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SENATE

{ REPORT
110-216

COMMUNITY PARTNERSHIP TO END HOMELESSNESS ACT OF 2007

NOVEMBER 1, 2007.—Ordered to be printed

Mr. DODD, from the Committee on Banking, Housing and Urban
Affairs, submitted the following

R E P O R T

[To accompany S. 1518]

The Committee on Banking, Housing, and Urban Affairs, having had under consideration the bill (S. 1518) to amend the McKinney-Vento Homeless Assistance Act to reauthorize the Act, and for other purposes, having considered the same, reports favorably thereon with an amendment and recommends that the bill (as amended) do pass.

INTRODUCTION

On September 19, 2007, the Senate Committee on Banking, Housing, and Urban Affairs considered S. 1518, “The Community Partnership to End Homelessness Act of 2007,” to amend the McKinney-Vento Homeless Assistance Act to reauthorize the Act, and for other purposes. The Committee voted unanimously to report the bill (S. 1518) as amended to the Senate.

BACKGROUND

In 1986, in response to the rapid and dramatic growth of homelessness in the United States in the 1980s, Congress passed the Homeless Housing Act, which created the Emergency Shelter Grants (ESG) program and the Transitional Housing Demonstration program. The Urgent Relief for the Homeless Assistance Act was enacted in July 1987. It was later renamed the Stewart B. McKinney Homelessness Act and renamed again the McKinney-Vento Homeless Assistance Act. The McKinney-Vento Act originally contained 15 programs addressing different aspects of homelessness, including emergency shelter, transitional housing, perma-

ment housing, education, job training, and primary health needs. The Act was amended several times over the next seven years, adding, among other things, the Shelter Plus Care (S+C) program and the Rural Homeless Housing Assistance Program. Today, the McKinney-Vento Homeless Assistance Act is the primary federal program to support communities in their efforts to address and reduce homelessness.

The housing subtitles of McKinney-Vento were last authorized in 1992 (P.L. 102-550) through fiscal year 1994. Prior to 1995, Congress separately funded the housing programs for those who were homeless. For fiscal year 1995, the Appropriations bills consolidated the funding accounts for the ESG program, the S+C program, the Supportive Housing Program (SHP), and the Section 8 Moderate Rehabilitation for Single Room Occupancy Dwellings (SRO) program, and HUD encouraged communities to submit a single application for funding. The purpose of this single application was not only to streamline the application process, but also to encourage providers to coordinate their projects and on an overall strategy for the community. This process became known as the Continuum of Care. The Continuum of Care process enables communities to apply for funds from one of three programs: S+C, SHP, and SRO. The amount of funding a community receives is based on a needs-based formula and on the quality of the application. In addition to this award-winning competitive grant program, Emergency Shelter Grants are provided by formula to cities, counties, and states.

In addition to the changes to the application process that HUD initiated in 1995, research on the effectiveness of particular strategies has led to significant policy shifts in McKinney-Vento programs. In the 1990's, research 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 ended their homelessness, but was also cost effective, as it dramatically reduced the costs to public systems. Subsequent studies have supported these findings, and have concluded that the 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 in still in the developmental stages. As a result of HMIS and other data collection efforts, we now have estimates of the number of homeless people that are based on actual counts.

Beginning in 2001, communities began developing 10-year plans to end homelessness. These plans, encouraged by HUD, 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 dozens 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 the best available statistics, the actual count of the homeless, approximately 750,000 people are homeless at a given point in time. 41 percent (300,000) are members of families with children and many—about 44 percent—are unsheltered, living on the streets, in abandoned buildings, or in other places not meant for human habitation. Nearly 200,000 are veterans, approximately 170,000 are chronically homeless—spending long periods of time homeless or cycling between housing, homelessness and other institutional care, such as psychiatric hospitals and corrections. Over the course of a year, as many as 3.5 million people—approximately 10 percent of people in poverty—experience homelessness.

PURPOSE OF THE LEGISLATION

This legislation is designed to help communities end homelessness. It makes several improvements to the HUD homeless assistance programs to simplify and focus them more on cost-effectively preventing and ending homelessness. Several separate programs are eliminated or consolidated into a single Community Homeless Assistance Program. Different match requirements for the formerly

separate programs are unified into a single 25 percent match requirement. Incentives are included to promote strategies that have been proven to prevent and end homelessness and communities are rewarded for demonstrating progress.

The restructured Emergency Solutions Grant program would increase the role of city and state governments in preventing and ending homelessness and would 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. Urban areas are more likely to have systems that include emergency shelters and other homelessness infrastructure. Rural homeless assistance programs are more likely to be integrated with other mainstream safety net programs. 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 continues the strategies that have worked toward ending chronic homelessness while encouraging preventing and ending homelessness for families with children. It adds families with children to the definition of chronic homelessness and it requires that HUD provide incentives for rapid rehousing strategies that serve homeless families. It provides resources to prevent homelessness for families that are doubled up, living in hotels, or in other precarious housing situations. It expands the definition of homelessness to include people who are forced to move frequently between the homes of friends and family because they do not have adequate resources.

The legislation provides greater flexibility and 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. The legislation also rewards communities that demonstrably reduce homelessness by providing them with additional flexibility in how they use their funds. This flexibility can continue for as long as the community makes progress. The legislation continues the Appropriation's Committee's longstanding support for ensuring that at least 30 percent of funding be used for permanent housing for people with disabilities. It also ensures that permanent housing programs can be renewed without reducing resources for other priorities.

The legislation includes a provision that allows a collaborative applicant to be a unified funding agency. This would allow HUD to provide funding for a community to one agency which would distribute funds to local homeless assistance providers. Unified funding agencies would take on many of the oversight responsibilities that are now performed by HUD. Applicants could apply to be a unified funding agency or HUD could, under certain conditions, designate an applicant as a unified funding agency. HUD could make this designation only when applicants clearly have the capacity to perform the functions required, when there is a demonstrable

benefit to the community, and when HUD and the applicant have agreed on the amount of technical assistance that will be provided to the applicant to help them perform their required duties.

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 perfecting 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 to end homelessness. Communities will be able to integrate their ten-year plans with their homeless assistance applications.

Housing and services demonstration project

The Committee has authorized funds for the Secretary to conduct research on the effectiveness of varying levels of housing and services support 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 this demonstration is designed to address is identifying which housing and service models lead to housing stability and are most cost-effective.

Evaluation

Research on chronic homelessness has provided a series of robust findings that have led to policy changes that benefit chronically homeless single adults. Additional research on effective solutions to family homelessness is needed to fill in gaps in knowledge and identify cost-effective solutions that end homelessness for families.

Multi-site random control experiment

The Committee directs HUD to select and evaluate a limited number of sites as a part of the Homeless Assistance Grants competition. This evaluation should include a multi-site study experimental design (randomly controlled assignment) that compares and contrasts different housing models focusing on shallow and short term subsidies, housing vouchers (linked with voluntary community-based services or the family self-sufficiency program (FSS)), and transitional housing (with mandatory services). The evaluation should be funded for three years and extended if funds are available. The evaluation should be conducted by an independent contractor and awarded on a competitive basis with points awarded for proven experience conducting random assignment experiments for the social sciences; knowledge of family homelessness; and capacity to implement random assignment and track homeless families over time. The evaluators should create a council made up of policy experts and practitioners to provide advice on the development of the research design and implementation of the program.

Review of assessment tools and targeting efforts

Research by Dr. Dennis Culhane of the University of Pennsylvania indicates that homeless families have varying levels of need for housing subsidies and services. This means that homeless service providers must assess families and target services based on their needs. The Committee has authorized funds for a qualitative review of tools that assess low-income families' level of need and use this data to target the appropriate level of services. This study should identify "promising tools" and make recommendations on how to develop more sophisticated targeting. The study should include six to eight sites, be conducted by an independent contractor, and be awarded on a competitive basis.

Prevention study

A critical component of ending homelessness is preventing it from occurring in the first place. However, little is known about what characteristics distinguish those poor, at-risk families who become homeless, particularly those who have repeated or long episodes of homelessness from those who do not. The Committee has authorized funds for the Secretary to launch a family homeless prevention study. This prospective cohort study should include a longitudinal survey that tracks at-risk families over five years.

On several occasions, HUD has made significant policy changes in its implementation of the McKinney-Vento Act through its Notice of Funding Availability (NOFA) process. It is the intent of the Committee that HUD implement both the existing provisions of McKinney-Vento and those of this bill through formal rulemaking procedures.

HEARINGS

The Committee heard testimony in the 110th Congress on June 21, 2007 regarding reauthorization of the McKinney-Vento Homeless Assistance Act. Witnesses testifying were the Honorable Adrian Fenty, Mayor of the District of Columbia, the Honorable Shirley Franklin, Mayor of Atlanta, Georgia, the Honorable Roy Bernardi, Deputy Secretary of the Department of Housing and Urban Development, Ms. Linda Glassman, National AIDS Housing Coalition, Ms. Carol Gundlach, Alabama Coalition Against Domestic Violence, Mr. Moises Loza, Housing Assistance Council, Mr. Lloyd Pendleton, State of Utah Division of Housing and Community Development, and Ms. Nan Roman, National Alliance to End Homelessness.

The Committee had previously heard testimony in the 109th Congress on March 30, 2006 regarding reauthorization of the McKinney-Vento Homeless Assistance Act and Consolidation of HUD's Homeless Assistance Programs. Witnesses testifying were the Honorable Roy Bernardi, Deputy Secretary of the Department of Housing and Urban Development, Mr. Philip Mangano, Executive Director of the U.S. Interagency Council on Homelessness, Ms. Gail Dorfman, County Commissioner, Hennepin County, Minnesota, Mr. Steve Berg, National Alliance to End Homelessness, Mr. Charles Gould, Volunteers of America, Mr. Anthony Love, Houston Coalition for the Homeless, and Dr. Dennis Culhane, University of Pennsylvania.

SECTION-BY-SECTION ANALYSIS

Section 1. Short title; table of contents

This section contains the table of contents and the short title of the bill, “Community Partnership to End Homelessness Act of 2007.”

Section 2. Findings and purpose

This section contains the findings and purpose. These findings include that homelessness is a crisis of people who lack basic affordable housing and appropriate shelter; that homeless assistance has had a positive effect, and should continue to be evaluated based on how well it reduces homelessness. The purposes are to create a unified, performance-based process for funding; to encourage collaboration and planning; to focus the public and private sector on ending and preventing homelessness; to assist homeless people; to consolidate programs; to allow flexibility; and to involve other Federal agencies in ending homelessness.

Section 3. General definition of homeless individual

This section modifies the current definition of homelessness to include people who are staying for a short time in the housing of others or a hotel, and have moved frequently.

Section 4. United States Interagency Council on Homelessness

This section makes adjustments to the role and operation of the Interagency Council, including changes to the mission statement, adding new members, increasing meeting frequency, and increasing the number of regional coordinators. The council will be overseen by the chair and will develop a national strategic plan to end homelessness and to encourage state and local governments to develop 10-year plans to end homelessness. The authorization level for the council is \$3 million.

Section 5. Housing assistance general provisions

This section includes new provisions as follows. Section 401 defines terms including at-risk of homelessness, chronic homelessness, operating cost, and other terms. Section 402 establishes collaborative applicants, which are responsible for designing a collaborative process for applying for funding and ensuring participation in homeless management information systems. Collaborative applicants may also become unified funding agencies, which would give them responsibility for distributing funds to grantees and ensuring proper accounting methods.

Section 404 prevents discrimination against older children in programs serving homeless families. Section 405 authorizes technical assistance to grantees and collaborative applicants. Section 406 creates an appeals process. Section 408 authorizes \$2.2 billion for fiscal year 2008 and such sums as may be necessary for fiscal years 2009 through 2012.

Section 6. Emergency Solutions Grants Program

This section modifies the existing Emergency Shelter Grants (ESG) program and renames it the Emergency Solutions Grants Program. This section mandates that 20 percent of homeless assist-

ance funding be used for the Emergency Solutions Grants Program, with no more than 60 percent of that amount being used for traditional shelter and street outreach activities, and at least 40 percent being for homelessness prevention and rehousing. It is the intent of the Committee that communities not be forced to stop funding existing emergency shelter programs as a result of this transition, but that this cap on funding for shelters be met over time. New activities are added to eligible uses, including short- or medium-term rent assistance and new homelessness prevention and housing relocation and stabilization activities. This section requires recipients of Emergency Solutions Grants funds to participate in the applicable homeless management information system.

Section 7. Homeless Assistance Program

This section consolidates several existing programs into the Community Homeless Assistance Program.

Section 421 identifies the purpose of the program as promoting commitment to ending homelessness, rehousing homeless people, minimizing the trauma of homelessness, helping people access mainstream services, and optimizing self-sufficiency. Section 422 requires that the notice of funding availability be released within three months of enactment, that awards be announced within five months of when applications are due (within six months for the first two years after enactment), and that project sponsors meet the applicable requirements for obligation within nine months of an award or for projects involving development, within 24 months of an award.

Section 422 also describes procedures for when there are multiple applicants from a geographic area. Section 422 adjusts renewal funding for permanent housing projects for increases in housing costs. Also, providers whose primary mission is to serve victims of domestic violence, dating violence, sexual assault, or stalking would not provide personally identifying information to a homeless management information system.

Section 423 lists the eligible activities of the Community Homeless Assistance Program, including acquisition, construction, rehabilitation, leasing, rental assistance, operating costs, supportive services, rehousing services, homeless management information systems, and administrative costs. Projects receiving funding for construction, acquisition or rehabilitation must be used for their intended purpose for at least 15 years. If a project is no longer needed for that purpose, it can be converted to directly benefit low-income people. If a project is needed and is not used to serve homeless people for 15 years, then, except under certain conditions, the grantee will be required to repay all or a portion of the grant.

Section 424 creates a flexibility incentive for high-performing communities. If a community successfully reduces homelessness, they can be granted additional flexibility with their funding, and would be required to share best practices with HUD and other communities.

Section 426 would require grantees to gain site control within 12 months of notification of an award, ensure that homeless people are involved in projects, maintain confidentiality of records, maintain confidentiality of the location of family violence shelters, ensure that grantees do not restrict the educational rights of homeless

children, provide required data to HUD, and ensure that projects serving people with disabilities do not concentrate and isolate people with disabilities.

Section 427 sets the selection criteria for the Community Homeless Assistance Program. Criteria include past success at preventing and reducing homelessness and increasing jobs and income growth, plans to reduce homelessness for all subpopulations of homeless people, whether the opinions of all relevant parties are considered, leveraging, and coordination. In addition to those factors, Section 427 establishes a need formula for each geographic area, which would be determined by HUD for the first two years after enactment, and then would be established by HUD based on the number of homeless people, shortages of affordable housing, severe housing problems among extremely low-income households, and the poverty rate. Section 427 also requires HUD to adjust a community's pro-rata need to ensure enough funding to provide 1 year of renewal funding for all expiring contracts.

Section 428 sets allocation amounts and incentives for specific eligible activities. At least 30 percent of funding is for new permanent housing for people with disabilities. The calculation for this 30 percent applies nationally, not to each individual community. 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 and is waived if there is not enough funding to cover one year of renewals for existing projects. The 30 percent requirement is terminate when HUD determines that 150,000 new units of permanent housing for homeless people with disabilities has been funded since 2001. Section 428 requires that at least 10 percent of funding must be used to permanently house families with children. Section 428 requires HUD to fund interventions that are proven to be effective, including permanent supportive housing for chronically homeless individuals and families and rapid rehousing programs for homeless families. Any community that fully implements a proven strategy could use their bonus for any eligible activity, including homelessness prevention.

Section 429 funds renewals of permanent rental assistance or permanent housing operating costs to be funded for one year at a time out of the funding account for Section 8 housing, provided that there is a demonstrated need and the project complies with appropriate standards.

Section 430 establishes a uniform 25 percent match that can be met with cash or, when documented by a memorandum of understanding, in-kind services. Projects that previously had no match requirement could continue to be renewed without a match requirement. The match requirement applies community-wide, not necessarily project by project.

Section 8. Rural Housing Stability Assistance Program

This section modifies Section 491 of the McKinney-Vento Homeless Assistance Act, the Rural Homeless Assistance Program, and changes the title to the Rural Housing Stability Assistance Program. This section modifies section 491(a) by making the purpose of the program to rehouse or find housing for people who are homeless or in the worst housing situations, stabilize people in immi-

ment danger of losing their housing, and improve the ability of the lowest income residents to afford stable housing. This program is to be carried out separately from the overall Community Homeless Assistance Program competition.

Section 491(b) is modified by adding to the list of eligible activities construction, acquisition, rehabilitation, leasing, rental assistance, and operating costs for transitional or permanent housing for homeless people.

Section 491(d) is modified by adding to the application requirements a description of consultations to determine the most important uses of funding and a description of the nature of homelessness and the worst housing situations in the area.

Section 491(f) is modified so that there is a uniform 25 percent match requirement for all activities except that projects that previously had no match requirement could continue to be renewed without a match requirement. The match can be met with cash or, when documented by a memorandum of understanding, in-kind services.

The selection criteria in Section 491(g) are replaced by participation of potential beneficiaries, the degree to which the project addresses the most harmful housing conditions, collaboration, performance in improving housing situations, past performance, need, and other HUD- determined criteria.

Section 491(j) defines a rural area as any place outside of a metropolitan statistical area or any census tract within a metropolitan statistical area that is at least 75 percent rural. Any state that has fewer than 30 people per square mile and of which more than 1.25 percent of land is under the control of the federal government is considered rural in its entirety except if the applicant consists solely of a metropolitan city.

Section 491(k) describes the funding process for the rural program. A rural applicant could choose to apply under the Community Homeless Assistance Program or the Rural Housing Stability Program. Funding is based on the selection criteria and on pro-rata need.

Section 491(l) requires that if more than one entity from a rural area applies for funding, HUD must first seek agreement from the applicants about how to proceed and if there is no agreement, HUD must fund the application that would result in the most funding for the geographic area.

Section 9. Research

For fiscal years 2009, 2010, and 2011, \$8,000,000 is 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.

Section 10. Repeals and conforming amendments

This section repeals Subtitles D (Safe Havens for Homeless Individuals Demonstration Program), E (Miscellaneous Program), and F (Shelter Plus Care), of the McKinney Vento Homeless Assistance Act. These programs are replaced by the programs described in Section 7.

Section 11. Special Assistant for Veterans Affairs in Office of Secretary of Housing and Urban Development

A new Special Assistant for Veterans Affairs is established within HUD. The Special Assistant would be appointed based solely on merit and would ensure that veterans have access to HUD housing and homeless assistance, coordinate all activities related to veterans, and serve as a liaison with the Department of Veterans Affairs.

Section 12. Effective date

This section makes this Act effective 6 months after enactment.

COST OF LEGISLATION

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, October 9, 2007.

Hon. CHRISTOPHER J. DODD,
*Chairman, Committee on Banking, Housing, and Urban Affairs,
U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed cost estimate for S. 1518, the Community Partnership to End Homelessness Act of 2007.

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

Sincerely,

PETER R. ORSZAG.

Community Partnership to End Homelessness Act of 2007

S. 1518 would reauthorize the McKinney-Vento Homeless Assistance Act for five 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 \$7.7 billion over the next five years, assuming the appropriation of the necessary amounts. The Joint Committee on Taxation (JCT) estimates that enacting S. 1518 would reduce revenues by \$7 million over the 2008–2012 period and by \$22 million over the next 10 years.

S. 1518 contains no intergovernmental or private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA); any costs to state, local, or tribal governments would be incurred voluntarily.

Estimated cost to the Federal Government: The estimated budgetary impact of S. 1518 is shown in Table 1. The costs of this legislation fall within budget function 600 (income security).

Basis of estimate: For this estimate, CBO assumes that S. 1518 will be enacted near the beginning of fiscal year 2008, that the amounts authorized will be appropriated, and that outlays will follow historical patterns. Components of the estimated costs are described below.

TABLE 1. ESTIMATED BUDGETARY EFFECTS OF S. 1518

	By fiscal year, in millions of dollars—					
	2007	2008	2009	2010	2011	2012
CHANGES IN REVENUES						
Changes to Low Income Housing Credits						
Estimated Revenues ¹	0	*	-1	-1	-2	-2
SPENDING SUBJECT TO APPROPRIATION						
Spending Under Current Law:						
Budget Authority ²	1,444	0	0	0	0	0
Estimated Outlays	1,428	1,444	1,201	632	380	145
Proposed Changes:						
Homeless Assistance Grants:						
Estimated Authorization Level	0	2,200	2,288	2,330	2,372	2,416
Estimated Outlays	0	22	375	1,269	1,708	2,077
Contract Renewals:						
Estimated Authorization Level	0	429	466	474	540	548
Estimated Outlays	0	258	451	471	514	545
Research on Interventions for Homeless Families:						
Authorization Level	0	0	8	8	8	0
Estimated Outlays	0	0	3	5	8	5
Interagency Council on Homelessness:						
Estimated Authorization Level	0	3	3	3	3	3
Estimated Outlays	0	3	3	3	3	3
Total Proposed Changes:						
Estimated Authorization Level	0	2,632	2,765	2,815	2,923	2,967
Estimated Outlays	0	283	832	1,748	2,233	2,630
Spending Under S. 1518:						
Estimated Authorization Level ²	1,444	2,632	2,765	2,815	2,923	2,967
Estimated Outlays	1,428	1,727	2,033	2,380	2,613	2,775

¹ Estimate provided by the Joint Committee on Taxation (JCT). In addition to the effects shown through 2012, JCT estimates that enacting S. 1518 would reduce revenues by an additional \$15 million over the 2013–2017 period.

² The 2007 level is the amount appropriated in that year for Homeless Assistance Grants and the U.S. Interagency Council on Homelessness.

Note.—* = revenue loss of less than \$500,000.

Revenues

Section 7 of the bill would exclude grant funding authorized by the McKinney-Vento Homeless Assistance Act when determining the eligible basis of a building receiving Low Income Housing Credits under section 42 of the Internal Revenue Code of 1986. The JCT estimates that consequent reductions in revenue would total \$7 million over the 2008–2012 period and \$22 million over the next 10 years, as shown in Table 2.

TABLE 2.—CHANGES IN REVENUES UNDER S. 1518

	By fiscal year, in millions of dollars—												
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2008–2012	2008–2017	
Estimated Revenues	*	-1	-1	-2	-2	-2	-3	-3	-3	-4	-7	-22	

Note.—* = revenue loss of less than \$500,000.

Spending subject to appropriation

In total, CBO estimates that S. 1518 would authorize the appropriation of \$2.6 billion in 2008 and \$14 billion over the 2008–2012 period. Appropriation of those amounts would result in estimated outlays of \$7.7 billion over the next five years.

Homeless Assistance Grants. S. 1518 would consolidate the Department of Housing and Urban Development's (HUD's) separate competitive grant programs for assistance to the homeless (includ-

ing the Supportive Housing Program, the Shelter Plus Care program, and the Single-Room Occupancy Dwellings program) into a single program (the Homeless Assistance Program) and reauthorize grants for the emergency shelter needs of the homeless. Section 5 of the bill would authorize the appropriation of \$2.2 billion in 2008 and such sums as necessary from 2009 through 2012 for these programs. Assuming appropriation of the authorized amounts and adjusting for inflation, CBO estimates that implementing this section would cost \$22 million in 2008 and about \$5.5 billion over the 2008–2012 period.

Contract Renewals. Section 7 of the bill would authorize the HUD to use such sums as necessary from amounts appropriated for Section 8 housing assistance to renew expiring contracts for the leasing, rental assistance, or operating costs of permanent housing for the homeless. Such renewals are currently funded through the Shelter Plus Care and Supportive Housing programs. In 2006, HUD awarded about \$360 million in renewal funding covering about 67,000 permanent housing beds. Based on data provided by HUD, CBO estimates that renewing expiring contracts would require the appropriation of \$429 million in 2008 and \$2.5 billion over the 2008–2012 period. Appropriation of those amounts would result in outlays totaling an estimated \$2.2 billion over the next five years.

Other Provisions. Additionally, section 4 would authorize the appropriation of \$3 million in 2008 and such sums as necessary from 2009 through 2012 for the U.S. Interagency Council on Homelessness, and section 10 would authorize the appropriation of \$8 million for each of fiscal years 2009 through 2011 for research into the efficacy of interventions for homeless families. In total, assuming appropriation of the authorized amounts, CBO estimates that implementing these provisions would cost \$3 million in 2008 and \$36 million over the 2008–2012 period.

Intergovernmental and Private-Sector Impact: S. 1518 contains no intergovernmental or private-sector mandates as defined in UMRA. Funds authorized by the bill would benefit state, local, and tribal governments that receive grants to provide housing and emergency shelter. Any costs those governments incur, including matching funds, to comply with program requirements would be incurred voluntarily.

Estimate prepared by: Federal Spending: Chad Chirico; Federal Revenues: Thomas Holtmann, Joint Committee on Taxation; Impact on State, Local, and Tribal Governments: Lisa Ramirez-Branum; Impact on the Private Sector: Nabeel Alsalam.

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

REGULATORY IMPACT STATEMENT

In accordance with paragraph 11(b), rule XXVI of the Standing Rules of the Senate, the Committee makes the following statement concerning the regulatory impact of the bill.

This bill reauthorizes and improves programs that are now in operation through grants by the Department of Housing and Urban Development. The bill requires HUD to issue new regulations, but only to formalize policies that HUD now enforces in a less formal manner. This bill would have no discernable impact on the number

of people or businesses regulated under the existing program, or in the economic impact of regulation. It also has no discernable impact on personal privacy compared to the existing program. Finally, the bill will not create additional paperwork. It is likely that the bill will reduce paperwork, because the bill consolidates programs. This is particularly the case for rural areas because the changes in procedures for recipients in rural areas would result in a simpler application process.

CHANGES IN EXISTING LAW (CORDON RULE)

On September 19, 2007, the Committee unanimously approved a motion by Senator Dodd to waive the Cordon rule. Thus, in the opinion of the Committee, it is necessary to dispense with section 12 of rule XXVI of the Standing Rules of the Senate in order to expedite the business of the Senate.

