

105TH CONGRESS  
2D SESSION

# H. R. 217

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IN THE SENATE OF THE UNITED STATES

MARCH 4, 1998

Received; read twice and referred to the Committee on Banking, Housing, and  
Urban Affairs

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## AN ACT

To amend title IV of the Stewart B. McKinney Homeless Assistance Act to consolidate the Federal programs for housing assistance for the homeless into a block grant program that ensures that States and communities are provided sufficient flexibility to use assistance amounts effectively.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

3       **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Homeless Housing  
5       Programs Consolidation and Flexibility Act”.

6       **SEC. 2. FINDINGS; PURPOSE.**

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

8               (1) the United States faces a crisis of individ-  
9               uals and families who lack basic affordable housing  
10              and appropriate shelter;

11             (2) assistance from the Federal Government is  
12             an important factor in the success of efforts by  
13             State and local governments and the private sector  
14             to address the problem of homelessness in a com-  
15             prehensive manner;

16             (3) there are a multitude of Federal Govern-  
17             ment programs to assist the homeless, including pro-  
18             grams for elderly persons, persons with disabilities,  
19             Native Americans, and veterans;

20             (4) many of the Federal programs for the  
21             homeless have overlapping objectives, resulting in  
22             multiple sources of Federal funding for the same or  
23             similar purposes;

24             (5) while the results of Federal programs to as-  
25             sist the homeless generally have been positive, it is

1 clear that there is a need for consolidation and sim-  
2 plification of such programs to better support local  
3 efforts;

4 (6) increasing resources available to reduce  
5 homelessness are utilized in the development of serv-  
6 ices rather than the creation of housing;

7 (7) housing programs must be evaluated on the  
8 basis of their effectiveness in reducing homelessness,  
9 transitioning individuals to permanent housing and  
10 self-sufficiency, and creating an adequate plan to  
11 discharge homeless persons to and from mainstream  
12 service systems;

13 (8) effective homelessness treatment should pro-  
14 vide a comprehensive housing system (including  
15 transitional and permanent housing) and, while not  
16 all homeless individuals and families attain self-suffi-  
17 ciency and independence by utilizing transitional  
18 housing and then permanent housing, in many cases  
19 such individuals and families are best able to reenter  
20 society directly through permanent, supportive hous-  
21 ing;

22 (9) supportive housing activities support home-  
23 less persons in an environment that can meet their  
24 short-term or long-term needs and prepare them to  
25 reenter society as appropriate;

1           (10) homelessness should be treated as part of  
2           a symptom of many neighborhood and community  
3           problems, whose remedies require a holistic approach  
4           integrating all available resources;

5           (11) there are many private sector entities, par-  
6           ticularly nonprofit organizations, that have success-  
7           fully operated homeless programs;

8           (12) government restrictions and regulations  
9           may discourage and impede innovative approaches to  
10          homelessness, such as coordination of the various  
11          types of assistance that are required by homeless  
12          persons; and

13          (13) the Federal Government has a responsibil-  
14          ity to establish partnerships with State and local  
15          governments and the private sector to address com-  
16          prehensively the problems of homelessness.

17          (b) PURPOSE.—It is the purpose of this Act—

18               (1) to consolidate the existing housing pro-  
19               grams for homeless persons under title IV of the  
20               Stewart B. McKinney Homeless Assistance Act into  
21               a single block grant program for housing assistance  
22               for the homeless;

23               (2) to allow flexibility and creativity in rethink-  
24               ing solutions to homelessness, including alternative  
25               housing strategies and an improved service sector;

1           (3) to provide Federal assistance to reduce  
2           homelessness on a basis that requires recipients of  
3           such assistance to supplement the federally provided  
4           amounts and thereby guarantee the provision of a  
5           certain level of housing and complementary services  
6           necessary to meet the needs of the homeless popu-  
7           lation; and

8           (4) to ensure that multiple Federal agencies are  
9           involved in the provision of housing, human services,  
10          employment, and education assistance both through  
11          the funding provided for implementation of the  
12          Stewart B. McKinney Homeless Assistance Act and  
13          mainstream funding and to encourage entrepreneur-  
14          ial approaches in the provision of housing for home-  
15          less people.

16 **SEC. 3. GENERAL PROVISIONS.**

17          Title I of the Stewart B. McKinney Homeless Assist-  
18          ance Act (42 U.S.C. 11301 et seq.) is amended—

19               (1) by striking section 102;

20               (2) in section 103—

21                     (A) in subsection (a), by striking “the  
22                     term ‘homeless’ or ‘homeless individual or  
23                     homeless person’ includes” and inserting “the  
24                     terms ‘homeless’, ‘individual’, and ‘homeless  
25                     person’ include”; and

1 (B) in subsection (c), by striking “the term  
2 ‘homeless’ or ‘homeless individual’ does not in-  
3 clude” and inserting “the terms ‘homeless’, ‘in-  
4 dividual’, and ‘homeless person’ do not in-  
5 clude”; and

6 (3) by redesignating sections 103, 104, and 105  
7 as sections 102, 103, and 104, respectively.

8 **SEC. 4. FEDERAL EMERGENCY MANAGEMENT AGENCY**  
9 **FOOD AND SHELTER PROGRAM.**

10 Section 322 of the Stewart B. McKinney Homeless  
11 Assistance Act (42 U.S.C. 11352) is amended to read as  
12 follows:

13 **“SEC. 322. AUTHORIZATION OF APPROPRIATIONS.**

14 “There are authorized to be appropriated to carry out  
15 this title such sums as may be necessary for each of fiscal  
16 years 1998, 1999, 2000, 2001, and 2002.”.

17 **SEC. 5. PERMANENT HOUSING DEVELOPMENT AND FLEXI-**  
18 **BLE BLOCK GRANT HOMELESS ASSISTANCE**  
19 **PROGRAM.**

20 (a) IN GENERAL.—Title IV of the Stewart B. McKin-  
21 ney Homeless Assistance Act (42 U.S.C. 11361 et seq.)  
22 is amended to read as follows:

1 **“TITLE IV—PERMANENT HOUS-**  
2 **ING DEVELOPMENT AND**  
3 **FLEXIBLE BLOCK GRANT**  
4 **HOMELESS ASSISTANCE PRO-**  
5 **GRAM**

6 **“Subtitle A—General Provisions**

7 **“SEC. 401. PURPOSE; PERFORMANCE MEASURES.**

8 “(a) PURPOSE.—The purpose of the program under  
9 this title is to provide assistance for permanent housing  
10 development for homeless persons and promote the devel-  
11 opment of a comprehensive housing system that transi-  
12 tions homeless persons to live as independently as possible,  
13 including assistance in the form of permanent housing de-  
14 velopment, supportive housing, emergency shelters, sup-  
15 portive services, and activities to prevent homelessness.

16 “(b) PERFORMANCE MEASURES.—Consistent with  
17 the purposes and requirements of the Government Per-  
18 formance and Results Act of 1993, the programs under  
19 this title and the implementation of such programs by the  
20 Department of Housing and Urban Development shall  
21 comply with the following performance goals:

22 “(1) The Federal Government shall ensure an  
23 effective grant allocation process and sound financial  
24 management of the process. Such grant allocation  
25 process shall be implemented to ensure that—

1           “(A) local governments shall work with the  
2           appropriate Local Board to create innovative  
3           plans sufficient to address the needs of home-  
4           less people in their community; and

5           “(B) all eligible communities receive funds  
6           to address the needs of homeless people in such  
7           communities through local governments or pri-  
8           vate nonprofit organizations.

9           “(2) The financial resources provided under  
10          this title shall be used effectively to create more low-  
11          cost permanent housing and to transition homeless  
12          people to self-sufficiency and permanent housing.

13          “(3) The Federal Government shall use the  
14          Interagency Council on the Homeless as a vehicle to  
15          coordinate services, programs, and funds to promote  
16          the transition of homeless people to self-sufficiency  
17          in permanent housing.

18   **“SEC. 402. GRANT AUTHORITY.**

19          “(a) IN GENERAL.—The Secretary may make grants  
20          as provided under this title to eligible grantees for States,  
21          metropolitan cities, urban counties, and insular areas for  
22          carrying out eligible activities under subtitles B and C.

23          “(b) GRANT AMOUNTS.—Except as otherwise pro-  
24          vided under this title, amounts for a fiscal year allocated  
25          under section 406 shall be used as follows:



1           “(1) INSULAR AREAS.—Any amounts for the  
2           fiscal year allocated under section 406(a) for an in-  
3           sular area shall be used for a grant to the eligible  
4           grantee for the insular area for such fiscal year.

5           “(2) PERMANENT HOUSING DEVELOPMENT.—  
6           Any amounts allocated under section 406(b) for use  
7           under subtitle B shall be used for grants under sec-  
8           tion 406(b)(2) to States, metropolitan cities, and  
9           urban counties for such fiscal year.

10          “(3) FLEXIBLE BLOCK GRANT HOMELESS AS-  
11          SISTANCE.—Any amounts allocated under section  
12          406(c) for a State, metropolitan city, or urban coun-  
13          ty, shall be used for a grant under section 406(c) to  
14          the eligible grantee for the State, metropolitan city,  
15          or urban county, for the fiscal year.

16          “(c) USE FOR ELIGIBLE ACTIVITIES.—Grant  
17          amounts provided under this title and any supplemental  
18          funds provided under section 407 may be used only as fol-  
19          lows:

20               “(1) INSULAR AREA GRANTS.—In the case of a  
21               grant under subsection (b)(1) for an insular area,  
22               for eligible activities under subtitle C benefiting the  
23               insular area.

24               “(2) PERMANENT HOUSING DEVELOPMENT  
25               GRANTS.—In the case of a grant under subsection

1 (b)(2) to a State, metropolitan city, or urban county,  
2 for eligible activities under subtitle B within the  
3 State, metropolitan city, or urban county, respec-  
4 tively.

5 “(3) FLEXIBLE BLOCK GRANT HOMELESS AS-  
6 SISTANCE.—In the case of a grant under subsection  
7 (b)(3) for a State, metropolitan city, or urban coun-  
8 ty, for eligible activities under subtitle C benefiting  
9 the State, metropolitan city, or urban county, and  
10 carried out only within non entitlement areas of the  
11 State, metropolitan city, or county, as applicable.

12 **“SEC. 403. ELIGIBLE GRANTEEES.**

13 “For purposes of this title, the term ‘eligible grantee’  
14 has the following meaning:

15 “(1) GRANTS FOR INSULAR AREAS.—In the  
16 case of a grant from amounts allocated under sec-  
17 tion 406(a) for an insular area, such term means—

18 “(A) the insular area, or an agency, office,  
19 or other entity of the area; or

20 “(B) to the extent that an entity that is a  
21 private nonprofit organization is authorized by  
22 the government of the insular area to act as the  
23 grantee for the area for purposes of this title,  
24 such private nonprofit entity.

1           “(2) GRANTS FOR PERMANENT HOUSING DE-  
2           VELOPMENT AND FLEXIBLE ASSISTANCE.—In the  
3           case of a grant from amounts allocated under sec-  
4           tion 406(b) or section 406(c) for a State, metropoli-  
5           tan city, or urban county, such term means—

6                   “(A) the State, metropolitan city, or urban  
7                   county, respectively, or an agency, office, or  
8                   other entity of the State, city, or county, re-  
9                   spectively; and

10                   “(B) to the extent that a private nonprofit  
11                   organization is authorized by the government of  
12                   the State, metropolitan city, county to act as  
13                   the grantee for the State, metropolitan city, or  
14                   county, respectively, for purposes of this title,  
15                   such private nonprofit organization.

16   **“SEC. 404. USE OF PROJECT SPONSORS.**

17           “(a) TRANSFER OF GRANT AMOUNTS BY GRANT-  
18           EES.—Eligible activities assisted with grant amounts pro-  
19           vided under this title may be carried out directly by the  
20           grantee or by other entities serving as project sponsors  
21           which are provided such grant amounts by the grantee or  
22           a subgrantee of the grantee.

23           “(b) COMPETITIVE SELECTION CRITERIA.—To the  
24           extent that a grantee does not use grant amounts for eligi-  
25           ble activities carried out directly by the grantee, the grant-

1 ee shall select eligible activities for assistance and project  
2 sponsors to carry out such eligible activities pursuant to  
3 a competition based on criteria established by the Sec-  
4 retary, which shall include—

5 “(1) whether the project sponsor that will carry  
6 out the activity is financially responsible;

7 “(2) the ability of the project sponsor to carry  
8 out the eligible activity and the project sponsor’s ex-  
9 perience in successfully transitioning homeless per-  
10 sons into stable, long-term housing;

11 “(3) the need for the type of eligible activity in  
12 the area to be served;

13 “(4) the extent to which the amount of assist-  
14 ance to be provided with grant amounts will be sup-  
15 plemented with resources from other public and pri-  
16 vate sources;

17 “(5) the cost-effectiveness of the proposed eligi-  
18 ble activity, considered in relation to the ultimate  
19 goal of moving people out of homelessness perma-  
20 nently, including consideration of high-cost area  
21 services, and other necessary amenities;

22 “(6) the extent to which the project sponsor  
23 carrying out the eligible activity—

24 “(A) will coordinate with Federal, State,  
25 local, and private entities serving homeless per-

1           sons in the development of a comprehensive  
2           housing system and in the planning and oper-  
3           ation of the activity; and

4                 “(B) will, pursuant to section 408(m)(3),  
5           carry out the activity in coordination and con-  
6           junction with federally funded activities for the  
7           homeless;

8                 “(7) the extent to which the project sponsor  
9           employs homeless persons or involves homeless per-  
10          sons or formerly homeless persons in the operation  
11          and design of its programs; and

12                 “(8) such other factors as the Secretary deter-  
13          mines to be appropriate to carry out this title in an  
14          effective and efficient manner.

15 **“SEC. 405. COMPREHENSIVE HOUSING AFFORDABILITY**  
16 **STRATEGY COMPLIANCE.**

17          “A grant under this title may be provided to an eligi-  
18          ble grantee only if—

19                 “(1) the applicable jurisdiction for which the  
20          grant amounts are allocated under section 406 has  
21          submitted to the Secretary a comprehensive housing  
22          affordability strategy in accordance with section 105  
23          of the Cranston-Gonzalez National Affordable Hous-  
24          ing Act and any other requirement established by  
25          the Secretary and which is in effect for the fiscal

1 year for which such grant amounts are to be pro-  
2 vided; and

3 “(2) the public official of such applicable juris-  
4 diction who is responsible for submitting the com-  
5 prehensive housing affordability strategy required by  
6 paragraph (1) certifies to the Secretary that the eli-  
7 gible activities to be assisted with such grant  
8 amounts are or will be consistent with such com-  
9 prehensive housing affordability strategy, including  
10 the plans in such strategy for addressing housing  
11 needs for homeless families.

12 **“SEC. 406. ALLOCATION AND AVAILABILITY OF AMOUNTS.**

13 “(a) ALLOCATION FOR INSULAR AREAS.—Of the  
14 amount made available for grants under this title for a  
15 fiscal year, the Secretary shall reserve for grants for each  
16 of the insular areas amounts in accordance with an alloca-  
17 tion formula established by the Secretary.

18 “(b) ALLOCATION FOR PERMANENT HOUSING DE-  
19 VELOPMENT GRANTS UNDER SUBTITLE B.—

20 “(1) ANNUAL PORTION OF APPROPRIATED  
21 AMOUNT AVAILABLE.—Of the amount made avail-  
22 able for grants under this title for a fiscal year that  
23 remains after amounts are reserved under subsection  
24 (a), the Secretary shall allocate for use under sub-  
25 title B, 30 percent of such funds (except that for fis-

1 cal years 1998 and 1999, the Secretary shall allo-  
2 cate 25 percent of such funds for use under such  
3 subtitle).

4 “(2) GRANTS.—Using the amounts allocated for  
5 use under subtitle B for a fiscal year, the Secretary  
6 shall make grants to States, metropolitan cities, and  
7 urban counties pursuant to a national competition  
8 based on the criteria specified in section 404(b) and  
9 in accordance with such other factors and proce-  
10 dures as the Secretary determines to be appropriate  
11 to carry out this title in an effective and efficient  
12 manner.

13 “(3) LIMITATION.—In making grants using  
14 amounts allocated for use under subtitle B for any  
15 fiscal year, the Secretary shall ensure that not more  
16 than 35 percent of the total amount allocated for  
17 such use for such fiscal year is used for activities  
18 under section 441 of this Act, as in effect on Octo-  
19 ber 31, 1997.

20 “(c) ALLOCATION FOR FLEXIBLE BLOCK GRANT  
21 HOMELESS ASSISTANCE UNDER SUBTITLE C.—

22 “(1) ANNUAL PORTION OF APPROPRIATED  
23 AMOUNT AVAILABLE FOR SUBTITLE C ACTIVITIES.—  
24 Of the amount made available for grants under this  
25 title for a fiscal year that remains after amounts are

1 reserved under subsection (a), the Secretary shall al-  
2 locate for use under subtitle C 70 percent of such  
3 funds (except that for fiscal years 1998 and 1999,  
4 the Secretary shall allocate 75 percent of such funds  
5 for use under such subtitle).

6 “(2) ALLOCATION OF AMOUNT AVAILABLE BE-  
7 TWEEN METROPOLITAN CITIES AND URBAN COUN-  
8 TIES AND STATES.—Of the amount allocated pursu-  
9 ant to paragraph (1) for use under subtitle C for a  
10 fiscal year, 70 percent shall be allocated for metro-  
11 politan cities and urban counties and 30 percent  
12 shall be allocated for States.

13 “(3) INTERIM DETERMINATION OF ALLOCATED  
14 AMOUNT.—Except as provided in paragraph (4), the  
15 Secretary shall allocate amounts available for use  
16 under subtitle C for a fiscal year so that—

17 “(A) for each metropolitan city and urban  
18 county, the percentage of the total amount allo-  
19 cated under this subsection for cities and coun-  
20 ties that is allocated for such city or county is  
21 equal to the percentage of the total amount  
22 available for the preceding fiscal year under  
23 section 106(b) of the Housing and Community  
24 Development Act of 1974 for grants to metro-



1           politan cities and urban counties that was allo-  
2           cated for such city or county; and

3           “(B) for each State, the percentage of the  
4           total amount allocated under this subsection for  
5           States that is allocated for such State is equal  
6           to the percentage of the total amount available  
7           for the preceding fiscal year under section  
8           106(d) of the Housing and Community Devel-  
9           opment Act of 1974 for grants to States that  
10          was allocated for such State.

11          “(4) MINIMUM APPROPRIATION REQUIRE-  
12          MENT.—If, by December 1 of any fiscal year, the  
13          amount appropriated for grants under this title for  
14          such fiscal year is less than \$750,000,000—

15               “(A) the Secretary shall not allocate  
16               amounts for such fiscal year under subsection  
17               (b) and this subsection;

18               “(B) subsection (d) shall not apply to  
19               amounts for such fiscal year; and

20               “(C) notwithstanding any other provision  
21               of this title, the Secretary shall make grants  
22               under this title from such amounts to States,  
23               units of general local government, and private  
24               nonprofit organizations, pursuant to a national

1 competition based on the criteria specified in  
2 section 404(b).

3 “(5) STUDY; SUBMISSION OF INFORMATION TO  
4 CONGRESS RELATED TO ALTERNATIVE METHODS OF  
5 ALLOCATION.—Not later than 1 year after the date  
6 of the enactment of the Homeless Housing Program  
7 Consolidation and Flexibility Act, the Secretary  
8 shall—

9 “(A) submit to Congress—

10 “(i) the best available methodology for  
11 determining a formula relative to the geo-  
12 graphic allocation of funds under this sub-  
13 title among entitlement communities and  
14 nonentitlement areas based on the inci-  
15 dence of homelessness and factors that  
16 lead to homelessness;

17 “(ii) proposed alternatives to the for-  
18 mula submitted pursuant to clause (i) for  
19 allocating funds under this section, includ-  
20 ing an evaluation and recommendation on  
21 a 75/25 percent and other allocations of  
22 flexible block grant homeless assistance be-  
23 tween metropolitan cities and urban coun-  
24 ties and States under paragraph (2);

1 “(iii) an analysis of the deficiencies in  
2 the current allocation formula described in  
3 section 106(b) of the Housing and Com-  
4 munity Development Act of 1974;

5 “(iv) an analysis of the adequacy of  
6 current indices used as proxies for measur-  
7 ing homelessness; and

8 “(v) an analysis of the bases underly-  
9 ing each of the proposed allocation meth-  
10 ods;

11 “(B) perform the duties required by this  
12 paragraph in ongoing consultation with—

13 “(i) the Subcommittee on Housing  
14 Opportunity and Community Development  
15 of the Committee on Banking, Housing,  
16 and Urban Affairs of the Senate;

17 “(ii) the Subcommittee on Housing  
18 and Community Opportunity of the Com-  
19 mittee on Banking and Financial Services  
20 of the House of Representatives;

21 “(iii) organizations representing  
22 States, metropolitan cities and urban coun-  
23 ties;

24 “(iv) organizations representing rural  
25 communities;

1 “(v) organizations representing veter-  
2 ans;

3 “(vi) organizations representing per-  
4 sons with disabilities;

5 “(vii) members of the academic com-  
6 munity; and

7 “(viii) national homelessness advocacy  
8 groups; and

9 “(C) estimate the amount of funds that  
10 will be received annually by each entitlement  
11 community and nonentitlement area under each  
12 such alternative allocation system and compare  
13 such amounts to the amount of funds received  
14 by each entitlement community and nonentitle-  
15 ment area in prior years under this section.

16 “(6) MINIMUM ALLOCATIONS AMOUNTS.—

17 “(A) IN GENERAL.—

18 “(i) METROPOLITAN CITIES AND  
19 URBAN COUNTIES.—Notwithstanding para-  
20 graph (3), if for any fiscal year, the alloca-  
21 tion under subtitle C for a metropolitan  
22 city or urban county is less than 0.05 per-  
23 cent of the amounts available for such use,  
24 such metropolitan city or urban county  
25 shall not receive a grant and its allocation

1 shall be added to the allocation for the  
2 State in which such metropolitan city or  
3 urban county is located, except that any  
4 such metropolitan city or urban county  
5 that received a grant under this title in a  
6 previous fiscal year shall be allocated an  
7 amount equal to 0.05 percent of the  
8 amounts appropriated for such use.

9 “(ii) STATES.—Notwithstanding para-  
10 graph (3), if in any fiscal year the alloca-  
11 tion under subtitle C for a State is less  
12 than \$2,000,000, the allocation for that  
13 State shall be increased to \$2,000,000 and  
14 the increase shall be provided by deducting  
15 pro rata amounts from the allocations  
16 under such subtitle of States with alloca-  
17 tions of more than \$2,000,000.

18 “(B) GRADUATED MINIMUM GRANT ALLOCA-  
19 TIONS.—Notwithstanding subparagraph (A) of this  
20 paragraph and notwithstanding paragraph (3), a  
21 State, metropolitan city, or urban county shall re-  
22 ceive no less funding under this subsection in the  
23 first full fiscal year after the date of the enactment  
24 of the Homeless Housing Programs Consolidation  
25 and Flexibility Act than 90 percent of the average

1 of the amounts awarded annually to that jurisdiction  
2 for homeless assistance programs administered by  
3 the Secretary (not including allocations for shelter  
4 plus care and single room occupancy programs as  
5 defined in, and in effect pursuant to, this Act prior  
6 to the date of the enactment of the Homeless Hous-  
7 ing Programs Consolidation and Flexibility Act)  
8 under this title during fiscal years 1994 through  
9 1997, no less than 85 percent in the second full fis-  
10 cal year after the date of the enactment of the  
11 Homeless Housing Programs Consolidation and  
12 Flexibility Act, no less than 80 percent in the third  
13 and fourth full fiscal years after the date of the en-  
14 actment of the Homeless Housing Programs Con-  
15 solidation and Flexibility Act, and no less than 75  
16 percent in the fifth full fiscal year after the date of  
17 the enactment of the Homeless Housing Programs  
18 Consolidation and Flexibility Act, but only if the  
19 amount appropriated pursuant to section 435 in  
20 each such fiscal year exceeds \$800,000,000. If that  
21 amount does not exceed \$800,000,000 in any fiscal  
22 year referred to in the first sentence of this para-  
23 graph, the jurisdiction may receive its proportionate  
24 share of the amount appropriated which may be less

1       than the amount stated in such sentence for such  
2       fiscal year.

3           “(7)   REDUCTION.—Notwithstanding   para-  
4       graphs (1) through (6), in any fiscal year, the Sec-  
5       retary may provide a grant under this subsection for  
6       a State, metropolitan city, or urban county, in an  
7       amount less than the amount allocated under those  
8       paragraphs, if the Secretary determines that the ju-  
9       risdiction has failed to comply with requirements of  
10      this title, or that such action is otherwise appro-  
11      prium.

12      “(d) RECAPTURE OF ALLOCATED AMOUNTS.—The  
13      Secretary shall recapture the following amounts:

14           “(1) UNUSED AMOUNTS.—Not less than once  
15      during each fiscal year, the Secretary shall recapture  
16      any amounts allocated under this section that—

17           “(A) are allocated for a State, metropoli-  
18      tan city or urban county, or insular area, but  
19      not provided to an eligible grantee for the juris-  
20      diction because of failure to apply for a grant  
21      under this title or failure to comply with the re-  
22      quirements of this title;

23           “(B) were provided to a grantee and (i) re-  
24      captured under this title, or (ii) not utilized by  
25      the grantee in accordance with the purposes

1           and objectives of the approved application of  
2           the grantee within a reasonable time period,  
3           which the Secretary shall establish; or

4                   “(C) are returned to the Secretary by the  
5           time of such reallocation.

6           “(2) AMOUNTS ALLOCATED TO GRANTEES THAT  
7           FAIL TO COMPLY WITH COMPREHENSIVE HOUSING  
8           AFFORDABILITY STRATEGY REQUIREMENTS.—Not-  
9           withstanding paragraph (1), if, for any fiscal year,  
10          a metropolitan city or urban county fails to comply  
11          with the requirement under section 405(1) during  
12          the 90-day period beginning on the date that  
13          amounts for grants under this title for such fiscal  
14          year first become available for allocation, the  
15          amounts that would have been allocated under sub-  
16          section (c) of this section for such city or county  
17          shall be reallocated for the State in which the unit  
18          is located, but only if the State has complied with  
19          the requirement under section 405(1). Any amounts  
20          that cannot be allocated for a State under the pre-  
21          ceding sentence shall be reallocated for other metro-  
22          politan cities and urban counties and States that  
23          comply with such requirement and demonstrate ex-  
24          traordinary need or large numbers of homeless per-  
25          sons, as determined by the Secretary.



1       “(e) REALLOCATION OF AMOUNTS.—Any amounts  
2 allocated under subsection (b) that are recaptured pursu-  
3 ant to subsection (d)(1) shall be reallocated only for use  
4 under subtitle B. Any amounts allocated under subsection  
5 (c) that are recaptured pursuant to subsection (d)(1) shall  
6 be reallocated only for use under subtitle C.

7       **“SEC. 407. MATCHING FUNDS REQUIREMENT.**

8       “(a) IN GENERAL.—Each State, metropolitan city or  
9 urban county, and insular area for which a grant under  
10 this title is made shall supplement the amount of the grant  
11 provided under this title with an amount that is not less  
12 than—

13               “(1) 50 percent of the amount of such grant,  
14 if the State, metropolitan city or urban county, and  
15 insular area has indicated in its application for such  
16 grant that it will not include as a portion of its sup-  
17 plementation the cost or value of donated services;  
18 or

19               “(2) 100 percent of the grant amount, if the  
20 State, metropolitan city, urban county, or insular  
21 area indicated in its application for such grant that  
22 it will include as a portion of its supplementation the  
23 cost or value of donated services.

24       “(b) MATCHING REQUIREMENT FOR USE OF MORE  
25 THAN 35 PERCENT OF FUNDS FOR SUPPORTIVE SERV-

1 ICES.—In addition to the supplemental funds required  
2 pursuant to subsection (a), for the second full fiscal year  
3 after the date of the enactment of the Homeless Housing  
4 Programs Consolidation and Flexibility Act and each fis-  
5 cal year thereafter, a State, metropolitan city, or urban  
6 county shall supplement the grant funds for the State,  
7 metropolitan city, or urban county in an amount equal to  
8 the amount used by that State, metropolitan city, or urban  
9 county for supportive services in a fiscal year that exceeds  
10 35 percent of the total grant amount for the State, metro-  
11 politan city, or urban county for that fiscal year.

12 “(c) TREATMENT OF INDEPENDENT STATE OR  
13 LOCAL GOVERNMENT FUNDS.—Any State or local govern-  
14 ment funds used independently from the program under  
15 this title, or designated for such use, to assist the homeless  
16 by carrying out activities that would be eligible for assist-  
17 ance under this subtitle may be counted toward the  
18 amount required pursuant to subsection (a).

19 “(d) AUTHORITY FOR GRANTEES TO REQUIRE SUP-  
20 PLEMENTATION.—

21 “(1) IN GENERAL.—Each grantee under this  
22 title may require any subgrantee or project sponsor  
23 to whom it provides such grant amounts to provide  
24 supplemental amounts required under subsections

1 (a) and (b) with an amount of funds from sources  
2 other than this title.

3 “(2) AMOUNT ALLOWED TO BE REQUIRED BY  
4 GRANTEE.—

5 “(A) GRANT AMOUNT.—Except as pro-  
6 vided in paragraph (3), a grantee may not re-  
7 quire any subgrantee or project sponsor to  
8 whom it provides such grant amounts under  
9 this title to provide—

10 “(i) supplemental amounts required  
11 under subsection (a)(1) in an amount ex-  
12 ceeding 25 percent of the grant amount  
13 provided to the subgrantee or project spon-  
14 sor; or

15 “(ii) supplemental amounts required  
16 under subsection (a)(2) in an amount ex-  
17 ceeding 50 percent of the grant amount  
18 provided to the subgrantee or project spon-  
19 sor.

20 “(B) SUPPORTIVE SERVICES.—A grantee  
21 may require any subgrantee or project sponsor  
22 to whom it provides grant amounts under this  
23 title to provide supplemental amounts required  
24 under subsection (b) in an amount equal to the  
25 amount used by subgrantee or project sponsor

1           for supportive services in a fiscal year that ex-  
2           ceeds 35 percent of the total amount allocated  
3           pursuant to this subsection for that fiscal year.

4           “(3) SUPPLEMENTAL FUNDS MAY BE CONSID-  
5       ERED AS MATCHING FUNDS.—Supplemental  
6       amounts provided by a subgrantee or project sponsor  
7       pursuant to this subsection may be considered sup-  
8       plemental amounts for purposes of compliance by  
9       any grantee with the requirement under subsections  
10      (a) and (b).

11      “(e) USE OF FUNDS.—Any supplemental funds made  
12      available in compliance with this section shall be available  
13      only to carry out eligible activities (1) under subtitle B,  
14      if the grant amounts are available only for such activities,  
15      or (2) under subtitle C, if the grant amounts are available  
16      only for such activities.

17      “(f) SUPPLEMENTAL FUNDS.—In determining the  
18      amount of supplemental funds provided in accordance with  
19      this section, the following amounts may be included:

20           “(1) Cash.

21           “(2) The value of any donated or purchased  
22      material or building.

23           “(3) The value of any lease on a building.

24           “(4) The proceeds from bond financing validly  
25      issued by a State or unit of general local govern-

1       ment, agency, or instrumentality thereof, and repay-  
2       able with revenues derived from the activity assisted  
3       under this title.

4           “(5) The amount of any salary paid to staff to  
5       carry out a program for eligible activities under sub-  
6       title B or C.

7           “(6) The cost or value of any donated goods.

8           “(7) The value of taxes, fees, or other charges  
9       that are normally and customarily imposed, but  
10      which are waived or foregone to assist in providing  
11      housing or services for the homeless.

12          “(8) The cost of on-site and off-site infrastruc-  
13      ture that is directly related to and necessary for pro-  
14      viding housing or services for the homeless.

15          “(9) The cost or value of any donated services,  
16      but only if the State, metropolitan city, urban coun-  
17      ty, or insular area has stated in its application for  
18      a grant under this title that it shall supplement the  
19      amount of such grant, in accordance with section  
20      407(a)(2).

21          “(g) REDUCTION IN MATCHING REQUIREMENTS.—If  
22      a jurisdiction certifies to the Secretary that it is in fiscal  
23      distress (as defined in section 220(d)(2) of the Cranston-  
24      Gonzalez National Affordable Housing Act) for a fiscal  
25      year, the Secretary shall apply the matching requirement

1 under subsection (a) to such jurisdiction for such fiscal  
2 year by reducing such percentage under subsection (a) to  
3 the same extent, in the same manner, and according to  
4 the same criteria as matching requirements are reduced  
5 under section 220(d) of the Cranston-Gonzalez National  
6 Affordable Housing Act.

7 **“SEC. 408. PROGRAM REQUIREMENTS.**

8 “(a) APPLICATIONS.—

9 “(1) FORM AND PROCEDURE.—The Secretary  
10 shall make a grant under this title only pursuant to  
11 an application for a grant submitted by an eligible  
12 grantee in the form required by this section and in  
13 accordance with such other factors and procedures  
14 as the Secretary determines to be appropriate. The  
15 Secretary may not give preference or priority to any  
16 application on the basis that the application was  
17 submitted by any particular type of eligible grantee.

18 “(2) CONTENTS.—The Secretary shall require  
19 that applications contain at a minimum the following  
20 information:

21 “(A) GRANTS FOR PERMANENT HOUSING  
22 DEVELOPMENT ACTIVITIES.—In the case of an  
23 application for a grant available for use for ac-  
24 tivities under subtitle B or an application for a

1 grant available for use under subtitle C for per-  
2 manent housing development assistance—

3 “(i) a description of the permanent  
4 housing development activities to be as-  
5 sisted;

6 “(ii) a description of the entities that  
7 will carry out such activities and the pro-  
8 grams for carrying out such activities; and

9 “(iii) assurances satisfactory to the  
10 Secretary that the facility will comply with  
11 the requirement under subsection (j).

12 “(B) FLEXIBLE BLOCK GRANT HOMELESS  
13 ASSISTANCE.—In the case of an application for  
14 a grant available for use for activities under  
15 subtitle C—

16 “(i) a description of the eligible activi-  
17 ties to be assisted, to the extent available  
18 at the time;

19 “(ii) in the case of a grant for a facil-  
20 ity assisted under paragraph (1) or (2) of  
21 section 421(a), assurances satisfactory to  
22 the Secretary that the facility will comply  
23 with the requirement under subsection (j);

24 “(iii) in the case of a grant for a sup-  
25 portive housing facility assisted under this

1 title that does not receive assistance under  
2 paragraph (1) or (2) of section 421(a), an-  
3 nual assurances during the period specified  
4 in the application that the facility will be  
5 operated for the purpose specified in the  
6 application for such period; and

7 “(iv) in the case of a grant for a sup-  
8 portive housing facility, reasonable assur-  
9 ances that the project sponsor will own or  
10 have control of a site not later than the ex-  
11 piration of the 12-month period beginning  
12 upon notification of an award of grant as-  
13 sistance, unless the application proposes  
14 providing supportive housing assisted  
15 under section 421(a)(3) or housing that  
16 will eventually be owned or controlled by  
17 the families and individuals served; except  
18 that a project sponsor may obtain owner-  
19 ship or control of a suitable site different  
20 from the site specified in the application.

21 “(C) ALL GRANTS.—In the case of an ap-  
22 plication for any grant under this title—

23 “(i) a description of the size and char-  
24 acteristics of the population, including spe-  
25 cific references to populations with special



1 needs, that will be served by the eligible  
2 activities assisted with grant amounts;

3 “(ii) a description of the public and  
4 private resources that are expected to be  
5 made available in connection with grant  
6 amounts provided;

7 “(iii) a description of the process to  
8 be used in compliance with section 404(b)  
9 to select eligible activities to be assisted  
10 and project sponsors;

11 “(iv) a certification that the applicant  
12 will comply with the requirements of the  
13 Fair Housing Act, title VI of the Civil  
14 Rights Act of 1964, section 504 of the Re-  
15 habilitation Act of 1973, and the Age Dis-  
16 crimination Act of 1975, and will affirma-  
17 tively further fair housing; and

18 “(v) a statement of whether the appli-  
19 cant will or will not include, as a portion  
20 of its supplementation amount required  
21 under section 407(a), the cost or value of  
22 donated services.

23 “(b) REQUIRED AGREEMENTS.—The Secretary may  
24 not provide a grant under this title for any applicant un-  
25 less the applicant agrees—

1           “(1) to ensure that the eligible activities carried  
2 out with grant amounts will be carried out in ac-  
3 cordance with the provisions of this title;

4           “(2) to conduct an ongoing assessment of the  
5 supportive services required by homeless persons as-  
6 sisted by the eligible activities and the availability of  
7 such services to such persons;

8           “(3) in the case of grant amounts to be used  
9 under subtitle C for a supportive housing facility or  
10 an emergency shelter, to ensure the provision of  
11 such residential supervision as the Secretary deter-  
12 mines is necessary to facilitate the adequate provi-  
13 sion of supportive services to the residents and users  
14 of the facility or shelter;

15           “(4) to monitor and report under section 431 to  
16 the Secretary on the progress of the eligible activi-  
17 ties carried out with grant amounts;

18           “(5) to develop and implement procedures to  
19 ensure—

20           “(A) the confidentiality of records pertain-  
21 ing to any individual provided family violence  
22 prevention or treatment services through any  
23 activities assisted with grant amounts; and

24           “(B) that the address or location of any  
25 family violence shelter facility assisted with

1 grant amounts will not be made public, except  
2 with written authorization of the person or per-  
3 sons responsible for the operation of such facil-  
4 ity;

5 “(6) to the maximum extent practicable, to in-  
6 volve homeless persons and families, through em-  
7 ployment, volunteer services, or otherwise, in carry-  
8 ing out eligible activities assisted with grant  
9 amounts; and

10 “(7) to comply with such other terms and con-  
11 ditions as the Secretary may establish to carry out  
12 this title in an effective and efficient manner.

13 “(c) OCCUPANCY CHARGE.—Any homeless person or  
14 family residing in a dwelling unit assisted under this title  
15 may be required to pay an occupancy charge in an amount  
16 determined by the grantee providing the assistance, which  
17 may not exceed an amount equal to 30 percent of the ad-  
18 justed income (as such term is defined in section 3(b) of  
19 the United States Housing Act of 1937 or any other sub-  
20 sequent provision of Federal law defining such term for  
21 purposes of eligibility for, or rental charges in, public  
22 housing) of the person or family. Occupancy charges paid  
23 may be reserved, in whole or in part, to assist residents  
24 in moving to permanent housing.

1       “(d) FLOOD PROTECTION STANDARDS.—Flood pro-  
2   tection standards applicable to housing acquired, rehabili-  
3   tated, constructed, or assisted with grant amounts pro-  
4   vided under this title shall be no more restrictive than the  
5   standards applicable under Executive Order No. 11988  
6   (42 U.S.C. 4321 note; relating to floodplain management)  
7   to the other programs in effect under this title imme-  
8   diately before the enactment of the Homeless Housing  
9   Programs Consolidation and Flexibility Act.

10       “(e) PARTICIPATION OF CITIZENS AND OTHERS.

11           “(1) IN GENERAL.—Each grantee shall—

12               “(A) each fiscal year, make available to its  
13           citizens, public agencies, and other interested  
14           parties information concerning the amount of  
15           assistance the jurisdiction expects to receive  
16           and the range of activities that may be under-  
17           taken with the assistance;

18               “(B) publish the proposed application in a  
19           manner that, in the determination of the Sec-  
20           retary, affords affected citizens, public agencies,  
21           and other interested parties a reasonable oppor-  
22           tunity to examine its content and to submit  
23           comments on it;

24               “(C) each fiscal year, hold one or more  
25           public hearings to obtain the views of citizens,

1 public agencies, and other interested parties on  
2 the housing needs of the jurisdiction; and

3 “(D) provide citizens, public agencies, and  
4 other interested parties with reasonable access  
5 to records regarding any uses of any assistance  
6 the grantee may have received under this sub-  
7 title during the preceding 5 years.

8 “(2) ELECTRONIC ACCESS.—A grantee may  
9 comply with the requirement under subparagraphs  
10 (A), (B), and (D) of paragraph (1) by making the  
11 information available through interactive computer  
12 or telephone services or other electronic information  
13 networks and systems appropriate for making such  
14 information widely available to the public.

15 “(3) NOTICE AND COMMENT.—Before submit-  
16 ting any substantial amendment to an application  
17 under this Act, a grantee shall provide citizens with  
18 reasonable notice of, and opportunity to comment  
19 on, the amendment.

20 “(4) CONSIDERATION OF COMMENTS.—A grant-  
21 ee shall consider any comments or views of citizens  
22 in preparing a final application or amendment to an  
23 application for submission. A summary of such com-  
24 ments or views shall be attached when an application  
25 or amendment to an application is submitted. The

1 submitted application or amendment shall be made  
2 available to the public.

3 “(5) AUTHORITY OF SECRETARY.—The Sec-  
4 retary shall establish procedures appropriate and  
5 practicable for providing a fair hearing and timely  
6 resolution of citizen complaints related to applica-  
7 tions under this subtitle.

8 “(6) HOMELESS INDIVIDUALS.—The Secretary  
9 shall, by regulation, require each grantee to ensure  
10 that each project sponsor assisted by the grantee  
11 provides for the participation of not less than 1  
12 homeless person or former homeless person on the  
13 board of directors or other equivalent policymaking  
14 entity of the project sponsor, to the extent that such  
15 sponsor considers and makes policies and decisions  
16 regarding any activity, facility, supportive services,  
17 or assistance provided with grant amounts under  
18 this title. The Secretary shall provide that a grantee  
19 may grant waivers to project sponsors unable to  
20 meet the requirement under the preceding sentence  
21 if the sponsor agrees to otherwise consult with  
22 homeless or formerly homeless persons in consider-  
23 ing and making such policies and decisions.

24 “(f) LIMITATION ON USE OF FUNDS.—No grant  
25 amounts received under this title (or any funds provided

1 under section 407 or otherwise to supplement such grants)  
2 may be used to replace other State or local funds pre-  
3 viously used, or designated for use, to assist homeless per-  
4 sons.

5 “(g) LIMITATION ON ADMINISTRATIVE EXPENSES.—  
6 Notwithstanding any other provision of this title, of any  
7 grant amounts under this title used to carry out eligible  
8 activities, the grantee or the project sponsor may use for  
9 administrative purposes—

10 “(1) an amount not exceeding 5 percent of such  
11 grant amount; or

12 “(2) if the grantee implements use of a stand-  
13 ardized homeless database management system to  
14 record and assess data on the usage of homeless  
15 housing, services, and client needs, and on the num-  
16 ber of and other information related to populations  
17 with special needs, an amount not exceeding 7.5 per-  
18 cent of such grant amount.

19 “(h) HOUSING QUALITY.—

20 “(1) REQUIREMENT.—Assistance may not be  
21 provided with grant amounts made available for use  
22 under this title for any permanent housing develop-  
23 ment, dwelling unit, supportive housing facility, or  
24 emergency shelter that fails to comply with the hous-  
25 ing quality standards applicable under paragraph (2)

1 in the jurisdiction in which the housing is located,  
2 unless the deficiency is promptly corrected and the  
3 project sponsor verifies the correction.

4 “(2) APPLICABLE STANDARDS.—The housing  
5 quality standards applicable under this subsection to  
6 any permanent housing, dwelling unit, supportive  
7 housing facility, or emergency shelter shall be—

8 “(A) in the case of permanent housing, a  
9 unit, facility, or shelter located in a jurisdiction  
10 which has in effect laws, regulations, standards,  
11 or codes regarding habitability of such housing,  
12 units, facilities, or shelters that provide protec-  
13 tion to residents of the dwellings that is equal  
14 to or greater than the protection provided under  
15 the housing quality standards established under  
16 paragraph (3), such applicable laws, regula-  
17 tions, standards, or codes; or

18 “(B) in the case of permanent housing, a  
19 unit, facility, or shelter located in a jurisdiction  
20 which does not have in effect laws, regulations,  
21 standards, or codes described in subparagraph  
22 (A), the housing quality standards established  
23 under paragraph (3).

24 “(3) FEDERAL HOUSING QUALITY STAND-  
25 ARDS.—The Secretary shall establish housing quality



1 standards under this paragraph that ensure that  
2 permanent housing, dwelling units, supportive hous-  
3 ing facilities, and emergency shelters assisted under  
4 this title are safe, clean, and healthy. Such stand-  
5 ards shall include requirements relating to habit-  
6 ability, including maintenance, health and sanitation  
7 factors, condition, and construction of dwellings. The  
8 Secretary shall differentiate between major and  
9 minor violations of such standards and may estab-  
10 lish separate standards for permanent housing,  
11 dwelling units, supportive housing facilities, and  
12 emergency shelters.

13 “(i) TERMINATION OF ASSISTANCE.—If a person or  
14 family (not including residents of an emergency shelter)  
15 who receives assistance under this title violates program  
16 requirements, the project sponsor may terminate assist-  
17 ance in accordance with a formal process established by  
18 such sponsor that recognizes the rights of individuals re-  
19 ceiving such assistance to due process of law, which may  
20 include a hearing.

21 “(j) USE RESTRICTIONS.—

22 “(1) ACQUISITION, REHABILITATION, AND NEW  
23 CONSTRUCTION.—

24 “(A) IN GENERAL.—Except as provided in  
25 subparagraph (B), each housing facility assisted

1 under subtitle B or subtitle C shall be operated  
2 as housing for the purpose specified in the ap-  
3 plication for assistance with amounts under this  
4 title for not less than 20 years after such facil-  
5 ity is initially placed in service pursuant to such  
6 assistance.

7 “(B) EXCEPTIONS.—

8 (i) INABILITY TO OPERATE FACIL-  
9 ITY.—If, within such 20-year period, the  
10 need for maintaining the facility as hous-  
11 ing for the purpose specified in the appli-  
12 cation for assistance ceases to exist (as de-  
13 termined by the Secretary pursuant to a  
14 recommendation by the chief executive offi-  
15 cer of the appropriate unit of general local  
16 government or project sponsor, taking into  
17 consideration the comprehensive housing  
18 affordability strategy of the jurisdiction),  
19 or the project sponsor is unable to operate  
20 the facility as supportive housing, the facil-  
21 ity may be used as affordable housing (in  
22 accordance with section 215 of the Cran-  
23 ston-Gonzalez National Affordable Housing  
24 Act).

1                   “(ii) APPLICABILITY OF OTHER PRO-  
2                   GRAM RESTRICTION.—If the housing facil-  
3                   ity receives assistance under any other  
4                   Federal program (including assistance  
5                   under section 42 of the Internal Revenue  
6                   Code of 1986) for low-income families,  
7                   homeless persons, or any other use consist-  
8                   ent with assistance under this title, and  
9                   the use restriction under such program is  
10                  less than 20 years, the restriction under  
11                  such program shall apply.

12               “(2) OTHER ASSISTANCE.—Each housing facil-  
13               ity assisted under subtitle C shall be operated for  
14               the purposes specified in the application for assist-  
15               ance with amounts under this title for the duration  
16               of the period covered by the grant.

17               “(3) CONVERSION.—Notwithstanding para-  
18               graphs (1) and (2), if the Secretary determines that  
19               a housing facility is no longer needed for use as  
20               housing for the purposes specified in the application  
21               for assistance and approves the use of the facility  
22               for the direct benefit of low-income persons pursuant  
23               to a request for such use by the project sponsor, the  
24               Secretary may authorize the sponsor to convert the  
25               facility to such use.

1       “(k) REPAYMENT OF ASSISTANCE AND PREVENTION  
2 OF UNDUE BENEFITS.—

3               “(1) REPAYMENT.—If a facility assisted under  
4 subtitle B or subtitle C violates the requirement  
5 under subsection (j)(1)(A) or (j)(1)(B)(ii) of this  
6 section during the 10-year period beginning upon  
7 placement of the facility in service pursuant to such  
8 assistance, the Secretary shall require the grantee to  
9 repay to the Secretary 100 percent of any grant  
10 amounts received for such facility under such para-  
11 graph. If such a facility violates such requirement  
12 after such 10-year period, the Secretary shall require  
13 the grantee to repay the percentage of any grant  
14 amounts received for such facility that is equal to  
15 100 percent minus 10 percent for each year in ex-  
16 cess of 10 that the facility is operated as supportive  
17 housing.

18               “(2) PREVENTION OF UNDUE BENEFITS.—Ex-  
19 cept as provided in paragraph (3), upon any sale or  
20 other disposition of a facility assisted under subtitle  
21 B or C occurring before the expiration of the 20-  
22 year period beginning on the date that the facility  
23 is placed in service, the project sponsor shall comply  
24 with such terms and conditions as the Secretary may

1        prescribe to prevent the sponsor from unduly bene-  
2        fitting from such sale or disposition.

3            “(3) EXCEPTION.—Paragraphs (1) and (2)  
4        shall not apply to any sale or disposition of a facility  
5        that results in the use of the facility for the direct  
6        benefit of very low-income families if all of the pro-  
7        ceeds are used to provide housing meeting the re-  
8        quirements of subtitle B or C.

9            “(4) FAILURE TO OBTAIN SITE.—If a grantee  
10       of assistance made available for use under this title  
11       obligates assistance for a housing facility other than  
12       a facility under section 421(a)(3) or housing that  
13       will eventually be owned or controlled by the families  
14       and individuals served, and the project sponsor fails  
15       to obtain ownership or control of a suitable site for  
16       a proposed supportive housing facility during the 12-  
17       month period beginning upon the notification of an  
18       award of grant assistance, the grantee shall recap-  
19       ture the assistance and make such assistance avail-  
20       able under this subtitle.

21        “(l) LOCAL BOARDS.—

22            “(1) ESTABLISHMENT AND FUNCTION.—The  
23       head of the executive branch of government of each  
24       grantee shall establish and appoint members to a  
25       local board, which shall assist the jurisdiction in—

1           “(A) determining whether the grant should  
2           be administered by the jurisdiction, a public  
3           agency, a private nonprofit organization, the  
4           State, or the Secretary;

5           “(B) developing the application under sec-  
6           tion 408;

7           “(C) overseeing the activities carried out  
8           with assistance under this title; and

9           “(D) preparing the performance report  
10          under section 431.

11         “(2) COMPOSITION OF LOCAL BOARDS.—

12                 “(A) NOMINATION.—Members of a local  
13                 board appointed to meet the requirements of  
14                 subparagraph (D) shall be nominated by per-  
15                 sons, other than governmental officials or enti-  
16                 ties, that represent the groups listed in sub-  
17                 paragraph (D).

18                 “(B) PRIORITY.—Persons who will improve  
19                 access to a broad range of services for homeless  
20                 persons and who are sensitive to the varying  
21                 needs of homeless persons, including veterans,  
22                 the mentally ill, families with children, young  
23                 persons, battered spouses, victims of substance  
24                 abuse, and persons with AIDS, shall be given  
25                 preference when selecting local board members.

1           “(C) COMMUNITY SUPPORT CONSID-  
2           ERED.—In appointing members to the local  
3           board, the chief executive of each grantee shall  
4           consider the extent of support for the nominee  
5           in the community which the board shall serve.

6           “(D) MAJORITY.—Not less than 51 per-  
7           cent of the members of a local board shall be  
8           composed of—

9                   “(i) homeless or formerly homeless  
10                  persons;

11                  “(ii) persons who act as advocates for  
12                  homeless persons; and

13                  “(iii) persons who provide assistance  
14                  to homeless persons, including representa-  
15                  tives of local veterans organizations and  
16                  veteran service providers who assist home-  
17                  less veterans.

18           “(E) OTHER LOCAL BOARD MEMBERS.—  
19           After the requirements of subparagraph (D) are  
20           met, other members of a local board shall be  
21           chosen from—

22                   “(i) members of the business commu-  
23                  nity of the jurisdiction receiving the grant;

1                   “(ii) members of neighborhood advoca-  
2                   cates in the jurisdiction receiving the  
3                   grant; and

4                   “(iii) government officials of the juris-  
5                   diction receiving the grant.

6                   “(3) WAIVER OF REQUIREMENTS FOR LOCAL  
7                   BOARD.—The Secretary may waive the requirements  
8                   of this subsection if the jurisdiction has an existing  
9                   board that substantially meets the requirements of  
10                  this subsection.

11                  “(m) COORDINATION OF HOMELESS PROGRAMS.—

12                   “(1) PURPOSE.—The purpose of the consulta-  
13                   tion and coordination required under this subsection  
14                   is to provide various services, activities, and assist-  
15                   ance for homeless persons and families in an effi-  
16                   cient, effective, and targeted manner designed to  
17                   meet the comprehensive needs of the homeless.

18                   “(2) IN GENERAL.—The Chairperson of the  
19                   Interagency Council on the Homeless shall consult  
20                   and coordinate with the Secretary of Housing and  
21                   Urban Development, the Secretary of Health and  
22                   Human Services, the Secretary of Labor, the Sec-  
23                   retary of Education, the Secretary of Veterans Af-  
24                   fairs, and the Secretary of Agriculture and shall en-  
25                   sure that assistance for federally funded activities



1 for the homeless is made available, to the greatest  
2 extent practicable, in conjunction and coordination  
3 with assistance for other federally funded activities  
4 for the homeless and with assistance under this title.

5 “(3) REQUIREMENTS FOR HOUSING ASSIST-  
6 ANCE.—The Secretary shall establish such require-  
7 ments as the Secretary considers necessary to ensure  
8 that grant amounts provided under this title are  
9 used by grantees and project sponsors, to the great-  
10 est extent practicable, in coordination and in con-  
11 junction with federally funded activities for the  
12 homeless.

13 “(4) DEFINITION.—For purposes of this sub-  
14 section, the term ‘federally funded activities for the  
15 homeless’ means activities to assist homeless per-  
16 sons, including homeless veterans, or homeless fami-  
17 lies that are funded (in whole or in part) with  
18 amounts provided by the Federal Government (other  
19 than amounts provided under this title) and in-  
20 cludes—

21 “(A) the programs for health care under  
22 sections 340 and part C of title V of the Public  
23 Health Service Act;

1           “(B) the programs for education, training  
2           and community services under title VII of the  
3           Stewart B. McKinney Homeless Assistance Act;

4           “(C) food assistance for homeless persons  
5           and families through the food programs under  
6           the Food Stamp Act of 1977 and the Emer-  
7           gency Food Assistance Act of 1983;

8           “(D) the job training, housing, and medi-  
9           cal programs for homeless veterans of the De-  
10          partment of Veterans Affairs;

11          “(E) the job corps centers for homeless  
12          families program under section 433A of the Job  
13          Training Partnership Act;

14          “(F) the program for preventive services  
15          for children of homeless families or families at  
16          risk of homelessness under title III of the Child  
17          Abuse Prevention and Treatment Act;

18          “(G) the programs under the Runaway  
19          and Homeless Youth Act; and

20          “(H) assistance for homeless persons, in-  
21          cluding homeless veterans, and families under  
22          State programs funded under supplemental se-  
23          curity income programs under part A of title IV  
24          or under title XVI of the Social Security Act.

1           “(5) COMPANION SERVICES BLOCK GRANTS IN  
2       CASES OF FAILURE TO COMPLY.—

3           “(A) IN GENERAL.—If, for any fiscal year,  
4       the Chairperson of the Interagency Council on  
5       the Homeless determines that adequate coordi-  
6       nation has not taken place to ensure that as-  
7       sistance for federally funded activities for the  
8       homeless is made available in conjunction and  
9       coordination with assistance under this title (as  
10      required under paragraph (2)), the Chairperson  
11      of the Interagency Council on the Homeless and  
12      the Secretary, in consultation with the Inter-  
13      agency Council on the Homeless, shall carry out  
14      a program under subparagraph (B) to make  
15      companion services block grants available for  
16      such fiscal year.

17          “(B) COMPANION SERVICE BLOCK  
18      GRANTS.—The block grant program under this  
19      subparagraph shall provide block grants, using  
20      amounts available pursuant to subparagraph  
21      (C), to eligible grantees under this title to pro-  
22      vide services of the type available under the  
23      programs referred to in paragraph (4) in con-  
24      nection with housing assistance under this title.

25          “(C) FUNDING.—

1           “(i) IN GENERAL.—Notwithstanding  
2           any other provision of law, in any fiscal  
3           year in which block grants are to be pro-  
4           vided in accordance with subparagraph  
5           (A), there shall be available for such block  
6           grants, of the amount made available for  
7           such fiscal year for each activity referred  
8           to in paragraph (4), 10 percent of such  
9           amount, as determined by the Secretary  
10          and the Interagency Council on the Home-  
11          less.

12          “(ii) LIMITATION.—Notwithstanding  
13          clause (i), the aggregate amount available  
14          for companion services block grants under  
15          this paragraph for a fiscal year shall not  
16          exceed the total amount made available  
17          pursuant to section 435 for housing assist-  
18          ance under this title. If, for any fiscal year,  
19          the amount determined under clause (i) ex-  
20          ceeds such amount, the Secretary shall re-  
21          duce the percentage under clause (i) for  
22          such year so that the aggregate amount  
23          made available for companion services  
24          block grants under this paragraph from  
25          the amounts for each activity referred to in

1 paragraph (4) is equal to the total amount  
2 made available pursuant to section 435 for  
3 housing assistance under this title.

4 “(D) TRANSFER AUTHORITY.—Except to  
5 the extent that the authority of the Secretary  
6 and the Chairperson of the Interagency Council  
7 on the Homeless is limited by appropriations,  
8 and with the concurrence of the head of the af-  
9 fected agency and upon advance approval of the  
10 Committees on Appropriations and the author-  
11 izing committees of the House of Representa-  
12 tives and the Senate, the Secretary and the  
13 Chairperson of the Interagency Council on the  
14 Homeless shall transfer funds made available  
15 under subparagraph (C) to the companion serv-  
16 ices block grant for federally funded activities,  
17 functions, or programs for the homeless.

18 “(E) REPORT.—Not later than the first  
19 quarter of the first full fiscal year after the  
20 date of the enactment of the Homeless Housing  
21 Programs Consolidation and Flexibility Act and  
22 each quarter thereafter, the Secretary and the  
23 Chairperson of the Interagency Council on the  
24 Homeless shall report to Congress on—

1 “(i) the need for any reprogramming  
2 or transfer of funds appropriated for feder-  
3 ally funded activities, functions, or pro-  
4 grams for the homeless; and

5 “(ii) any funds appropriated for feder-  
6 ally funded activities, functions, or pro-  
7 grams for the homeless that were repro-  
8 grammed or transferred during the quarter  
9 covered by the report.

10 “(n) CONSULTATION REGARDING USE OF NATIONAL  
11 GUARD FACILITIES AS HOMELESS SHELTERS.—The Sec-  
12 retary may not provide a grant for a fiscal year from  
13 amounts for such year allocated under section 406(c) for  
14 use under subtitle C for a State unless the State has con-  
15 sulted with the Secretary regarding the possibility of mak-  
16 ing any space at National Guard facilities under the juris-  
17 diction of the State available, during such fiscal year, for  
18 use by homeless organizations to provide shelter to home-  
19 less persons, but only at the times that such space is not  
20 actively being used for National Guard purposes or other  
21 public purposes already undertaken.

22 **“SEC. 409. SUPPORTIVE SERVICES.**

23 “(a) REQUIREMENT.—To the extent allowed by this  
24 title, each project sponsor administering permanent hous-  
25 ing development assistance provided with amounts under

1 this title or a supportive housing facility or emergency  
2 shelter assisted with such amounts shall provide support-  
3 ive services for residents of the dwelling units or facility  
4 or shelter assisted. The array of supportive services pro-  
5 vided may be designed by the grantee or the project spon-  
6 sor administering the assistance, facility, or shelter. A  
7 project sponsor administering a supportive housing facility  
8 shall provide supportive services for other homeless per-  
9 sons using the facility.

10 “(b) TARGETING POPULATIONS WITH SPECIAL  
11 NEEDS.—Supportive services provided with grant  
12 amounts under this title shall address the special needs  
13 of homeless persons (such as homeless persons with  
14 disabilities, homeless persons with acquired immuno-  
15 deficiency syndrome and related diseases, homeless per-  
16 sons who have chronic problems with alcohol or drugs (or  
17 both), veterans who are homeless, and homeless families  
18 with children) intended to be served.

19 “(c) SERVICES.—Supportive services may include ac-  
20 tivities such as—

21 “(1) establishing and operating a child care  
22 services program for homeless families;

23 “(2) establishing and operating an employment  
24 assistance program;

1           “(3) providing outpatient health services, food,  
2           and case management;

3           “(4) providing assistance in obtaining perma-  
4           nent housing, employment counseling, and nutri-  
5           tional counseling;

6           “(5) providing security arrangements necessary  
7           for the protection of residents of supportive housing  
8           or emergency shelters and for homeless persons  
9           using supportive housing facilities;

10          “(6) providing assistance in obtaining other  
11          Federal, State, and local assistance available for  
12          such residents and persons (including mental health  
13          benefits, employment counseling, and medical assist-  
14          ance, but not including major medical equipment);  
15          and

16          “(7) providing other appropriate services.

17          “(d) PROVISION OF SERVICES.—Supportive services  
18          provided with grant amounts under this title may be pro-  
19          vided directly by the grantee, by the project sponsor ad-  
20          ministering the permanent housing development assist-  
21          ance or the facility or shelter, or by contract with other  
22          public or private service providers. Such services provided  
23          in connection with a supportive housing facility may be  
24          provided to homeless persons who do not reside in the sup-  
25          portive housing, but only to the extent consistent with the



1 comprehensive housing affordability strategy under sec-  
 2 tion 105 of the Cranston-Gonzalez National Affordable  
 3 Housing Act for the applicable jurisdiction.

4 **“SEC. 410. NONDISCRIMINATION IN PROGRAMS AND AC-**  
 5 **TIVITIES.**

6 “No person in the United States shall on the basis  
 7 of race, color, national origin, religion, or sex be excluded  
 8 from participation in, be denied the benefits of, or be sub-  
 9 jected to discrimination under any program or activity  
 10 funded in whole or in part with funds made available  
 11 under this subtitle. Any prohibition against discrimination  
 12 on the basis of age under the Age Discrimination Act of  
 13 1975 or with respect to an otherwise qualified handi-  
 14 capped individual, as provided in section 504 of the Reha-  
 15 bilitation Act of 1973, shall also apply to any such pro-  
 16 gram or activity.

17 **“Subtitle B—Permanent Housing**  
 18 **Development Activities**

19 **“SEC. 411. USE OF AMOUNTS AND GENERAL REQUIRE-**  
 20 **MENTS.**

21 “(a) USE OF AMOUNTS FOR PERMANENT HOUSING  
 22 DEVELOPMENT.—

23 “(1) AUTHORIZED USE.—A State, metropolitan  
 24 city, or urban county that receives a grant under  
 25 section 402(b)(2) from amounts allocated for use

1 under this subtitle may use grant amounts (and any  
2 supplemental amounts provided under section 407)  
3 only to carry out permanent housing development  
4 activities within such State, metropolitan city, or  
5 urban county. For purposes of this subtitle, the term  
6 ‘permanent housing development activities’ means  
7 activities to construct, substantially rehabilitate, or  
8 acquire structures to provide permanent housing, in-  
9 cluding the capitalization of a dedicated project ac-  
10 count from which long-term assistance payments  
11 (which may include operating costs or rental assist-  
12 ance) can be made in order to facilitate such activi-  
13 ties, and activities under section 441 of the this Act,  
14 as in effect on October 31, 1997 (subject to the limi-  
15 tation in section 406(b)(3) of this Act).

16 “(2) USE FOR SUPPORTIVE SERVICES PROHIB-  
17 ITED.—Amounts allocated for use under this subtitle  
18 may not be used for supportive services activities.

19 “(b) USE THROUGH NONPROFIT ORGANIZATIONS.—

20 “(1) IN GENERAL.—A grantee that receives  
21 grant amounts for a fiscal year for use under this  
22 subtitle may, pursuant to section 404, provide such  
23 amounts to units of general local government and  
24 private nonprofit organizations for use in accordance  
25 with this subtitle, except that the grantee shall en-

1       sure that more than 50 percent of the amounts re-  
2       ceived by the grantee for the fiscal year are used  
3       through private nonprofit organizations.

4               “(2) WAIVER OF USE OF NONPROFIT REQUIRE-  
5       MENT.—The Secretary may waive the requirement  
6       under paragraph (1) that a grantee ensure that  
7       more than 50 percent of the amounts received by the  
8       grantee for the fiscal year are used through private  
9       nonprofit organizations if the Secretary determines  
10      that there are not sufficient private nonprofit orga-  
11      nizations available to the grantee to meet that re-  
12      quirement.

13              “(c) ADMINISTRATIVE FEE.—To the extent provided  
14      in section 408(g), grant amounts provided under this sub-  
15      title may be used by the project sponsor providing such  
16      assistance for costs of administering such assistance.

17              “(d) TARGETING POPULATIONS WITH SPECIAL  
18      NEEDS.—To the maximum extent practicable, a grantee  
19      shall provide for use of grant amounts made available  
20      under this subtitle in a manner that provides permanent  
21      housing for homeless persons with disabilities, homeless  
22      persons with acquired immunodeficiency syndrome or re-  
23      lated diseases, homeless persons who have chronic prob-  
24      lems with alcohol or drugs (or both), homeless families  
25      with children, and veterans who are homeless.

1 **“SEC. 412. PERMANENT HOUSING DEVELOPMENT.**

2 “(a) IN GENERAL.—Housing shall be considered per-  
3 manent housing for purposes of this title if the housing—

4 “(1) provides long-term housing for homeless  
5 persons;

6 “(2) complies with any applicable State and  
7 local housing codes, licensing requirements, or other  
8 requirement in the jurisdiction in which the housing  
9 is located, including any applicable State or local re-  
10 quirements regarding the number of occupants in  
11 such a facility; and

12 “(3) complies with the requirement under sec-  
13 tion 409(a) regarding providing supportive services  
14 for homeless persons.

15 “(b) CLARIFICATION.—Permanent housing may—

16 “(1) be restricted for occupancy by homeless  
17 persons with disabilities;

18 “(2) consist of or contain full dwelling units or  
19 dwelling units that do not contain bathrooms or  
20 kitchen facilities; and

21 “(3) be provided in the form of rental housing,  
22 cooperative housing, shared living arrangements, sin-  
23 gle family housing, or other types of housing ar-  
24 rangements.

1   **“Subtitle C—Flexible Block Grant**  
2                   **Homeless Assistance**

3   **“SEC. 421. ELIGIBLE ACTIVITIES.**

4           “(a) IN GENERAL.—Grant amounts allocated for use  
5 under this subtitle may be used only for carrying out the  
6 following activities:

7                   “(1) ACQUISITION AND REHABILITATION OF  
8           SUPPORTIVE HOUSING.—For acquisition or rehabili-  
9           tation of an existing structure (including a small  
10          commercial property or office space) to provide sup-  
11          portive housing other than emergency shelter or to  
12          provide supportive services; the repayment of any  
13          outstanding debt owed on a loan made to purchase  
14          an existing structure for use as supportive housing  
15          shall be considered to be a cost of acquisition under  
16          this paragraph if the structure was not used as sup-  
17          portive housing or to provide supportive services, be-  
18          fore assistance is provided using grant amounts.

19                   “(2) NEW CONSTRUCTION OF SUPPORTIVE  
20          HOUSING.—For new construction of a structure to  
21          be used as supportive housing.

22                   “(3) LEASING OF SUPPORTIVE HOUSING.—For  
23          leasing of an existing structure or structures, or por-  
24          tions thereof, to provide supportive housing or sup-

1       portive services during the period covered by the ap-  
2       plication.

3               “(4) OPERATING COSTS FOR SUPPORTIVE  
4       HOUSING.—For covering operating costs of support-  
5       ive housing (which shall include capital costs for uti-  
6       lizing any interactive computer or telephone services  
7       and other electronic information networks and sys-  
8       tems appropriate for assisting homeless families); ex-  
9       cept that grant amounts provided under this subtitle  
10      may not be used to cover more than 75 percent of  
11      the annual operating costs of such housing.

12              “(5) HOMELESSNESS PREVENTION.—

13                   “(A) IN GENERAL.—For activities designed  
14              to help persons (including veterans who are at  
15              risk of becoming homeless) and families avoid  
16              becoming homeless, which shall include assist-  
17              ance for making mortgage payments, rental  
18              payments, and utility payments and any activi-  
19              ties other than those found by the Secretary to  
20              be inconsistent with the purposes of this Act.

21                   “(B) PERSONS ELIGIBLE FOR ASSIST-  
22              ANCE.—Assistance under this paragraph may  
23              be provided only to very low-income families  
24              who have received eviction (or mortgage delin-

quency or foreclosure) notices or notices of termination of utility services and who—

“(i) are unable to make the required payments due to a sudden reduction in income;

“(ii) need such assistance to avoid homelessness due to the eviction or termination of services; and

“(iii) have a reasonable prospect of being able to resume payments within a reasonable period of time.

“(C) LIMITATION.—Assistance under this paragraph may be provided only if such assistance will not supplant funding for preexisting homelessness prevention activities from other services.

“(6) PERMANENT HOUSING DEVELOPMENT ACTIVITIES.—For providing permanent housing development activities as described in subtitle B.

“(7) EMERGENCY SHELTER.—For—

“(A) renovation, major rehabilitation, or conversion of a building or buildings to be used as emergency shelters;

“(B) covering costs of supportive services in connection with an emergency shelter, if such

1 services do not supplant any services provided  
2 by the local government during any part of the  
3 12-month period ending on the date of the com-  
4 mencement of the operation of the emergency  
5 shelter; and

6 “(C) covering costs relating to mainte-  
7 nance, operation, insurance, utilities, and fur-  
8 nishings for emergency shelters.

9 “(8) SUPPORTIVE SERVICES.—To the extent  
10 provided in section 406, for covering costs of sup-  
11 portive services provided to homeless persons in con-  
12 nection with a permanent or supportive housing fa-  
13 cility or otherwise.

14 “(9) TECHNICAL ASSISTANCE.—For technical  
15 assistance in carrying out the purposes of this title,  
16 except that the Secretary may provide such technical  
17 assistance directly to any grantee, including non-  
18 profit sponsors who are proposing project applica-  
19 tions for populations with special needs.

20 “(b) USE FOR HOUSING ACTIVITIES.—Of the aggre-  
21 gate of any grant amounts provided to a grantee for a  
22 fiscal year for use under this subtitle and the supplemental  
23 amounts provided for such fiscal year by the grantee in  
24 accordance with section 407, the grantee shall ensure that  
25 an amount that is not less than such grant amounts (less



1 any amount used pursuant to section 408(g)) is used for  
2 eligible activities described in paragraphs (1) through (6)  
3 of subsection (a).

4 **“SEC. 422. USE OF AMOUNTS THROUGH PRIVATE NON-**  
5 **PROFIT PROVIDERS.**

6 “(a) IN GENERAL.—In each fiscal year, each grantee  
7 of amounts for use under this subtitle shall ensure that  
8 more than 50 percent of the amounts received by the  
9 grantee for such fiscal year are used for carrying out eligi-  
10 ble activities under section 421 through project sponsors  
11 that are private nonprofit organizations.

12 “(b) WAIVER.—The Secretary may waive the require-  
13 ment under subsection (a) that a grantee ensure that more  
14 than 50 percent of the amounts received by the grantee  
15 for the fiscal year are used through private nonprofit orga-  
16 nizations if the Secretary determines that there are not  
17 sufficient private nonprofit organizations available to the  
18 grantee to meet that requirement.

19 **“SEC. 423. SUPPORTIVE HOUSING.**

20 “(a) IN GENERAL.—Housing shall be considered sup-  
21 portive housing for purposes of this subtitle if—

22 “(1) the housing complies with the requirement  
23 under section 409(a) regarding providing supportive  
24 services for homeless persons;

1           “(2) the housing complies with any applicable  
2       State and local housing codes and licensing require-  
3       ments in the jurisdiction in which the housing is lo-  
4       cated; and

5           “(3) the housing—

6               “(A) is transitional housing; or

7               “(B) is permanent supportive housing as  
8       described in section 412.

9       “(b) TRANSITIONAL HOUSING.—For purposes of this  
10   section, the term ‘transitional housing’ means housing, the  
11   purpose of which is to facilitate the movement of homeless  
12   persons and families to permanent housing within 24  
13   months or such longer period as the Secretary determines  
14   necessary. Assistance may be denied for housing based on  
15   a violation of this subsection only if a substantial number  
16   of homeless persons or families have remained in the hous-  
17   ing longer than such period.

18       “(c) SINGLE ROOM OCCUPANCY DWELLINGS.—For  
19   purposes of this section, a facility may provide supportive  
20   housing or supportive services in dwelling units that do  
21   not contain bathrooms or kitchen facilities and are appro-  
22   priate for use as supportive housing or in facilities con-  
23   taining some or all such dwelling units.

1       “(d) SAFE HAVEN HOUSING.—For purposes of this  
2 section, supportive housing may be a structure or a clearly  
3 identifiable portion of a structure that—

4           “(1) provides housing and low-demand services  
5 and referrals for homeless persons with serious men-  
6 tal illness—

7           “(A) who are currently residing primarily  
8 in places not designed for, or ordinarily used as,  
9 regular sleeping accommodations for human  
10 beings; and

11           “(B) who have been unwilling or unable to  
12 participate in mental health or substance abuse  
13 treatment programs or to receive other support-  
14 ive services; except that a person whose sole im-  
15 pairment is substance abuse shall not be consid-  
16 ered an eligible person;

17           “(2) provides 24-hour residence for eligible indi-  
18 viduals who may reside for an unspecified duration;

19           “(3) provides private or semi-private accom-  
20 modations;

21           “(4) may provide for the common use of kitch-  
22 en facilities, dining rooms, and bathrooms;

23           “(5) may provide supportive services to eligible  
24 persons who are not residents on a drop-in basis;  
25 and

1           “(6) provides occupancy limited to no more  
2           than 25 persons.

3   **“SEC. 424. EMERGENCY SHELTER.**

4           “(a) IN GENERAL.—A facility shall be considered  
5   emergency shelter for purposes of this subtitle if the facil-  
6   ity is designed to provide overnight sleeping accommoda-  
7   tions for homeless persons and complies with the require-  
8   ments under this section. An emergency shelter may in-  
9   clude appropriate eating and cooking accommodations.

10          “(b) REQUIREMENTS.—Grant amounts under this  
11   subtitle may be used for eligible activities under section  
12   421(a)(7) relating to emergency shelter only if—

13           “(1) the Secretary determines that—

14                   “(A) use of such amounts is necessary to  
15                   meet the emergency shelter needs of the juris-  
16                   diction in which the facility is located; and

17                   “(B) the use of such amounts for such ac-  
18                   tivities will not violate the prohibition under  
19                   section 408(f); and

20          “(2) the project sponsor agrees that it will—

21                   “(A) in the case of assistance involving  
22                   major rehabilitation or conversion of a building,  
23                   maintain the building as a shelter for homeless  
24                   persons and families for not less than a 10-year  
25                   period unless, within such 10-year period, the

1           need for maintaining the building as a full-time  
2           shelter ceases to exist and the building is used  
3           for the remainder of such period to carry out  
4           other eligible activities under this subtitle;

5           “(B) in the case of assistance involving re-  
6           habilitation (other than major rehabilitation or  
7           conversion of a building), maintain the building  
8           as a shelter for homeless persons and families  
9           for not less than a 3-year period;

10          “(C) in the case of assistance involving  
11          only activities described in subparagraphs (B)  
12          and (C) of section 421(a)(7), provide services or  
13          shelter to homeless persons and families at the  
14          original site or structure or other sites or struc-  
15          tures serving the same general population for  
16          the period during which such assistance is pro-  
17          vided;

18          “(D) comply with the standards of housing  
19          quality applicable under section 408(h); and

20          “(E) assist homeless persons in obtain-  
21          ing—

22                  “(i) appropriate supportive services,  
23                  permanent housing, medical and mental  
24                  health treatment (including information  
25                  and counseling regarding the benefits and

availability of child immunization), counseling, supervision, veterans benefits, and other services essential for achieving independent living; and

“(ii) other Federal, State, local, and private assistance available for homeless persons.

## **“Subtitle D—Reporting, Definitions, and Funding**

### **“SEC. 431. PERFORMANCE REPORTS BY GRANTEES.**

“(a) REQUIREMENT.—For each fiscal year, each grantee under this title shall review and report, in a form acceptable to the Secretary, on the progress it has made during such fiscal year in carrying out the activities described in the application resulting in such grant and the relationship of such activities to the comprehensive housing affordability strategy under section 105 of the Cranston-Gonzalez National Affordable Housing Act for the applicable jurisdiction.

“(b) CONTENT.—Each report under this section for a fiscal year shall—

“(1) describe the use of grant amounts provided to the grantee for such fiscal year;

“(2) to the extent practicable until the development of a reasonable methodology by the Secretary

1       and the Interagency Council on the Homeless, de-  
2       scribe the number of homeless persons and families,  
3       including populations with special needs provided  
4       shelter, housing, or assistance using such grant  
5       amounts;

6               “(3) assess the relationship of such use to the  
7       goals identified pursuant to section 105(b)(2) of the  
8       Cranston-Gonzalez National Affordable Housing Act  
9       in the comprehensive housing affordability strategy  
10      for the applicable jurisdiction;

11             “(4) indicate the grantee’s programmatic ac-  
12      complishments;

13             “(5) describe how the grantee would change its  
14      programs as a result of its experiences; and

15             “(6) describe any delays that occurred in the  
16      start up of programs and the reason for each delay.

17      “(c) SUBMISSION.—The Secretary shall establish  
18      dates for submission of reports under this section and re-  
19      view such reports and make such recommendations as the  
20      Secretary considers appropriate to carry out the purposes  
21      of this title. The Secretary may withhold or reallocate  
22      funds granted to a grantee if the Secretary finds that the  
23      grantee has complied with applicable program require-  
24      ments, but not substantially complied with the application  
25      that the grantee submitted to obtain such funds.

1 “(d) PUBLIC AVAILABILITY.—

2 “(1) IN GENERAL.—A grantee preparing a re-  
3 port under this section shall make the report pub-  
4 licly available to the citizens in the jurisdiction of  
5 the grantee in sufficient time to permit such citizens  
6 to comment on such report prior to its submission  
7 to the Secretary, and in such manner and at such  
8 times as the grantee may determine. The report  
9 shall include a summary of any such comments re-  
10 ceived by the grantee regarding its program.

11 “(2) ELECTRONIC ACCESS.—A grantee may  
12 comply with the requirement under paragraph (1) by  
13 making the report available through interactive com-  
14 puter or telephone services or other electronic infor-  
15 mation networks and systems appropriate for mak-  
16 ing such information widely publicly available. The  
17 Secretary shall make each final report submitted  
18 under this section publicly available through such a  
19 computer, telephone, or information service, net-  
20 work, or system.

21 “(e) AUTHORITY OF SECRETARY.—The Secretary  
22 shall establish procedures appropriate and practicable for  
23 providing a fair hearing and timely resolution of citizen  
24 complaints related to performance reports under this sec-  
25 tion.



1 **“SEC. 432. ANNUAL REPORT BY SECRETARY.**

2 “The Secretary shall include in the annual report,  
3 under section 8 of the Department of Housing and Urban  
4 Development Act, information summarizing the activities  
5 carried out under this title and setting forth the findings,  
6 conclusions, and recommendations of the Secretary as a  
7 result of the activities. Such information shall be made  
8 publicly available through interactive computer or tele-  
9 phone services or other electronic information networks  
10 and systems appropriate for making such information  
11 widely available to the public.

12 **“SEC. 433. DEFINITIONS.**

13 “For purposes of this title, the following definitions  
14 shall apply:

15 “(1) **APPLICANT.**—The term ‘applicant’ means  
16 an eligible grantee that submits an application under  
17 section 408(a) for a grant under this title.

18 “(2) **ELIGIBLE GRANTEE.**—The term ‘eligible  
19 grantee’ is defined in section 403.

20 “(3) **FACILITY.**—The term ‘facility’ means a  
21 structure or structures (or a portion of such struc-  
22 ture or structures) that are assisted through eligible  
23 activities under subtitle C with grant amounts under  
24 this title (or for which the Secretary provides tech-  
25 nical assistance under section 421(a)(9)).

1           “(4) GRANTEE.—The term ‘grantee’ means an  
2           applicant that receives a grant under this title.

3           “(5) INSULAR AREA.—The term ‘insular area’  
4           means each of the Virgin Islands, Guam, American  
5           Samoa, the Northern Mariana Islands, and any  
6           other territory or possession of the United States.

7           “(6) METROPOLITAN CITY, CONSORTIUM.—The  
8           term ‘metropolitan city’ has the meaning given that  
9           term in section 102 of the Housing and Community  
10          Development Act of 1974. A consortium of units of  
11          general local governments shall be considered to be  
12          a metropolitan city—

13               “(A) for amounts allocated in accordance  
14               with section 406(c)(3), only if the consortium  
15               received a formula grant for fiscal year 1996 or  
16               1997 under subtitle B of this title, as then in  
17               effect; and

18               “(B) for amounts allocated in accordance  
19               with any formula developed pursuant to section  
20               406(c)(5), only if the Secretary determines that  
21               the consortium—

22                       “(i)(I) is comprised of units of general  
23                       local government which are geographically  
24                       contiguous (which may include all units of  
25                       general local government within a State);

1 “(II) has sufficient authority and ad-  
2 ministrative capability to carry out the  
3 purposes of this title on behalf of its mem-  
4 ber jurisdictions; and

5 “(III) will, according to a written cer-  
6 tification by the State (or States, if the  
7 consortium includes jurisdictions in more  
8 than one State) in which its member juris-  
9 dictions are located, direct its activities to  
10 alleviation of homelessness problems within  
11 the State (or States); or

12 “(ii) received a formula grant for fis-  
13 cal year 1996 or 1997 under subtitle B of  
14 this title, as then in effect.

15 “(7) NONENTITLEMENT AREA.—The term ‘non-  
16 entitlement area’ means an area that is not a metro-  
17 politan city or part of an urban county and does not  
18 include Indian tribes or insular areas.

19 “(8) OPERATING COSTS.—The term ‘operating  
20 costs’ means expenses incurred by a grantee operat-  
21 ing supportive housing assisted with grant amounts  
22 under this title, with respect to—

23 “(A) the administration, maintenance, re-  
24 pair, and security of such housing;

1           “(B) utilities, fuel, furnishings, and equip-  
2           ment for such housing; and

3           “(C) the conducting of the assessment  
4           under section 408(b)(2).

5           “(9) OUTPATIENT HEALTH SERVICES.—The  
6           term ‘outpatient health services’ means outpatient  
7           health care, outpatient mental health services, out-  
8           patient substance abuse services, and case manage-  
9           ment.

10          “(10) PERSON WITH DISABILITIES.—The term  
11          ‘person with disabilities’ means a person who—

12               “(A) has a disability as defined in section  
13               223 of the Social Security Act;

14               “(B) is determined to have, pursuant to  
15               regulations issued by the Secretary, a physical,  
16               mental, or emotional impairment which (i) is  
17               expected to be of long-continued and indefinite  
18               duration, (ii) substantially impedes an individ-  
19               ual’s ability to live independently, and (iii) is of  
20               such a nature that such ability could be im-  
21               proved by more suitable housing conditions; or

22               “(C) has a developmental disability as de-  
23               fined in section 102 of the Developmental Dis-  
24               abilities Assistance and Bill of Rights Act.

1       Such term shall not exclude persons who have the  
2       disease of acquired immunodeficiency syndrome or  
3       any conditions arising from the etiologic agent for  
4       acquired immunodeficiency syndrome.

5               “(11) PRIVATE NONPROFIT ORGANIZATION.—  
6       The term ‘private nonprofit organization’ means any  
7       private organization that—

8               “(A) is organized under State or local  
9       laws;

10              “(B) has no part of its net earnings inur-  
11       ing to the benefit of any member, founder, con-  
12       tributor, or individual;

13              “(C) complies with standards of financial  
14       accountability acceptable to the Secretary; and

15              “(D) has among its purposes significant  
16       activities related to the provision of—

17              “(i) decent housing that is affordable  
18       to low-income and moderate-income fami-  
19       lies; or

20              “(ii) shelter, housing, or services for  
21       homeless persons or families or for persons  
22       or families at risk of becoming homeless.

23              “(12) PROJECT SPONSOR.—The term ‘project  
24       sponsor’ means an entity that uses grant amounts  
25       under this title to carry out a permanent housing

1 development program under subtitle B or eligible ac-  
2 tivities under subtitle C. The term includes a grant-  
3 ee carrying out such a program or activities.

4 “(13) SECRETARY.—The term ‘Secretary’  
5 means the Secretary of Housing and Urban Develop-  
6 ment.

7 “(14) STATE.—The term ‘State’ means each of  
8 the several States and the Commonwealth of Puerto  
9 Rico.

10 “(15) SUPPORTIVE HOUSING.—The term ‘sup-  
11 portive housing’ means a facility that meets the re-  
12 quirements of section 423.

13 “(16) SUPPORTIVE SERVICES.—The term ‘sup-  
14 portive services’ means services under section 409.

15 “(17) URBAN COUNTY, UNIT OF GENERAL  
16 LOCAL GOVERNMENT.—The terms ‘urban county’  
17 and ‘unit of general local government’ have the  
18 meanings given the terms in section 102 of the  
19 Housing and Community Development Act of 1974.

20 “(18) VERY LOW-INCOME FAMILIES.—The term  
21 ‘very low-income families’ has the same meaning  
22 given the term under section 3(b) of the United  
23 States Housing Act of 1937 (or any other subse-  
24 quent provision of Federal law defining such term

1       for purposes of eligibility for, or rental charges in,  
2       public housing).

3   **“SEC. 434. REGULATIONS.**

4       “(a) ISSUANCE.—Not later than the expiration of the  
5   30-day period beginning upon the date of the enactment  
6   of the Homeless Housing Programs Consolidation and  
7   Flexibility Act, the Secretary shall issue interim regula-  
8   tions to carry out this title. The Secretary shall issue final  
9   regulations to carry out this title after notice and oppor-  
10   tunity for public comment regarding the interim regula-  
11   tions in accordance with the procedure under section 553  
12   of title 5, United States Code, applicable to substantive  
13   rules (notwithstanding subsections (a)(2), (b)(B), and  
14   (d)(3) of such section), but not later than the expiration  
15   of the 90-day period beginning upon the date of the enact-  
16   ment of the Homeless Housing Programs Consolidation  
17   and Flexibility Act.

18       “(b) RULE OF CONSTRUCTION.—Any failure by the  
19   Secretary to issue any regulations under this section shall  
20   not affect the effectiveness of any provision of this title  
21   pursuant to section 4(b) of the Homeless Housing Pro-  
22   grams Consolidation and Flexibility Act.

1   **“SEC. 435. AUTHORIZATION OF APPROPRIATIONS.**

2           “(a) IN GENERAL.—There are authorized to be ap-  
3   propriated for grants under this title \$1,000,000,000 for  
4   each of fiscal years 1998, 1999, 2000, 2001, and 2002.

5           “(b) PROHIBITION ON SET ASIDES.—Notwithstand-  
6   ing any other provision of law, any attempt to put any  
7   restriction on the use of funds appropriated for this title  
8   (such as for use in special projects) shall be considered  
9   an appropriation without authorization and shall be with-  
10   out force or effect.”.

11          (b) APPLICABILITY.—The provisions of the amend-  
12   ment made by subsection (a) shall apply with respect to  
13   fiscal year 1998 and each fiscal year thereafter.

14   **SEC. 6. INTERAGENCY COUNCIL ON THE HOMELESS.**

15          (a) CHAIRPERSON AND VICE CHAIRPERSON.—Sec-  
16   tion 202(b) of the Stewart B. McKinney Homeless Assist-  
17   ance Act (42 U.S.C. 11312(b) is amended to read as fol-  
18   lows:

19          “(b) CHAIRPERSON AND VICE CHAIRPERSON.—

20               “(1) CHAIRPERSON.—The Council shall elect a  
21   Chairperson from among its members, who shall  
22   have a term of 2 years. A member of the Council by  
23   reason of any of paragraphs (1) through (16) of  
24   subsection (a) who serves as Chairperson for a term  
25   may not be elected to serve as Chairperson for the  
26   succeeding term. The preceding sentence shall not



1       apply to any member serving as Chairperson on the  
 2       date of the enactment of the Homeless Housing Pro-  
 3       grams Consolidation and Flexibility Act.

4               “(2) VICE CHAIRPERSON.—The Vice Chair-  
 5       person of the Council shall have a term of 2 years  
 6       and shall be—

7               “(A) the Secretary of Housing and Urban  
 8       Development, if such Secretary is not elected as  
 9       the Chairperson of the Council; or

10              “(B) elected by the Council from among its  
 11       members, if the Secretary of Housing and  
 12       Urban Development is elected as the Chair-  
 13       person of the Council.

14              “(3) Notwithstanding paragraphs (1) and (2),  
 15       the first Chairperson elected after the date of the  
 16       enactment of the Homeless Housing Programs Con-  
 17       solidation and Flexibility Act may not be the Sec-  
 18       retary of Housing and Urban Development.”.

19       (b) AUTHORIZATION OF APPROPRIATIONS.—Section  
 20   208 of the Stewart B. McKinney Homeless Assistance Act  
 21   (42 U.S.C. 11318) is amended to read as follows:

22   **“SEC. 208. AUTHORIZATION OF APPROPRIATIONS.**

23       “Of any amounts made available in any fiscal year  
 24   to carry out this Act, 0.0012 of such amounts shall be  
 25   available to carry out this title.”.

1 (c) TERMINATION.—Section 209 of the Stewart B.  
2 McKinney Homeless Assistance Act (42 U.S.C. 11319) is  
3 amended by striking “October 1, 1994” and inserting  
4 “October 1, 2002”.

5 (d) REPEAL.—Section 210 of the Stewart B. McKin-  
6 ney Homeless Assistance Act (42 U.S.C. 11320) is hereby  
7 repealed.

8 **SEC. 7. INVENTORY OF FEDERAL FACILITIES SUITABLE**  
9 **FOR OVERNIGHT SHELTER FOR HOMELESS**  
10 **PERSONS.**

11 (a) IDENTIFICATION.—Not later than 30 days after  
12 the date of the enactment of this Act, the Secretary of  
13 Housing and Urban Development shall request, from the  
14 head of each executive agency, information that identifies  
15 each covered facility (or any parts thereof) under the con-  
16 trol of the executive agency that is suitable for use as tem-  
17 porary overnight shelter for homeless persons.

18 (b) CONSULTATION.—At the request of the head of  
19 any executive agency, the Secretary shall consult with such  
20 agency head regarding whether facilities of the agency, or  
21 a particular facility or facilities, are covered facilities or  
22 are suitable for use as temporary overnight shelter for  
23 homeless persons.

24 (c) COMPILATION AND PUBLICATION.—Not later  
25 than 60 days after the date of the enactment of this Act,

1 the Secretary shall compile the information submitted pur-  
2 suant to subsection (a) and cause the compiled informa-  
3 tion to be published in the Federal Register a list of all  
4 covered facilities identified as suitable for use as tem-  
5 porary overnight shelter for homeless persons.

6 (d) DEFINITIONS.—For purposes of this section, the  
7 following definitions shall apply:

8 (1) COVERED FACILITY.—The term “covered  
9 facility” means any building, structure, land, or  
10 other real property that, in the determination of the  
11 head of the Federal agency having control of the  
12 property, using standards that shall be established  
13 by the Secretary, reasonably could be made available  
14 for the use described in subsection (a) without sub-  
15 stantial conflict with any other existing, expected, or  
16 potential use of the property to carry out the mis-  
17 sion of the agency.

18 (2) EXECUTIVE AGENCY.—The term “executive  
19 agency” has the meaning given such term in section  
20 105 of title 5, United States Code.

21 (3) HOMELESS PERSON.—The term “homeless  
22 person” has the meaning given such term in section  
23 102 of the Stewart B. McKinney Homeless Assist-  
24 ance Act (42 U.S.C. 11302).

1           (4) SECRETARY.—The term “Secretary” means  
2       the Secretary of Housing and Urban Development.

3   **SEC. 8. REPEALS AND CONFORMING AMENDMENTS.**

4       (a) REPEALS.—The following provisions of law are  
5       hereby repealed:

6           (1) INNOVATIVE HOMELESS INITIATIVES DEM-  
7       ONSTRATION.—Section 2 of the HUD Demonstra-  
8       tion Act of 1993 (42 U.S.C. 11301 note).

9           (2) FHA SINGLE FAMILY PROPERTY DISPOSI-  
10      TION FOR HOMELESS USE.—Section 1407 of the  
11      Housing and Community Development Act of 1992  
12      (Public Law 102–550; 106 Stat. 4034).

13          (3) HOUSING FOR RURAL HOMELESS AND MI-  
14      GRANT FARMWORKERS.—Subsection (k) of section  
15      516 of the Housing Act of 1949 (42 U.S.C.  
16      1486(k)).

17      (b) TERMINATION OF SRO ASSISTANCE PROGRAM.—  
18      Section 8(e)(2) of the United States Housing Act of 1937  
19      shall not be in effect on or after the date of the enactment  
20      of this Act as provided in subsections (a)(4) and (b)(2)  
21      of section 289 of the Cranston-Gonzalez National Afford-  
22      able Housing Act (42 U.S.C. 12839).

23      (c) CONFORMING AMENDMENTS TO YOUTHBUILD  
24      PROGRAM.—Title IV of the Cranston-Gonzalez National  
25      Affordable Housing Act is amended—

1 (1) in section 455(b) (42 U.S.C. 12899d(b)) by  
 2 inserting “subtitle C of” before “title IV”; and

3 (2) in section 457(4) (42 U.S.C. 12899f(4)), by  
 4 striking “section 103” and inserting “section 102”.

5 (d) CLERICAL AMENDMENT.—The table of contents  
 6 in section 101(b) of the Stewart B. McKinney Homeless  
 7 Assistance Act is amended by striking the items relating  
 8 to titles I, II, III, and IV (including the items relating  
 9 to the subtitles, parts, and sections of such titles) and in-  
 10 serting the following new items:

“TITLE I—GENERAL PROVISIONS

- “Sec. 101. Short title and table of contents.
- “Sec. 102. General definition of homeless individual.
- “Sec. 103. Funding availability and limitations.
- “Sec. 104. Annual program summary by Comptroller General.

“TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS

- “Sec. 201. Establishment.
- “Sec. 202. Membership.
- “Sec. 203. Functions.
- “Sec. 204. Director and staff.
- “Sec. 205. Powers.
- “Sec. 206. Transfer of functions.
- “Sec. 207. Definitions.
- “Sec. 208. Authorization of appropriations.
- “Sec. 209. Termination.

“TITLE III—FEDERAL EMERGENCY MANAGEMENT FOOD AND  
 SHELTER PROGRAM

“Subtitle A—Administrative Provisions

- “Sec. 301. Emergency Food and Shelter Program National Board.
- “Sec. 302. Local boards.
- “Sec. 303. Role of Federal Emergency Management Agency.
- “Sec. 304. Records and audit of National Board and grantees of assistance.
- “Sec. 305. Annual report.

“Subtitle B—Emergency Food and Shelter Grants

- “Sec. 311. Grants by the Director.
- “Sec. 312. Retention of interest earned.
- “Sec. 313. Purposes of grants.

- “Sec. 314. Limitation on certain costs.
- “Sec. 315. Disbursement of funds.
- “Sec. 316. Program guidelines.

“Subtitle C—General Provisions

- “Sec. 321. Definitions.
- “Sec. 322. Authorization of appropriations.

“TITLE IV—PERMANENT HOUSING DEVELOPMENT AND  
FLEXIBLE BLOCK GRANT HOMELESS ASSISTANCE PROGRAM

“Subtitle A—General Provisions

- “Sec. 401. Purpose; performance measures.
- “Sec. 402. Grant authority.
- “Sec. 403. Eligible grantees.
- “Sec. 404. Use of project sponsors.
- “Sec. 405. Comprehensive housing affordability strategy compliance.
- “Sec. 406. Allocation and availability of amounts.
- “Sec. 407. Matching funds requirement.
- “Sec. 408. Program requirements.
- “Sec. 409. Supportive services.
- “Sec. 410. Nondiscrimination in programs and activities.

“Subtitle B—Permanent Housing Development Activities

- “Sec. 411. Use of amounts and general requirements.
- “Sec. 412. Permanent housing development.

“Subtitle C—Flexible Block Grant Homeless Assistance

- “Sec. 421. Eligible activities.
- “Sec. 422. Use of amounts through private nonprofit providers.
- “Sec. 423. Supportive housing.
- “Sec. 424. Emergency shelter.

“Subtitle D—Reporting, Definitions, and Funding

- “Sec. 431. Performance reports by grantees.
- “Sec. 432. Annual report by Secretary.
- “Sec. 433. Definitions.
- “Sec. 434. Regulations.
- “Sec. 435. Authorization of appropriations.”.

**1 SEC. 9. SAVINGS PROVISION.**

2       Nothing in this Act may be construed to affect the  
3 validity of any right, duty, or obligation of the United  
4 States or other person arising under or pursuant to any  
5 commitment or agreement entered into before the date of

1 the enactment of this Act under any provision of law re-  
2 pealed or amended by this Act.

3 **SEC. 10. TREATMENT OF PREVIOUSLY OBLIGATED**  
4 **AMOUNTS.**

5 Notwithstanding the amendment or repeal of any  
6 provision of law by this Act, any amounts appropriated  
7 to carry out the provisions so amended or repealed that  
8 are obligated before the date of the enactment of this Act  
9 shall be used in the manner provided, and subject to any  
10 requirements and agreements entered into, under such  
11 provisions as such provisions were in effect immediately  
12 before such date of enactment.

Passed the House of Representatives March 3,  
1998.

Attest:

ROBIN H. CARLE,  
*Clerk.*