity other than the organization may count toward the contributions in paragraph (1) only when documented by a memorandum of understanding between the organization and the other entity that such services will be provided.

“(3) COUNTABLE ACTIVITIES.—The contributions required under paragraph (1) may consist of—

“(A) funding for any eligible activity described under subsection (b); and

“(B) subject to paragraph (2), in-kind provision of services of any eligible activity described under subsection (b).

“(g) SELECTION CRITERIA.—The Secretary shall establish criteria for selecting recipients of grants under subsection (a), including—

“(1) the participation of potential beneficiaries of the project in assessing the need for, and importance of, the project in the community;

“(2) the degree to which the project addresses the most harmful housing situations present in the community;

“(3) the degree of collaboration with others in the community to meet the goals described in subsection (a);

“(4) the performance of the organization in improving housing situations, taking account of the severity of barriers of individuals and families served by the organization;

“(5) for organizations that have previously received funding under this section, the extent of improvement in homelessness and the worst housing situations in the community since such funding began;

“(6) the need for such funds, as determined by the formula established under section 427(b)(2); and

“(7) any other relevant criteria as determined by the Secretary.”;

(H) in subsection (h)—

(i) in paragraph (1)—

(I) in paragraph (1)(A), by striking “The” and inserting “Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the”; and

(II) by striking “providing housing and other assistance to homeless persons” and inserting “meeting the goals described in subsection (a)”;

(ii) in paragraph (1)(B), by striking “address homelessness in rural areas” and inserting “meet the goals described in subsection (a) in rural areas”; and

(iii) in paragraph (2)—

(I) by striking “The” and inserting “Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the”;

(II) by striking “, not later than 18 months after the date on which the Secretary first makes grants under the program,”; and

(III) by striking “prevent and respond to homelessness” and inserting “meet the goals described in subsection (a)”;

(I) in subsection (k)—

(i) in paragraph (1), by striking “rural homelessness grant program” and inserting “rural housing stability grant program”; and

(ii) in paragraph (2)(B)(ii), by striking “rural census tract” and inserting “census tract where at least 75 percent of the population is rural”;

(J) in subsection (l)—

(i) by striking the subsection heading and inserting “PROGRAM FUNDING.—”; and

(ii) by striking paragraph (1) and inserting the following:

“(1) IN GENERAL.—The Secretary shall determine the total amount of funding attributable under section 427(b)(2) to meet the needs of any geographic area in the Nation that applies for funding under this section. The Secretary shall transfer any amounts determined under this subsection from the Community Homeless Assistance Program and consolidate such transferred amounts for grants under this section, except that the Secretary shall transfer an amount not less than 5 percent of the amount available under this subtitle for grants under this section.”; and

(K) by adding at the end the following:

“(m) DIVISION OF FUNDS.—

“(1) AGREEMENT AMONG GEOGRAPHIC AREAS.—If the Secretary receives an application or applications to provide services in a geographic area under this subtitle, and also under subtitle C, the Secretary shall consult with all applicants from the geographic area to determine whether all agree to proceed under either this subtitle or under subtitle C.

“(2) DEFAULT IF NO AGREEMENT.—If no agreement is reached under paragraph (1), the Secretary shall proceed under this subtitle or under subtitle C, depending on which results in the largest total grant funding to the geographic area.”.

SEC. 402. GAO STUDY OF HOMELESSNESS AND HOMELESS ASSISTANCE IN RURAL AREAS.

(a) STUDY AND REPORT.—Not later than the expiration of the 12-month period beginning on the date of the enactment of this Act, the Comptroller General of the United States shall conduct a study to examine homelessness and homeless assistance in rural areas and rural communities and submit a report to the Congress on the findings and conclusion of the study. The report shall contain the following matters:

(1) A general description of homelessness, including the range of living situations among homeless individuals and homeless families, in rural areas and rural communities of the United States, including tribal lands and colonias.

(2) An estimate of the incidence and prevalence of homelessness among individuals and families in rural areas and rural communities of the United States.

(3) An estimate of the number of individuals and families from rural areas and rural communities who migrate annually to non-rural areas and non-rural communities for homeless assistance.

(4) A description of barriers that individuals and families in and from rural areas and rural communities encounter when seeking to access homeless assistance programs, and recommendations for removing such barriers.

(5) A comparison of the rate of homelessness among individuals and families in and from rural areas and rural communities compared to the rate of homelessness among individuals and families in and from non-rural areas and non-rural communities.

(6) A general description of homeless assistance for individuals and families in rural areas and rural communities of the United States.

(7) A description of barriers that homeless assistance providers serving rural areas and rural communities encounter when seeking to access Federal homeless assistance programs, and recommendations for removing such barriers.

(8) An assessment of the type and amount of Federal homeless assistance funds awarded to organizations serving rural areas and rural communities and a determination as to whether such amount is proportional to the distribution of homeless individuals and families in and from rural areas and rural communities compared to homeless individuals and families in non-rural areas and non-rural communities.

(9) An assessment of the current roles of the Department of Housing and Urban Development, the Department of Agriculture, and other Federal departments and agencies in administering homeless assistance programs in rural areas and rural communities and recommendations for distributing Federal responsibilities, including homeless assistance program administration and grantmaking, among the departments and agencies so that service organizations in rural areas and rural communities are most effectively reached and supported.

(b) ACQUISITION OF SUPPORTING INFORMATION.—In carrying out the study under this section, the Comptroller General shall seek to obtain views from the following persons:

- (1) The Secretary of Agriculture.
- (2) The Secretary of Housing and Urban Development.
- (3) The Secretary of Health and Human Services.
- (4) The Secretary of Education.
- (5) The Secretary of Labor.
- (6) The Secretary of Veterans Affairs.
- (7) The Executive Director of the United States Interagency Council on Homelessness.
- (8) Project sponsors and recipients of homeless assistance grants serving rural areas and rural communities.
- (9) Individuals and families in or from rural areas and rural communities who have sought or are seeking Federal homeless assistance services.
- (10) National advocacy organizations concerned with homelessness, rural housing, and rural community development.

(c) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act

TITLE V—REPEALS AND CONFORMING AMENDMENTS

SEC. 501. REPEALS.

Subtitles D, E, and F of title IV of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11391 et seq., 11401 et seq., and 11403 et seq.) are hereby repealed.

SEC. 502. CONFORMING AMENDMENTS.

(a) CONSOLIDATED PLAN.—Section 403(1) of the McKinney-Vento Homeless Assistance Act (as so redesignated by section 101(2) of this Act), is amended—

- (1) by striking “current housing affordability strategy” and inserting “consolidated plan”; and
- (2) by inserting before the comma the following: “(referred to in such section as a ‘comprehensive housing affordability strategy’)”.

(b) PERSONS EXPERIENCING HOMELESSNESS.—Section 103 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302), as amended by the preceding provisions of this Act, is further amended by adding at the end the following new subsection:

“(e) PERSONS EXPERIENCING HOMELESSNESS.—Any references in this Act to homeless individuals (including homeless persons) or homeless groups (including homeless persons) shall be considered to include, and to refer to, individuals experiencing homelessness or groups experiencing homelessness, respectively.”.

(c) RURAL HOUSING STABILITY ASSISTANCE.—Title IV of the McKinney-Vento Homeless Assistance Act is amended by redesignating subtitle G (42 U.S.C. 11408 et seq.), as amended by the preceding provisions of this Act, as subtitle D.

SEC. 503. EFFECTIVE DATE.

Except as specifically provided otherwise in this Act, this Act and the amendments made by this Act shall take effect on, and shall apply beginning on—

- (1) the expiration of the 18-month period beginning on the date of the enactment of this Act, or

(2) the expiration of the 3-month period beginning upon publication by the Secretary of Housing and Urban Development of final regulations pursuant to section 504, whichever occurs first.

SEC. 504. REGULATIONS.

(a) IN GENERAL.—Not later than 12 months after the date of the enactment of this Act, the Secretary of Housing and Urban Development shall promulgate regulations governing the operation of the programs that are created or modified by this Act.

(b) EFFECTIVE DATE.—This section shall take effect on the date of the enactment of this Act.

SEC. 505. AMENDMENT TO TABLE OF CONTENTS.

The table of contents in section 101(b) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11301 note) is amended by striking the item relating to the heading for title IV and all that follows through the item relating to section 492 and inserting the following new items:

“TITLE IV—HOUSING ASSISTANCE

“Subtitle A—General Provisions

- “Sec. 401. Definitions.
- “Sec. 402. Collaborative applicants.
- “Sec. 403. Housing affordability strategy.
- “Sec. 404. Preventing involuntary family separation
- “Sec. 405. Technical assistance.
- “Sec. 406. Discharge coordination policy.
- “Sec. 407. Protection of personally identifying information by victim service providers.
- “Sec. 408. Authorization of appropriations.

“Subtitle B—Emergency Solutions Grants Program

- “Sec. 411. Definitions.
- “Sec. 412. Grant assistance.
- “Sec. 413. Amount and allocation of assistance.
- “Sec. 414. Allocation and distribution of assistance.
- “Sec. 415. Eligible activities.
- “Sec. 416. Responsibilities of recipients.
- “Sec. 417. Administrative provisions.
- “Sec. 418. Administrative costs.

“Subtitle C—Continuum of Care Program

- “Sec. 421. Purposes.
- “Sec. 422. Continuum of care applications and grants.
- “Sec. 423. Eligible activities.
- “Sec. 424. Incentives for high-performing communities.
- “Sec. 425. Supportive services.
- “Sec. 426. Program requirements.
- “Sec. 427. Selection criteria.
- “Sec. 428. Allocation of amounts and incentives for specific eligible activities.
- “Sec. 429. Renewal funding and terms of assistance for permanent housing.
- “Sec. 430. Matching funding.
- “Sec. 431. Appeal procedure.
- “Sec. 432. Regulations.
- “Sec. 433. Reports to Congress.

“ Subtitle D—Rural Housing Stability Assistance Program

- “Sec. 491. Rural housing stability grant program.
- “Sec. 492. Use of FHMA inventory for transitional housing for homeless persons and for turnkey housing.”.

PURPOSE AND SUMMARY

The purpose of H.R. 840, “The Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008” is to consolidate and streamline the administration of homeless assistance grants under the housing provisions of McKinney-Vento Homeless Assistance Act of 1987, to establish performance criteria for community homeless assistance planning boards authorized by the Act, to increase the portion of these grants available to fund activities to prevent homelessness, to expand the definition of homeless under the Act, to increase the flexibility of grantees to serve other precariously housed persons including children and families defined as homeless under other provisions of the Act and other federal statutes, to provide reliable funding for the renewal of homeless assistance grants to fund rental assistance and operating subsidies to permanent supportive housing, and to increase the likelihood of rural communities receiv-

ing an appropriate share of homeless assistance under the Act and the flexibility these communities have in using these funds to reflect the nature of homelessness and worst case housing needs in rural areas.

BACKGROUND AND NEED FOR LEGISLATION

BACKGROUND

In the 1980s, Congress first responded to the growing prevalence of homelessness with several separate grant programs designed to address the food and shelter needs of homeless individuals. In 1987, Congress enacted the Stewart B. McKinney Homeless Assistance Act, which created a number of new programs to comprehensively address the needs of homeless people, including food, shelter, health care, and education (P.L. 100–77). The act was later renamed the McKinney-Vento Homeless Assistance Act (P.L. 106–400). Among the programs authorized in the McKinney Act were four types of grants to provide housing and related assistance to homeless persons: the Emergency Shelter Grants (ESG) program, the Supportive Housing Demonstration program, the Supplemental Assistance for Facilities to Assist the Homeless (SAFAH) program, and the Section 8 Moderate Rehabilitation Assistance for Single Room Occupancy Dwellings Single Room Occupancy (SRO) program. These four programs, administered by the U.S. Department of Housing and Urban Development (HUD), were created to provide temporary and permanent housing to homeless persons, along with supportive services. In 1992, Congress created an additional program, Shelter Plus Care, specifically targeted to the creation of permanent supportive housing for disabled homeless individuals, including persons with chronic alcohol and substance abuse problems. Congress also authorized the Rural Homeless Housing Assistance program, but it was never funded. Meanwhile, the SAFAH program ceased receiving appropriations in fiscal year 1992. HUD currently administers four existing grant programs under the housing provisions of the McKinney-Vento Act: the ESG program, the Supportive Housing Program (SHP), the Shelter Plus Care program (SPC), and the SRO program.

HUD has taken on an increasing responsibility relative to Congress in the distribution and administration of homeless assistance grants since enactment of the McKinney-Vento Act. From fiscal year 1987 to fiscal year 1994, Congress appropriated funds separately for each of the four programs. Beginning in fiscal year 1995 and continuing to the present, Congress has appropriated one lump sum for all four programs, and HUD has then determined how those funds are distributed among the ESG, SHP, SPC, and SRO programs.

HUD distributes ESG grants on a formula basis to communities nationwide. HUD has historically allocated between 10 percent and 15 percent of the annual homeless assistance appropriation which was \$1.586 billion in fiscal year 2008, to ESG. This ratio approximates the proportion of funds Congress targeted to the program in fiscal year 1994, the final year in which funds were appropriated separately to each authorized program under the Act. Since fiscal year 1995, HUD has distributed the SHP, SPC, and SRO funds through a competitive process called the Continuum of Care.

Through the Continuum of Care process, stakeholders from local community organizations and government work collaboratively to develop an analysis of the gaps and needs for homeless programs in their region. By means of a locally-constructed decision-making process, a Continuum then prioritizes projects in the community that should receive funding from the competitive grants and submits a unified application to HUD. HUD uses a multi-step process to select individual projects for funding. This process is based partly on a formula, based on the CDBG formula, to determine a community's need. HUD also assigns points for various application elements, which in recent years has included the existence of an inclusive community process to develop a Continuum of Care's strategy; a fair and impartial local project review and selection process; the existence of a strategy to address all aspects of homelessness and all populations in need of services; implementation of a Homeless Management Information System (HMIS) to track grantee performance and provide an unduplicated count of the homeless; the existence of within a continuum of care of a ten-year plan to end chronic homelessness and discharge policies for persons leaving institutional care; demonstrated success in meeting performance benchmarks, including increasing the number of permanent housing beds for the chronically homeless; decreasing chronic homelessness, increasing residential stability of homeless persons in permanent housing; enabling homeless individuals to gain employment and access to available government programs and funds; employing homeless, low- and very low-income persons in funded projects, and removing local regulatory barriers to affordable housing; and the proposed allocation of funding within the Continuum of Care to housing activities relative to supportive services activities.

Research on the effectiveness of particular strategies has led to significant policy shifts in McKinney-Vento programs. In the 1990's, studies conducted in Philadelphia and New York City found that a small group of homeless adults—about 20 percent of the total homeless population—stayed homeless for long periods of time or cycled in and out of hospitals, jails, or other institutions; had high rates of disabilities; and utilized a disproportionate share of the homeless assistance resources. Further research in New York City found that moving this group of chronically homeless adults into permanent supportive housing—housing with intensive supportive services attached—not only was successful in ending their homelessness, but was also cost effective, as it dramatically reduced the costs to public systems. Subsequent studies in numerous other communities have supported these findings, and have concluded that the overall governmental net cost of providing permanent supportive housing is even less than the cost of allowing chronically homeless people to remain homeless.

Based on these findings, Congress and HUD initiated efforts to create more permanent supportive housing to end chronic homelessness. The bipartisan Millennial Housing Commission and the New Freedom Commission on Mental Health estimated that approximately 150,000 new units of permanent supportive housing were needed to achieve this goal. Beginning in fiscal year 1999, Congress steadily increased appropriations for McKinney-Vento housing programs and targeted much of the increase towards efforts to end chronic homelessness. These efforts were supplemented

by numerous state and locally driven initiatives. As a result, several cities have reported significant reductions in the number of people who are chronically homeless and the number of people who live on the streets or in places not meant for human habitation.

While chronic homelessness was receiving much of the attention in the early part of this decade, several cities were using a new approach to address family homelessness that focused on rapid rehousing of homeless families. These communities have programs that work with families to quickly identify and help them move into permanent housing and provide short-term rental assistance, assistance with other housing costs, and follow-up services to help families achieve long term housing stability and self-sufficiency. This strategy has led to significant declines in homelessness among families in several communities, most notably in Hennepin County, Minnesota, where the average nightly census in the homeless shelter declined by almost two-thirds.

Over the last several years, there have been a number of other developments in serving homeless people, most notably a focus on the importance of acquiring data. In early 2000, Congress required HUD to work with communities to develop homeless management information systems (HMIS) to assess the number of homeless people, how those who are homeless interact with the homeless system, and which programs are effective for preventing or ending homelessness. Communities are in various stages of implementation of HMIS—many have functional systems while others are still in the developmental stages. HUD recently published the third Annual Homeless Assessment Report (AHAR), which estimated that 1.6 million people used emergency shelters (not including domestic violence shelters) or transitional housing over the course of one year.

Beginning in 2001, communities began developing ten-year plans to end homelessness. These plans brought together nonprofit providers, advocates, the business and faith-based communities, and city and local government officials to design strategies for preventing and ending homelessness. More than 200 plans have been completed to date, and over 100 more are in the process of being completed. The purpose of these plans is to identify and implement the most efficient and effective strategies for preventing and ending homelessness in the community using the best available data.

Based on counts performed in nearly every community in the nation on a single night in January, 2007 and reported in the Third Annual Homeless Assessment Report to Congress, approximately 672,000 people were homeless, living in an emergency shelter, transitional housing, or a place not meant for human habitation. Thirty-seven percent (249,000) were members of families with children and 42 percent were unsheltered, living on the streets, in abandoned buildings, or in other places not meant for human habitation. Approximately 154,000 were veterans, and 124,000 were chronically homeless—spending long periods of time homeless or cycling between housing, homelessness and other institutional care, such as psychiatric hospitals and corrections. Based on data gathered from selected areas over the course of a year, an estimated 1.6 million people resided in emergency shelters or transitional housing for at least part of the year. That figure does not include people who were not in emergency shelter or transitional housing but

were unsheltered or in a domestic violence shelter during part of that year.

PROGRAM STRUCTURE

There is widespread consensus among advocates for the homeless, grant recipients, state and local government officials, and HUD itself that the three competitive grant programs under the Act—SHP, SPC, and SRO—should be consolidated in light of their overlapping purposes and eligible activities. Stakeholders agree similarly that the Continuum of Care distribution process for HUD homeless assistance should rest on firmer legislative footing: Since fiscal year 1995, this complex and multi-faceted application process has evolved almost entirely through annual Notices of Funding Availability, with limited Congressional input and oversight.

This bill achieves the goal of program consolidation and statutory codification of the Continuum of Care planning and distribution process. Specifically, the bill defines the duties of a Collaborative Applicant to design a collaborative process to apply for funding, evaluate outcomes, determine compliance, and establish funding priorities within the newly created Continuum of Care program that replaces the SHP, SPC, and SRO programs. Collaborative Applicants must participate in the Consolidated Plan for HUD's mainstream housing and community development programs; ensure participation in Homeless Management Information Systems (HMIS), collect unduplicated counts of homeless people, analyze patterns of program use, determine needs, and operate in accordance with data protection and confidentiality standards developed by the Secretary; and certify that covered areas are not criminalizing homelessness. Differing match requirements are unified into a single 25 percent match requirement with the exception of grants for leasing which are not subject to any matching requirement. Incentives are included to promote strategies that have been proven to prevent and end homelessness. Communities are rewarded for demonstrating progress.

The Emergency Shelter Grants program is renamed the Emergency Solutions Grants program, and it would increase the role of city and state governments in preventing and ending homelessness and ensure that more resources are used for preventing homelessness.

The Committee recognizes that homeless assistance systems in rural areas function differently than those in urban areas. The legislation would give rural applicants the option of applying for a specially designed rural program that focuses much more on prevention and is easier to integrate with existing systems. The legislation also simplifies the application process for rural programs.

The legislation outlines a simple application process that will reduce the amount of time and energy communities spend on applying for funds and increase the amount of resources they spend developing and implementing strategies that prevent and end homelessness. The process for rural applicants is even simpler and recognizes the unique characteristics of rural homeless assistance. The legislation also utilizes selection criteria that are based on ten year plans that communities are creating. Communities will be able to integrate their ten year plans with their homeless assistance applications.

INCENTIVES

The legislation continues the strategies that have worked to reduce chronic homelessness while creating similar incentives for preventing and ending homelessness for families with children. It adds families with children to the definition of chronic homelessness. It also promotes rapid rehousing strategies for homeless families.

The legislation provides communities and providers with more flexibility than existing homeless assistance programs. To ensure that programs are achieving their goals, the legislation includes several features to encourage better performance. In addition to including explicit performance-based criteria in the application process, the legislation directs HUD to provide incentives for permanent supportive housing for chronically homeless individuals and families and rapid rehousing programs for homeless families. Both of these strategies have been proven to reduce homelessness and should be expanded. Additional incentives can be added based on research and public comment. The legislation also rewards communities that demonstrably reduce homelessness by providing them with additional flexibility in how they use their funds. That flexibility can continue for as long as the community makes progress. The legislation continues Congress's long standing support for ensuring that at least 30 percent of funding be used for permanent housing for people with disabilities.

DEFINING HOMELESSNESS

The Committee acknowledges disagreement among its members, homeless advocates, providers, researchers, and government officials over the definition of homelessness. Some advocates and providers urged the Committee to modify the definition of homelessness to more closely match it with the one used by the Department of Education by including people who are sharing the housing of others because of a loss of housing or economic hardship and people who live in a hotel or motel that they pay for because of a lack of alternative accommodations. (People living in hotels or motels paid for by a government agency or charitable organization are already considered homeless.) Others urged the Committee to maintain HUD's existing definition of homelessness. Proponents of a definition similar to the Department of Education's definition argued that families with children are more likely to live doubled up or in a motel and that people considered as homeless by other federal programs should also be considered homeless by HUD. They also argued that the temporary, unstable or unsafe arrangements these children, youth, and their families live in provide less stability than an emergency shelter. Proponents of keeping HUD's existing definition of homelessness argued that there are substantive differences between people without shelter—or who would lack shelter absent the emergency shelter or transitional housing in which they reside—and people living doubled up or in motels, and that limited homeless assistance resources are appropriately targeted to people who literally do not have a roof over their head or live in emergency shelters or transitional housing.

This legislation expands the definition of homelessness by including people who will have to leave their current living situation in

the next 14 days and have no other place to live. HUD currently uses a standard of 7 days, although that is not specified in statute. It also clarifies that people who are fleeing or attempting to flee domestic violence and have no other place to go are considered homeless.

In addition, the legislation provides more resources to serve people who are not currently defined by HUD as homeless. Emergency Solutions Grants funding authorizes 20 percent of annual funding for emergency shelters and for prevention and rapid rehousing that can serve people who are homeless or at risk of homelessness, including people living doubled up, in motels or in other precarious situations. This includes anyone considered homeless under other federal programs. Communities must spend a minimum of half of Emergency Solutions Grants funding (10 percent of annual funding) on prevention and rapid rehousing. This compares to one-third of annual funding for Emergency Shelter Grants—approximately 3 percent of annual funding—that communities may currently use for prevention efforts to serve these populations.

Further, recipients could use up to 10 percent of their Continuum of Care program funding to serve families or unaccompanied youth who are homeless under other federal programs, provided that they are addressing people with the most significant barriers to living independently. Communities with low levels of homelessness could use an unlimited amount to serve these groups. Under the rural program, grant recipients could serve people who are homeless or at risk of homelessness.

The bill includes an authorization for a GAO report to study the issue of the definition of “homeless.” During markup members also committed to expediting this request for a GAO study, but sending a separate letter to GAO making that request.

Thus, while the bill does not adopt the Education Department’s definition of homeless, it includes a number of significant provisions to address the concerns of advocates of utilizing such definition. First, the definition of homeless has been expanded modestly, to include a number of changes to related to when a family or individual is going to become imminently homeless. Second, instead of the current practice of providing 10 percent of McKinney Grants for Emergency Shelter Grants, the bill authorizes 20 percent of such funds for Emergency Solutions, providing a significant expansion of funds that can be used to assist families with children in doubled up housing. Third, the bill explicitly permits up to 10 percent of funds under each local Continuum of Care to be used to serve families defined as homeless under the Education Department Definition, but not under the HUD definition. Fourth, in areas of low levels of homelessness, such flexibility to serve families defined as homeless under the Education Department Definition, but not under the HUD definition applies to 100 percent of CoC funds. Fifth, rural areas which receive funding under the Rural Housing Stabilization Program may use funds flexibility to serve such families without limitation. And, finally, as noted a GAO study will go forward on the issue of the definition.

As a result, enactment of the bill will provide significant new funding opportunities to serve needy families with children living in doubled up housing that are not currently permitted. Implementation of these changes in the next funding NOFA, combined with

the results of the GAO study, provide the opportunity to review over the next few years the effects of these changes and make whatever changes in funding flexibility rules or the statutory definition that are warranted.

RESEARCH

The Committee has authorized funds for the Secretary to conduct research on the effectiveness of various interventions for homeless families. There is an extensive homeless assistance system available to families who experience homelessness. This system is made up of emergency shelters, transitional housing, and a small number of permanent supportive housing units; many of these housing models are accompanied by services and supports aimed at helping families exit homelessness and make improvement in their lives. Homeless families are also eligible for mainstream housing and services such as housing vouchers and homeless prevention assistance. One of the biggest challenges facing policymakers and homeless service providers is to identify which housing and service models lead to housing stability and are most cost-effective.

HEARINGS

The Committee on Financial Services held the first of two days of hearings entitled “The Reauthorization of the McKinney-Vento Homeless Assistance Act” on October 4, 2007. The following witnesses testified:

PANEL ONE

- The Honorable Jack Reed, United States Senator
- The Honorable Wayne Allard, United States Senator

PANEL TWO

- The Honorable John McKinney, Senator, State of Connecticut
- Ms. Maria Foscarinis, Executive Director, National Law Center on Homelessness and Poverty
- Ms. Deborah DeSantis, President and Chief Executive Officer, Corporation for Supportive Housing
- Ms. Barbara Anderson, Executive Director, Haven House Services
- Ms. Pittre Walker, Homeless Liaison, Caddo Parish School Board

PANEL THREE

- Ms. Amy Weintraub, Executive Director, The Covenant House, Charleston, WV
- Ms. Jessica Vasquez, Executive Director, New York State Coalition Against Domestic Violence
- Ms. Linda M. Young, Executive Director, Welcome House of Northern Kentucky
- Mr. Jeremy Rosen, Executive Director, National Policy and Advocacy Council on Homelessness

On October 16, 2007, the Subcommittee on Housing and Community Opportunity held a second day of hearing. The following witnesses testified:

PANEL ONE

- Mr. Mark Johnston, Deputy Assistant Secretary for Special Needs, U.S. Department of Housing and Urban Development
- Mr. Philip Mangano, Executive Director, United States Inter-agency Council on Homelessness
- Mr. Zev Yaroslavsky, Member, Board of Supervisors, Los Angeles County

PANEL TWO

- Dr. Dennis Culhane, Ph.D., Professor of Social Policy and Practice, University of Pennsylvania
- Ms. Mercedes Marquez, General Manager, Los Angeles Housing Department, City of Los Angeles
- Ms. Arlene McNamee, Executive Director, Catholic Social Services, Diocese of Fall River, Massachusetts
- Dr. Jamie Van Leeuwen, Ph.D., Project Manager for Denver's Road Home, City and County of Denver
- Ms. Elizabeth Gomez, Executive Director, Los Angeles Youth Network
- Ms. Nan Roman, President, National Alliance to End Homelessness

PANEL THREE

- Ms. Dora Gallo, A Community of Friends, Los Angeles
- Mr. Moises Loza, Executive Director, Housing Assistance Council
- Dr. Ellen Bassuk, M.D., Associate Professor of Psychiatry, Harvard University; President, National Center on Family Homelessness
- Ms. Diane Nilan, HEAR US, Naperville, Illinois
- Ms. Nancy Carter, National Alliance for the Mentally Ill Urban Los Angeles
- Dr. Martha Burt, Ph.D. Senior Principal Researcher, Urban Institute

COMMITTEE CONSIDERATION

The Committee on Financial Services met in open session on July 31, 2008, and ordered H.R. 840, the "Homeless Emergency Assistance and Rapid Transition to Housing Act", as amended, favorably reported by a voice vote.

COMMITTEE VOTES

Clause 3(b) of rule XIII of the Rules of the House of Representatives requires the Committee to list the record votes on the motion to report legislation and amendments thereto. No record votes were taken with in conjunction with the consideration of this legislation. A motion by Mr. Frank to report the bill, as amended, to the House with a favorable recommendation was agreed to by a voice vote.

During the consideration of the bill, the following amendments were considered:

An amendment in the nature of a substitute by Ms. Moore (WI) and Ms. Waters, No. 1, was agreed to by voice vote.

An amendment by Mr. Foster and Mr. Ellison, No. 1a, clarification of effect on other laws, was agreed to by voice vote.

An amendment by Mr. Ellison and Mr. Foster, No. 1b, requiring a GAO study, was agreed to by voice vote.

An amendment by Mr. Frank, No. 1c, a technical and conforming amendment, was agreed to by voice vote.

An amendment by Ms. Waters and Mr. Hinojosa, No. 1d, regarding at risk homelessness, was agreed to by voice vote.

An amendment by Mrs. Biggert and Mr. Davis (KY), No. 1e, regarding the definition of homelessness, was offered and withdrawn.

COMMITTEE OVERSIGHT FINDINGS

Pursuant to clause 3(c)(1) of rule XIII of the Rules of the House of Representatives, the Committee has held hearings and made findings that are reflected in this report.

PERFORMANCE GOALS AND OBJECTIVES

Pursuant to clause 3(c)(4) of rule XIII of the Rules of the House of Representatives, the Committee establishes the following performance related goals and objectives for this legislation:

The purpose of H.R. 840 is to consolidate and streamline the administration of homeless assistance grants under the housing provisions of McKinney-Vento Homeless Assistance Act of 1987, to establish performance criteria for community homeless assistance planning boards authorized by the Act, to increase the portion of these grants available to fund activities to prevent homelessness, to expand the definition of homeless under the Act, to increase the flexibility of grantees to serve other precariously housed persons including children and families defined as homeless under other provisions of the Act and other federal statutes, to provide reliable funding for the renewal of homeless assistance grants to fund rental assistance and operating subsidies to permanent supportive housing, and to increase the likelihood of rural communities receiving an appropriate share of homeless assistance under the Act and the flexibility these communities have in using these funds to reflect the nature of homelessness and worst case housing needs in rural areas.

NEW BUDGET AUTHORITY, ENTITLEMENT AUTHORITY, AND TAX EXPENDITURES

In compliance with clause 3(c)(2) of rule XIII of the Rules of the House of Representatives, the Committee adopts as its own the estimate of new budget authority, entitlement authority, or tax expenditures or revenues contained in the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

COMMITTEE COST ESTIMATE

The Committee adopts as its own the cost estimate prepared by the Director of the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974.

CONGRESSIONAL BUDGET OFFICE ESTIMATE

Pursuant to clause 3(c)(3) of rule XIII of the Rules of the House of Representatives, the following is the cost estimate provided by the Congressional Budget Office pursuant to section 402 of the Congressional Budget Act of 1974:

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, September 8, 2008.

Hon. BARNEY FRANK,
Chairman, Committee on Financial Services,
House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for H.R. 840, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008.

If you wish further details on this estimate, we will be pleased to provide them. The CBO staff contact is Chad Chirico.

Sincerely,

PETER H. FONTAINE
(For Peter R. Orszag, Director).

Enclosure.

H.R. 840—Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008

Summary: H.R. 840 would reauthorize the McKinney-Vento Homeless Assistance Act for four years and consolidate the act's separate competitive grant programs for assistance to the homeless into a single program.

CBO estimates that implementing this legislation would cost about \$3.4 billion over the next five years, assuming the appropriation of the necessary amounts. Enacting H.R. 840 would not affect direct spending or revenues.

H.R. 840 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs state, local, or tribal governments incur to comply with grant conditions would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of H.R. 840 is shown in the following table. The costs of this legislation fall within budget function 600 (income security).

ESTIMATED BUDGETARY EFFECTS OF H.R. 840

	By fiscal year in millions of dollars—					
	2009	2010	2011	2012	2013	2009–2013
CHANGES IN SPENDING SUBJECT TO APPROPRIATION						
Homeless Assistance Grants:						
Estimated Authorization Level	0	2,200	2,240	2,281	2,321	9,042
Estimated Outlays	0	22	374	1,261	1,680	3,337
Research on Interventions for Homeless Families:						
Authorization Level	0	8	8	8	8	32
Estimated Outlays	0	3	5	8	8	24
Interagency Council on Homelessness:						
Estimated Authorization Level	3	3	3	3	3	15
Estimated Outlays	3	3	3	3	3	15
Total Proposed Changes:						
Estimated Authorization Level	3	2,211	2,251	2,292	2,332	9,089

ESTIMATED BUDGETARY EFFECTS OF H.R. 840

	By fiscal year in millions of dollars—					
	2009	2010	2011	2012	2013	2009–2013
Estimated Outlays	3	28	382	1,272	1,691	3,376

Basis of estimate: For this estimate, CBO assumes that H.R. 840 will be enacted near the beginning of fiscal year 2009, that the amounts authorized will be appropriated, and that outlays will follow historical patterns. Components of the estimated costs are described below.

Homeless assistance grants

H.R. 840 would consolidate the Department of Housing and Urban Development's separate competitive grant programs for assistance to the homeless (including the Supportive Housing Program, the Shelter Plus Care program, and the Single-Room Occupancy Dwellings program) into a single program to be called the Continuum of Care Program. Additionally, the bill would reauthorize grants for the emergency shelter needs of the homeless. Section 105 of the bill would authorize the appropriation of \$2.2 billion in 2010 and such sums as necessary from 2011 through 2013 for those programs. Assuming appropriation of the authorized amounts and adjusting for inflation, CBO estimates that implementing this section would cost \$3.3 billion over the 2010–2013 period.

Other Provisions

Section 4 would authorize the appropriation of \$3 million in 2009 and such sums as necessary from 2010 through 2013 for the U.S. Interagency Council on Homelessness, and section 306 would authorize the appropriation of \$8 million for each of fiscal years 2010 through 2013 for research into the efficacy of interventions for homeless families. In total, assuming appropriation of the authorized amounts, CBO estimates that implementing those provisions would cost \$3 million in 2009 and \$39 million over the 2009–2013 period.

Intergovernmental and private-sector impact: H.R. 840 contains no intergovernmental or private-sector mandates as defined in UMRA. Funding and program activities authorized in the bill would benefit state, local, and tribal governments that participate in housing assistance programs. Any costs those governments incur to comply with grant conditions would be incurred voluntarily.

Previous CBO estimate: On October 9, 2007, CBO transmitted a cost estimate for S. 1518, the Community Partnership to End Homelessness Act of 2007, as ordered reported by the Senate Committee on Banking, Housing, and Urban Affairs on September 19, 2007. CBO estimated that S. 1518 would cost \$7.7 billion over five years, assuming appropriation of the necessary amounts. The Joint Committee on Taxation estimated that S. 1518 would reduce revenues by \$22 million over 10 years, while H.R. 840 would not affect revenues. Differences in discretionary costs reflect differences in the authorizations.

Estimate prepared by: Federal Spending: Chad Chirico; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Patrick Bernhardt.

Estimate approved by: Keith Fontenot, Deputy Assistant Director for Health and Human Resources, Budget Analysis Division.

FEDERAL MANDATES STATEMENT

The Committee adopts as its own the estimate of Federal mandates prepared by the Director of the Congressional Budget Office pursuant to section 423 of the Unfunded Mandates Reform Act.

ADVISORY COMMITTEE STATEMENT

No advisory committees within the meaning of section 5(b) of the Federal Advisory Committee Act were created by this legislation.

CONSTITUTIONAL AUTHORITY STATEMENT

Pursuant to clause 3(d)(1) of rule XIII of the Rules of the House of Representatives, the Committee finds that the Constitutional Authority of Congress to enact this legislation is provided by Article 1, section 8, clause 1 (relating to the general welfare of the United States) and clause 3 (relating to the power to regulate interstate commerce).

APPLICABILITY TO LEGISLATIVE BRANCH

The Committee finds that the legislation does not relate to the terms and conditions of employment or access to public services or accommodations within the meaning of section 102(b)(3) of the Congressional Accountability Act.

EARMARK IDENTIFICATION

H.R. 840 does not contain any congressional earmarks, limited tax benefits, or limited tariff benefits as defined in clause 9 of rule XXI.

SECTION-BY-SECTION ANALYSIS OF THE LEGISLATION

Sec. 1—Short Title; Table of Contents. The short title is the “Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008”.

Sec. 2—Findings and Purpose. Describes findings and purpose of the HEARTH Act. The findings are that lack of affordable housing and housing assistance cause homelessness and that homelessness affects rural, suburban and urban communities. The purposes of the HEARTH Act are to consolidate homeless assistance programs, codify the continuum of care planning process, and establish a goal of ensuring that families who become homeless return to permanent housing within 30 days.

Sec. 3—Definition of Homelessness. Modifies the statutory definition of homelessness to also include the following situations:

- People who lived in a shelter or a place not meant for human habitation prior to temporarily residing in an institutional care setting would be homeless upon their exit;
- People who will imminently lose their housing and lack the resources and support networks needed to find other hous-

ing, including those who are being evicted within 14 days, people living in a hotel or motel and lack the resources to stay for more than 14 days, people who are doubled up and must leave within 14 days; and

- People who are fleeing or attempting to flee domestic violence.

Sec. 4—U.S. Interagency Council on Homelessness. Makes a number of changes to the membership, role and operation of the Interagency Council on Homelessness.

(1) Identifies the mission of the Interagency Council: “to coordinate the federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness.”

(2) Requires that the Chair of the Interagency Council to oversee the Interagency Council. Adds the heads of the following agencies or their designees to the Interagency Council: Social Security Administration, Department of Justice, OMB, Office of Faith-Based and Community Initiatives, USA Freedom Corps, and Internal Revenue Service. It requires the Council to meet at least four times a year, instead of once a year. It also requires the Executive Director of the Council to report to the Director of the Domestic Policy Council.

(3) Changes the number of regional coordinators under the Interagency Council from 2–5 to 5–10 to match the number of federal regions, and also adds to the functions of the Interagency Council the following:

- Develop a National Strategic Plan to End Homelessness no later than one year after enactment and update that plan annually;
- Encourage the creation of state interagency councils and the formulation of 10-year plans to end homelessness at state, city, and county levels;
- Obtain information from federal agencies about resources for which homeless people are eligible and improvements to accessing these resources; develop mechanisms to ensure that homeless people can access federal, state, and local programs for which they are eligible and verify collaboration within communities;
- Conduct research and evaluation related to its functions;
- Develop joint federal agency and other initiatives;
- Participate in federal agency policy development and federal funding competitions;
- Develop constructive alternatives to criminalizing homelessness.

(4) Adds to the authority of the Interagency Council the establishment of a national advisory panel consisting of experts in policy and practice from the public and private sector, including consumers.

(5) Current statute requires an annual report to Congress by each member of the council. The HEARTH Act would require each agency to describe efforts to prevent homelessness in those reports.

(6) Makes the appointment of the Executive Director subject to Senate Confirmation and increases the position’s pay rate from

level V of the Executive Schedule to the maximum of Senior Executive Service.

(7) Current statute allows the Council to accept, use, and dispose of property as a donation. The HEARTH Act clarifies that the Council may accept property, “both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Council.”

(8) Authorizes \$3 million for the Interagency Council on Homelessness for fiscal year 2009 and such sums as may be necessary for fiscal years 2010–2013, and makes appropriated amounts available until expended.

Title I—Housing Assistance General Provisions.

Sec. 101—Definitions. The following definitions are added or modified:

(1) The definition of “at risk of homelessness” would include people who have incomes below 30 percent of area median, insufficient resources to obtain housing stability, and live in an unstable or risky situation, including moving frequently, living in the housing of others, facing eviction, living in a hotel or motel, living in severely overcrowded housing, or exiting an institution. This category specifically includes all families with children and youth defined as homeless under other federal statutes.

(2) The definition of “chronic homelessness” would include individuals and families who—

- reside in a place not meant for human habitation, an emergency shelter, or a safe haven;
- either have been homeless in one of those places for the past year or four times in the past three years;
- have a disabling condition (for families, head of household has a disabling condition), including a substance use disorder, serious mental illness, developmental disability, post traumatic stress disorder, brain injury, or chronic physical illness or disability.

This definition is similar to the definition included in existing HUD guidance except that it includes families with children, specifies that people residing in safe havens are eligible, and adds post traumatic stress disorder and brain injury to the qualifying disabling conditions.

The chronic homelessness definition also states that people who are chronically homeless prior to entering an institution for up to 90 days continue to be chronically homeless upon their exit.

(3), (4) The terms Collaborative Applicant and Collaborative Application are defined. A Collaborative Applicant is the entity within a community that submits a joint application on behalf of all the applicants for funding in the community.

(7) The term “families with children and youth defined as homeless under other federal statutes” is defined to mean any children or youth that are defined as ‘homeless’ under any federal statute other than the HUD subtitle of the McKinney-Vento Act, but are not defined as homeless under subparagraph 103, and also includes the parent, parents, or guardian of children or youth defined as homeless under the education provisions of the McKinney-Vento Act, Title VII, Subtitle B (42 U.S.C. 11434(a)).

(9) The definition of a “Homeless Individual with a Disability” would be modified to explicitly include people with post traumatic stress disorder or brain injuries.

(13) The term “operating cost” means expenses incurred with respect to A) administration, maintenance, repair, and security of housing, B) utilities, fuel, furnishings, and equipment for housing, and C) coordination of services as needed to ensure long-term housing stability.

(16) “Personally Identifying Information” includes name, address, contact information, social security number, and other information that could be used to identify an individual.

(30) “Unified funding agency” means a collaborative applicant that receives grants from HUD and distributes them to individual recipients in the community.

(32), (33) “Victim service provider” and “victim services” are defined. A victim service provider is a nonprofit organization whose primary mission is to provide services such as those provided by rape crisis centers and domestic violence shelters to victims of domestic violence, dating violence, sexual assault, or stalking.

The section also defines the terms consolidated plan, eligible entity, geographic area, legal entity, metropolitan city, urban county, nonentitlement area, new, outpatient health services, permanent housing, private nonprofit organization, project, project-based, project sponsor, recipient, Secretary, serious mental illness, solo applicant, sponsor based, state, supportive services, and tenant-based.

Sec. 102—Community Homeless Assistance Planning Boards. A new section (402) is added that describes the nature and role of Collaborative Applicants.

(a) Collaborative Applicants are established by the relevant parties in a geographic area to submit an application for funding.

(b) Collaborative Applicants do not necessarily have to be legal entities.

(c) If there is no Collaborative Applicant in a geographic area, or if the Collaborative Applicant for that area is not performing its duties, the HUD Secretary may take remedial action, which could include appointing a Collaborative Applicant or allowing organizations to apply for grants directly.

(d) This section does not override other conflict of interest or government fair practice laws.

(e) The collaborative applicant may designate an agent to apply for and receive grants and perform other administrative duties.

(f) Duties.

(1) Design a collaborative process to apply for funding, evaluate outcomes, determine compliance, and establish funding priorities;

(2) Participate in the Consolidated Plan;

(3) Ensure participation in Homeless Management Information Systems (HMIS) to collect unduplicated counts of homeless people, analyze patterns of program use, determine needs, and operate in accordance with data protection and confidentiality standards developed by the Secretary;

(4) Certify as to whether the jurisdictions representing the areas covered by the Collaborative Applicant are criminalizing homelessness.

(g) Unified Funding.

(1) Under certain conditions, a Collaborative Applicant may be the grantee for funding with the responsibility to distribute funding to project sponsors. Collaborative Applicants that qualify for this responsibility are known as Unified Funding Agencies. The conditions under which this may occur are,

(A) the Collaborative Applicant successfully applies to be a Unified Funding Agency, or

(B) HUD designates the Collaborative Applicant as a Unified Funding Agency after finding that the Collaborative Applicant has the capacity to perform that function and would further the goal of preventing and ending homelessness. HUD must also provide technical assistance to the Collaborative Applicant.

(2) A unified funding agency would be responsible for requiring that each grantee maintains proper fiscal and accounting procedures and that each grantee have an annual evaluation of their financial records.

(h) Conflict of Interest. No board member of a Collaborative Applicant may participate in a decision that financially benefits them.

Sec. 103—General Provisions. New sections are added regarding preventing involuntary family separation (Sec. 404), and technical assistance (Sec. 405).

Sec. 404—Preventing Involuntary Family Separation. Starting two years after enactment, any shelter, transitional housing, or permanent housing program that serves families with children would be required to serve families regardless of the children's ages. The only exception is when a transitional housing program is using an evidence based practice that requires targeting families with children of a specific age, and only when the provider commits to ensuring that any family they do not serve has an equivalent and appropriate alternative for the entire family.

Sec. 405—Technical Assistance. Authorizes HUD to use up to 1 percent of homeless assistance funding for technical assistance to potential project sponsors and Collaborative Applicants.

Sec. 104—Protection of Personally Identifying Information by Victim Service Providers. A new section (Sec. 407) is added that requires that providers whose primary mission is to serve victims of domestic violence, dating violence, sexual assault, or stalking may not disclose for the purpose of a Homeless Management Information System any personally identifying information, including name, address, contact information, social security number or other specific information that could identify an individual.

Sec. 105—Authorization of Appropriations. The Act authorizes \$2.2 billion for fiscal year 2010, and such sums as may be necessary for fiscal years 2011–2013. Totals include \$595 million for renewal of permanent housing rental assistance, leasing and operating costs in 2010, \$670 million in 2011, \$745 million in 2012, and \$825 million in 2013.

Title II—Emergency Solutions Grants Program. This section modifies the existing Emergency Shelter Grants (ESG) program and renames it the Emergency Solutions Grants Program.

Sec. 201—Grant Assistance. This section authorizes that 20 percent of homeless assistance funding, not including amounts for permanent housing renewals, would be for the Emergency Solutions Grants Program. It requires that recipients coordinate with Collaborative Applicants. It also requires that HUD reduce the admin-

istrative funds by half for a jurisdiction that has been certified (under section 402(f)(4)) as criminalizing homelessness. The funds would be transferred to the collaborative applicant for the jurisdiction.

Sec. 202—Eligible Activities. Adds family support services for homeless youth, victim services, and mental health services to the list of eligible services that can be provided in shelter or as part of street outreach;

Expands homelessness prevention activities to include homelessness prevention and rehousing activities—short or medium term housing assistance, housing relocation or stabilization services, housing search, mediation or outreach to property owners, legal services, credit repair, security or utility deposits, utility payments, and assistance with moving costs—for people who are homeless or at risk of homelessness;

Eliminates the 30 percent cap on the amount that can be used for prevention and the 10 percent cap on the amount that can be used for staff and instead includes a 50 percent cap on the amount that can be used for traditional shelter and street outreach activities, provided that this level is at least as much as was utilized for these activities in the year prior to enactment. The remaining amount would have to be used for homelessness prevention and rehousing.

Sec. 203—Participation in HMIS. Recipients of Emergency Solutions Grants funds would have to participate in the applicable homeless management information system.

Sec. 204—Administrative Provision. Increases administrative fee to 10 percent (from 5 percent under current Emergency Shelter Grants program).

Title III—Continuum of Care Program.

Sec. 301—Continuum of Care. This section consolidates several existing McKinney-Vento programs (Supportive Housing Programs, Innovative Homeless, Safe Havens, Shelter Plus Care, and Mod. Rehab/SRO) into the “Continuum of Care Program.” It modifies existing sections 421 and 422 as follows:

Sec. 421—Purposes.

(1) Promote community-wide commitment to ending homelessness;

(2) Provide funding to quickly rehouse homeless people while minimizing trauma and dislocation;

(3) Help people access mainstream services;

(4) Optimize self-sufficiency.

Sec. 422—Continuum of Care Applications and Grants.

(a) Funds can be awarded to Collaborative Applicants that are Unified Funding Agencies (see above) or directly to project sponsors.

(b) NOFA must be released no more than 3 months after enactment of appropriations.

(c) Awards must be announced no later than 5 months after applications are due (or 6 months for the first 2 years after enactment).

(d) Obligation, Distribution and Utilization.

(1) Project sponsors must meet all requirements for obligation no later than 9 months after an award is announced (24 months for

acquisition, construction, or rehab). The Secretary may grant an extension under certain circumstances.

(2) Funds must be obligated no later than 45 days after the project sponsor has met those requirements.

(3) A Unified Funding Agency that receives funding must distribute funding to project sponsors no later than 45 days after receiving a request for funds from the project sponsor.

(4) HUD may set a date by which funding must be expended. If it is not expended by that date, HUD will recapture the funds and redistribute them in the same geographic region if possible.

(e) If a Collaborative Applicant applies for funding for a renewal project, HUD may fund that renewal for 1 year, even if it was not selected for funding in the competition.

(f) When funding renewals for permanent housing leasing, operating costs, or rental assistance, HUD must take into account increases in the Fair Market Rent.

(g) If more than one Collaborative Applicant from a geographic region applies for funding, HUD will fund the higher scoring applicant.

(h) Assistance provided under this title is intended to facilitate the utilization of the Low Income Housing Tax Credit.

(i) Requires HUD to set up an appeals process. The process must permit appeals by Collaborative Applicants, or individual applicants.

(j) Allows individual programs to apply for funding without going through a collaborative applicant if the applicant was not reasonably permitted to participate in the collaborative application process.

(k) Allows collaborative applicants to use up to 10 percent of their resources to serve people who are considered homeless in other federal statutes, but not under this title. The 10 percent limitation is removed for collaborative applicants representing an area with a rate of homelessness of less than 0.1 percent per capita. The collaborate applicant must demonstrate that the use of such funds is of an equal or greater priority or is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under section 427(b)(1)(B), especially with respect to children and unaccompanied youth.

Sec. 302—Eligible Activities.

(a) Eligible Activities—

(1) Construction of new housing for transitional or permanent housing;

(2) Acquisition or rehabilitation to provide supportive services or transitional or permanent housing;

(3) Leasing property for supportive services or transitional or permanent housing;

(4) Rental assistance to provide transitional or permanent housing, including project-based, tenant-based, and sponsor-based assistance (at the discretion of the provider, project-based or sponsor-based rental assistance may have an initial term of 15 years with the first 5 years paid with authorized funds and the remaining term treated as renewal assistance);

(5) Operating costs for transitional or permanent housing;

(6) Supportive services for individuals or families who are homeless, who were homeless fewer than 6 months ago, or who are in permanent supportive housing;

(7) Rehousing services, including housing search, mediation or outreach to property owners, credit repair, providing security or utility deposits, rental assistance for a final month at a location, assistance with moving costs, or other activities that help homeless people move immediately into housing or would benefit people who have moved into permanent housing in the last 6 months;

(8) For a Collaborative Applicant that is a legal entity, administration and oversight of HMIS;

(9) Operation and participation in HMIS;

(10) For a Collaborative Applicant that is a legal entity, up to 3 percent can be used for administrative costs;

(11) For a Collaborative Applicant that is also a Unified Funding Agency, up to an additional 3 percent for administrative costs (Unified Funding Agencies would be eligible for a total of 6 percent for administrative costs);

(12) For Project Sponsors, up to 10 percent for administrative costs.

(b) HUD can impose a minimum grant term of up to 5 years for new permanent housing projects.

(c) Use Restrictions—Projects that receive funding for construction, acquisition, or rehabilitation must be used for the purpose described in the application for at least 20 years. If a permanent or transitional housing project is no longer needed, the Collaborative Applicant can recommend to HUD that the project be converted to one that directly benefits low-income people.

(d) Repayment of Assistance and Prevention of Undue Benefit.

(1) With the exceptions described in paragraph (3) below, if a construction, acquisition or rehabilitation project ceases to provide the transitional or permanent housing for which it was designed, it must repay some or all of the initial grant. If it has been operating less than 10 years, it must repay 100 percent of the grant. If it has been operating 10–20 years, it must repay 10 percent for each year less than 20 years that it operated.

(2) With the exceptions described in paragraph (3) below, HUD may set conditions to prevent a project sponsor from unduly benefiting from the sale of a property if it received funding for construction, acquisition, or rehabilitation, and it operated that property for less than 20 years.

(3) A grant recipient does not have to make repayments described in paragraphs (1) and (2) if one of the following conditions applies:

(A) The sale or disposition of the property results in it being used for the direct benefit of very low-income people;

(B) The proceeds from the sale are used to provide transitional or permanent housing for homeless people;

(C) The project is meeting applicable standards but lost rental assistance or operating cost assistance, in which case it would still have to be affordable under the guidelines of affordability set by the Low Income Housing Tax Credit; or

(D) There are no homeless people in the geographic region, in which case the project can serve people at risk of homelessness.

(e) Eligible activities include reasonable costs for staff training.

(f) People who are residing in permanent supportive housing are eligible to move into other permanent supportive housing units funded by this Act.

(g) Permanent housing rental assistance must be administered by a state or local government agency or a public housing agency.

Sec. 303—High Performing Communities. Establishes a new Sec. 424—Incentives for High-Performing Communities.

(a) HUD may designate a Collaborative Applicant as high performing based on the criteria in paragraph (d) below. For the first two years after enactment, up to 10 Collaborative Applicants a year could be designated as high performing. If more than 10 qualify, HUD would choose the 10 best qualified. A high performance designation lasts one year, but can be renewed on an annual basis.

(b) Application to be a High-Performing Community.

(1) A Collaborative Applicant must apply to HUD to be considered a high performing community.

(2) The application must include a report of how funding was used in the previous year and information to describe the community's performance related to the measures described in paragraph (d) below.

(3) HUD must publish any application in the relevant geographic area and seek public comment about whether the applicant is meeting the requirements.

(c) Use of Funds. A high performing community may use funds for any of the eligible activities listed in Section 423 (the eligible activities for the Continuum of Care Program), or for the activities in paragraphs 4 and 5 of section 414(a) (short and medium term rental assistance and rehousing activities for homeless people or people at risk of homelessness).

(d) Definition of High-Performing Community. A high-performing community must meet all 4 of the following requirements.

(1) The mean length of episodes of homelessness is either less than 20 days or has decreased by 10 percent from the year before, taking into account similar individual circumstances;

(2) Of the people who leave homelessness, less than 5 percent become homeless again in the following 2 years, or the percentage who leave homelessness and become homeless again in the following two years decreases by 20 percent from the preceding year, taking into account similar individual circumstances;

(3) The communities that compose the geographic area have actively encouraged homeless people to participate in homeless assistance services available in the area and included each homeless person in the data they used to determine compliance with this section;

(4) If the recipient has been designated a high performing community in the past, they were effective at reducing the number of people who became homeless in that community.

(5) With respect to collaborative applicants exercising their flexibility under section 422(k) to serve homeless families with children and youth defined as homeless under other federal statutes, effectiveness in achieving the outcomes identified in subsection 427(F) according to such standards as the Secretary shall promulgate.

(e) A Collaborative Applicant that is designated as a high performing community must cooperate with HUD in distributing information about successful efforts in the community.

Sec. 304—Program Requirements. This section retains requirements from the Supportive Housing Program on flood protection standards, the participation of homeless people, not supplanting local funds, and due process for terminated clients. It also modifies and adds the following to Section 426 of the McKinney-Vento Act:

(a) Site Control—When applicable, an applicant must achieve site control within 12 months after being notified of an award.

(b) Required Agreements—Collaborative Applicants must agree to do the following:

(1) Ensure that the project is operated in accordance with this Act;

(2) Monitor and report to HUD on progress of the project;

(3) Ensure that as much as possible, homeless people are involved in construction, rehabilitation, maintenance, operations and providing supportive services;

(4) Require all project sponsors to certify that they will—

(A) Maintain confidentiality of records for anyone receiving family violence or treatment services;

(B) Maintain the confidentiality of the location of any family violence shelter;

(C) Establish policies to ensure that they do not restrict the educational rights of homeless people;

(D) In the case of programs that provide housing or services to homeless families, that they will designate a staff person to be responsible for ensuring that children are enrolled in school and connected to appropriate services in the community, such as Head Start and other early childhood programs;

(E) Provide required data to HUD.

(5) They will comply with generally accepted accounting principles;

(6) Monitor and report to HUD on matching funds;

(7) Take the educational needs of children into account when children are placed in homeless assistance programs to ensure that children are as close to their schools of origin as possible;

(8) Other conditions HUD may require that are consistent with the goals of this Act.

Sec. 305—Selection Criteria, Allocation Amounts, and Funding. This section adds new sections establishing selection criteria (427), allocating funds for specific activities (428), establishing a process for funding permanent housing renewals (429), setting requirements for matching funding (430) and establishing an appeals procedure (431).

Sec. 427(a)—Selection Criteria. Funding is distributed through a national competition based on the selection criteria and a need formula:

(b)(1) Selection criteria include:

(A) the previous performance of the recipient regarding homelessness, including reductions in the number of homeless people, the length of time people are homeless, recidivism, as well as thoroughness in reaching homeless people, jobs and income growth, and prevention;

(B) the community's plan, which includes their plan to reduce number of homeless individuals and families, reduce length of homeless episodes, address the needs of all relevant subpopulations of homeless, and how the recipient will collaborate with local education authorities to assist in the identification of individuals and families who become or remain homeless and are informed of their eligibility for services under the education provisions of the act (Title VII, subtitle B);

(C) the methodology for setting priorities including considering the full range of opinions of stakeholders with knowledge of homelessness in the geographic area, setting forth objective criteria, and openness to proposals from entities that have not previously received funds under this subtitle;

(D) leveraging of other public and private resources; and

(E) coordination with the other Federal, State, local, private, and other entities;

(F) for Collaborative Applicants exercising their flexibility under section 422(k) to serve households who qualify as homeless under any Federal statute other than this title, program goals and outcomes which must include program goals and outcomes which must include: (i) preventing homelessness among the subset of such families with children and youth who are at highest risk of becoming homeless as defined under this title; or (ii) achieving independent living in permanent housing among such families with children and youth, especially those who have a history of doubled-up and other temporary housing situations or are living in a temporary housing situation due to lack of available and appropriate emergency shelter, through the provision of eligible assistance that directly contributes to achieving such results including assistance to address chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, or multiple barriers to employment.

(G) other factors HUD determines to be appropriate.

(2) The pro rata need formula is based on the same formula that is currently used to determine the pro-rata need in the Continuum of Care. It is based on the formula for CDBG that represents the geographic area adjusted to ensure that 75 percent is for metropolitan cities and urban counties that receive Emergency Shelter Grants funding, and 25 percent is for metropolitan cities and urban and non-urban counties that do not receive Emergency Shelter Grants. If a Collaborative Applicant covers more than one jurisdiction, their pro-rata need would be the sum of the pro-rata needs for all of the jurisdictions they represent.

(3) HUD cannot require that communities count homeless people unless they are in places not meant for human habitation, emergency shelters, or transitional housing.

(c) HUD can also make adjustments to ensure that every community has enough funding to renew all of their existing projects or to ensure that no community is discouraged from replacing projects with ones they determine will better help them achieve their goals.

Sec. 428—Allocation of Amounts and Incentives for Specific Eligible Activities. At least 30 percent of funds, not including amounts for permanent housing renewals, must be used for new permanent housing for people with disabilities (individuals and families head-

ed by a person with a disability). The calculation for this 30 percent applies nationally, not to each individual community. The 30 percent set aside would be reduced proportionately to ensure that there is always adequate funding to renew existing projects and also funding to develop new projects that are not permanent housing. The 30 percent figure is reduced proportionately for communities that have developed enough permanent housing for all of the chronically homeless people in their geographic area. (For example, if a geographic area representing 10 percent of the nation's prorate need were to develop enough permanent housing to end chronic homelessness, the nationwide 30 percent requirement would be reduced to 27 percent.) The 30 percent requirement would terminate when HUD determines that 150,000 new units of permanent housing for homeless people with disabilities has been funded since 2001.

(b) At least 10 percent of funding must be used for permanent housing for families with children.

(d) HUD must provide incentives to fund interventions that are proven to be effective at reducing homelessness generally or for a specific subpopulation or for achieving homeless prevention and independent living goals under the option to serve families with children and unaccompanied youth defined as homeless under other federal statutes.

These interventions include rapid rehousing programs for homeless families, permanent supportive housing for chronically homeless individuals and families, and other interventions that HUD determines, based on research and after a period of public comment, are effective at reducing homelessness.

To the extent practicable, HUD should balance incentives for individuals, families, and other subpopulations.

The incentives cannot discourage collaborative applicants from exercising their option to serve families with children and unaccompanied youth defined as homeless under other federal statutes (sec. 422(k)).

(e) If a community fully implemented any of the proven strategies, they could still receive a bonus and use it for any eligible activity, including homelessness prevention (as allowed by the ESG program).

Sec. 429—Permanent Housing Renewals. All renewals of leasing, rental assistance, or operating costs for permanent housing are funded for 1 year at a time out of either the appropriations account for this title or the appropriations account for section 8 project-based rental assistance, except that funding can only be provided through the account for project-based rental assistance if there is sufficient funding in that account for the full renewal of all expiring project-based contracts. Project-based rental assistance may, at the discretion of the project sponsor, have a 15-year term subject to annual appropriations.

Sec. 430—Matching Funding. Collaborative Applicants must match all Continuum of Care Program funding with 25 percent from other sources, except that leasing projects, which previously had no match requirement, would continue to have no match requirement. In-kind services may count toward the match only if they are documented by a memorandum of understanding between the project sponsor and the entity providing the services.

Sec. 431—Appeals. Applicants who cannot receive certification of consistency with the consolidated plan may appeal that decision to HUD and receive a determination within 45 days of whether the certification was unreasonably withheld, in which case the application may go forward.

Sec. 306—Research. For each of fiscal years 2010, 2011, 2012, and 2013, \$8,000,000 would be authorized to research the efficacy of interventions for homeless families to study three different sites over three years to evaluate the effectiveness of those programs.

Title IV—Rural Housing Stability Assistance.

Sec. 401—Rural Housing Stability Assistance. This section modifies the Rural Homeless Assistance Program, which is authorized but has never been funded, and changes the title to the Rural Housing Stability Assistance Program. The changes that would be made by this Act to the existing rural program are as follows:

(B) The purpose of the program is:

- Rehousing or improving the housing situations of individuals who are homeless or at risk of homelessness in the geographic area;
- Stabilizing the housing of individuals who are in imminent danger of losing housing; and
- Improving the ability of the lowest-income residents of the community to afford stable housing.

(C) The list of eligible activities is expanded to include construction, acquisition, rehabilitation, leasing, rental assistance, and operating costs for transitional or permanent housing for homeless people.

(F) Adds to the requirements for applying for these funds the following:

- A description of consultations to determine the most important uses of funding;
- A description of the nature of homelessness and the worst housing situations in the area.

(G) Requires the same uniform 25 percent match requirement as the Continuum of Care Program. Grantees that currently have no match requirement could continue to be renewed with no match requirement. The match may be in kind when documented by a memorandum of understanding.

Replaces the selection criteria with the following:

- The participation of potential beneficiaries in determining need;
- The degree to which the project addresses the most harmful housing conditions in the community;
- The degree of collaboration with other entities;
- Performance of the organization in improving housing situations;
- For organizations that have previously received funding, the extent to which they improved conditions in the community;
- Pro-rata need;
- Other HUD determined criteria.

(J) Funding. A rural applicant could choose to apply under the Continuum of Care Program or the Rural Housing Stability Program. The funding level for an applicant for the Rural Housing Stability Program would be based on their selection criteria noted

above and also on their pro-rata need, calculated the same way pro-rata need is calculated when applying under the Continuum of Care Program (see Additional Criteria under Sec. 427—Selection Criteria). If a Collaborative Applicant covers more than one jurisdiction, their pro-rata need would be the sum of the pro-rata needs for all of the jurisdictions they represent.

At least 5 percent of the funding provided for subtitles B and C would be for the Rural Housing Stability Assistance Program.

(K) If more than one entity from a rural area applies for funding, HUD would first seek agreement from the applicants about how to proceed, and if there is no agreement, HUD will fund the application that would result in the most funding for the geographic area.

Sec. 402—GAO Study of Homelessness and Homeless Assistance in Rural Areas.

(a) Within 12 months of enactment, GAO must conduct a study of rural homelessness that includes the following:

(1) A general description of homelessness, including the range of living situations among homeless people in rural areas, including tribal lands and colonias.

(2) An estimate of the incidence and prevalence of homelessness in rural areas.

(3) An estimate of the number of people who migrate from rural areas to non-rural areas to receive homeless assistance.

(4) A description of barriers that people in rural areas experience when they try to access homeless assistance and recommendations for removing those barriers.

(5) A comparison of the rate of homelessness in rural areas and among people from rural areas to the rate of homelessness in urban areas and among people from urban areas.

(6) A description of homeless assistance in rural areas.

(7) A description of barriers that homeless assistance providers from rural areas encounter when trying to access federal homeless assistance and recommendations for removing those barriers.

(8) An assessment of the type and amount of homeless assistance awarded to rural areas and whether that assistance proportional to the distribution of homeless people in rural areas.

(9) An assessment of the roles of the Departments of Housing and Urban Development and Agriculture and other Federal departments and agencies in administering homeless assistance programs in rural areas.

(b) GAO shall consult the Secretaries of Agriculture, HUD, HHS, Education, Labor, VA, the Executive Director of the Interagency Council on Homelessness, recipients of homeless assistance grants in rural areas, individuals and families in rural areas who have sought or are seeking Federal homeless assistance, and national advocacy groups concerned with homelessness, rural housing, and rural community development.

Title V—Repeals and Conforming Amendments. This Act would take effect on the sooner of 18 months after enactment or 3 months after HUD publishes final regulations. HUD shall promulgate regulations within 12 months of enactment.

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 AND CHIEF COUNSEL

ONE HUNDRED TENTH CONGRESS

U.S. House of Representatives
Committee on Energy and Commerce
 Washington, DC 20515-6115

JOHN D. DINGELL, MICHIGAN
 CHAIRMAN

October 1, 2008

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The Honorable Barney Frank
 Chairman
 Committee on Financial Services
 2129 Rayburn House Office Building
 Washington, D.C. 20515

Dear Chairman Frank:

I write regarding H.R. 840, the "Homeless Emergency Assistance and Rapid Transition to Housing Act of 2007". The bill includes provisions concerning grants to provide health services to homeless individuals.

The Committee on Energy and Commerce has a jurisdictional interest in such provisions. I support H.R. 840 and do not intend to seek a sequential referral of the bill. My understanding is that you acknowledge the jurisdiction of the Committee, and you agree with me that my decision to forgo a sequential referral does not in any way prejudice the Committee with respect to any of its jurisdictional prerogatives, including the appointment of conferees, on this bill or similar legislation in the future.

I request that you send a letter to me confirming my understanding regarding the bill, and that you include our letters on this matter in the Congressional Record during consideration of the bill on the House floor. I appreciate your cooperation.

Sincerely,


 JOHN D. DINGELL
 CHAIRMAN

The Honorable Barney Frank
Page 2

cc: The Honorable Nancy Pelosi, Speaker
U.S. House of Representatives

The Honorable Joe Barton, Ranking Member
Committee on Energy and Commerce

The Honorable Spencer Bachus, Ranking Member
Committee on Financial Services

The Honorable John V. Sullivan, Parliamentarian
U.S. House of Representatives

BARNEY FRANK, MA, CHAIRMAN

United States House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

SPENCER BACHUS, AL, RANKING MEMBER

October 1, 2008

The Honorable John D. Dingell
Chairman
Committee on Energy and Commerce
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

Thank you for your letter concerning H.R. 840, the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008. This bill was introduced on February 6, 2007, and was referred to the Committee on Financial Services. The bill was ordered reported by the Committee on Financial Services on July 31, 2008.

I am pleased to confirm our agreement on this bill. I recognize that certain provisions in the bill fall within the jurisdiction of the Committee on Energy and Commerce under Rule X of the Rules of the House of Representatives. However, I appreciate your willingness to forego action in order to allow the bill to come to the floor expeditiously. I agree that your decision will not prejudice the Committee on Energy and Commerce with respect to its jurisdictional prerogatives on this or similar legislation.

I will include this exchange of correspondence in the Congressional Record. Thank you again for your cooperation in this important matter.



BARNEY FRANK
Chairman

Cc: The Honorable Spencer Bachus

CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3(e) of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italic, existing law in which no change is proposed is shown in roman):

MCKINNEY-VENTO HOMELESS ASSISTANCE ACT**TITLE I—GENERAL PROVISIONS**

* * * * *

SECTION 101. SHORT TITLE AND TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “McKinney-Vento Homeless Assistance Act”.

(b) **TABLE OF CONTENTS.**—

* * * * *

【TITLE IV—HOUSING ASSISTANCE**【Subtitle A—Comprehensive Homeless Assistance Plan**

【Sec. 401. Housing affordability strategy.

【Sec. 402. Discharge coordination policy.

【Subtitle B—Emergency Shelter Grants Program

【Sec. 411. Definitions.

【Sec. 412. Grant assistance.

【Sec. 413. Allocation and distribution of assistance.

【Sec. 414. Eligible activities.

【Sec. 415. Responsibilities of recipients.

【Sec. 416. Administrative provisions.

【Sec. 417. Authorization of appropriations.

【Sec. 418. Administrative costs.

【Subtitle C—Supportive Housing Program

【Sec. 421. Purpose.

【Sec. 422. Definitions.

【Sec. 423. Eligible activities.

【Sec. 424. Supportive housing.

【Sec. 425. Supportive services.

【Sec. 426. Program requirements.

【Sec. 427. Regulations.

【Sec. 428. Reports to Congress.

【Sec. 429. Authorization of appropriations.

【Subtitle D—Safe Havens for Homeless Individuals Demonstration Program

【Sec. 431. Establishment of demonstration.

【Sec. 432. Definitions.

【Sec. 433. Program assistance.

【Sec. 434. Program requirements.

【Sec. 435. Occupancy charge.

【Sec. 436. Termination of assistance.

【Sec. 437. Evaluation and report.

【Sec. 438. Regulations.

【Sec. 439. Authorization of appropriations.

【Subtitle E—Miscellaneous Programs

【Sec. 441. Section 8 assistance for single room occupancy dwellings.

【Sec. 442. Community development block grant amendment.

【Sec. 443. Administrative provisions.

【Subtitle F—Shelter Plus Care Program

【PART I—GENERAL REQUIREMENTS

- 【Sec. 451. Purpose.
- 【Sec. 452. Rental housing assistance.
- 【Sec. 453. Supportive services requirements.
- 【Sec. 454. Applications.
- 【Sec. 455. Selection criteria.
- 【Sec. 456. Required agreements.
- 【Sec. 457. Housing standards and rent reasonableness.
- 【Sec. 458. Tenant rent.
- 【Sec. 459. Administrative fees.
- 【Sec. 460. Occupancy.
- 【Sec. 461. Termination of assistance.
- 【Sec. 462. Definitions.
- 【Sec. 463. Authorization of appropriations.

【PART II—TENANT-BASED RENTAL ASSISTANCE

- 【Sec. 471. Authority.
- 【Sec. 472. Housing assistance.
- 【Sec. 473. Amount of assistance.

【PART III—PROJECT-BASED RENTAL ASSISTANCE

- 【Sec. 476. Authority.
- 【Sec. 477. Housing assistance.
- 【Sec. 478. Term of contract and amount of assistance.

【PART IV—SPONSOR-BASED RENTAL ASSISTANCE

- 【Sec. 481. Authority.
- 【Sec. 482. Housing assistance.
- 【Sec. 483. Term of contract and amount of assistance.

【PART V—SECTION 8 MODERATE REHABILITATION ASSISTANCE FOR SINGLE-ROOM
OCCUPANCY DWELLINGS

- 【Sec. 486. Authority.
- 【Sec. 487. Fire and safety improvements.
- 【Sec. 488. Contract requirements.

【Subtitle G—Rural Homeless Housing Assistance

- 【Sec. 491. Rural homelessness grant program.
- 【Sec. 492. Use of FMHA inventory for transitional housing for homeless persons and for turnkey housing.】

TITLE IV—HOUSING ASSISTANCE

Subtitle A—General Provisions

- Sec. 401. Definitions.*
- Sec. 402. Collaborative applicants.*
- Sec. 403. Housing affordability strategy.*
- Sec. 404. Preventing involuntary family separation*
- Sec. 405. Technical assistance.*
- Sec. 406. Discharge coordination policy.*
- Sec. 407. Protection of personally identifying information by victim service providers.*
- Sec. 408. Authorization of appropriations.*

Subtitle B—Emergency Solutions Grants Program

- Sec. 411. Definitions.*
- Sec. 412. Grant assistance.*
- Sec. 413. Amount and allocation of assistance.*
- Sec. 414. Allocation and distribution of assistance.*
- Sec. 415. Eligible activities.*
- Sec. 416. Responsibilities of recipients.*
- Sec. 417. Administrative provisions.*
- Sec. 418. Administrative costs.*

Subtitle C—Continuum of Care Program

- Sec. 421. Purposes.*

- Sec. 422. Continuum of care applications and grants.
- Sec. 423. Eligible activities.
- Sec. 424. Incentives for high-performing communities.
- Sec. 425. Supportive services.
- Sec. 426. Program requirements.
- Sec. 427. Selection criteria.
- Sec. 428. Allocation of amounts and incentives for specific eligible activities.
- Sec. 429. Renewal funding and terms of assistance for permanent housing.
- Sec. 430. Matching funding.
- Sec. 431. Appeal procedure.
- Sec. 432. Regulations.
- Sec. 433. Reports to Congress.

Subtitle D—Rural Housing Stability Assistance Program

- Sec. 491. Rural housing stability grant program.
- Sec. 492. Use of FHMA inventory for transitional housing for homeless persons and for turnkey housing.

* * * * *

TITLE I—GENERAL PROVISIONS

* * * * *

SEC. 103. GENERAL DEFINITION OF HOMELESS INDIVIDUAL.

[(a) IN GENERAL.—For purposes of this Act, the term “homeless” or “homeless individual or homeless person” includes—

- [(1) an individual who lacks a fixed, regular, and adequate nighttime residence; and
- [(2) an individual who has a primary nighttime residence that is—

[(A) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill);

[(B) an institution that provides a temporary residence for individuals intended to be institutionalized; or

[(C) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.]

(a) IN GENERAL.—For purposes of this Act, the terms “homeless”, “homeless individual”, and “homeless person” means—

- (1) an individual or family who lacks a fixed, regular, and adequate residence;
- (2) an individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- (3) an individual or family living in a supervised publicly or privately operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing);
- (4) an individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided; and
- (5) an individual or family who—

(A) *will imminently lose their housing, including housing they own, rent, or live in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations, as evidenced by—*

(i) *a court order resulting from an eviction action that notifies the individual or family that they must leave within 14 days;*

(ii) *the individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days;*

(iii) *credible evidence indicating that the owner or renter of the housing will not allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause; or*

(iv) *such other factors that the Secretary determines will likely result in the individual or family becoming homeless, which may include recent history of homelessness or residential instability;*

(B) *has no subsequent residence identified; and*

(C) *lacks the resources or support networks needed to obtain other permanent housing.*

(b) **DOMESTIC VIOLENCE AND OTHER DANGEROUS OR LIFE-THREATENING CONDITIONS.**—*Notwithstanding any other provision of this section, the Secretary shall consider to be homeless any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.*

[(b)] (c) INCOME ELIGIBILITY.—

(1) * * *

* * * * *

[(c)] (d) EXCLUSION.—*For purposes of this Act, the term “homeless” or “homeless individual” does not include any individual imprisoned or otherwise detained pursuant to an Act of the Congress or a State law.*

(e) **PERSONS EXPERIENCING HOMELESSNESS.**—*Any references in this Act to homeless individuals (including homeless persons) or homeless groups (including homeless persons) shall be considered to include, and to refer to, individuals experiencing homelessness or groups experiencing homelessness, respectively.*

* * * * *

TITLE II—UNITED STATES INTER- AGENCY COUNCIL ON HOMELESS- NESS

SEC. 201. ESTABLISHMENT.

There is established in the executive branch an independent establishment to be known as the United States Interagency Council on Homelessness *whose mission shall be to coordinate the Federal response to homelessness and to create a national partnership at every level of government and with the private sector to reduce and end homelessness in the nation while maximizing the effectiveness of the Federal Government in contributing to the end of homelessness.*

SEC. 202. MEMBERSHIP.

(a) MEMBERS.—The Council shall be composed of the following members:

(1) * * *

* * * * *

(16) *The Commissioner of Social Security, or the designee of the Commissioner.*

(17) *The Attorney General of the United States, or the designee of the Attorney General.*

(18) *The Director of the Office of Management and Budget, or the designee of the Director.*

(19) *The Director of the Office of Faith-Based and Community Initiatives, or the designee of the Director.*

(20) *The Director of USA FreedomCorps, or the designee of the Director.*

(21) *The Commissioner of the Internal Revenue Service, or the designee of the Commissioner.*

[(16)] (22) *The heads of such other Federal agencies as the Council considers appropriate, or their designees.*

* * * * *

(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than **[annually]** *four times each year, and the rotation of the positions of Chairperson and Vice Chairperson required under subsection (b) shall occur at the first meeting of each year.*

* * * * *

(e) ADMINISTRATION.—*The Executive Director of the Council shall report to the Director of Domestic Policy Council.*

SEC. 203. FUNCTIONS.

(a) DUTIES.—The Council shall—

(1) *not later than 12 months after the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, develop, make available for public comment, and submit to the President and to Congress a National Strategic Plan to End Homelessness, and shall update such plan annually;*

[(1)] (2) *review all Federal activities and programs to assist homeless individuals;*

[(2)] (3) take such actions as may be necessary to reduce duplication among programs and activities by Federal agencies to assist homeless individuals;

[(3)] (4) monitor, evaluate, and recommend improvements in programs and activities to assist homeless individuals conducted by Federal agencies, State and local governments, and private voluntary organizations;

[(4)] (5) provide professional and technical assistance, (by [at least 2, but in no case more than 5] *not less than 5, but in no case more than 10*, regional coordinators employed by the Council, each having responsibility for interaction and coordination of the activities of the Council within the 10 standard Federal regions) to States, local governments, and other public and private nonprofit organizations, in order to enable such governments and organizations to—

(A) * * *

* * * * *

(6) *encourage the creation of State Interagency Councils on Homelessness and the formulation of jurisdictional 10-year plans to end homelessness at state, city, and county levels;*

(7) *annually obtain from Federal agencies their identification of consumer-oriented entitlement and other resources for which persons experiencing homelessness may be eligible and the agencies' identification of improvements to ensure access; develop mechanisms to ensure access by persons experiencing homelessness to all Federal, State, and local programs for which the persons are eligible, and to verify collaboration among entities within a community that receive Federal funding under programs targeted for persons experiencing homelessness, and other programs for which persons experiencing homelessness are eligible, including mainstream programs identified by the Government Accountability Office in the reports entitled "Homelessness: Coordination and Evaluation of Programs Are Essential", issued February 26, 1999, and "Homelessness: Barriers to Using Mainstream Programs", issued July 6, 2000;*

(8) *conduct research and evaluation related to its functions as defined in this section;*

(9) *develop joint federal agency and other initiatives to fulfill the goals of the agency;*

(10) *participate in Federal agency policy development, and development, review, evaluation, and timing of all related Federal funding competitions;*

[(5)] (11) collect and disseminate information relating to homeless individuals;

[(6)] (12) prepare the annual reports required in subsection (c)(2); [and]

[(7)] (13) prepare and distribute to States (including State contact persons), local governments, and other public and private nonprofit organizations, a bimonthly bulletin that describes the Federal resources available to them to assist the homeless, including current information regarding application deadlines and appropriate persons to contact in each Federal agency providing the resources[.];

(14) *develop constructive alternatives to criminalizing homelessness and eliminate laws and policies that prohibit sleeping,*

feeding, sitting, resting, or lying in public spaces when there are no suitable alternatives, result in the destruction of a homeless person's property without due process, or are selectively enforced against homeless persons; and

(15) not later than the expiration of the 6-month period beginning upon completion of the study required under section 3(d) of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, convene a meeting of representatives of all Federal agencies and committees of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families, local and State governments, academic researchers who specialize in homelessness, nonprofit housing and service providers that receive funding under any Federal program to assist homeless individuals or families, organizations advocating on behalf of such nonprofit providers and homeless persons receiving housing or services under any such Federal program, and homeless persons receiving housing or services under any such Federal program, at which meeting such representatives shall discuss all issues relevant to whether the definitions of "homeless" under paragraphs (1) through (4) of section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended by section 3 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, should be modified by the Congress, including whether there is a compelling need for a uniform definition of homelessness under Federal law, the extent to which the differences in such definitions create barriers for individuals to accessing services and to collaboration between agencies, and the relative availability, and barriers to access by persons defined as homeless, of mainstream programs identified by the Government Accountability Office in the two reports identified in paragraph (7) of this subsection; and shall submit transcripts of such meeting, and any majority and dissenting recommendations from such meetings, to each committee of the House of Representatives and the Senate having jurisdiction over any Federal program to assist homeless individuals or families not later than the expiration of the 60-day period beginning upon conclusion of such meeting.

(b) **AUTHORITY.**—In carrying out subsection (a), the Council may—

(1) arrange **[Federal]** *national*, regional, State, and local conferences for the purpose of developing and coordinating effective programs and activities to assist homeless individuals**;** and **and** pay for expenses of attendance at meetings which are concerned with the functions or activities for which the appropriation is made;

(2) publish a newsletter concerning Federal, State, and local programs that are effectively meeting the needs of homeless individuals**;** and

(3) establish a National Advisory Panel to advise and assist the Council in achieving its mission by convening a national group of experts in policy and practice from the public and private sector, including consumers.

(c) **REPORTS.**—

(1) Within 90 days after the date of the enactment of this Act, and annually thereafter, the head of each Federal agency that is a member of the Council shall prepare and transmit to the Congress and the Council a report that describes—

(A) * * *

(B) impediments, including any statutory and regulatory restrictions, to the use by homeless individuals of each such program and to obtaining services or benefits under each such program [; and];

(C) efforts made by such agency to increase the opportunities for homeless individuals to obtain shelter, food, and supportive services [.; and

(D) efforts by such agency to prevent homelessness through agency initiatives in targeted or mainstream programs.

* * * * *

SEC. 204. DIRECTOR AND STAFF.

[(a) DIRECTOR.—The Council shall appoint an Executive Director, who shall be compensated at a rate not to exceed the rate of basic pay payable for level V of the Executive Schedule under section 5316 of title 5, United States Code. The Council shall appoint an Executive Director at the first meeting of the Council held under section 202(c).]

(a) DIRECTOR.—The President shall appoint an Executive Director, with the advice and consent of the Senate, who shall serve at the pleasure of the President, and who shall be compensated at a rate not to exceed the maximum level for the Senior Executive Service.

* * * * *

SEC. 205. POWERS.

(a) * * *

* * * * *

(d) DONATIONS.—The Council may accept, use, and dispose of gifts or donations of services or [property.] property, both real and personal, public and private, without fiscal year limitation, for the purpose of aiding or facilitating the work of the Council.

* * * * *

[SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this title \$1,500,000 for fiscal year 1993 and \$1,563,000 for fiscal year 1994.]

SEC. 208. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to carry out this title \$3,000,000 for fiscal year 2009 and such sums as may be necessary for fiscal years 2010, 2011, 2012, and 2013. Any amounts appropriated to carry out this title shall remain available until expended.

* * * * *

TITLE IV—HOUSING ASSISTANCE

[Subtitle A—Comprehensive Homeless Assistance Plan]

Subtitle A—General Provisions

SEC. 401. DEFINITIONS.

For purposes of this title:

(1) *AT RISK OF HOMELESSNESS.*—The term “at risk of homelessness” means, with respect to an individual or family, that the individual or family—

(A) has income below 30 percent of median income for the geographic area;

(B) has insufficient resources immediately available to attain housing stability; and

(C)(i) has moved frequently because of economic reasons;

(ii) is living in the home of another because of economic hardship;

(iii) has been notified that their right to occupy their current housing or living situation will be terminated;

(iv) lives in a hotel or motel;

(v) lives in severely overcrowded housing;

(vi) is exiting an institution; or

(vii) otherwise lives in housing that has characteristics associated with instability and an increased risk of homelessness.

Such term includes all families with children and youth defined as homeless under other Federal statutes.

(2) *CHRONICALLY HOMELESS.*—

(A) *IN GENERAL.*—The term “chronically homeless” means, with respect to an individual or family, that the individual or family—

(i) is homeless and lives or resides in a place not meant for human habitation, a safe haven, or in an emergency shelter;

(ii) has been homeless and living or residing in a place not meant for human habitation, a safe haven, or in an emergency shelter continuously for at least 1 year or on at least 4 separate occasions in the last 3 years; and

(iii) has an adult head of household (or a minor head of household if no adult is present in the household) with a diagnosable substance use disorder, serious mental illness, developmental disability (as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002)), post traumatic stress disorder, cognitive impairments resulting from a brain injury, or chronic physical illness or disability, including the co-occurrence of 2 or more of those conditions.

(B) *RULE OF CONSTRUCTION.*—A person who currently lives or resides in an institutional care facility, including a jail, substance abuse or mental health treatment facility,

hospital or other similar facility, and has resided there for fewer than 90 days shall be considered chronically homeless if such person met all of the requirements described in subparagraph (A) prior to entering that facility.

(3) *COLLABORATIVE APPLICANT.*—The term “collaborative applicant” means an entity that—

(A) carries out the duties specified in section 402;

(B) serves as the applicant for project sponsors who jointly submit a single application for a grant under subtitle C in accordance with a collaborative process; and

(C) if the entity is a legal entity and is awarded such grant, receives such grant directly from the Secretary.

(4) *COLLABORATIVE APPLICATION.*—The term “collaborative application” means an application for a grant under subtitle C that—

(A) satisfies section 422; and

(B) is submitted to the Secretary by a collaborative applicant.

(5) *CONSOLIDATED PLAN.*—The term “Consolidated Plan” means a comprehensive housing affordability strategy and community development plan required in part 91 of title 24, Code of Federal Regulations.

(6) *ELIGIBLE ENTITY.*—The term “eligible entity” means, with respect to a subtitle, a public entity, a private entity, or an entity that is a combination of public and private entities, that is eligible to directly receive grant amounts under such subtitle.

(7) *FAMILIES WITH CHILDREN AND YOUTH DEFINED AS HOMELESS UNDER OTHER FEDERAL STATUTES.*—The term “families with children and youth defined as homeless under other Federal statutes” means any children or youth that are defined as “homeless” under any Federal statute other than this subtitle, but are not defined as homeless under section 103, and shall also include the parent, parents, or guardian of such children or youth under subtitle B of title VII this Act (42 U.S.C. 11431 et seq.).

(8) *GEOGRAPHIC AREA.*—The term “geographic area” means a State, metropolitan city, urban county, town, village, or other nonentitlement area, or a combination or consortia of such, in the United States, as described in section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306).

(9) *HOMELESS INDIVIDUAL WITH A DISABILITY.*—

(A) *IN GENERAL.*—The term “homeless individual with a disability” means an individual who is homeless, as defined in section 103, and has a disability that—

(i)(I) is expected to be long-continuing or of indefinite duration;

(II) substantially impedes the individual’s ability to live independently;

(III) could be improved by the provision of more suitable housing conditions; and

(IV) is a physical, mental, or emotional impairment, including an impairment caused by alcohol or drug abuse, post traumatic stress disorder, or brain injury;

(ii) is a developmental disability, as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15002); or

(iii) is the disease of acquired immunodeficiency syndrome or any condition arising from the etiologic agency for acquired immunodeficiency syndrome.

(B) *RULE.*—Nothing in clause (iii) of subparagraph (A) shall be construed to limit eligibility under clause (i) or (ii) of subparagraph (A).

(10) *LEGAL ENTITY.*—The term “legal entity” means—

(A) an entity described in section 501(c)(3) of the Internal Revenue Code of 1986 (26 U.S.C. 501(c)(3)) and exempt from tax under section 501(a) of such Code;

(B) an instrumentality of State or local government; or

(C) a consortium of instrumentalities of State or local governments that has constituted itself as an entity.

(11) *METROPOLITAN CITY; URBAN COUNTY; NONENTITLEMENT AREA.*—The terms “metropolitan city”, “urban county”, and “nonentitlement area” have the meanings given such terms in section 102(a) of the Housing and Community Development Act of 1974 (42 U.S.C. 5302(a)).

(12) *NEW.*—The term “new” means, with respect to housing, that no assistance has been provided under this title for the housing.

(13) *OPERATING COSTS.*—The term “operating costs” means expenses incurred by a project sponsor operating transitional housing or permanent housing under this title with respect to—

(A) the administration, maintenance, repair, and security of such housing;

(B) utilities, fuel, furnishings, and equipment for such housing; or

(C) coordination of services as needed to ensure long-term housing stability.

(14) *OUTPATIENT HEALTH SERVICES.*—The term “outpatient health services” means outpatient health care services, mental health services, and outpatient substance abuse services.

(15) *PERMANENT HOUSING.*—The term “permanent housing” means community-based housing without a designated length of stay, and includes both permanent supportive housing and permanent housing without supportive services.

(16) *PERSONALLY IDENTIFYING INFORMATION.*—The term “personally identifying information” means individually identifying information for or about an individual, including information likely to disclose the location of a victim of domestic violence, dating violence, sexual assault, or stalking, including—

(A) a first and last name;

(B) a home or other physical address;

(C) contact information (including a postal, e-mail or Internet protocol address, or telephone or facsimile number);

(D) a social security number; and

(E) any other information, including date of birth, racial or ethnic background, or religious affiliation, that, in combination with any other non-personally identifying information, would serve to identify any individual.

(17) *PRIVATE NONPROFIT ORGANIZATION.*—The term “private nonprofit organization” means an organization—

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

(B) that has a voluntary board;

(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and

(D) that practices nondiscrimination in the provision of assistance.

(18) *PROJECT.*—The term “project” means, with respect to activities carried out under subtitle C, eligible activities described in section 423(a), undertaken pursuant to a specific endeavor, such as serving a particular population or providing a particular resource.

(19) *PROJECT-BASED.*—The term “project-based” means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—

(A) is between—

(i) the recipient or a project sponsor; and

(ii) an owner of a structure that exists as of the date the contract is entered into; and

(B) provides that rental assistance payments shall be made to the owner and that the units in the structure shall be occupied by eligible persons for not less than the term of the contract.

(20) *PROJECT SPONSOR.*—The term “project sponsor” means, with respect to proposed eligible activities, the organization directly responsible for carrying out the proposed eligible activities.

(21) *RECIPIENT.*—Except as used in subtitle B, the term “recipient” means an eligible entity who—

(A) submits an application for a grant under section 422 that is approved by the Secretary;

(B) receives the grant directly from the Secretary to support approved projects described in the application; and

(C)(i) serves as a project sponsor for the projects; or

(ii) awards the funds to project sponsors to carry out the projects.

(22) *SECRETARY.*—The term “Secretary” means the Secretary of Housing and Urban Development.

(23) *SERIOUS MENTAL ILLNESS.*—The term “serious mental illness” means a severe and persistent mental illness or emotional impairment that seriously limits a person’s ability to live independently.

(24) *SOLO APPLICANT.*—The term “solo applicant” means an entity that is an eligible entity, directly submits an application for a grant under subtitle C to the Secretary, and, if awarded such grant, receives such grant directly from the Secretary.

(25) *SPONSOR-BASED.*—The term “sponsor-based” means, with respect to rental assistance, that the assistance is provided pursuant to a contract that—

(A) is between—

(i) the recipient or a project sponsor; and

(ii) an independent entity that—

(I) is a private organization; and

(II) owns or leases dwelling units; and

(B) provides that rental assistance payments shall be made to the independent entity and that eligible persons shall occupy such assisted units.

(26) *STATE.*—Except as used in subtitle B, the term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

(27) *SUPPORTIVE SERVICES.*—The term “supportive services” means services that address the special needs of people served by a project, including—

(A) the establishment and operation of a child care services program for families experiencing homelessness;

(B) the establishment and operation of an employment assistance program, including providing job training;

(C) the provision of outpatient health services, food, and case management;

(D) the provision of assistance in obtaining permanent housing, employment counseling, and nutritional counseling;

(E) the provision of outreach services, advocacy, life skills training, and housing search and counseling services;

(F) the provision of mental health services, trauma counseling, and victim services;

(G) the provision of assistance in obtaining other Federal, State, and local assistance available for residents of supportive housing (including mental health benefits, employment counseling, and medical assistance, but not including major medical equipment);

(H) the provision of legal services for purposes including requesting reconsiderations and appeals of veterans and public benefit claim denials and resolving outstanding warrants that interfere with an individual’s ability to obtain and retain housing;

(I) the provision of—

(i) transportation services that facilitate an individual’s ability to obtain and maintain employment; and

(ii) health care; and

(J) other supportive services necessary to obtain and maintain housing.

(28) *TENANT-BASED.*—The term “tenant-based” means, with respect to rental assistance, assistance that—

(A) allows an eligible person to select a housing unit in which such person will live using rental assistance provided under subtitle C, except that if necessary to assure that the provision of supportive services to a person participating in a program is feasible, a recipient or project sponsor may require that the person live—

(i) in a particular structure or unit for not more than the first year of the participation; or

(ii) *within a particular geographic area for the full period of the participation, or the period remaining after the period referred to in subparagraph (A); and*

(B) provides that a person may receive such assistance and move to another structure, unit, or geographic area if the person has complied with all other obligations of the program and has moved out of the assisted dwelling unit in order to protect the health or safety of an individual who is or has been the victim of domestic violence, dating violence, sexual assault, or stalking, and who reasonably believed he or she was imminently threatened by harm from further violence if he or she remained in the assisted dwelling unit.

(29) **TRANSITIONAL HOUSING.**—*The term “transitional housing” means housing the purpose of which is to facilitate the movement of individuals and families experiencing homelessness to permanent housing within 24 months or such longer period as the Secretary determines necessary.*

(30) **UNIFIED FUNDING AGENCY.**—*The term “unified funding agency” means a collaborative applicant that performs the duties described in section 402(g).*

(31) **UNDERSERVED POPULATIONS.**—*The term “underserved populations” includes populations underserved because of geographic location, underserved racial and ethnic populations, populations underserved because of special needs (such as language barriers, disabilities, alienage status, or age), and any other population determined to be underserved by the Secretary, as appropriate.*

(32) **VICTIM SERVICE PROVIDER.**—*The term “victim service provider” means a private nonprofit organization whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking. Such term includes rape crisis centers, battered women’s shelters, domestic violence transitional housing programs, and other programs.*

(33) **VICTIM SERVICES.**—*The term “victim services” means services that assist domestic violence, dating violence, sexual assault, or stalking victims, including services offered by rape crisis centers and domestic violence shelters, and other organizations, with a documented history of effective work concerning domestic violence, dating violence, sexual assault, or stalking.*

SEC. 402. COLLABORATIVE APPLICANTS.

(a) **ESTABLISHMENT AND DESIGNATION.**—*A collaborative applicant shall be established for a geographic area by the relevant parties in that geographic area to—*

(1) submit an application for amounts under this subtitle; and

(2) perform the duties specified in subsection (f) and, if applicable, subsection (g).

(b) **NO REQUIREMENT TO BE A LEGAL ENTITY.**—*An entity may be established to serve as a collaborative applicant under this section without being a legal entity.*

(c) **REMEDIAL ACTION.**—*If the Secretary finds that a collaborative applicant for a geographic area does not meet the requirements of this section, or if there is no collaborative applicant for a geographic area, the Secretary may take remedial action to ensure fair distribu-*

tion of grant amounts under subtitle C to eligible entities within that area. Such measures may include designating another body as a collaborative applicant, or permitting other eligible entities to apply directly for grants.

(d) *CONSTRUCTION.*—Nothing in this section shall be construed to displace conflict of interest or government fair practices laws, or their equivalent, that govern applicants for grant amounts under subtitles B and C.

(e) *APPOINTMENT OF AGENT.*—

(1) *IN GENERAL.*—Subject to paragraph (2), a collaborative applicant may designate an agent to—

(A) apply for a grant under section 422(c);

(B) receive and distribute grant funds awarded under subtitle C; and

(C) perform other administrative duties.

(2) *RETENTION OF DUTIES.*—Any collaborative applicant that designates an agent pursuant to paragraph (1) shall regardless of such designation retain all of its duties and responsibilities under this title.

(f) *DUTIES.*—A collaborative applicant shall—

(1) design a collaborative process for the development of an application under subtitle C, and for evaluating the outcomes of projects for which funds are awarded under subtitle B, in such a manner as to provide information necessary for the Secretary—

(A) to determine compliance with—

(i) the program requirements under section 426; and

(ii) the selection criteria described under section 427;

and

(B) to establish priorities for funding projects in the geographic area involved;

(2) participate in the Consolidated Plan for the geographic area served by the collaborative applicant;

(3) ensure operation of, and consistent participation by, project sponsors in a community-wide homeless management information system (in this subsection referred to as “HMIS”) that—

(A) collects unduplicated counts of individuals and families experiencing homelessness;

(B) analyzes patterns of use of assistance provided under subtitles B and C for the geographic area involved;

(C) provides information to project sponsors and applicants for needs analyses and funding priorities; and

(D) is developed in accordance with standards established by the Secretary, including standards that provide for—

(i) encryption of data collected for purposes of HMIS;

(ii) documentation, including keeping an accurate accounting, proper usage, and disclosure, of HMIS data;

(iii) access to HMIS data by staff, contractors, law enforcement, and academic researchers;

(iv) rights of persons receiving services under this title;

(v) criminal and civil penalties for unlawful disclosure of data; and

(vi) such other standards as may be determined necessary by the Secretary; and

(4) certify as to whether or not the applicable States and units of general local government are criminalizing homelessness through the enforcement of any laws or policies that prohibit sleeping, feeding, sitting, resting, or lying in public spaces when there are no suitable alternatives, or that result in the destruction of a homeless person's property without due process, or through the selective enforcement of laws or policies against homeless persons.

(g) UNIFIED FUNDING.—

(1) IN GENERAL.—In addition to the duties described in subsection (f), a collaborative applicant shall receive from the Secretary and distribute to other project sponsors in the applicable geographic area funds for projects to be carried out by such other project sponsors, if—

(A) the collaborative applicant—

(i) applies to undertake such collection and distribution responsibilities in an application submitted under this subtitle; and

(ii) is selected to perform such responsibilities by the Secretary; or

(B) the Secretary designates the collaborative applicant as the unified funding agency in the geographic area, after—

(i) a finding by the Secretary that the applicant—

(I) has the capacity to perform such responsibilities; and

(II) would serve the purposes of this Act as they apply to the geographic area; and

(ii) the Secretary provides the collaborative applicant with the technical assistance necessary to perform such responsibilities as such assistance is agreed to by the collaborative applicant.

(2) REQUIRED ACTIONS BY A UNIFIED FUNDING AGENCY.—A collaborative applicant that is either selected or designated as a unified funding agency for a geographic area under paragraph (1) shall—

(A) require each project sponsor who is funded by a grant received under subtitle C to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, Federal funds awarded to the project sponsor under subtitle C in order to ensure that all financial transactions carried out under subtitle C are conducted, and records maintained, in accordance with generally accepted accounting principles; and

(B) arrange for an annual survey, audit, or evaluation of the financial records of each project carried out by a project sponsor funded by a grant received under subtitle C.

(h) CONFLICT OF INTEREST.—No board member of a collaborative applicant may participate in decisions of the collaborative applicant concerning the award of a grant, or provision of other financial benefits, to such member or the organization that such member represents.

SEC. [401.] 403. HOUSING AFFORDABILITY STRATEGY.

Assistance may be made under this title only if the grantee certifies that it is following—

- (1) a [current housing affordability strategy] *consolidated plan* which has been approved by the Secretary in accordance with section 105 of the Cranston-Gonzalez National Affordable Housing Act (*referred to in such section as a “comprehensive housing affordability strategy”*), or

* * * * *

SEC. 404. PREVENTING INVOLUNTARY FAMILY SEPARATION.

(a) *IN GENERAL.*—After the expiration of the 2-year period that begins upon the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, and except as provided in subsection (b), any project sponsor receiving funds under this title to provide emergency shelter, transitional housing, or permanent housing to families with children under age 18 shall not deny admission to any family based on the age of any child under age 18.

(b) *EXCEPTION.*—Notwithstanding the requirement under subsection (a), project sponsors of transitional housing receiving funds under this title may target transitional housing resources to families with children of a specific age only if the project sponsor—

- (1) operates a transitional housing program that has a primary purpose of implementing an evidence-based practice that requires that housing units be targeted to families with children in a specific age group; and
- (2) provides such assurances, as the Secretary shall require, that an equivalent appropriate alternative living arrangement for the whole family or household unit has been secured.

SEC. 405. TECHNICAL ASSISTANCE.

(a) *IN GENERAL.*—The Secretary shall make available technical assistance to private nonprofit organizations and other nongovernmental entities, States, metropolitan cities, urban counties, and counties that are not urban counties, to implement effective planning processes for preventing and ending homelessness, to improve their capacity to prepare collaborative applications, to prevent the separation of families in emergency shelter or other housing programs, and to adopt and provide best practices in housing and services for persons experiencing homeless.

(b) *RESERVATION.*—The Secretary shall reserve not more than 1 percent of the funds made available for any fiscal year for carrying out subtitles B and C, to provide technical assistance under subsection (a).

SEC. [402.] 406. DISCHARGE COORDINATION POLICY.

The Secretary may not provide a grant under this title for any governmental entity serving as an applicant unless the applicant agrees to develop and implement, to the maximum extent practicable and where appropriate, policies and protocols for the discharge of persons from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions) in order to prevent such discharge from immediately resulting in homelessness for such persons.

SEC. 407. PROTECTION OF PERSONALLY IDENTIFYING INFORMATION BY VICTIM SERVICE PROVIDERS.

In the course of awarding grants or implementing programs under this title, the Secretary shall instruct any victim service provider that is a recipient or subgrantee not to disclose for purposes of the Homeless Management Information System any personally identifying information about any client. The Secretary may, after public notice and comment, require or ask such recipients and subgrantees to disclose for purposes of the Homeless Management Information System non-personally identifying information that has been de-identified, encrypted, or otherwise encoded. Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this subsection for victims of domestic violence, dating violence, sexual assault, or stalking.

SEC. 408. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated to carry out this title \$2,200,000,000 for fiscal year 2010 and such sums as may be necessary for each of fiscal years 2011, 2012, and 2013.

(b) PERMANENT HOUSING RENEWALS.—Of the amounts made available pursuant to subsection (a), \$595,000,000 for fiscal year 2010, \$670,000,000 for fiscal year 2011, \$745,000,000 for fiscal year 2012, and \$825,000,000 for fiscal year 2013, shall be for renewal for one year of expiring contracts for leasing, rental assistance, and operating costs for permanent housing.

[Subtitle B—Emergency Shelter Grants Program]

Subtitle B—Emergency Solutions Grants Program

* * * * *

[SEC. 412. GRANT ASSISTANCE.

[The Secretary of Housing and Urban Development shall, to the extent of amounts approved in appropriation Acts under section 417, make grants to States and local governments (and to private nonprofit organizations providing assistance to homeless individuals, in the case of grants made with reallocated amounts) in order to carry out activities described in section 414.]

SEC. 412. GRANT ASSISTANCE.

The Secretary shall make grants to States and local governments (and to private nonprofit organizations providing assistance to persons experiencing homelessness or at risk of homelessness, in the case of grants made with reallocated amounts) for the purpose of carrying out activities described in section 415.

SEC. 413. AMOUNT AND ALLOCATION OF ASSISTANCE.

(a) IN GENERAL.—Of the amount made available to carry out this title for a fiscal year, not including the amounts made available under section 408(b), the Secretary shall allocate nationally 20 percent of such amount for activities described in section 415. The Sec-

retary shall be required to certify that such allocation will not adversely affect the renewal of existing projects under this subtitle and subtitle C for those individuals or families who are homeless.

(b) ALLOCATION.—An entity that receives a grant under section 412, and serves an area that includes 1 or more geographic areas (or portions of such areas) served by collaborative applicants that submit applications under subtitle C, shall allocate the funds made available through the grant to carry out activities described in section 415, in consultation with the collaborative applicants.

SEC. [413.] 414. ALLOCATION AND DISTRIBUTION OF ASSISTANCE.

(a) * * *

* * * * *

(b) MINIMUM ALLOCATION REQUIREMENT.—If, under the allocation provisions applicable under this subtitle, any metropolitan city or urban county would receive a grant of less than 0.05 percent of the [amounts appropriated to carry out this subtitle for any] amounts appropriated under section 408 and made available to carry out this subtitle for any fiscal year, such amount shall instead be reallocated to the State, except that any city that is located in a State that does not have counties as local governments, that has a population greater than 40,000 but less than 50,000 as used in determining the fiscal year 1987 community development block grant program allocation, and that was allocated in excess of \$1,000,000 in community development block grant funds in fiscal year 1987, shall receive directly the amount allocated to such city under subsection (a).

* * * * *

(f) REDUCTION OF FUNDS FOR CRIMINALIZING HOMELESSNESS.—Of the amount made available to carry out this title for a fiscal year, the Secretary shall reduce the amount of administrative funds available by half to any jurisdiction for which a collaborative applicant has submitted a certification under section 402(f)(4) that the unit of local government has criminalized homelessness. The funds shall instead be made available to the collaborative applicant for the jurisdiction. If no collaborative applicant exists for such jurisdiction, the funds shall be made available to the State to carry out this title.

[SEC. 414. ELIGIBLE ACTIVITIES.

[(a) IN GENERAL.—Assistance provided under this subtitle may be used for the following activities relating to emergency shelter for homeless individuals:

[(1) The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.

[(2) The provision of essential services, including services concerned with employment, health, drug abuse, or education, if—

[(A) such services have not been provided by the local government during any part of the immediately preceding 12-month period, or the use of assistance under this subtitle would complement those services; and

[(B) not more than 30 percent of the aggregate amount of all assistance to a State or local government under this subtitle is used for activities under this paragraph.

[(3) Maintenance, operation, insurance, utilities, and furnishings, except that not more than 10 percent of the amount of any grant received under this subtitle may be used for costs of staff.

[(4) Efforts to prevent homelessness, such as financial assistance to families who have received eviction notices or notices of termination of utility services if—

[(A) the inability of the family to make the required payments is due to a sudden reduction in income;

[(B) the assistance is necessary to avoid the eviction or termination of services;

[(C) there is a reasonable prospect that the family will be able to resume payments within a reasonable period of time; and

[(D) the assistance will not supplant funding for pre-existing homelessness prevention activities from other sources.

Activities that are eligible for assistance under this paragraph shall include assistance to very low-income families who are discharged from publicly funded institutions or systems of care (such as health care facilities, foster care or other youth facilities, or correction programs and institutions). Not more than 30 percent of the aggregate amount of all assistance to a State or local government under this subtitle may be used for activities under this paragraph.

[(b) WAIVER AUTHORITY.—The Secretary may waive the 20percent limitation on the use of assistance for essential services contained in subsection (a)(2)(B), if the local government receiving the assistance demonstrates that the other eligible activities under the program are already being carried out in the locality with other resources.]

SEC. 415. ELIGIBLE ACTIVITIES.

(a) *IN GENERAL.*—Assistance provided under section 412 may be used for the following activities:

(1) *The renovation, major rehabilitation, or conversion of buildings to be used as emergency shelters.*

(2) *The provision of essential services related to emergency shelter or street outreach, including services concerned with employment, health, education, family support services for homeless youth, substance abuse services, victim services, or mental health services, if—*

(A) *such essential services have not been provided by the local government during any part of the immediately preceding 12-month period or the Secretary determines that the local government is in a severe financial deficit; or*

(B) *the use of assistance under this subtitle would complement the provision of those essential services.*

(3) *Maintenance, operation, insurance, provision of utilities, and provision of furnishings related to emergency shelter.*

(4) *Provision of rental assistance to provide short-term or medium-term housing to homeless individuals or families or individuals or families at risk of homelessness. Such rental assistance may include tenant-based or project-based rental assistance.*

(5) *Housing relocation or stabilization services for homeless individuals or families or individuals or families at risk of homelessness, including housing search, mediation or outreach to property owners, legal services, credit repair, providing security or utility deposits, utility payments, rental assistance for a final month at a location, assistance with moving costs, or other activities that are effective at—*

(A) *stabilizing individuals and families in their current housing; or*

(B) *quickly moving such individuals and families to other permanent housing.*

(b) **MAXIMUM ALLOCATION FOR EMERGENCY SHELTER ACTIVITIES.**—*A grantee of assistance provided under section 412 for any fiscal year may not use an amount of such assistance for activities described in paragraphs (1) through (3) of subsection (a) that exceeds the greater of—*

(1) *50 percent of the aggregate amount of such assistance provided for the grantee for such fiscal year; or*

(2) *the amount expended by such grantee for such activities during fiscal year most recently completed before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008.*

SEC. [415.] 416. RESPONSIBILITIES OF RECIPIENTS.

(a) * * *

* * * * *

(f) **PARTICIPATION IN HMIS.**—*The Secretary shall ensure that recipients of funds under this subtitle ensure the consistent participation by emergency shelters and homelessness prevention and rehousing programs in any applicable community-wide homeless management information system.*

SEC. [416.] 417. ADMINISTRATIVE PROVISIONS.

(a) * * *

* * * * *

[SEC. 417. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subtitle \$138,000,000 for fiscal year 1993 and \$143,796,000 for fiscal year 1994.]

SEC. 418. ADMINISTRATIVE COSTS.

A recipient may use up to **[5 percent]** *10 percent* of any annual grant received under this subtitle for administrative purposes. A recipient State shall share the amount available for administrative purposes pursuant to the preceding sentence with local governments funded by the State.

[Subtitle C—Supportive Housing Program

[SEC. 421. PURPOSE.

[The purpose of the program under this subtitle is to promote the development of supportive housing and supportive services, including innovative approaches to assist homeless persons in the transition from homelessness, and to promote the provision of sup-

portive housing to homeless persons to enable them to live as independently as possible.

SEC. 422. DEFINITIONS.

For purposes of this subtitle:

[(1) The term “applicant” means a State, metropolitan city, urban county, governmental entity, private nonprofit organization, or community mental health association that is a public nonprofit organization, that is eligible to receive assistance under this subtitle and submits an application under section 426(a).

[(2) The term “disability” means—

[(A) a disability as defined in section 223 of the Social Security Act,

[(B) to be determined to have, pursuant to regulations issued by the Secretary, a physical, mental, or emotional impairment which (i) is expected to be of long-continued and indefinite duration, (ii) substantially impedes an individual’s ability to live independently, and (iii) of such a nature that such ability could be improved by more suitable housing conditions,

[(C) a developmental disability as defined in section 102 of the Developmental Disabilities Assistance and Bill of Rights Act of 2000, or

[(D) the disease of acquired immunodeficiency syndrome or any conditions arising from the etiologic agency for acquired immunodeficiency syndrome.

Subparagraph (D) shall not be construed to limit eligibility under subparagraphs (A) through (C) or the provisions referred to in subparagraphs (A) through (C).

[(4) The term “metropolitan city” has the meaning given the term in section 102 of the Housing and Community Development Act of 1974.

[(5) The term “operating costs” means expenses incurred by a recipient operating supportive housing under this subtitle with respect to—

[(A) the administration, maintenance, repair, and security of such housing;

[(B) utilities, fuel, furnishings, and equipment for such housing; and

[(C) the conducting of the assessment under section 426(c)(2).

[(6) The term “outpatient health services” means outpatient health care, outpatient mental health services, outpatient substance abuse services, and case management.

[(7) The term “private nonprofit organization” means an organization—

[(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

[(B) that has a voluntary board;

[(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and

[(D) that practices nondiscrimination in the provision of assistance.

[(8) The term “project” means a structure or structures (or a portion of such structure or structures) that is acquired, rehabilitated, constructed, or leased with assistance provided under this subtitle or with respect to which the Secretary provides technical assistance or annual payments for operating costs under this subtitle, or supportive services.

[(9) The term “recipient” means any governmental or non-profit entity that receives assistance under this subtitle.

[(10) The term “Secretary” means the Secretary of Housing and Urban Development.

[(11) The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau.

[(12) The term “supportive housing” means a project that meets the requirements of section 424.

[(13) The term “supportive services” means services under section 425.

[(14) The term “urban county” has the meaning given the term in section 102 of the Housing and Community Development Act of 1974.

[SEC. 423. ELIGIBLE ACTIVITIES.

[(a) IN GENERAL.—The Secretary may provide any project with one or more of the following types of assistance under this subtitle:

[(1) ACQUISITION AND REHABILITATION.—A grant, in an amount not to exceed \$200,000, for the acquisition, rehabilitation, or acquisition and rehabilitation, of an existing structure (including a small commercial property or office space) to provide supportive housing other than emergency shelter or to provide supportive services; except that the Secretary may increase the dollar limitation under this sentence to not more than \$400,000 for areas that the Secretary finds have high acquisition and rehabilitation costs. The repayment of any outstanding debt owed on a loan made to purchase an existing structure shall be considered to be a cost of acquisition eligible for a grant under this paragraph if the structure was not used as supportive housing, or to provide supportive services, before the receipt of assistance.

[(2) NEW CONSTRUCTION.—A grant, in an amount not to exceed \$400,000, for new construction of a structure to provide supportive housing.

[(3) LEASING.—A grant for leasing of an existing structure or structures, or portions thereof, to provide supportive housing or supportive services during the period covered by the application. Grant recipients may reapply for such assistance as needed to continue the use of such structure for purposes of this subtitle.

[(4) OPERATING COSTS.—Annual payments for operating costs of housing assisted under this subtitle, not to exceed 75 percent of the annual operating costs of such housing. Grant recipients may reapply for such assistance as needed to continue the use of the housing for purposes of this subtitle.

[(5) SUPPORTIVE SERVICES.—A grant for costs of supportive services provided to homeless individuals. Any recipient, including program recipients under title IV of this Act before the

date of the enactment of the Housing and Community Development Act of 1992, may reapply for such assistance or for the renewal of such assistance to continue services funded under prior grants or to provide other services.

[(6) TECHNICAL ASSISTANCE.—Technical assistance in carrying out the purposes of this subtitle.

[(7) MANAGEMENT INFORMATION SYSTEM.—A grant for the costs of implementing and operating management information systems for purposes of collecting unduplicated counts of homeless people and analyzing patterns of use of assistance funded under this Act.

[(8) CONFIDENTIALITY.—

[(A) VICTIM SERVICE PROVIDERS.—In the course of awarding grants or implementing programs under this subsection, the Secretary shall instruct any victim service provider that is a recipient or subgrantee not to disclose for purposes of a Homeless Management Information System personally identifying information about any client. The Secretary may, after public notice and comment, require or ask such recipients and subgrantees to disclose for purposes of a Homeless Management Information System non-personally identifying data that has been de-identified, encrypted, or otherwise encoded. Nothing in this section shall be construed to supersede any provision of any Federal, State, or local law that provides greater protection than this paragraph for victims of domestic violence, dating violence, sexual assault, or stalking.

[(B) DEFINITIONS.—

[(i) PERSONALLY IDENTIFYING INFORMATION OR PERSONAL INFORMATION.—The term “personally identifying information” or “personal information” means individually identifying information for or about an individual including information likely to disclose the location of a victim of domestic violence, dating violence, sexual assault, or stalking, including—

[(I) a first and last name;

[(II) a home or other physical address;

[(III) contact information (including a postal, e-mail or Internet protocol address, or telephone or facsimile number);

[(IV) a social security number; and

[(V) any other information, including date of birth, racial or ethnic background, or religious affiliation, that, in combination with any other non-personally identifying information would serve to identify any individual.

[(ii) VICTIM SERVICE PROVIDER.—The term “victim service provider” or “victim service providers” means a nonprofit, nongovernmental organization including rape crisis centers, battered women’s shelters, domestic violence transitional housing programs, and other programs whose primary mission is to provide services to victims of domestic violence, dating violence, sexual assault, or stalking.

[(b) USE RESTRICTIONS.—

【(1) ACQUISITION, REHABILITATION, AND NEW CONSTRUCTION.—Projects assisted under subsection (a) (1) or (2) shall be operated for not less than 20 years for the purpose specified in the application.

【(2) OTHER ASSISTANCE.—Projects assisted under subsection (a) (3), (4), (5), or (6) (but not under subsection (a) (1) or (2)) shall be operated for the purposes specified in the application for the duration of the period covered by the grant.

【(3) CONVERSION.—If the Secretary determines that a project is no longer needed for use as supportive housing and approves the use of the project for the direct benefit of low-income persons pursuant to a request for such use by the recipient operating the project, the Secretary may authorize the recipient to convert the project to such use.

【(c) REPAYMENT OF ASSISTANCE AND PREVENTION OF UNDUE BENEFITS.—

【(1) REPAYMENT.—The Secretary shall require recipients to repay 100 percent of any assistance received under subsection (a) (1) or (2) if the project ceases to be used as supportive housing within 10 years after the project is placed in service. If such project is used as supportive housing for more than 10 years, the Secretary shall reduce the percentage of the amount required to be repaid by 10 percentage points for each year in excess of 10 that the project is used as supportive housing.

【(2) PREVENTION OF UNDUE BENEFITS.—Except as provided in paragraph (3), upon any sale or other disposition of a project assisted under subsection (a) (1) or (2) occurring before the expiration of the 20-year period beginning on the date that the project is placed in service, the recipient shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient from unduly benefiting from such sale or disposition.

【(3) EXCEPTION.—A recipient shall not be required to comply with the terms and conditions prescribed under paragraphs (1) and (2) if the sale or disposition of the project results in the use of the project for the direct benefit of very low-income persons or if all of the proceeds are used to provide supportive housing meeting the requirements of this subtitle.

【SEC. 424. SUPPORTIVE HOUSING.

【(a) IN GENERAL.—Housing providing supportive services for homeless individuals shall be considered supportive housing for purposes of this subtitle if—

【(1) the housing is safe and sanitary and meets any applicable State and local housing codes and licensing requirements in the jurisdiction in which the housing is located; and

【(2) the housing—

【(A) is transitional housing;

【(B) is permanent housing for homeless persons with disabilities; or

【(C) is, or is part of, a particularly innovative project for, or alternative methods of, meeting the immediate and long-term needs of homeless individuals and families.

【(b) TRANSITIONAL HOUSING.—For purposes of this section, the term “transitional housing” means housing, the purpose of which is to facilitate the movement of homeless individuals and families

to permanent housing within 24 months or such longer period as the Secretary determines necessary. The Secretary may deny assistance for housing based on a violation of this subsection only if the Secretary determines that a substantial number of homeless individuals or families have remained in the housing longer than such period.

[(c) PERMANENT HOUSING FOR HOMELESS PERSONS WITH DISABILITIES.—For purposes of this section, the term “permanent housing for homeless persons with disabilities” means community-based housing for homeless persons with disabilities that provides long-term housing and supportive services for not more than—

[(1) 8 such persons in a single structure or contiguous structures;

[(2) 16 such persons, but only if not more than 20 percent of the units in a structure are designated for such persons; or

[(3) more than 16 persons if the applicant demonstrates that local market conditions dictate the development of a large project and such development will achieve the neighborhood integration objectives of the program within the context of the affected community.]

[(d) SINGLE ROOM OCCUPANCY DWELLINGS.—A project may provide supportive housing or supportive services in dwelling units that do not contain bathrooms or kitchen facilities and are appropriate for use as supportive housing or in projects containing some or all such dwelling units.]

Subtitle C—Continuum of Care Program

SEC. 421. PURPOSES.

The purposes of this subtitle are—

(1) to promote community-wide commitment to the goal of ending homelessness;

(2) to provide funding for efforts by nonprofit providers and State and local governments to quickly rehouse homeless individuals and families while minimizing the trauma and dislocation caused to individuals, families, and communities by homelessness;

(3) to promote access to, and effective utilization of, mainstream programs described in section 203(a)(7) and programs funded with State or local resources; and

(4) to optimize self-sufficiency among individuals and families experiencing homelessness.

SEC. 422. CONTINUUM OF CARE APPLICATIONS AND GRANTS.

(a) PROJECTS.—The Secretary shall award grants, on a competitive basis, and using the selection criteria described in section 427, to carry out eligible activities under this subtitle for projects that meet the program requirements under section 426, either by directly awarding funds to project sponsors or by awarding funds to unified funding agencies.

(b) NOTIFICATION OF FUNDING AVAILABILITY.—The Secretary shall release a notification of funding availability for grants awarded under this subtitle for a fiscal year not later than 3 months after the date of the enactment of the appropriate Act making appropria-

tions for the Department of Housing and Urban Development for such fiscal year.

(c) APPLICATIONS.—

(1) SUBMISSION TO THE SECRETARY.—To be eligible to receive a grant under subsection (a), a project sponsor or unified funding agency in a geographic area shall submit an application to the Secretary at such time and in such manner as the Secretary may require, and containing such information as the Secretary determines necessary—

(A) to determine compliance with the program requirements and selection criteria under this subtitle; and

(B) to establish priorities for funding projects in the geographic area.

(2) ANNOUNCEMENT OF AWARDS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall announce, within 5 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

(B) TRANSITION.—For a period of up to 2 years beginning after the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall announce, within 6 months after the last date for the submission of applications described in this subsection for a fiscal year, the grants conditionally awarded under subsection (a) for that fiscal year.

(d) OBLIGATION, DISTRIBUTION, AND UTILIZATION OF FUNDS.—

(1) REQUIREMENTS FOR OBLIGATION.—

(A) IN GENERAL.—Not later than 9 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements, except as provided in subparagraphs (B) and (C).

(B) ACQUISITION, REHABILITATION, OR CONSTRUCTION.—Not later than 24 months after the announcement referred to in subsection (c)(2), each recipient or project sponsor seeking the obligation of funds for acquisition of housing, rehabilitation of housing, or construction of new housing for a grant announced under subsection (c)(2) shall meet all requirements for the obligation of those funds, including site control, matching funds, and environmental review requirements.

(C) EXTENSIONS.—At the discretion of the Secretary, and in compelling circumstances, the Secretary may extend the date by which a recipient or project sponsor shall meet the requirements described in subparagraphs (A) and (B) if the Secretary determines that compliance with the requirements was delayed due to factors beyond the reasonable control of the recipient or project sponsor. Such factors may include difficulties in obtaining site control for a proposed project, completing the process of obtaining secure financing for the project, obtaining approvals from State or local governments, or completing the technical submission requirements for the project.

(2) *OBLIGATION.*—Not later than 45 days after a recipient or project sponsor meets the requirements described in paragraph (1), the Secretary shall obligate the funds for the grant involved.

(3) *DISTRIBUTION.*—A recipient that receives funds through such a grant—

(A) shall distribute the funds to project sponsors (in advance of expenditures by the project sponsors); and

(B) shall distribute the appropriate portion of the funds to a project sponsor not later than 45 days after receiving a request for such distribution from the project sponsor.

(4) *EXPENDITURE OF FUNDS.*—The Secretary may establish a date by which funds made available through a grant announced under subsection (c)(2) for a homeless assistance project shall be entirely expended by the recipient or project sponsors involved. The date established under this paragraph shall not occur before the expiration of the 24-month period beginning on the date that funds are obligated for activities described under paragraphs (1) or (2) of section 423(a). The Secretary shall recapture the funds not expended by such date. The Secretary shall reallocate the funds for another homeless assistance and prevention project that meets the requirements of this subtitle to be carried out, if possible and appropriate, in the same geographic area as the area served through the original grant.

(e) *RENEWAL FUNDING FOR UNSUCCESSFUL APPLICANTS.*—The Secretary may renew funding for a specific project previously funded under this subtitle that the Secretary determines meets the purposes of this subtitle, and was included as part of a total application that met the criteria of subsection (c), even if the application was not selected to receive grant assistance. The Secretary may renew the funding for a period of not more than 1 year, and under such conditions as the Secretary determines to be appropriate.

(f) *CONSIDERATIONS IN DETERMINING RENEWAL FUNDING.*—When providing renewal funding for leasing, operating costs, or rental assistance for permanent housing, the Secretary shall make adjustments proportional to increases in the fair market rents in the geographic area.

(g) *MORE THAN 1 APPLICATION FOR A GEOGRAPHIC AREA.*—If more than 1 collaborative applicant applies for funds for a geographic area, the Secretary shall award funds to the collaborative applicant with the highest score based on the selection criteria set forth in section 427.

(h) *COORDINATION WITH LOW INCOME HOUSING CREDIT.*—Assistance under this subtitle is intended to facilitate the utilization of Low Income Housing Credits under section 42 of the Internal Revenue Code of 1986.

(i) *APPEALS.*—

(1) *IN GENERAL.*—The Secretary shall establish a timely appeal procedure for grant amounts awarded or denied under this subtitle pursuant to a collaborative application or solo application for funding.

(2) *PROCESS.*—The Secretary shall ensure that the procedure permits appeals submitted by entities carrying out homeless housing and services projects (including emergency shelters and

homelessness prevention programs), and all other applicants under this subtitle.

(j) **SOLO APPLICANTS.**—A solo applicant may submit an application to the Secretary for a grant under subsection (a) and be awarded such grant on the same basis as such grants are awarded to other applicants based on the criteria described in section 427, but only if the Secretary determines that the solo applicant has attempted to participate in the continuum of care process but was not permitted to participate in a reasonable manner. The Secretary may award such grants directly to such applicants in a manner determined to be appropriate by the Secretary.

(k) **FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.**—

(1) **IN GENERAL.**—A collaborative applicant may use up to 10 percent of funds awarded under title III (continuum of care funding) for any of the types of eligible activities specified in paragraphs (1) through (7) of section 423(a) to serve families with children and youth defined as homeless under other Federal statutes, provided that the applicant demonstrates that the use of such funds is of an equal or greater priority or is equally or more cost effective in meeting the overall goals and objectives of the plan submitted under section 427(b)(1)(B), especially with respect to children and unaccompanied youth.

(2) **LIMITATIONS.**—The 10 percent limitation under paragraph (1) shall not apply to collaborative applicants in which the rate of homelessness, as calculated under section 427(b)(3), is less than one-tenth of 1 percent of total population.

SEC. 423. ELIGIBLE ACTIVITIES.

(a) **IN GENERAL.**—Grants awarded under section 422 to qualified applicants shall be used to carry out projects that serve homeless individuals or families that consist of one or more of the following eligible activities:

(1) Construction of new housing units to provide transitional or permanent housing.

(2) Acquisition or rehabilitation of a structure to provide transitional or permanent housing, other than emergency shelter, or to provide supportive services.

(3) Leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing, or providing supportive services.

(4) Provision of rental assistance to provide transitional or permanent housing to eligible persons. The rental assistance may include tenant-based, project-based, or sponsor-based rental assistance. Project-based rental assistance, sponsor-based rental assistance, and operating cost assistance contracts carried out by project sponsors receiving grants under this section may, at the discretion of the applicant and the project sponsor, have an initial term of 15 years, with assistance for the first 5 years paid with funds authorized for appropriation under this Act, and assistance for the remainder of the term treated as a renewal of an expiring contract as provided in section 408(b). Project-based rental assistance may include rental assistance to preserve existing permanent supportive housing for homeless individuals and families.

(5) *Payment of operating costs for housing units assisted under this subtitle or for the preservation of housing that will serve homeless individuals and families and for which another form of assistance is expiring or otherwise no longer available.*

(6) *Supportive services for individuals and families who are currently homeless, who have been homeless in the prior six months but are currently residing in permanent housing, or who were previously homeless and are currently residing in permanent supportive housing.*

(7) *Provision of rehousing services, including housing search, mediation or outreach to property owners, credit repair, providing security or utility deposits, rental assistance for a final month at a location, assistance with moving costs, or other activities that—*

(A) are effective at moving homeless individuals and families immediately into housing; or

(B) may benefit individuals and families who in the prior 6 months have been homeless, but are currently residing in permanent housing.

(8) *In the case of a collaborative applicant that is a legal entity, performance of the duties described under section 402(f)(3).*

(9) *Operation of, participation in, and ensuring consistent participation by project sponsors in, a community-wide homeless management information system.*

(10) *In the case of a collaborative applicant that is a legal entity, payment of administrative costs related to meeting the requirements described in paragraphs (1) and (2) of section 402(f), for which the collaborative applicant may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs.*

(11) *In the case of a collaborative applicant that is a unified funding agency under section 402(g), payment of administrative costs related to meeting the requirements of that section, for which the unified funding agency may use not more than 3 percent of the total funds made available in the geographic area under this subtitle for such costs, in addition to funds used under paragraph (10).*

(12) *Payment of administrative costs to project sponsors, for which each project sponsor may use not more than 10 percent of the total funds made available to that project sponsor through this subtitle for such costs.*

(b) **MINIMUM GRANT TERMS.**—*The Secretary may impose minimum grant terms of up to 5 years for new projects providing permanent housing.*

(c) **USE RESTRICTIONS.**—

(1) **ACQUISITION, REHABILITATION, AND NEW CONSTRUCTION.**—*A project that consists of activities described in paragraph (1) or (2) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for not less than 20 years.*

(2) **OTHER ACTIVITIES.**—*A project that consists of activities described in any of paragraphs (3) through (12) of subsection (a) shall be operated for the purpose specified in the application submitted for the project under section 422 for the duration of the grant period involved.*

(3) *CONVERSION.*—If the recipient or project sponsor carrying out a project that provides transitional or permanent housing submits a request to the Secretary to carry out instead a project for the direct benefit of low-income persons, and the Secretary determines that the initial project is no longer needed to provide transitional or permanent housing, the Secretary may approve the project described in the request and authorize the recipient or project sponsor to carry out that project.

(d) *REPAYMENT OF ASSISTANCE AND PREVENTION OF UNDUE BENEFITS.*—

(1) *REPAYMENT.*—If a recipient or project sponsor receives assistance under section 422 to carry out a project that consists of activities described in paragraph (1) or (2) of subsection (a) and the project ceases to provide transitional or permanent housing—

(A) earlier than 10 years after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 100 percent of the assistance; or

(B) not earlier than 10 years, but earlier than 20 years, after operation of the project begins, the Secretary shall require the recipient or project sponsor to repay 10 percent of the assistance for each of the years in the 20-year period for which the project fails to provide that housing.

(2) *PREVENTION OF UNDUE BENEFITS.*—Except as provided in paragraph (3), if any property is used for a project that receives assistance under subsection (a) and consists of activities described in paragraph (1) or (2) of subsection (a), and the sale or other disposition of the property occurs before the expiration of the 20-year period beginning on the date that operation of the project begins, the recipient or project sponsor who received the assistance shall comply with such terms and conditions as the Secretary may prescribe to prevent the recipient or project sponsor from unduly benefitting from such sale or disposition.

(3) *EXCEPTION.*—A recipient or project sponsor shall not be required to make the repayments, and comply with the terms and conditions, required under paragraph (1) or (2) if—

(A) the sale or disposition of the property used for the project results in the use of the property for the direct benefit of very low-income persons;

(B) all of the proceeds of the sale or disposition are used to provide transitional or permanent housing meeting the requirements of this subtitle;

(C) project-based rental assistance or operating cost assistance from any Federal program or an equivalent State or local program is no longer made available and the project is meeting applicable performance standards, provided that the portion of the project that had benefitted from such assistance continues to meet the tenant income and rent restrictions for low-income units under section 42(g) of the Internal Revenue Code of 1986; or

(D) there are no individuals and families in the geographic area who are homeless, in which case the project may serve individuals and families at risk of homelessness.

(e) *STAFF TRAINING.*—The Secretary may allow reasonable costs associated with staff training to be included as part of the activities described in subsection (a).

(f) *ELIGIBILITY FOR PERMANENT HOUSING.*—Any project that receives assistance under subsection (a) and that provides project-based or sponsor-based permanent housing for homeless individuals or families with a disability, including projects that meet the requirements of subsection (a) and subsection (d)(2)(A) of section 428 may also serve individuals who had previously met the requirements for such project prior to moving into a different permanent housing project.

(g) *ADMINISTRATION OF RENTAL ASSISTANCE.*—Provision of permanent housing rental assistance shall be administered by a State, unit of general local government, or public housing agency.

SEC. 424. INCENTIVES FOR HIGH-PERFORMING COMMUNITIES.

(a) *DESIGNATION AS A HIGH-PERFORMING COMMUNITY.*—

(1) *IN GENERAL.*—The Secretary shall designate, on an annual basis, which collaborative applicants represent high-performing communities.

(2) *CONSIDERATION.*—In determining whether to designate a collaborative applicant as a high-performing community under paragraph (1), the Secretary shall establish criteria to ensure that the requirements described under paragraphs (1)(B) and (2)(B) of subsection (d) are measured by comparing homeless individuals and families under similar circumstances, in order to encourage projects in the geographic area to serve homeless individuals and families with more severe barriers to housing stability.

(3) *2-YEAR PHASE IN.*—In each of the first 2 years after the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall designate not more than 10 collaborative applicants as high-performing communities.

(4) *EXCESS OF QUALIFIED APPLICANTS.*—If, during the 2-year period described under paragraph (2), more than 10 collaborative applicants could qualify to be designated as high-performing communities, the Secretary shall designate the 10 that have, in the discretion of the Secretary, the best performance based on the criteria described under subsection (d).

(5) *TIME LIMIT ON DESIGNATION.*—The designation of any collaborative applicant as a high-performing community under this subsection shall be effective only for the year in which such designation is made. The Secretary, on an annual basis, may renew any such designation.

(b) *APPLICATION.*—

(1) *IN GENERAL.*—A collaborative applicant seeking designation as a high-performing community under subsection (a) shall submit an application to the Secretary at such time, and in such manner as the Secretary may require.

(2) *CONTENT OF APPLICATION.*—In any application submitted under paragraph (1), a collaborative applicant shall include in such application—

(A) a report showing how any money received under this subtitle in the preceding year was expended; and

- (B) information that such applicant can meet the requirements described under subsection (d).
- (3) PUBLICATION OF APPLICATION.—The Secretary shall—
- (A) publish any report or information submitted in an application under this section in the geographic area represented by the collaborative applicant; and
- (B) seek comments from the public as to whether the collaborative applicant seeking designation as a high-performing community meets the requirements described under subsection (d).
- (c) USE OF FUNDS.—Funds awarded under section 422(a) to a project sponsor who is located in a high-performing community may be used—
- (1) for any of the eligible activities described in section 423; or
- (2) for any of the eligible activities described in paragraphs (4) and (5) of section 415(a).
- (d) DEFINITION OF HIGH-PERFORMING COMMUNITY.—For purposes of this section, the term “high-performing community” means a geographic area that demonstrates through reliable data that all five of the following requirements are met for that geographic area:
- (1) TERM OF HOMELESSNESS.—The mean length of episodes of homelessness for that geographic area—
- (A) is less than 20 days; or
- (B) for individuals and families in similar circumstances in the preceding year was at least 10 percent less than in the year before.
- (2) FAMILIES LEAVING HOMELESSNESS.—Of individuals and families—
- (A) who leave homelessness, fewer than 5 percent of such individuals and families become homeless again at any time within the next 2 years; or
- (B) in similar circumstances who leave homelessness, the percentage of such individuals and families who become homeless again within the next 2 years has decreased by at least 20 percent from the preceding year.
- (3) COMMUNITY ACTION.—The communities that compose the geographic area have—
- (A) actively encouraged homeless individuals and families to participate in homeless assistance services available in that geographic area; and
- (B) included each homeless individual or family who sought homeless assistance services in the data system used by that community for determining compliance with this subsection.
- (4) EFFECTIVENESS OF PREVIOUS ACTIVITIES.—If recipients in the geographic area have used funding awarded under section 422(a) for eligible activities described under section 415(a) in previous years based on the authority granted under subsection (c), that such activities were effective at reducing the number of individuals and families who became homeless in that community.
- (5) FLEXIBILITY TO SERVE PERSONS DEFINED AS HOMELESS UNDER OTHER FEDERAL LAWS.—With respect to collaborative applicants exercising the authority under section 422(k) to serve

homeless families with children and youth defined as homeless under other Federal statutes, effectiveness in achieving the goals and outcomes identified in subsection 427(b)(1)(F) according to such standards as the Secretary shall promulgate.

(e) **COOPERATION AMONG ENTITIES.**—*A collaborative applicant designated as a high-performing community under this section shall cooperate with the Secretary in distributing information about successful efforts within the geographic area represented by the collaborative applicant to reduce homelessness.*

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SEC. 426. PROGRAM REQUIREMENTS.

[(a) APPLICATIONS.—

[(1) FORM AND PROCEDURE.—Applications for assistance under this subtitle shall be submitted by applicants in the form and in accordance with the procedures established by the Secretary. The Secretary may not give preference or priority to any application on the basis that the application was submitted by any particular type of applicant entity.

[(2) CONTENTS.—The Secretary shall require that applications contain at a minimum—

[(A) a description of the proposed project, including the activities to be undertaken;

[(B) a description of the size and characteristics of the population that would occupy the supportive housing assisted under this subtitle;

[(C) a description of the public and private resources that are expected to be made available for the project;

[(D) in the case of projects assisted under section 423(a) (1) or (2), assurances satisfactory to the Secretary that the project will be operated for not less than 20 years for the purpose specified in the application;

[(E) in the case of projects assisted under this title that do not receive assistance under such sections, annual assurances during the period specified in the application that the project will be operated for the purpose specified in the application for such period;

[(F) a certification from the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act for the State or unit of general local government within which the project is located that the proposed project is consistent with the approved housing strategy of such State or unit of general local government; and

[(G) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing.

[(3) SITE CONTROL.—The Secretary shall require that each application include reasonable assurances that the applicant will own or have control of a site for the proposed project not later than the expiration of the 12-month period beginning upon notification of an award for grant assistance, unless the

application proposes providing supportive housing assisted under section 423(a)(3) or housing that will eventually be owned or controlled by the families and individuals served. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If any recipient fails to obtain ownership or control of the site within 12 months after notification of an award for grant assistance, the grant shall be recaptured and reallocated under this subtitle.

[(b) SELECTION CRITERIA.—The Secretary shall select applicants approved by the Secretary as to financial responsibility to receive assistance under this subtitle by a national competition based on criteria established by the Secretary, which shall include—

[(1) the ability of the applicant to develop and operate a project;

[(2) the innovative quality of the proposal in providing a project;

[(3) the need for the type of project proposed by the applicant in the area to be served;

[(4) the extent to which the amount of assistance to be provided under this subtitle will be supplemented with resources from other public and private sources;

[(5) the cost-effectiveness of the proposed project;

[(6) the extent to which the applicant has demonstrated coordination with other Federal, State, local, private and other entities serving homeless persons in the planning and operation of the project, to the extent practicable; and

[(7) such other factors as the Secretary determines to be appropriate to carry out this subtitle in an effective and efficient manner.

[(c) REQUIRED AGREEMENTS.—The Secretary may not provide assistance for any project under this subtitle unless the applicant agrees—

[(1) to operate the proposed project in accordance with the provisions of this subtitle;

[(2) to conduct an ongoing assessment of the supportive services required by homeless individuals served by the project and the availability of such services to such individuals;

[(3) to provide such residential supervision as the Secretary determines is necessary to facilitate the adequate provision of supportive services to the residents and users of the project;

[(4) to monitor and report to the Secretary on the progress of the project;

[(5) to develop and implement procedures to ensure (A) the confidentiality of records pertaining to any individual provided family violence prevention or treatment services through any project assisted under this subtitle, and (B) that the address or location of any family violence shelter project assisted under this subtitle will not be made public, except with written authorization of the person or persons responsible for the operation of such project;

[(6) to the maximum extent practicable, to involve homeless individuals and families, through employment, volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating the project assisted under this subtitle and in providing supportive services for the project; and

[(7) to comply with such other terms and conditions as the Secretary may establish to carry out this subtitle in an effective and efficient manner.]

(a) *SITE CONTROL.*—*The Secretary shall require that each application include reasonable assurances that the applicant will own or have control of a site for the proposed project not later than the expiration of the 12-month period beginning upon notification of an award for grant assistance, unless the application proposes providing supportive housing assistance under section 423(a)(3) or housing that will eventually be owned or controlled by the families and individuals served. An applicant may obtain ownership or control of a suitable site different from the site specified in the application. If any recipient or project sponsor fails to obtain ownership or control of the site within 12 months after notification of an award for grant assistance, the grant shall be recaptured and reallocated under this subtitle.*

(b) *REQUIRED AGREEMENTS.*—*The Secretary may not provide assistance for a proposed project under this subtitle unless the collaborative applicant involved agrees—*

(1) *to ensure the operation of the project in accordance with the provisions of this subtitle;*

(2) *to monitor and report to the Secretary the progress of the project;*

(3) *to ensure, to the maximum extent practicable, that individuals and families experiencing homelessness are involved, through employment, provision of volunteer services, or otherwise, in constructing, rehabilitating, maintaining, and operating facilities for the project and in providing supportive services for the project;*

(4) *to require certification from all project sponsors that—*

(A) *they will maintain the confidentiality of records pertaining to any individual or family provided family violence prevention or treatment services through the project;*

(B) *that the address or location of any family violence shelter project assisted under this subtitle will not be made public, except with written authorization of the person responsible for the operation of such project;*

(C) *they will establish policies and practices that are consistent with, and do not restrict the exercise of rights provided by, subtitle B of title VII, and other laws relating to the provision of educational and related services to individuals and families experiencing homelessness;*

(D) *in the case of programs that provide housing or services to families, they will designate a staff person to be responsible for ensuring that children being served in the program are enrolled in school and connected to appropriate services in the community, including early childhood programs such as Head Start, part C of the Individuals with Disabilities Education Act, and programs authorized under subtitle B of title VII of this Act (42 U.S.C. 11431 et seq.); and*

(E) *they will provide data and reports as required by the Secretary pursuant to the Act;*

(5) *if a collaborative applicant is a unified funding agency under section 402(g) and receives funds under subtitle C to*

carry out the payment of administrative costs described in section 423(a)(11), to establish such fiscal control and fund accounting procedures as may be necessary to assure the proper disbursement of, and accounting for, such funds in order to ensure that all financial transactions carried out with such funds are conducted, and records maintained, in accordance with generally accepted accounting principles;

(6) to monitor and report to the Secretary the provision of matching funds as required by section 430;

(7) to take the educational needs of children into account when families are placed in emergency or transitional shelter and will, to the maximum extent practicable, place families with children as close as possible to their school of origin so as not to disrupt such children's education; and

(8) to comply with such other terms and conditions as the Secretary may establish to carry out this subtitle in an effective and efficient manner.

[(d)] *(c) OCCUPANCY CHARGE.*—Each homeless individual or family residing in a project providing supportive housing may be required to pay an occupancy charge in an amount determined by the **[recipient]** *recipient or project sponsor* providing the project, which may not exceed the amount determined under section 3(a) of the United States Housing Act of 1937. Occupancy charges paid may be reserved, in whole or in part, to assist residents in moving to permanent housing.

[(e)] *(d) MATCHING FUNDING.*—Each recipient shall be required to supplement the amount of assistance provided under paragraphs (1) and (2) of section 423(a) with an equal amount of funds from sources other than this subtitle.]

[(f)] *(d) FLOOD PROTECTION STANDARDS.*—Flood protection standards applicable to housing acquired, rehabilitated, constructed, or assisted under this subtitle shall be no more restrictive than the standards applicable under Executive Order No. 11988 (May 24, 1977) to the other programs under this title.

[(g)] *(e) PARTICIPATION OF HOMELESS INDIVIDUALS.*—The Secretary shall, by regulation, require each **[recipient]** *recipient or project sponsor* to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policymaking entity of the **[recipient]** *recipient or project sponsor*, to the extent that such entity considers and makes policies and decisions regarding any project, supportive services, or assistance provided under this subtitle. The Secretary may grant waivers to applicants unable to meet the requirement under the preceding sentence if the applicant agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

[(h)] *(f) LIMITATION ON USE OF FUNDS.*—No assistance received under this subtitle (or any State or local government funds used to supplement such assistance) may be used to replace other State or local funds previously used, or designated for use, to assist homeless persons.

[(i)] *(f) LIMITATION ON ADMINISTRATIVE EXPENSES.*—No recipient may use more than 5 percent of a grant received under this subtitle for administrative purposes.]

[(j)] (g) TERMINATION OF ASSISTANCE.—If an individual or family who receives assistance under this subtitle (not including residents of an emergency shelter) from a recipient violates program requirements, the recipient may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals receiving such assistance to due process of law, which may include a hearing.

SEC. 427. SELECTION CRITERIA.

(a) *IN GENERAL.*—The Secretary shall award funds to recipients through a national competition between geographic areas based on criteria established by the Secretary.

(b) *REQUIRED CRITERIA.*—

(1) *IN GENERAL.*—The criteria established under subsection (a) shall include—

(A) *the previous performance of the recipient regarding homelessness, including performance related to funds provided under section 412 (except that recipients applying from geographic areas where no funds have been awarded under this subtitle, or under subtitles C, D, E, or F of title IV of this Act, as in effect prior to the date of the enactment of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, shall receive full credit for performance under this subparagraph), measured by criteria that shall be announced by the Secretary, that shall take into account barriers faced by individual homeless people, and that shall include—*

(i) *the length of time individuals and families remain homeless;*

(ii) *the extent to which individuals and families who leave homelessness experience additional spells of homelessness;*

(iii) *the thoroughness of grantees in the geographic area in reaching homeless individuals and families;*

(iv) *overall reduction in the number of homeless individuals and families;*

(v) *jobs and income growth for homeless individuals and families;*

(vi) *success at reducing the number of individuals and families who become homeless;*

(vii) *other accomplishments by the recipient related to reducing homelessness; and*

(viii) *for collaborative applicants that have exercised the authority under section 422(k) to serve families with children and youth defined as homeless under other Federal statutes, success in achieving the goals and outcomes identified in section 427(b)(1)(F);*

(B) *the plan of the recipient, which shall describe—*

(i) *how the number of individuals and families who become homeless will be reduced in the community;*

(ii) *how the length of time that individuals and families remain homeless will be reduced;*

(iii) *how the recipient will collaborate with local education authorities to assist in the identification of individuals and families who become or remain homeless and are informed of their eligibility for services under*

subtitle B of title VII of this Act (42 U.S.C. 11431 et seq.);

(iv) the extent to which the recipient will—

(I) address the needs of all relevant subpopulations;

(II) incorporate comprehensive strategies for reducing homelessness, including the interventions referred to in section 428(d);

(III) set quantifiable performance measures;

(IV) set timelines for completion of specific tasks;

(V) identify specific funding sources for planned activities; and

(VI) identify an individual or body responsible for overseeing implementation of specific strategies; and

(v) whether the recipient proposes to exercise authority to use funds under section 422(k), and if so, how the recipient will achieve the goals and outcomes identified in section 427(b)(1)(F);

(C) the methodology of the recipient used to determine the priority for funding local projects under section 422(c)(1), including the extent to which the priority-setting process—

(i) uses periodically collected information and analysis to determine the extent to which each project has resulted in rapid return to permanent housing for those served by the project, taking into account the severity of barriers faced by the people the project serves;

(ii) considers the full range of opinions from individuals or entities with knowledge of homelessness in the geographic area or an interest in preventing or ending homelessness in the geographic area;

(iii) is based on objective criteria that have been publicly announced by the recipient; and

(iv) is open to proposals from entities that have not previously received funds under this subtitle;

(D) the extent to which the amount of assistance to be provided under this subtitle to the recipient will be supplemented with resources from other public and private sources, including mainstream programs identified by the Government Accountability Office in the two reports described in section 203(a)(7);

(E) demonstrated coordination by the recipient with the other Federal, State, local, private, and other entities serving individuals and families experiencing homelessness and at risk of homelessness in the planning and operation of projects;

(F) for collaborative applicants exercising the authority under section 422(k) to serve homeless families with children and youth defined as homeless under other Federal statutes, program goals and outcomes, which shall include—

(i) preventing homelessness among the subset of such families with children and youth who are at highest risk of becoming homeless, as such term is defined for purposes of this title; or

(ii) *achieving independent living in permanent housing among such families with children and youth, especially those who have a history of doubled-up and other temporary housing situations or are living in a temporary housing situation due to lack of available and appropriate emergency shelter, through the provision of eligible assistance that directly contributes to achieving such results including assistance to address chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, or multiple barriers to employment; and*

(G) *such other factors as the Secretary determines to be appropriate to carry out this subtitle in an effective and efficient manner.*

(2) **ADDITIONAL CRITERIA.**—*In addition to the criteria required under paragraph (1), the criteria established under paragraph (1) shall also include the need within the geographic area for homeless services, determined as follows and under the following conditions:*

(A) **NOTICE.**—*The Secretary shall inform each collaborative applicant, at a time concurrent with the release of the notice of funding availability for the grants, of the pro rata estimated grant amount under this subtitle for the geographic area represented by the collaborative applicant.*

(B) **AMOUNT.**—

(i) **BASIS.**—*Such estimated grant amount shall be based on a percentage of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year that is equal to the percentage of the total amount available for section 106 of the Housing and Community Development Act of 1974 (42 U.S.C. 5306) for the prior fiscal year that*

(I) was allocated to all metropolitan cities and urban counties within the geographic area represented by the collaborative applicant; or

(II) would have been distributed to all counties within such geographic area that are not urban counties, if the 30 percent portion of the allocation to the State involved (as described in subsection (d)(1) of that section 106) for that year had been distributed among the counties that are not urban counties in the State in accordance with the formula specified in that subsection (with references in that subsection to nonentitlement areas considered to be references to those counties).

(ii) **ADJUSTMENT.**—*In computing the estimated grant amount, the Secretary shall adjust the estimated grant amount determined pursuant to clause (i) to ensure that—*

(I) 75 percent of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year are allocated to the metropolitan cities and urban counties that received a direct al-

location of funds under section 413 for the prior fiscal year; and

(II) 25 percent of the total funds available, or estimated to be available, to carry out this subtitle for any fiscal year are allocated—

(aa) to the metropolitan cities and urban counties that did not receive a direct allocation of funds under section 413 for the prior fiscal year; and

(bb) to counties that are not urban counties.

(iii) COMBINATIONS OR CONSORTIA.—For any collaborative applicant that represents a combination or consortium of cities or counties, the estimated grant amount shall be the sum of the estimated grant amounts for the cities or counties represented by the collaborative applicant.

(3) HOMELESSNESS COUNTS.—The Secretary shall not require that communities conduct an actual count of homeless people other than those described in paragraphs (1) through (4) of section 103(a) of this Act (42 U.S.C. 11302(a)).

(c) ADJUSTMENTS.—The Secretary may adjust the formula described in subsection (b)(2) as necessary—

(1) to ensure that each collaborative applicant has sufficient funding to renew all qualified projects for at least one year; and

(2) to ensure that collaborative applicants are not discouraged from replacing renewal projects with new projects that the collaborative applicant determines will better be able to meet the purposes of this Act.

SEC. 428. ALLOCATION OF AMOUNTS AND INCENTIVES FOR SPECIFIC ELIGIBLE ACTIVITIES.

(a) MINIMUM ALLOCATION FOR PERMANENT HOUSING FOR HOMELESS INDIVIDUALS AND FAMILIES WITH DISABILITIES.—

(1) IN GENERAL.—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 30 percent of the sums made available under section 408, not including amounts described in section 408(b), shall be used for new permanent housing for homeless individuals with disabilities and homeless families that include such an individual who is an adult or a minor head of household if no adult is present in the household.

(2) CALCULATION.—In calculating the portion of the amount described in paragraph (1) that is used for activities that are described in paragraph (1), the Secretary shall not count funds made available to renew contracts for existing projects under section 408(b).

(3) ADJUSTMENTS.—The 30 percent figure in paragraph (1) shall be reduced as follows:

(A) Proportionately based on need under section 427(b)(2) in geographic areas for which subsection (e) applies in regard to subsection (d)(2)(A); and

(B) by two percentage points for every three percentage points above 35 percent of the amount of funding provided under subtitle B and this subtitle that is needed to renew existing grants for one year, other than those provided for under section 429.

(4) *TERMINATION.*—The requirement established in paragraph (1) shall terminate upon a finding by the Secretary that since the beginning of 2001 at least 150,000 new units of permanent housing for homeless individuals and families with disabilities have been funded under this subtitle.

(b) *SET-ASIDE FOR PERMANENT HOUSING FOR HOMELESS FAMILIES WITH CHILDREN.*—From the amounts made available to carry out this subtitle for a fiscal year, a portion equal to not less than 10 percent of the sums made available to carry out subtitle B and this subtitle for that fiscal year shall be used to provide or secure permanent housing for homeless families with children.

(c) *TREATMENT OF AMOUNTS FOR PERMANENT OR TRANSITIONAL HOUSING.*—Nothing in this Act may be construed to establish a limit on the amount of funding that an applicant may request under this subtitle for acquisition, construction, or rehabilitation activities for the development of permanent housing or transitional housing.

(d) *INCENTIVES FOR PROVEN STRATEGIES.*—

(1) *IN GENERAL.*—The Secretary shall provide bonuses or other incentives to geographic areas for using funding under this subtitle for activities that have been proven to be effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

(2) *RULE OF CONSTRUCTION.*—For purposes of this subsection, activities that have been proven to be effective at reducing homelessness generally or reducing homelessness for a specific subpopulation includes—

(A) permanent supportive housing for chronically homeless individuals and families;

(B) for homeless families, rapid rehousing services, short-term flexible subsidies to overcome barriers to rehousing, support services concentrating on improving incomes to pay rent, coupled with performance measures emphasizing rapid and permanent rehousing and with leveraging funding from mainstream family service systems such as Temporary Assistance for Needy Families and Child Welfare services; and

(C) any other activity determined by the Secretary, based on research and after notice and comment to the public, to have been proven effective at reducing homelessness generally, reducing homelessness for a specific subpopulation, or achieving homeless prevention and independent living goals as set forth in section 427(b)(1)(F).

(3) *BALANCE OF INCENTIVES FOR PROVEN STRATEGIES.*—To the extent practicable, in providing bonuses or incentives for proven strategies, the Secretary shall seek to maintain a balance among strategies targeting homeless individuals, families, and other subpopulations. The Secretary shall not implement bonuses or incentives that specifically discourage collaborative applicants from exercising their flexibility to serve families with children and youth defined as homeless under other Federal statutes.

(e) *INCENTIVES FOR SUCCESSFUL IMPLEMENTATION OF PROVEN STRATEGIES.*—If any geographic area demonstrates that it has fully

implemented any of the activities described in subsection (d) for all homeless individuals and families or for all members of subpopulations for whom such activities are targeted, that geographic area shall receive the bonus or incentive provided under subsection (d), but may use such bonus or incentive for any eligible activity under either section 423 or paragraphs (4) and (5) of section 415(a) for homeless people generally or for the relevant subpopulation.

SEC. 429. RENEWAL FUNDING AND TERMS OF ASSISTANCE FOR PERMANENT HOUSING.

(a) *IN GENERAL.*—Renewal of permanent housing contracts, as provided under section 408(b), may be funded either under the appropriations account for this title or may be funded under the section 8 project-based rental assistance account, except that renewal under the project-based rental assistance account shall be contingent on sufficient funding in such account for the full year renewal of all project-based contracts expiring in such year.

(b) *RENEWALS.*—The sums made available under section 408(b) shall be available for the renewal of contracts in the case of tenant-based assistance, successive one-year terms, and in the case of project-based assistance, successive terms of up to 15 years at the discretion of the applicant or project sponsor and subject to the availability of annual appropriations, for rental assistance and housing operation costs associated with permanent housing projects funded under this subtitle, or under subtitle C or F (as in effect on the day before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008). The Secretary shall determine whether to renew a contract for such a permanent housing project on the basis of certification by the collaborative applicant for the geographic area that—

(1) there is a demonstrated need for the project; and

(2) the project complies with program requirements and appropriate standards of housing quality and habitability, as determined by the Secretary.

(c) *CONSTRUCTION.*—Nothing in this section shall be construed as prohibiting the Secretary from renewing contracts under this subtitle in accordance with criteria set forth in a provision of this subtitle other than this section.

SEC. 430. MATCHING FUNDING.

(a) *IN GENERAL.*—A collaborative applicant in a geographic area in which funds are awarded under this subtitle shall specify contributions from any source other than a grant awarded under this subtitle, including renewal funding of projects assisted under subtitles C, D, and F of this title as in effect before the effective date under section 503 of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided to recipients in the geographic area, except that grants for leasing shall not be subject to any match requirement.

(b) *LIMITATIONS ON IN-KIND MATCH.*—The cash value of services provided to the residents or clients of a project sponsor by an entity other than the project sponsor may count toward the contributions in subsection (a) only when documented by a memorandum of un-

derstanding between the project sponsor and the other entity that such services will be provided.

(c) COUNTABLE ACTIVITIES.—The contributions required under subsection (a) may consist of—

(1) funding for any eligible activity described under section 423; and

(2) subject to subsection (b), in-kind provision of services of any eligible activity described under section 423.

SEC. 431. APPEAL PROCEDURE.

(a) IN GENERAL.—With respect to funding under this subtitle, if certification of consistency with the consolidated plan pursuant to section 403 is withheld from an applicant who has submitted an application for that certification, such applicant may appeal such decision to the Secretary.

(b) PROCEDURE.—The Secretary shall establish a procedure to process the appeals described in subsection (a).

(c) DETERMINATION.—Not later than 45 days after the date of receipt of an appeal described in subsection (a), the Secretary shall determine if certification was unreasonably withheld. If such certification was unreasonably withheld, the Secretary shall review such application and determine if such applicant shall receive funding under this subtitle.

SEC. [427.] 432. REGULATIONS.

Not later than the expiration of the 90-day period beginning on the date of the enactment of the Housing and Community Development Act of 1992, the Secretary shall issue interim regulations to carry out this subtitle, which shall take effect upon issuance. The Secretary shall issue final regulations to carry out this subtitle after notice and opportunity for public comment regarding the interim regulations, pursuant to the provisions of section 553 of title 5, United States Code (notwithstanding subsections (a)(2), (b)(B), and (d)(3) of such section). The duration of the period for public comment shall not be less than 60 days, and the final regulations shall be issued not later than the expiration of the 60-day period beginning upon the conclusion of the comment period and shall take effect upon issuance.

SEC. [428.] 433. REPORTS TO CONGRESS.

The Secretary shall submit a report to the Congress annually, summarizing the activities carried out under this subtitle and setting forth the findings, conclusions, and recommendations of the Secretary as a result of the activities. The report shall be submitted not later than 4 months after the end of each fiscal year (except that, in the case of fiscal year 1993, the report shall be submitted not later than 6 months after the end of the fiscal year).

[SEC. 429. AUTHORIZATION OF APPROPRIATIONS.

[(a) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subtitle \$204,000,000 for fiscal year 1993 and \$212,568,000 for fiscal year 1994.

[(b) SET-ASIDES.—Of any amounts appropriated to carry out this subtitle—

[(1) not less than 25 percent shall be allocated to projects designed primarily to serve homeless families with children;

[(2) not less than 25 percent shall be allocated to projects designed primarily to serve homeless persons with disabilities; and

[(3) not less than 10 percent shall be allocated for use only for providing supportive services under sections 423(a)(5) and 425, not provided in conjunction with supportive housing.

[(c) REALLOCATIONS.—If, following the receipt of applications for the final funding round under this subtitle for any fiscal year, any amount set aside for assistance pursuant to subsection (b) will not be required to fund the approvable applications submitted for such assistance, the Secretary shall reallocate such amount for other assistance pursuant to this subtitle.

[Subtitle D—Safe Havens for Homeless Individuals Demonstration Program

[SEC. 431. ESTABLISHMENT OF DEMONSTRATION.

[(a) IN GENERAL.—The Secretary may make grants to applicants to demonstrate the desirability and feasibility of providing very low-cost housing, to be known as safe havens, to homeless persons who, at the time, are unwilling or unable to participate in mental health treatment programs or to receive other supportive services.

[(b) PURPOSES.—The demonstration program carried out under this subtitle shall demonstrate—

[(1) whether and on what basis eligible persons choose to reside in safe havens;

[(2) the extent to which, after a period of residence in a safe haven, residents are willing to participate in mental health treatment programs, substance abuse treatment, or other treatment programs and to move toward a more traditional form of permanent housing and the availability in the community of such permanent housing and treatment programs;

[(3) whether safe havens are cost-effective in comparison with other alternatives for eligible persons; and

[(4) the various ways in which safe havens may be used to provide accommodations and low-demand services and referrals for eligible persons.

[SEC. 432. DEFINITIONS.

[For purposes of this subtitle:

[(1) APPLICANT.—The term “applicant” means a nonprofit corporation, public nonprofit organization, State, or unit of general local government.

[(2) ELIGIBLE PERSON.—The term “eligible person” means an individual who—

[(A) is seriously mentally ill and resides primarily in a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings, which may include occasional residence in an emergency shelter; and

[(B) is currently unwilling or unable to participate in mental health or substance abuse treatment programs or to receive other supportive services.

Such term does not include a person whose sole impairment is substance abuse.

[(3) FACILITY.—The term “facility” means a structure or a clearly identifiable portion of a structure that is assisted under this subtitle.

[(4) LOW-DEMAND SERVICES AND REFERRALS.—The term “low-demand services and referrals” means the provision of health care, mental health, substance abuse, and other supportive services and referrals for services in a noncoercive manner, which may include medication management, education, counseling, job training, and assistance in obtaining entitlement benefits and in obtaining other supportive services including mental health treatment and substance abuse treatment.

[(5) NONPROFIT ORGANIZATION.—The term “nonprofit organization” means an organization—

[(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

[(B) that has a voluntary board;

[(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and

[(D) that practices nondiscrimination in the provision of assistance.

[(6) OPERATING COSTS.—The term “operating costs” means expenses incurred by a recipient operating a safe haven under this subtitle with respect to—

[(A) the operation of the facility, including the cost of 24-hour management, and maintenance, repair, and security;

[(B) utilities, fuel, furnishings, and equipment for such housing; and

[(C) other reasonable costs necessary to the operation of the facility, which may include appropriate outreach and drop-in services.

[(7) RECIPIENT.—The term “recipient” means an applicant that receives assistance under this subtitle.

[(8) SAFE HAVEN.—The term “safe haven” means a facility—

[(A) that provides 24-hour residence for eligible persons who may reside for an unspecified duration;

[(B) that provides private or semiprivate accommodations;

[(C) that may provide for the common use of kitchen facilities, dining rooms, and bathrooms;

[(D) that may provide supportive services to eligible persons who are not residents on a drop-in basis; and

[(E) in which overnight occupancy is limited to no more than 25 persons.

[(9) SECRETARY.—The term “Secretary” means the Secretary of Housing and Urban Development.

[(10) SERIOUSLY MENTALLY ILL.—The term “seriously mentally ill” means having a severe and persistent mental or emotional impairment that seriously limits a person’s ability to live independently.

[(11) STATE.—The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, and Palau.

[(12) UNIT OF GENERAL LOCAL GOVERNMENT.—The term “unit of general local government” has the meaning given the term in section 102(a) of the Housing and Community Development Act of 1974.

[SEC. 433. PROGRAM ASSISTANCE.

[(a) IN GENERAL.—

[(1) ELIGIBLE ACTIVITIES.—The Secretary may provide assistance with respect to a program under this subtitle for the following activities:

[(A) The construction of a structure for use in providing a safe haven or the acquisition, rehabilitation, or acquisition and rehabilitation of an existing structure for use in providing a safe haven.

[(B) The leasing of an existing structure for use in providing a safe haven.

[(C) To cover the operating costs of a safe haven.

[(D) To cover the costs of administering a safe haven program, not to exceed 10 percent of the amounts made available for activities under subparagraphs (A) through (C).

[(E) Outreach activities designed to inform eligible persons about and attract them to a safe haven program.

[(F) The provision of low-demand services and referrals for residents of a safe haven, except that grants under this subtitle may not be used to cover more than 50 percent of the cost of such services and referrals.

[(G) Other activities that further the purposes of this subtitle, including the modification of an existing facility to use a portion of the facility to provide with a safe haven.

[(2) PERIOD OF ASSISTANCE.—Assistance may be provided to any safe haven program for activities under subparagraphs (B) through (F) of paragraph (1) for a period of not more than 5 years, except that the Secretary may, upon application by the recipient, provide assistance for an additional period of time, not to exceed 5 years, subject to—

[(A) the determination of the Secretary that the performance of the recipient under this subtitle is satisfactory; and

[(B) the availability of appropriations for such purpose.

[(3) LIMIT ON AMOUNT.—The total amount of assistance provided to any recipient under this subsection may not exceed \$400,000 in any 5-year period.

[(b) MATCHING FUNDING.—

[(1) IN GENERAL.—Each recipient shall supplement a grant provided under this subtitle with an equal amount of funds from sources other than this subtitle. Each recipient shall certify to the Secretary that it has complied with this paragraph, and shall include with the certification a description of the sources and amounts of such supplemental funds.

[(2) CALCULATION OF AMOUNTS.—In calculating the amount of supplemental funds required under paragraph (1), a recipient may include any funds derived from another source, the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers, at a rate deter-

mined by the Secretary, to carry out the program of the recipient.

[SEC. 434. PROGRAM REQUIREMENTS.

[(a) APPLICATIONS.—Applications for assistance under this subtitle shall be submitted by an applicant in such form and in accordance with such procedures as the Secretary shall establish, and such applications shall contain at a minimum—

[(1) a description of the proposed facility;

[(2) a description of the number and characteristics of the eligible persons expected to occupy the safe haven;

[(3) a plan for identifying and selecting eligible persons to participate;

[(4) a program plan, containing a description of the method—

[(A) of operation of the facility, including staffing plans and facility rules;

[(B) by which the applicant will secure supportive services for residents of the safe haven;

[(C) by which the applicant will monitor the willingness of residents to engage in treatment programs and other supportive services;

[(D) by which access to supportive services will be secured for residents willing to use them;

[(E) by which access to permanent housing with appropriate services, such as the Shelter Plus Care program under subtitle F, will be sought after residents are stabilized; and

[(F) by which the applicant will conduct outreach activities to facilitate the entrance of eligible persons into the safe haven;

[(5) a plan to ensure that adequate security precautions are taken to make the facility safe for the residents;

[(6) an estimate of program costs;

[(7) a description of the resources that are expected to be made available in accordance with section 433(b);

[(8) assurances satisfactory to the Secretary that the facility will have 24-hour, on-site management, if practicable;

[(9) assurances satisfactory to the Secretary that the facility will be operated for the purpose specified in the application for each year in which assistance is provided under this subtitle;

[(10) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act for the State or unit of general local government within which the facility is located that the proposed activities are consistent with the approved housing strategy for such jurisdiction;

[(11) a certification that the applicant will comply with the requirements of the Fair Housing Act, title VI of the Civil Rights Act of 1964, section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975, and will affirmatively further fair housing;

[(12) a plan for program evaluation based on information that is collected on a periodic basis regarding the characteristics of the residents, including their movement in and out of

the safe haven, their willingness to use low-demand services and referrals, the availability and quality of services used, and the movement of residents toward a more traditional form of permanent housing after a period of residency in the safe haven; and

[(13) such other information as the Secretary may require.

[(b) SITE CONTROL.—The Secretary shall require that an applicant furnish reasonable assurances that the applicant will have control of a site for the proposed facility not later than 1 year after notification of an award of assistance under this subtitle. If an applicant fails to obtain control of the site within this period, the grant shall be recaptured by the Secretary and reallocated for use under this subtitle.

[(c) SELECTION CRITERIA.—The Secretary shall establish selection criteria for selecting applicants to receive assistance under this subtitle pursuant to a national competition, which shall include—

[(1) the extent to which the applicant demonstrates the ability to develop and operate a safe haven;

[(2) the extent to which there is a need for a safe haven in the jurisdiction in which the facility will be located;

[(3) the extent to which the program would link eligible persons to permanent housing and supportive services after stabilization in a safe haven;

[(4) the cost-effectiveness of the proposed program;

[(5) providing for geographical diversity among applicants selected to receive assistance;

[(6) the extent to which the safe haven would meet the need of the eligible persons proposed to be served by the safe haven; and

[(7) such other factors as the Secretary determines to be appropriate for purposes of carrying out the program established under this subtitle in an effective and efficient manner.

[(d) REQUIRED AGREEMENTS.—The Secretary may not provide assistance under this subtitle for any safe haven program unless the applicant agrees—

[(1) to develop and operate the proposed facility as a safe haven in accordance with the provisions of this subtitle;

[(2) to ensure that the facility meets any standards of habitability established by the Secretary;

[(3) to provide low-demand services and referrals for the residents of the safe haven;

[(4) to prohibit the use of illegal drugs and alcohol in the facility;

[(5) to ensure that adequate security precautions are taken to make the facility safe for the residents;

[(6) not to establish limitations on the duration of residency;

[(7) not to require participation in low-demand services and referrals as a condition of occupancy;

[(8) to monitor and report to the Secretary on progress in carrying out the safe haven program;

[(9) to the maximum extent practicable, to involve eligible persons, through employment, volunteer services, or otherwise, in renovating, maintaining, and operating facilities assisted under this subtitle and in providing services assisted under this subtitle;

[(10) to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policymaking entity of such recipient (in accordance with regulations that the Secretary shall issue), to the extent that such entity considers and makes policies and decisions regarding any facility or services assisted under this subtitle, or to otherwise provide for the consultation and participation of such an individual in considering and making such policies and decisions; and

[(11) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program established under this subtitle in an effective and efficient manner.

The Secretary may waive the applicability of the requirement under paragraph (10) for an applicant that is unable to meet such requirement, if the applicant agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

[SEC. 435. OCCUPANCY CHARGE.

[Each eligible person who resides in a facility assisted under this subtitle shall pay an occupancy charge in an amount determined by the recipient, but not to exceed the amount determined under section 3(a) of the United States Housing Act of 1937. The occupancy charge may be phased in or reduced based on the type of living accommodations provided. The recipient may waive occupancy charges for limited periods of time for residents unwilling or unable to pay them. Occupancy charges paid may be reserved to assist residents in moving to a more traditional form of permanent housing.

[SEC. 436. TERMINATION OF ASSISTANCE.

[If an eligible person who resides in a safe haven or who receives low-demand services or referrals endangers the safety, welfare, or health of other residents, or repeatedly violates a condition of occupancy contained in the rules for the safe haven (as set forth in the application submitted under this subtitle), the recipient may terminate such residency or assistance in accordance with a formal process established by the rules for the safe haven, which may include a hearing.

[SEC. 437. EVALUATION AND REPORT.

[The Secretary shall conduct an evaluation of the safe haven demonstration program under this subtitle and shall submit a report to the Congress, not later than December 31, 1994, which shall set forth the findings of the Secretary as a result of the evaluation.

[SEC. 438. REGULATIONS.

[(a) IN GENERAL.—The Secretary shall, by notice published in the Federal Register, establish such requirements as may be necessary to carry out the amendments made by this subtitle.

[(b) CONSULTATION.—In establishing requirements to carry out the provisions of this subtitle, and in considering applications under this subtitle, the Secretary shall consult with officials of the appropriate agencies of the Department of Health and Human

Services and with representative provider and public interest groups.

[(c) ELIGIBILITY FOR SSI AND MEDICAID.—

[(1) SUPPLEMENTAL SECURITY INCOME.—All provisions of the Supplemental Security Income program under title XVI of the Social Security Act and of State programs in supplementation thereof shall apply to participants in the safe havens demonstration program under this subtitle, except that no individual living in a safe haven shall—

[(A) be considered an inmate of a public institution (as provided in section 1611(e)(1)(A) of such Act); or

[(B) have benefits under such title XVI reduced or terminated because of the receipt of support and maintenance (as provided in section 1612(a)(2)(A) of such Act), to the extent such support and maintenance is received as a result of participation in the safe havens demonstration program.

[(2) MEDICAID.—A safe haven shall not be considered a hospital, nursing facility, institution for mental disease as defined under section 1905(i) of the Social Security Act, or any other inpatient facility, for purposes of the program under title XIX of such Act, and individuals shall not be denied eligibility for medicaid because of residency in such residence.

[SEC. 439. AUTHORIZATION OF APPROPRIATIONS.

[There are authorized to be appropriated to carry out this subtitle \$62,000,000 for fiscal year 1993 and \$64,604,000 for fiscal year 1994.

[Subtitle E—Miscellaneous Provisions

[SEC. 441. SECTION 8 ASSISTANCE FOR SINGLE ROOM OCCUPANCY DWELLINGS.

[(a) INCREASE IN BUDGET AUTHORITY.—The budget authority available under section 5(c) of the United States Housing Act of 1937 for assistance under section 8(e)(2) of such Act is authorized to be increased by \$105,000,000 on or after October 1, 1992, and by \$109,410,000 on or after October 1, 1993.

[(b) USE OF FUNDS.—The amounts made available under this section shall be used only in connection with the moderate rehabilitation of housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by homeless individuals, except that amounts made available under this section may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating such units., and except that the Secretary may provide amounts available under this section to private non-profit organizations that submit applications for such assistance that are approved by the Secretary.

[(c) ALLOCATION.—The amounts made available under this section shall be allocated by the Secretary of Housing and Urban Development on the basis of a national competition to the applicants that best demonstrate a need for the assistance under this section and the ability to undertake and carry out a program to be assisted under this section. To be considered for assistance under this sec-

tion, an applicant shall submit to the Secretary of Housing and Urban Development a written proposal containing—

【(1) a description of the size and characteristics of the population within the applicant's jurisdiction that would occupy single room occupancy dwellings;

【(2) a listing of additional commitments from public and private sources that the applicant might be able to provide in connection with the program;

【(3) an inventory of suitable housing stock to be rehabilitated with such assistance;

【(4) a description of the interest that has been expressed by builders, developers, and others (including profit and nonprofit organizations) in participating in the program; and

【(5) assurances satisfactory to the Secretary that the applicant, to the maximum extent practicable, will involve homeless individuals and families, through employment, volunteer services, or otherwise, in rehabilitating and operating facilities assisted under this section and in providing services for occupants of such facilities.

No single city or urban county shall be eligible to receive more than 10 percent of the assistance made available under this section.

【(d) FIRE AND SAFETY IMPROVEMENTS.—Each contract for housing assistance payments entered into with the authority provided under this section shall require the installation of a sprinkler system that protects all major spaces, hard wired smoke detectors, and such other fire and safety improvements as may be required by State or local law. For purposes of this subsection, the term “major spaces” means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

【(e) COST LIMITATION.—

【(1) The total cost of rehabilitation that may be compensated for in a contract for housing assistance payments entered into with the authority provided under this section shall not exceed \$14,000 per unit, plus the expenditures required by subsection (d).

【(2) The Secretary of Housing and Urban Development shall increase the limitation contained in paragraph (1) by an amount the Secretary determines is reasonable and necessary to accommodate special local conditions, including—

【(A) high construction costs; or

【(B) stringent fire or building codes.

【(3) The Secretary of Housing and Urban Development shall increase the limitation in paragraph (1) on October 1 of each year by an amount necessary to take into account increases in construction costs during the previous 12-month period.

【(f) CONTRACT REQUIREMENTS.—Each contract for annual contributions entered into with a approved applicant to obligate the authority made available under this section shall—

【(1) commit the Secretary of Housing and Urban Development to make such authority available to the approved applicant for an aggregate period of 10 years, and require that any amendments increasing such authority shall be available for the remainder of such 10-year period;

[(2) provide the Secretary of Housing and Urban Development with the option to renew the contract for an additional period of 10 years, subject to the availability of appropriations; and

[(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this section shall be given to homeless individuals.

[(h) PARTICIPATION OF HOMELESS INDIVIDUALS.—The Secretary shall, by regulation, require each approved applicant receiving assistance under this section that is not a public housing agency to provide for the participation of not less than one homeless individual or former homeless individual on the board of directors or other equivalent policymaking entity of such applicant, to the extent that such entity considers and makes policies and decisions regarding the rehabilitation of any housing with assistance under this section. The Secretary may grant waivers to approved applicants unable to meet the requirements under the preceding sentence if the applicant agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

[(i) TERMINATION OF ASSISTANCE.—If an individual or family who receives assistance under this section violates program requirements, the recipient of amounts made available under this section may terminate assistance in accordance with a formal process established by the recipient that recognizes the rights of individuals receiving such assistance to due process of law.

[(j) DEFINITIONS.—For purposes of this section—

[(1) the term “applicant” means a public housing agency, or private nonprofit organization that applies for assistance under this section; and

[(2) the term “private nonprofit organization” means an organization—

[(A) no part of the net earnings of which inures to the benefit of any member, founder, contributor, or individual;

[(B) that has a voluntary board;

[(C) that has an accounting system, or has designated a fiscal agent in accordance with requirements established by the Secretary; and

[(D) that practices nondiscrimination in the provision of assistance.

[SEC. 442. COMMUNITY DEVELOPMENT BLOCK GRANT AMENDMENT.

[Section 102(a)(6) of the Housing and Community Development Act of 1974 is amended in the second sentence by inserting “or 1984” after “fiscal year 1983”.

[SEC. 443. ENVIRONMENTAL REVIEW.

[For purposes of environmental review, assistance and projects under this title shall be treated as assistance for special projects that are subject to section 305(c) of the Multifamily Housing Property Disposition Reform Act of 1994, and shall be subject to the regulations issued by the Secretary to implement such section.

[Subtitle F—Shelter Plus Care Program

[PART I—GENERAL REQUIREMENTS

[SEC. 451. PURPOSE.

【The purpose of the program authorized under this subtitle is to provide rental housing assistance, in connection with supportive services funded from sources other than this subtitle, to homeless persons with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the families of such persons.

[SEC. 452. RENTAL HOUSING ASSISTANCE.

【(a) **IN GENERAL.**—The Secretary is authorized, in accordance with the provisions of this subtitle, to provide rental housing assistance under parts II, III, IV, and V.

【(b) **FUNDING LIMITATIONS.**—To the maximum extent practicable, the Secretary shall reserve not less than 50 percent of all funds provided under this subtitle for homeless individuals who are seriously mentally ill or have chronic problems with alcohol, drugs, or both.

[SEC. 453. SUPPORTIVE SERVICES REQUIREMENTS.

【(a) MATCHING FUNDING.—

【(1) **IN GENERAL.**—Each recipient shall be required to supplement the assistance provided under this subtitle with an equal amount of funds for supportive services from sources other than this subtitle. Each recipient shall certify to the Secretary its compliance with this paragraph, and shall include with the certification a description of the sources and amounts of such supplemental funds.

【(2) **DETERMINATION OF MATCHING AMOUNTS.**—In calculating the amount of supplemental funds provided under this subtitle, a recipient may include the value of any lease on a building, any salary paid to staff to carry out the program of the recipient, and the value of the time and services contributed by volunteers to carry out the program of the recipient at a rate determined by the Secretary.

【(b) **RECAPTURE.**—If the supportive services and funding for the supportive services required by this section are not provided, the Secretary may recapture any unexpended housing assistance.

[SEC. 454. APPLICATIONS.

【(a) **IN GENERAL.**—An application for rental housing assistance under this subtitle shall be submitted by an applicant in such forms and in accordance with such procedures as the Secretary shall establish.

【(b) **MINIMUM CONTENTS.**—The Secretary shall require that an application identify the need for the assistance in the community to be served and shall contain at a minimum—

【(1) a request for housing assistance under part II, III, IV, or V, or a combination, specifying the number of units requested and the amount of necessary budget authority;

【(2) a description of the size and characteristics of the population of eligible persons;

[(3) an identification of the need for the program in the community to be served;

[(4) the identity of the proposed service provider or providers (which may be, or include, the applicant) and a statement of the qualifications of the provider or providers;

[(5) a description of the supportive services that the applicant proposes to assure will be available for eligible persons;

[(6) a description of the resources that are expected to be made available to provide the supportive services required by section 453;

[(7) a description of the mechanisms for developing a housing and supportive services plan for each person and for monitoring each person's progress in meeting that plan;

[(8) reasonable assurances satisfactory to the Secretary that the supportive services will be provided for the full term of the housing assistance under part II, III, IV, or V, or a combination; and a certification from the applicant that it will fund the supportive services itself if the planned resources do not become available for any reason;

[(9) a certification by the public official responsible for submitting the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act that the proposed activities are consistent with the approved housing strategy of the unit of general local government within which housing assistance under this subtitle will be provided;

[(10) a plan for—

[(A) in the case of rental housing assistance under part II, or III, providing housing assistance;

[(B) identifying and selecting eligible persons to participate, including a proposed definition of the term "chronic problems with alcohol, other drugs, or both";

[(C) coordinating the provision of housing assistance and supportive services;

[(D) ensuring that the service providers are providing supportive services adequate to meet the needs of the persons served;

[(E) obtaining participation of eligible persons who have previously not been assisted under programs designed to assist the homeless or have been considered not capable of participation in these programs; this plan shall specifically address how homeless persons, as defined in section 103(a)(2)(C), (and the families of such persons) will be brought into the program;

[(11) in the case of housing assistance under part V, identification of the specific structures that the recipient is proposing for assistance; and

[(12) in the case of housing assistance under part IV, identification of the nonprofit entity that will be the owner or lessor of the property, and identification of the specific structures in which the nonprofit entity proposes to house eligible persons.

[SEC. 455. SELECTION CRITERIA.

[(a) IN GENERAL.—The Secretary shall establish selection criteria for a national competition for assistance under this subtitle, which shall include—

[(1) the ability of the applicant to develop and operate the proposed assisted housing and supportive services program, taking into account the quality of any ongoing program of the applicant;

[(2) geographic diversity among the projects to be assisted;

[(3) the need for a program providing housing assistance and supportive services for eligible persons in the area to be served;

[(4) the quality of the proposed program for providing supportive services and housing assistance;

[(5) the extent to which the proposed funding for the supportive services is or will be available;

[(6) the extent to which the project would meet the needs of the homeless persons proposed to be served by the program;

[(7) the extent to which the program integrates program recipients into the community served by the program;

[(8) the cost-effectiveness of the proposed program; and

[(9) such other factors as the Secretary specifies in regulations to be appropriate for purposes of carrying out the program established by this subtitle in an effective and efficient manner.

[(b) FUNDING LIMITATION.—No more than 10 percent of the assistance made available under this subtitle for any fiscal year may be used for programs located within any one unit of general local government.

[(c) PARTICIPATION OF HOMELESS INDIVIDUALS.—The Secretary shall, by regulation, require each recipient to provide for the consultation and participation of not less than one homeless individual or former homeless individual on the board of directors or other equivalent policymaking entity of the recipient, to the extent that such entity considers and makes policies and decisions regarding any housing assisted under this subtitle or services for such housing. The Secretary may grant waivers to recipients unable to meet the requirement under the preceding sentence if the recipient agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.

[SEC. 456. REQUIRED AGREEMENTS.

The Secretary may not approve assistance under this subtitle unless the applicant agrees—

[(1) to operate the proposed program in accordance with the provisions of this subtitle;

[(2) to conduct an ongoing assessment of the housing assistance and supportive services required by the participants in the program;

[(3) to assure the adequate provision of supportive services to the participants in the program;

[(4) to comply with such other terms and conditions as the Secretary may establish for purposes of carrying out the program in an effective and efficient manner; and

[(5) to the maximum extent practicable, to involve homeless individuals and families, through employment volunteer services, or otherwise, in constructing or rehabilitating housing assisted under this subtitle and in providing services required under this subtitle.

[SEC. 457. HOUSING STANDARDS AND RENT REASONABLENESS.

[(a) STANDARDS REQUIRED.—The Secretary shall require that—

[(1) before any assistance may be provided to or on behalf of the person, each unit shall be inspected by the applicant directly or by another entity, including the local public housing agency, to determine that the unit meets the housing quality standards under section 8 of the United States Housing Act of 1937 and that the occupancy charge for the dwelling unit is reasonable; and

[(2) the recipient shall make at least annual inspections of each unit during the contract term.

[(b) PROHIBITION.—No assistance may be provided for a dwelling unit (1) for which the occupancy charge is not reasonable, or (2) which fails to meet the housing standards, unless the owner promptly corrects the deficiency and the recipient verifies the correction.

[SEC. 458. TENANT RENT.

[Each tenant shall pay as rent an amount determined in accordance with the provisions of section 3(a)(1) of the United States Housing Act of 1937.

[SEC. 459. ADMINISTRATIVE FEES.

[From amounts made available under appropriations Acts, the Secretary shall make amounts available to pay the entity administering the housing assistance an administrative fee in an amount determined appropriate by the Secretary for the costs of administering the housing assistance.

[SEC. 460. OCCUPANCY.

[(a) OCCUPANCY AGREEMENT.—The occupancy agreement between a tenant and an owner of a dwelling unit assisted under this subtitle shall be for at least one month.

[(b) VACANCY PAYMENTS.—If an eligible person vacates a dwelling unit assisted under this subtitle before the expiration of the occupancy agreement, no assistance payment may be made with respect to the unit after the month that follows the month during which the unit was vacated, unless it is occupied by another eligible person.

[SEC. 461. TERMINATION OF ASSISTANCE.

[(a) AUTHORITY.—If an eligible individual who receives assistance under this subtitle violates program requirements, the recipient may terminate assistance in accordance with the process established pursuant to subsection (b).

[(b) PROCEDURE.—In terminating assistance under this section, the recipient shall provide a formal process that recognizes the rights of individuals receiving such assistance to due process of law.

[SEC. 462. TERM OF CONTRACT WITH OWNER OR LESSOR.

[An applicant under this subtitle may enter into a contract with the owner or lessor of a property that receives rental assistance under this subtitle having a term of not more than 15 years, subject to the availability of sufficient funds provided in appropriation Acts for the purpose of renewing expiring contracts for assistance payments. Such contract may, at the election of the applicant and owner or lessor, specify that such contract shall be extended for re-

newal terms of not more than 15 years each, subject to the availability of sufficient such appropriated funds.

[SEC. 463. DEFINITIONS.

[For purposes of this subtitle:

[(1) The term “acquired immunodeficiency syndrome and related diseases” has the meaning given such term in section 853 of the Cranston-Gonzalez National Affordable Housing Act.

[(2) The term “applicant” means a State, unit of general local government or public housing agency.

[(3) The term “eligible person” means a homeless person with disabilities (primarily persons who are seriously mentally ill, have chronic problems with alcohol, drugs, or both, or have acquired immunodeficiency syndrome and related diseases) and the family of such a person.

[(5) The term “nonprofit organization” has the meaning given such term by section 104 of the Cranston-Gonzalez National Affordable Housing Act, and includes community mental health centers established as public nonprofit organizations.

[(6) The term “person with disabilities” has the same meaning given the term in section 811 of the Cranston-Gonzalez National Affordable Housing Act.

[(7) The term “public housing agency” has the meaning given such term in section 3(b)(6) of the United States Housing Act of 1937.

[(8) The term “recipient” means an applicant approved for participation in the program authorized under this subtitle.

[(9) The term “Secretary” means the Secretary of Housing and Urban Development.

[(10) The term “seriously mentally ill” means having a severe and persistent mental or emotional impairment that seriously limits a person’s ability to live independently.

[(11) The term “State” means each of the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Northern Mariana Islands, the Trust Territory of the Pacific Islands, and any other territory or possession of the United States.

[(12) The term “supportive services” means assistance that the Secretary determines (A) addresses the special needs of eligible persons; and (B) provides appropriate services or assists such persons in obtaining appropriate services, including health care, mental health services, substance and alcohol abuse services, child care services, case management services, counseling, supervision, education, job training, and other services essential for achieving and maintaining independent living. Inpatient acute hospital care shall not qualify as a supportive service.

[(13) The term “unit of general local government” has the meaning given such term in section 102 of the Housing and Community Development Act of 1974.

[SEC. 464. AUTHORIZATION OF APPROPRIATIONS.

[(a) IN GENERAL.—For purposes of the housing programs under this subtitle, there are authorized to be appropriated \$266,550,000 for fiscal year 1993 and \$277,745,100 for fiscal year 1994. Of any amount appropriated in any fiscal year to carry out this subtitle—

[(1) not less than 10 percent shall be available only for carrying out part II of this subtitle;

[(2) not less than 10 percent shall be available only for carrying out part III of this subtitle;

[(3) not less than 10 percent shall be available only for carrying out part IV of this subtitle; and

[(4) not less than 10 percent shall be available only for carrying out part V of this subtitle.

[(b) AVAILABILITY.—Sums appropriated under this section shall remain available until expended.

[PART II—TENANT-BASED RENTAL ASSISTANCE

[SEC. 471. AUTHORITY.

[(The Secretary may use amounts made available under section 464 to provide tenant-based rental housing assistance for eligible persons in accordance with this part.

[SEC. 472. HOUSING ASSISTANCE.

[(An eligible person on behalf of whom assistance is provided under this part shall select the unit in which such person will live using rental assistance under this part; except that where necessary to assure that the provision of supportive services to persons is feasible, a recipient may require that a person participating in the program live (1) in a particular structure or unit for up to the first year of participation, and (2) within a particular geographic area for the full period of participation or the period remaining after the period referred to in paragraph (1).

[SEC. 473. AMOUNT OF ASSISTANCE.

[(The contract with a recipient for assistance under this part shall be for a term of 5 years. Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rent limitation under section 8(c) of the United States Housing Act of 1937 in effect at the time the application is approved. At the option of the recipient and subject to the availability of such amounts, the recipient may receive in any year (1) up to 25 percent of such amounts or (2) such higher percentage as the Secretary may approve upon a demonstration satisfactory to the Secretary that the recipient has entered into firm financial commitments to ensure that the housing assistance described in the application will be provided for the full term of the contract. Any amounts not needed for a year may be used to increase the amount available in subsequent years.

[PART III—PROJECT-BASED RENTAL ASSISTANCE

[SEC. 476. AUTHORITY.

[(The Secretary may use amounts made available under section 464 to provide project-based rental housing assistance for eligible persons in accordance with this part.

[SEC. 477. HOUSING ASSISTANCE.

【Assistance under this part shall be provided pursuant to a contract between the recipient and an owner of an existing structure. The contract shall provide that rental assistance payments shall be made to the owner and that the units in the structure shall be occupied by eligible persons for not less than the term of the contract.

[SEC. 478. TERM OF CONTRACT AND AMOUNT OF ASSISTANCE.

【(a) TERM OF CONTRACT.—Each contract with a recipient for assistance under this part shall be for a term of 5 years, and the owner shall have an option to renew the assistance for an additional 5-year term, subject to the availability of amounts provided in appropriation Acts; except that if an expenditure of at least \$3,000 for each unit (including its prorated share of work on common areas or systems) is required to make the structure decent, safe, and sanitary, and the owner agrees to carry out the rehabilitation with resources other than assistance under this subtitle within 12 months of notification of grant approval, the contract shall be for a term of 10 years; except that, in the case of any project for which equity is provided through any low-income housing tax credit pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42), if an expenditure of such amount for each unit (including the prorated share of such work) is required to make the structure decent, safe, and sanitary, and the owner agrees to reach initial closing on permanent financing from such other sources within two years and agrees to carry out the rehabilitation with resources other than assistance under this subtitle within 60 months of notification of grant approval, the contract shall be for a term of 10 years (except that such period may be extended by up to 1 year by the Secretary, which extension shall be granted unless the Secretary determines that the sponsor is primarily responsible for the failure to meet such deadline).

【(b) AMOUNT OF ASSISTANCE.—Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rental under section 8(c)(1) of the United States Housing Act of 1937 in effect at the time the application is approved. Any amounts not needed for a year may be used to increase the amount available in subsequent years.

[PART IV—SPONSOR-BASED RENTAL ASSISTANCE

[SEC. 481. AUTHORITY.

【The Secretary may use amounts made available under section 464 to provide sponsor-based rental assistance for eligible persons in accordance with this part.

[SEC. 482. HOUSING ASSISTANCE.

【Assistance under this part shall be provided pursuant to a contract between the recipient and a private nonprofit sponsor that owns or leases dwelling units. The contract shall provide that rental assistance payments shall be made to the sponsor and that such assisted units shall be occupied by eligible persons.

[SEC. 483. TERM OF CONTRACT AND AMOUNT OF ASSISTANCE.

[(a) TERM OF CONTRACT.—The contract with a recipient of assistance under this part shall be for a term of 5 years.

[(b) AMOUNT OF ASSISTANCE.—Each contract shall provide that the recipient shall receive aggregate amounts not to exceed the appropriate existing housing fair market rental under section 8(c)(1) of the United States Housing Act of 1937 in effect at the time the application is approved. Any amounts not needed for a year may be used to increase the amount available in subsequent years.

[PART V—SECTION 8 MODERATE REHABILITATION ASSISTANCE FOR SINGLE-ROOM OCCUPANCY DWELLINGS**[SEC. 486. AUTHORITY.**

[The Secretary may use amounts made available under section 464 in connection with the moderate rehabilitation of single room occupancy housing described in section 8(n) of the United States Housing Act of 1937 for occupancy by eligible persons in accordance with this part. Amounts available under section 464 may be used in connection with the moderate rehabilitation of efficiency units if the building owner agrees to pay the additional cost of rehabilitating and operating the efficiency units.

[SEC. 487. FIRE AND SAFETY IMPROVEMENTS.

[Each contract for housing assistance payments entered into under this part shall require the installation of a sprinkler system that protects all major spaces, hard-wired smoke detectors, and any other fire safety improvements as may be required by State or local law. For purposes of this section, the term “major spaces” means hallways, large common areas, and other areas specified in local fire, building, or safety codes.

[SEC. 488. CONTRACT REQUIREMENTS.

[Each contract for annual contributions entered into by the Secretary with a public housing agency to obligate the authority made available under section 464 for use under this part shall—

[(1) commit the Secretary to make the authority available to the public housing agency for an aggregate period of 10 years, and require that any amendments increasing the authority shall be available for the remainder of such 10-year period;

[(2) provide the Secretary with the option to renew the contract for an additional period of 10 years, subject to the availability of authority; and

[(3) provide that, notwithstanding any other provision of law, first priority for occupancy of housing rehabilitated under this part shall be given to homeless persons.]

[Subtitle G—Rural Homeless Housing Assistance]

Subtitle D—Rural Housing Stability Assistance Program

SEC. 491. [RURAL HOMELESSNESS GRANT PROGRAM.] RURAL HOUSING STABILITY GRANT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Housing and Urban Development shall establish and carry out a [rural homelessness grant program] *rural housing stability grant program*. In carrying out the program, the Secretary may award grants to eligible organizations *in lieu of grants under subtitle C* in order to pay for the Federal share of the cost of—

[(1) assisting programs providing direct emergency assistance to homeless individuals and families;

[(2) providing homelessness prevention assistance to individuals and families at risk of becoming homeless; and

[(3) assisting individuals and families in obtaining access to permanent housing and supportive services.]

(1) rehousing or improving the housing situations of individuals and families who are homeless or at risk of homelessness in the geographic area;

(2) stabilizing the housing of individuals and families who are in imminent danger of losing housing; and

(3) improving the ability of the lowest-income residents of the community to afford stable housing.

(b) USE OF FUNDS.—

(1) IN GENERAL.—An eligible organization may use a grant awarded under subsection (a) to provide, in rural areas—

(A) * * *

* * * * *

[(D) transitional housing;]

(D) construction of new housing units to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness;

(E) acquisition or rehabilitation of a structure to provide supportive services or to provide transitional or permanent housing, other than emergency shelter, to homeless individuals and families and individuals and families at risk of homelessness;

(F) leasing of property, or portions of property, not owned by the recipient or project sponsor involved, for use in providing transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, or providing supportive services to such homeless and at-risk individuals and families;

(G) provision of rental assistance to provide transitional or permanent housing to homeless individuals and families and individuals and families at risk of homelessness, such rental assistance may include tenant-based or project-based rental assistance;

(H) *payment of operating costs for housing units assisted under this title;*

[(E)] (I) *rehabilitation and repairs such as insulation, window repair, door repair, roof repair, and repairs that are necessary to make premises habitable;*

[(F)] (J) *development of comprehensive and coordinated support services that use and supplement, as needed, community networks of services, including—*

(i) * * *

* * * * *

[(G)] (K) *costs associated with making use of Federal inventory property programs to house homeless families, including the program established under title V of the Stewart B. McKinney Homeless Assistance Act and the Single Family Property Disposition Program established pursuant to section 204(g) of the National Housing Act.*

(2) CAPACITY BUILDING ACTIVITIES.—Not more than 20 percent of the funds [appropriated] *transferred* under subsection (1)(1) for a fiscal year may be used by eligible organizations for capacity building activities, including payment of operating costs and staff retention.

(c) AWARD OF GRANTS.—

(1) COMMUNITIES WITH POPULATIONS OF LESS THAN 10,000.—

(A) SET ASIDE.—In awarding grants under subsection (a) for a fiscal year, the Secretary shall make available not less than 50 percent of the funds [appropriated] *transferred* under subsection (1)(1) for the fiscal year for grants to eligible organizations serving communities that have populations of less than 10,000.

* * * * *

(3) STATE LIMIT.—In awarding grants under subsection (a) for a fiscal year, the Secretary shall not award to eligible organizations within a State an aggregate sum of more than 10 percent of the funds [appropriated] *transferred* under subsection (1)(1), for the fiscal year.

(d) APPLICATION.—In order to be eligible to receive a grant under subsection (a), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall include, at a minimum—

(1) * * *

* * * * *

(5) *an agreement by the organization that the organization will collect data on the projects conducted by the organization, including assistance provided, number and characteristics of persons served, and causes of homelessness for persons served* [; and];

(6) *[an agreement by the organization that, to the maximum extent practicable, the organization will involve homeless individuals and families] a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization through employment, volunteer services, and otherwise, in providing,*

operating, and rehabilitating housing assisted under this section and in providing services assisted under this section and services for occupants of housing assisted under this section [.]];

(7) a description of consultations that took place within the community to ascertain the most important uses for funding under this section, including the involvement of potential beneficiaries of the project; and

(8) a description of the extent and nature of homelessness and of the worst housing situations in the community.

* * * * *

[(f) FEDERAL SHARE.—

[(1) IN GENERAL.—The Federal share of the costs of providing assistance under this section shall be 75 percent.

[(2) NON-FEDERAL SHARE.—The non-Federal share of the cost of providing the assistance shall be in cash or in kind, fairly evaluated, including plant, equipment, staff services, or services delivered by volunteers.

[(g) PARTICIPATION OF HOMELESS INDIVIDUALS.—The Secretary shall, by regulation, require each eligible organization receiving a grant under this section to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy making entity of the recipient, to the extent that such entity considers and makes policies and decisions regarding any housing, services, or other assistance of the eligible organization receiving the grant under this section. The Secretary may grant waivers to recipients unable to meet the requirement under the preceding sentence if the recipient agrees to otherwise consult with homeless or formerly homeless individuals in considering and making such policies and decisions.]

(f) MATCHING FUNDING.—

(1) IN GENERAL.—An organization eligible to receive a grant under subsection (a) shall specify matching contributions from any source other than a grant awarded under this subtitle, that shall be made available in the geographic area in an amount equal to not less than 25 percent of the funds provided to recipients in the geographic area, except that grants for leasing shall not be subject to any match requirement.

(2) LIMITATIONS ON IN-KIND MATCH.—The cash value of services provided to the beneficiaries or clients of an eligible organization by an entity other than the organization may count toward the contributions in paragraph (1) only when documented by a memorandum of understanding between the organization and the other entity that such services will be provided.

(3) COUNTABLE ACTIVITIES.—The contributions required under paragraph (1) may consist of—

(A) funding for any eligible activity described under subsection (b); and

(B) subject to paragraph (2), in-kind provision of services of any eligible activity described under subsection (b).

(g) SELECTION CRITERIA.—The Secretary shall establish criteria for selecting recipients of grants under subsection (a), including—

(1) the participation of potential beneficiaries of the project in assessing the need for, and importance of, the project in the community;

(2) *the degree to which the project addresses the most harmful housing situations present in the community;*

(3) *the degree of collaboration with others in the community to meet the goals described in subsection (a);*

(4) *the performance of the organization in improving housing situations, taking account of the severity of barriers of individuals and families served by the organization;*

(5) *for organizations that have previously received funding under this section, the extent of improvement in homelessness and the worst housing situations in the community since such funding began;*

(6) *the need for such funds, as determined by the formula established under section 427(b)(2); and*

(7) *any other relevant criteria as determined by the Secretary.*

(h) EVALUATION.—

(1) IN GENERAL.—~~【The】~~ *Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall conduct an evaluation of the program to—*

(A) *determine the effectiveness of the program in 【providing housing and other assistance to homeless persons】 meeting the goals described in subsection (a) in the area served; and*

(B) *determine the types of assistance needed to 【address homelessness in rural areas】 meet the goals described in subsection (a) in rural areas.*

(2) REPORT.—~~【The】~~ *Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2008, the Secretary shall submit to Congress【, not later than 18 months after the date on which the Secretary first makes grants under the program,】 the evaluation of the program conducted under paragraph (1), including recommendations for any Federal administrative or legislative changes that may be necessary to improve the ability of rural communities to 【prevent and respond to homelessness】 meet the goals described in subsection (a).*

* * * * *

(k) DEFINITIONS.—

(1) PROGRAM.—The term “program” means the ~~【rural homelessness grant program】~~ *rural housing stability grant program* established under this section.

(2) RURAL AREA; RURAL COMMUNITY.—The terms “rural area” and “rural community” mean—

(A) * * *

(B) any area or community, respectively, that is—

(i) * * *

(ii) *located in a 【rural census tract】 census tract where at least 75 percent of the population is rural.*

* * * * *

(l) ~~【AUTHORIZATION OF APPROPRIATIONS】~~ *PROGRAM FUNDING.—*

【(1) IN GENERAL.—There are authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 1993 and \$31,260,000 for fiscal year 1994.】

(1) IN GENERAL.—The Secretary shall determine the total amount of funding attributable under section 427(b)(2) to meet the needs of any geographic area in the Nation that applies for funding under this section. The Secretary shall transfer any amounts determined under this subsection from the Community Homeless Assistance Program and consolidate such transferred amounts for grants under this section, except that the Secretary shall transfer an amount not less than 5 percent of the amount available under this subtitle for grants under this section.

* * * * *

(m) DIVISION OF FUNDS.—

(1) AGREEMENT AMONG GEOGRAPHIC AREAS.—If the Secretary receives an application or applications to provide services in a geographic area under this subtitle, and also under subtitle C, the Secretary shall consult with all applicants from the geographic area to determine whether all agree to proceed under either this subtitle or under subtitle C.

(2) DEFAULT IF NO AGREEMENT.—If no agreement is reached under paragraph (1), the Secretary shall proceed under this subtitle or under subtitle C, depending on which results in the largest total grant funding to the geographic area.

* * * * *

ADDITIONAL VIEWS

The undersigned Members of the Committee acknowledge the significant work that the Chairman, Ranking Member, and other Members and staff have done to address many of the concerns we raised about addressing the needs of homeless unaccompanied youth, children, and their families in H.R. 840, a bill introduced by the late Rep. Julia Carson as well as Rep. Geoff Davis.

There are inconsistencies in the definition of homeless for programs administered by the Department of Housing and Urban Development (HUD) as compared to those administered by the Departments of Education, Justice, and Human Services. In the education section of the McKinney-Vento Homeless Assistance Act, the Individuals with Disabilities Education Act (IDEA), and the Head Start Act, the same homeless definition is used. The Runaway and Homeless Youth Act program uses a similar definition. However, the housing component of the McKinney-Vento Homeless Assistance Act uses a different definition, which excludes a majority of the unaccompanied youth, children, and families recognized as homeless by non-HUD federal homeless programs.

As a result, hundreds of thousands of homeless students, homeless and disabled children, homeless infants, and homeless children running away from domestic violence, unsafe housing, or unstable living conditions are denied HUD homeless housing and services.

Several witnesses, including Dr. Ellen Bassuk, an Associate Professor of Psychiatry at Harvard Medical School, testified before our Committee that many homeless children who are currently excluded from HUD's homeless definition are prone to health and developmental problems. Dr. Bassuk said that there is documented evidence that almost 90 percent of homeless families end up doubled-up, which results in severe overcrowding and dangerous situations. The homeless children in these families are at significant risk of physical and sexual abuse, have seen people shot and killed, or have had their own lives threatened. Highly mobile homeless students suffer academically, are less likely to graduate, are sick more than the average child, and are more likely to have behavior problems.

Homelessness among children is only becoming more pervasive. A study conducted by First Focus and the Brookings Institute determined that almost 2 million children will be affected by the foreclosure crises. Many of these children will become homeless, but, tragically, they will not qualify for HUD homeless housing assistance or services.

H.R. 840, as introduced, would reconcile the definitions of homeless used among HUD and the other federal programs that serve homeless unaccompanied youth, children, and families. In addition, as introduced, the bill would recognize as homeless many individ-

uals and families that are not recognized as homeless by these other federal programs.

For many months, we have worked with Members of the Committee, staff, and government and non-government organizations representing various homeless constituencies to craft a new HUD definition of homeless that would allow homeless unaccompanied youth, children, and their families served by other federal programs to also be recognized by HUD as homeless and therefore qualify for HUD homeless housing and services.

On July 31, 2008, during the Committee's consideration of H.R. 840, Rep. Biggert and Rep. Davis offered an amendment to allow all children and youth considered homeless by four other federal programs to be considered homeless by HUD. They withdrew the amendment because of an agreement with the Chairman that they would: (1) continue to work on language to amend HUD's definition of homeless as the bill moved out of Committee toward full House consideration; and (2) send a joint letter requesting that GAO examine the issue of homeless definition discrepancies and related matters.

Between July 31, 2008 and today, we and our staff have worked with the Chairman and Housing and Community Opportunity Subcommittee Chairwoman Waters, Education and Labor Committee Chairman Miller and Ranking Member McKeon, and their staff on a letter to GAO and new language to expand HUD's definition of homeless to include more homeless unaccompanied youth, children, and their families.

On September 23, 2008, we joined the above-mentioned Members and sent a letter to GAO. In recent days, we offered language to Senate and House Members and staff negotiating the final language of H.R. 840 and S. 1518 to include homeless children, unaccompanied youth, and their families in HUD's definition of homeless. We are pleased that Senate and House Members have agreed to include the following language as part of HUD's definition of homeless:

Unaccompanied youth and homeless families with children and youth defined as homeless under other Federal statutes who—

(A) have experienced a long term period without living independently in permanent housing,

(B) have experienced persistent instability as measured by frequent moves over such period, and

(C) can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

It is our hope that by expanding HUD's definition of homeless in this way, local, homeless service providers will have the flexibility to provide homeless housing and services to unaccompanied youth and children in involuntary and unstable shared living arrangements, such as those living temporarily in motels or hotels or "couch surfing" from house to house. The ultimate goal is to break the cycle of poverty, violence, and homelessness in our country by providing homeless unaccompanied youth and children with the opportunity to qualify for safe and stable housing so that they have

a better chance of being healthy, performing better in school, and having a chance for a brighter future.

JUDY BIGGERT.
GEOFF DAVIS.
SHELLEY MOORE CAPITO.

