

105TH CONGRESS
1ST SESSION

H. R. 2307

To facilitate the effective and efficient management of the homeless assistance programs of the Department of Housing and Urban Development, including the merger of such programs into one performance fund, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 30, 1997

Mr. KENNEDY of Massachusetts (by request) introduced the following bill;
which was referred to the Committee on Banking and Financial Services

A BILL

To facilitate the effective and efficient management of the homeless assistance programs of the Department of Housing and Urban Development, including the merger of such programs into one performance fund, and for other purposes.

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 AND TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Homelessness Assistance and Management Reform Act
6 of 1997”.

7 (b) TABLE OF CONTENTS.

Sec. 1. Short title and table of contents.

TITLE I—HOMELESS ASSISTANCE PERFORMANCE FUND

Sec. 2. Findings and purposes.

Sec. 3. Establishment of the homeless assistance performance fund.

Sec. 4. Repeal and savings provisions.

Sec. 5. Implementation.

Sec. 6. Report.

Sec. 7. Conforming changes to table of contents.

TITLE II—MANAGEMENT IMPROVEMENTS: HOME AND HOPE FOR HOMEOWNERSHIP OF SINGLE FAMILY HOMES PROGRAMS

Sec. 11. Determination of low-income eligibility for HOME homeownership assistance.

Sec. 12. Stabilization of HOME funding thresholds and revision of timing requirements for notifications and submissions.

Sec. 13. Determination of HOME match on program year basis.

Sec. 14. Tenant and participant protections under the HOME program.

Sec. 15. Eligibility of private property under the HOPE for homeownership of single family homes program.

1 **TITLE I—HOMELESS ASSISTANCE** 2 **PERFORMANCE FUND**

3 **SEC. 2. FINDINGS AND PURPOSES.**

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

5 (1) more Americans are homeless than at any
6 time since the Great Depression;

7 (2) the homeless population across the Nation
8 is diverse and its characteristics differ by locality,
9 thereby placing localities in the best position to de-
10 termine the homeless needs for their communities;

11 (3) the different needs within the homeless pop-
12 ulation call for a continuum of care system which
13 encompasses the need for outreach and assessment,
14 emergency assistance, transitional housing and serv-
15 ices (where needed), and permanent housing or per-

1 manent supportive housing to help homeless individ-
2 uals become more self-sufficient; and

3 (4) the separate Federal programs designed to
4 solve specific homeless problems have different dis-
5 tribution mechanisms, rules, and reporting require-
6 ments that—

7 (A) exceed the resources available to the
8 Secretary, States and local governments, and
9 nonprofit homeless providers;

10 (B) restrict the flexibility of communities
11 to fashion comprehensive homeless assistance
12 systems that meet the needs of homeless indi-
13 viduals in their areas;

14 (C) result in unpredictable funding
15 streams that hinder the ability of communities
16 and service providers to plan, develop, and im-
17 plement comprehensive systems to assist home-
18 less individuals and families; and

19 (D) impede the integration and coordina-
20 tion of Federal, State, and local government
21 and private for-profit resources available within
22 a community.

23 (b) PURPOSES.—The purposes of this title are to fa-
24 cilitate the effective and efficient management of HUD’s
25 homeless assistance programs by—

1 (1) reducing and preventing homelessness by
2 supporting the creation and maintenance of commu-
3 nity-based, comprehensive systems dedicated to re-
4 turning families and individuals to self-sufficiency;

5 (2) reorganizing the homeless housing assist-
6 ance authorities under the Stewart B. McKinney
7 Homeless Assistance Act into a Homeless Assistance
8 Performance Fund;

9 (3) assisting States and local governments, in
10 partnership with private nonprofit service providers,
11 to use homeless funding more efficiently and effec-
12 tively;

13 (4) simplifying and making more flexible the
14 provision of Federal homeless assistance;

15 (5) maximizing a community's ability to imple-
16 ment a coordinated, comprehensive system for pro-
17 viding assistance to homeless families and individ-
18 uals;

19 (6) making more efficient and equitable the
20 manner in which the Secretary distributes homeless
21 assistance;

22 (7) reducing the Federal role in local decision-
23 making for homeless assistance programs;

1 (8) reducing the costs to governmental jurisdic-
 2 tions and private nonprofit organizations in applying
 3 for and using assistance; and

4 (9) advancing the goal of meeting the needs of
 5 the homeless population through mainstream pro-
 6 grams and establishing continuum of care systems
 7 necessary to achieve that goal.

8 **SEC. 3. ESTABLISHMENT OF THE HOMELESS ASSISTANCE**
 9 **PERFORMANCE FUND.**

10 Title IV of the Stewart B. McKinney Homeless As-
 11 sistance Act is amended by striking the title heading and
 12 all that follows through the end of the title and inserting
 13 the following:

14 **“TITLE IV—HOMELESS ASSIST-**
 15 **ANCE PERFORMANCE FUND**

16 **“SEC. 401. DEFINITIONS.**

17 For purposes of this title the following definitions
 18 shall apply—

19 “(1) ALLOCATION UNIT OF GENERAL LOCAL
 20 GOVERNMENT.—

21 “(A) IN GENERAL.—The term ‘allocation
 22 unit of general local government’ means a met-
 23 ropolitan city or an urban county.

24 “(B) CONSORTIA.—The term ‘allocation
 25 unit of general local government’ may include a

1 consortium of geographically contiguous metro-
2 politan cities and urban counties, if the Sec-
3 retary determines that the consortium—

4 “(i) has sufficient authority and ad-
5 ministrative capability to carry out the
6 purposes of this title on behalf of its mem-
7 ber jurisdictions; and

8 “(ii) will, according to a written cer-
9 tification by the State (or States, if the
10 consortium includes jurisdictions in more
11 than one State), direct its activities to the
12 implementation of a continuum of care sys-
13 tem within the State or States.

14 “(2) APPLICANT.—The term ‘applicant’ means
15 a grantee submitting an application under section
16 403.

17 “(3) CONSOLIDATED PLAN.—The term ‘consoli-
18 dated plan’ means the single comprehensive plan
19 that the Secretary prescribes for submission by ju-
20 risdictions that consolidates and fulfills the require-
21 ments of—

22 “(A) the comprehensive housing afford-
23 ability strategy under title I of the Cranston-
24 Gonzalez National Affordable Housing Act;

1 “(B) the community development plan
2 under section 104 of the Housing and Commu-
3 nity Development Act of 1974; and

4 “(C) the submission requirements for for-
5 mula funding under—

6 “(i) the Community Development
7 Block Grant program (authorized by title I
8 of the Housing and Community Develop-
9 ment Act of 1974);

10 “(ii) the HOME program (authorized
11 by title II of the Cranston-Gonzalez Na-
12 tional Affordable Housing Act);

13 “(iii) the Homeless Assistance Per-
14 formance Fund (authorized under this
15 title); and

16 “(iv) the AIDS Housing Opportunity
17 Act (authorized by subtitle D of title VIII
18 of the Cranston-Gonzalez National Afford-
19 able Housing Act).

20 A jurisdiction’s consolidated plan shall be coordi-
21 nated and consistent with a public housing agency’s
22 five-year comprehensive plan, if any, required under
23 section 14(e) of the United States Housing Act of
24 1937.

1 “(4) CONTINUUM OF CARE SYSTEM.—A ‘contin-
2 uum of care system’ is a system developed by a local
3 or State homeless assistance board. The system shall
4 include—

5 “(A) a system of outreach and assessment,
6 including drop-in centers, 24-hour hotlines,
7 counselors, and other activities designed to en-
8 gage homeless individuals and families, bring
9 them into the continuum of care system, and
10 determine their individual housing and service
11 needs;

12 “(B) emergency shelters with essential
13 services to ensure that homeless individuals and
14 families receive shelter;

15 “(C) transitional housing with appropriate
16 supportive services to help ensure that homeless
17 individuals and families are prepared to make
18 the transition to increased responsibility and
19 permanent housing;

20 “(D) permanent housing, or permanent
21 supportive housing, to help meet the long-term
22 housing needs of homeless individuals and fami-
23 lies;

24 “(E) coordination between assistance pro-
25 vided under this title and assistance provided

1 under other Federal, State, and local programs
2 that may be used to assist homeless individuals
3 and families, including both targeted homeless
4 assistance programs and other programs ad-
5 ministered by the Departments of Veterans Af-
6 fairs, Labor, Health and Human Services, and
7 Education; and

8 “(F) a system of referrals for subpopula-
9 tions of the homeless (such as homeless veter-
10 ans, families with children, battered spouses,
11 persons with mental illness, persons who have
12 chronic problems with alcohol, drugs, or both,
13 persons with other chronic health problems, and
14 persons who have acquired immunodeficiency
15 syndrome and related diseases) to the appro-
16 priate agencies, programs, or services (including
17 health care, job training, and income support)
18 necessary to meet their needs.

19 “(5) GRANTEE.—The term ‘grantee’ means—

20 “(A) an allocation unit of general local
21 government or insular area that administers a
22 grant under section 408(b)(1);

23 “(B) an allocation unit of general local
24 government or insular area that designates a
25 public agency or a private nonprofit organiza-

1 tion (or a combination of such organizations) to
2 administer grant amounts under section
3 408(b)(2);

4 “(C) a State or a private nonprofit organi-
5 zation designated by the Secretary to admin-
6 ister grant amounts under section
7 408(b)(3)(A);

8 “(D) a private nonprofit organization re-
9 ceiving grant amounts distributed by the Sec-
10 retary under section 408(b)(3)(B);

11 “(E) a State administering a grant under
12 section 408(c)(1)(A);

13 “(F) a unit of general local government re-
14 ceiving a grant from the Secretary under sec-
15 tion 408(c)(4)(A);

16 “(G) a public agency or private nonprofit
17 organization (or a combination of such organi-
18 zations) designated by a unit of general local
19 government to administer a grant from the Sec-
20 retary under section 408(c)(4)(B); or

21 “(H) a private nonprofit organization re-
22 ceiving a grant from the Secretary under sec-
23 tion 408(c)(4)(C).

1 “(6) HOMELESS INDIVIDUAL.—The term
2 ‘homeless individual’ has the same meaning as in
3 section 103 of this Act.

4 “(7) INSULAR AREA.—The term ‘insular area’
5 means the Virgin Islands, Guam, American Samoa,
6 and the Northern Mariana Islands.

7 “(8) LOCAL HOMELESS ASSISTANCE BOARD.—
8 The term ‘local homeless assistance board’ means
9 the board established for applicants and grantees
10 under section 409(c) or 409(e).

11 “(9) LOW-DEMAND SERVICES AND REFER-
12 RALS.—The term ‘low-demand services and referrals’
13 means the provision of health care, mental health,
14 substance abuse, and other supportive services and
15 referrals for services in a non-coercive manner,
16 which may include medication management, edu-
17 cation, counseling, job training, and assistance in
18 obtaining entitlement benefits and in obtaining other
19 supportive services, including mental health and sub-
20 stance abuse treatment.

21 “(10) METROPOLITAN CITY.—The term ‘metro-
22 politan city’ has the same meaning as in section
23 102(a) of the Housing and Community Development
24 Act of 1974.

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

3 “(A) has a disability as defined in section
4 223 of the Social Security Act;

5 “(B) is determined to have, as determined
6 by the Secretary, a physical, mental, or emo-
7 tional impairment which—

8 “(i) is expected to be of long-contin-
9 ued and indefinite duration;

10 “(ii) substantially impedes his or her
11 ability to live independently; and

12 “(iii) is of such a nature that such
13 ability could be improved by more suitable
14 housing conditions;

15 “(C) has a developmental disability, as de-
16 fined in section 102 of the Developmental Dis-
17 abilities Assistance and Bill of Rights Act; or

18 “(D) has the disease of acquired
19 immunodeficiency syndrome or any conditions
20 arising from the etiologic agent for acquired
21 immunodeficiency syndrome.

22 Subparagraph (D) shall not be construed to limit eligi-
23 bility under subparagraphs (A) through (C) or the provi-
24 sions referred to in subparagraphs (A) through (C).

1 “(12) PRIVATE NONPROFIT ORGANIZATION.—

2 The term ‘private nonprofit organization’ means a
3 private organization—

4 “(A) no part of the net earnings of which
5 inures to benefits of any member, founder, con-
6 tributor, or individual;

7 “(B) that has a voluntary board;

8 “(C) that has an accounting system, or has
9 designated a fiscal agent in accordance with re-
10 quirements established by the Secretary; and

11 “(D) that practices nondiscrimination in
12 the provision of assistance.

13 “(13) PROJECT SPONSOR.—The term ‘project
14 sponsor’ means an entity that—

15 “(A) provides housing or assistance for
16 homeless individuals or families by carrying out
17 activities under this title; and

18 “(B) meets such minimum standards as
19 the Secretary considers appropriate.

20 “(14) RECIPIENT.—The term ‘recipient’ means
21 a grantee (other than a State when it is distributing
22 grant amounts to State recipients) and a State re-
23 cipient.

1 “(15) SECRETARY.—The term ‘Secretary’
2 means the Secretary of Housing and Urban Develop-
3 ment.

4 “(16) STATE.—The term ‘State’ means each of
5 the several States and the Commonwealth of Puerto
6 Rico. The term includes an agency or instrumental-
7 ity of a State that is established pursuant to legisla-
8 tion and designated by the chief executive officer to
9 act on behalf of the jurisdiction with regard to provi-
10 sions of this title.

11 “(17) STATE HOMELESS ASSISTANCE BOARD.—
12 The term ‘State homeless assistance board’ means
13 the board established for the State under section
14 409(d)(1).

15 “(18) STATE RECIPIENT.—The term ‘State re-
16 cipient’ means the following entities receiving
17 amounts from the State under section
18 408(c)(2)(B)—

19 “(A) a unit of general local government
20 within the State (other than an allocation unit
21 of general local government); and

22 “(B) in the case of an area of the State
23 with significant homeless needs where no State
24 recipient is identified, one or more private non-
25 profit organizations serving that area.

1 “(19) UNIT OF GENERAL LOCAL GOVERN-
2 MENT.—The term ‘unit of general local government’
3 means—

4 “(A) a city, town, township, county, parish,
5 village, or other general purpose political sub-
6 division of a State;

7 “(B) the District of Columbia; and

8 “(C) any agency or instrumentality thereof
9 that is established pursuant to legislation and
10 designated by the chief executive officer to act
11 on behalf of the jurisdiction with regard to pro-
12 visions of this title.

13 “(20) URBAN COUNTY.—The term ‘urban coun-
14 ty’ has the same meaning as in section 102(a) of the
15 Housing and Community Development Act of 1974.

16 “(21) VERY LOW-INCOME FAMILIES.—The term
17 ‘very low-income families’ has the same meaning as
18 in section 104 of the Cranston-Gonzalez National
19 Affordable Housing Act.

20 **“SEC. 402. AUTHORIZATIONS.**

21 “(a) IN GENERAL.—The Secretary may make grants
22 to carry out activities to assist homeless individuals and
23 families in support of continuum of care systems, in ac-
24 cordance with this title.

1 “(b) FUNDING AMOUNTS.—There are authorized to
2 be appropriated to carry out this title \$823,000,000 for
3 fiscal year 1998 and such sums as may be necessary for
4 each of fiscal years 1999, 2000, 2001, and 2002. Any
5 amounts appropriated shall remain available until ex-
6 pended.

7 **“SEC. 403. APPLICATION.**

8 “(a) IN GENERAL.—Each applicant shall submit the
9 application required under this section in such form and
10 in accordance with such procedures as the Secretary shall
11 prescribe.

12 Where the applicant is a State or unit of general local
13 government, the application shall be submitted as part of
14 the homeless assistance component of the consolidated
15 plan (which component, in the case of a State, shall not
16 include allocation units of general local government).

17 “(b) CONTINUUM OF CARE SUBMISSION.—

18 “(1) IN GENERAL.—The local homeless assist-
19 ance board or the State homeless assistance board
20 shall prepare, and submit to the applicant for ap-
21 proval, those portions of the application related to
22 the development and implementation of the contin-
23 uum of care system, as described in paragraph (2)
24 or (3), as applicable.

1 “(2) SUBMISSION BY LOCAL HOMELESS ASSIST-
2 ANCE BOARD.—The local homeless assistance board
3 shall develop and submit to the applicant for ap-
4 proval—

5 “(A) a Continuum of Care system consist-
6 ent with that defined under section 401(4).
7 This system shall be designed to incorporate
8 any strengths and fill any gaps in the jurisdic-
9 tion’s current homeless assistance activities,
10 and shall include a description of efforts to ad-
11 dress the problems faced by each of the dif-
12 ferent subpopulations of homeless individuals;

13 “(B) a multi-year strategy for implement-
14 ing the Continuum of Care system, including
15 appropriate timetables and budget estimates for
16 accomplishing each element of the strategy;

17 “(C) a 1-year plan, identifying all activities
18 to be carried out with assistance under this title
19 and with assistance from other HUD resources
20 allocated in accordance with the consolidated
21 plan, and describing how these activities will
22 further the strategy; and

23 “(D) any specific performance measures
24 and benchmarks for use in assessing the per-
25 formance of the grantee under this title that

1 are in addition to national performance meas-
2 ures and benchmarks established by the Sec-
3 retary.

4 “(3) SUBMISSION BY STATE HOMELESS ASSIST-
5 ANCE BOARD.—The State homeless assistance board
6 shall develop and submit to the applicant for ap-
7 proval—

8 “(A) a Continuum of Care system consist-
9 ent with that defined under section 401(4).
10 This system shall be designed to incorporate
11 any strengths and fill any gaps in the jurisdic-
12 tion’s current homeless assistance activities,
13 and shall include a description of efforts to ad-
14 dress the problems faced by each of the dif-
15 ferent subpopulations of homeless individuals;

16 “(B) a multi-year strategy for implement-
17 ing the continuum of care systems in areas of
18 the State outside allocation units of general
19 local government, including the actions the
20 State will take to achieve the goals set out in
21 the strategy;

22 “(C) a 1-year plan identifying—

23 “(i) in the case of a State carrying
24 out its own activities under section
25 408(c)(2)(A), the activities to be carried

1 out with assistance under this title and de-
2 scribing how these activities will further
3 the strategy; and

4 “(ii) in the case of a State distribut-
5 ing grant amounts to State recipients
6 under section 408(c)(2)(B), the criteria
7 that the State will use in distributing
8 amounts awarded under this title, the
9 method of distribution, and the relation-
10 ship of the method of distribution to the
11 homeless assistance strategy; and

12 “(D) any specific performance measures
13 and benchmarks for use in assessing the per-
14 formance of the grantee under this title that
15 are in addition to national performance meas-
16 ures and benchmarks established by the Sec-
17 retary.

18 “(c) CONTINUUM OF CARE APPROVAL.—The appli-
19 cant shall review the continuum of care submission to de-
20 termine if it is consistent with the homeless needs assess-
21 ment and the inventory of homeless facilities portions of
22 the consolidated plan. The applicant may alter the submis-
23 sion where it is inconsistent, but shall give the State or
24 local homeless assistance board an opportunity to com-
25 ment on any proposed alterations, and shall include in the

1 application sufficient justification for any alterations and
2 any comments of the homeless assistance board on the al-
3 terations.

4 “(d) SUBMISSION REQUIREMENTS FOR APPLICANTS
5 OTHER THAN STATES.—Each application from an appli-
6 cant other than a State shall contain at a minimum—

7 “(1) the continuum of care submission de-
8 scribed in subsection (b)(2), and, if applicable, any
9 alterations, justifications, and comments under sub-
10 section (c);

11 “(2) a determination on whether the assistance
12 under this title will be administered by the jurisdic-
13 tion, a public agency or private nonprofit organiza-
14 tion, or the State, as appropriate under subsections
15 (b) and (c) of section 408;

16 “(3) certifications or other such forms of proof
17 of commitments of financial and other resources suf-
18 ficient to comply with the match requirements under
19 section 405(c)(1);

20 “(4) a certification that the applicant is follow-
21 ing a current approved consolidated plan;

22 “(5) a certification that the grant will be con-
23 ducted and administered in conformity with title VI
24 of the Civil Rights Act of 1964, section 504 of the
25 Rehabilitation Act of 1973, and the Fair Housing

1 Act, and the grantee will affirmatively further fair
2 housing; and

3 “(6) a certification that the applicant will com-
4 ply with the requirements of this title and other ap-
5 plicable laws.

6 “(e) SUBMISSION REQUIREMENTS FOR STATES.—
7 Each application from a State shall contain—

8 “(1) the continuum of care submission de-
9 scribed in subsection (b)(3) and, if applicable, any
10 alterations, justifications, and comments under sub-
11 section (c);

12 “(2) certifications or other such forms of proof
13 of commitments of financial and other resources suf-
14 ficient to comply with the match requirements under
15 section 405(c)(1);

16 “(3) a certification that the applicant is follow-
17 ing a current approved consolidated plan;

18 “(4) a certification that the grant will be con-
19 ducted and administered in conformity with title VI
20 of the Civil Rights Act of 1964, section 504 of the
21 Rehabilitation Act of 1973, and the Fair Housing
22 Act, and the grantee will affirmatively further fair
23 housing; and

1 “(5) a certification that the State and State re-
2 cipients will comply with the requirements of this
3 title and other applicable laws.

4 “(f) APPLICATION APPROVAL.—The application shall
5 be approved by the Secretary unless the Secretary deter-
6 mines that the application is substantially incomplete, or
7 determines, under section 409(c)(5) or 409(d)(1)(B), that
8 the process for constituting or operating the local or State
9 homeless assistance board is unfair.

10 **“SEC. 404. ELIGIBLE PROJECTS AND ACTIVITIES.**

11 “(a) ELIGIBLE PROJECTS.—Grants under this title
12 may be used to carry out activities described in subsection
13 (b) in support of the following types of projects—

14 “(1) EMERGENCY ASSISTANCE.—Assistance de-
15 signed to prevent homelessness or to meet the emer-
16 gency needs of homeless individuals and families, in-
17 cluding one or more of the following—

18 “(A) PREVENTION.—Efforts to prevent
19 homelessness of a very low-income individual or
20 family that has received an eviction notice, no-
21 tice of mortgage foreclosure, or notice of termi-
22 nation of utilities, if—

23 “(i) the individual or family cannot
24 make the required payments due to a sud-

den reduction in income or other financial emergency; and

“(ii) the assistance is necessary to avoid imminent eviction, foreclosure, or termination of services.

“(B) OUTREACH AND ASSESSMENT.—Efforts designed to inform individuals and families about the availability of services, to bring them into the continuum of care system, and to determine which services or housing are appropriate to the needs of the individual or family.

“(C) EMERGENCY SHELTER.—The provision of short-term emergency shelter with essential supportive services for homeless individuals and families.

“(2) SAFE HAVEN HOUSING.—A structure or a clearly identifiable portion of a structure that—

“(A) provides housing and low-demand services and referrals for homeless individuals with serious mental illness—

“(i) who are currently residing primarily in places not designed for, or ordinarily used as, a regular sleeping accommodation for human beings; and

1 “(ii) who have been unwilling or un-
2 able to participate in mental health or sub-
3 stance abuse treatment programs or to re-
4 ceive other supportive services; except that
5 a person whose sole impairment is sub-
6 stance abuse shall not be considered an eli-
7 gible person;

8 “(B) provides 24-hour residence for eligible
9 individuals who may reside for an unspecified
10 duration;

11 “(C) provides private or semi-private ac-
12 commodations;

13 “(D) may provide for the common use of
14 kitchen facilities, dining rooms, and bathrooms;

15 “(E) may provide supportive services to el-
16 igible persons who are not residents on a drop-
17 in basis; and

18 “(F) provides occupancy limited to no
19 more than 25 persons.

20 “(3) TRANSITIONAL HOUSING.—Housing and
21 appropriate supportive services that are designed to
22 facilitate the movement of homeless individuals to
23 permanent housing, generally within 24 months.

24 “(4) PERMANENT HOUSING AND PERMANENT
25 HOUSING AND SUPPORTIVE SERVICES FOR PERSONS

1 WITH DISABILITIES.—Permanent housing for home-
2 less individuals, and permanent housing and sup-
3 portive services for homeless persons with disabil-
4 ities, the latter of which may be designed to provide
5 housing and services solely for persons with disabil-
6 ities, or may provide housing for such persons in a
7 multifamily housing, condominium, or cooperative
8 project.

9 “(5) SINGLE ROOM OCCUPANCY HOUSING.—A
10 unit for occupancy by one person, which need not
11 (but may) contain food preparation or sanitary fa-
12 cilities, or both, and may provide services such as
13 mental health services, substance abuse treatment,
14 job training, and employment programs.

15 “(6) OTHER PROJECTS.—Such other projects
16 as the Secretary determines will further the pur-
17 poses of title I of the Homelessness Assistance and
18 Management Reform Act of 1997.

19 “(b) ELIGIBLE ACTIVITIES.—Grants under this title
20 may be used to carry out the following activities in support
21 of projects described in subsection (a)—

22 “(1) HOMELESSNESS PREVENTION ACTIVI-
23 TIES.—Short-term mortgage, rental, and utilities
24 payments and other short-term assistance designed

1 to prevent the imminent homelessness of the individ-
2 uals and families described in subsection (a)(1)(A).

3 “(2) OUTREACH AND ASSESSMENT.—Drop-in
4 centers, 24-hour hotlines, counselors, and other ac-
5 tivities designed to engage homeless individuals and
6 families, bring them into the continuum of care sys-
7 tem, and determine their individual housing and
8 service needs.

9 “(3) ACQUISITION AND REHABILITATION.—The
10 acquisition, rehabilitation, or acquisition and reha-
11 bilitation of real property.

12 “(4) NEW CONSTRUCTION.—The new construc-
13 tion of a project, including the cost of the site.

14 “(5) OPERATING COSTS.—The costs of operat-
15 ing a project, including salaries and benefits, main-
16 tenance, insurance, utilities, replacement reserve ac-
17 counts, and furnishings.

18 “(6) LEASING.—Leasing of an existing struc-
19 ture or structures, or units within these structures,
20 including the provision of long-term rental assistance
21 contracts.

22 “(7) TENANT ASSISTANCE.—The provision of
23 security or utility deposits, rent or utility payments
24 for the first month of residence at a new location,
25 and relocation assistance.

1 “(8) SUPPORTIVE SERVICES.—The provision of
2 essential supportive services including, but not lim-
3 ited to, case management, housing counseling, job
4 training and placement, primary health care, mental
5 health services, substance abuse treatment, child
6 care, transportation, emergency food and clothing,
7 family violence services, education services, moving
8 services, assistance in obtaining entitlement benefits,
9 and referral to veterans services and referral to legal
10 services.

11 “(9) ADMINISTRATION.—

12 “(A) IN GENERAL.—Expenses incurred
13 in—

14 “(i) planning, developing, and estab-
15 lishing a program under this title;

16 “(ii) establishing, selecting, and sup-
17 porting the local homeless assistance board
18 or the State homeless assistance board;
19 and

20 “(iii) administering the program.

21 “(B) Limitations.—Not more than the fol-
22 lowing amounts may be used for administrative
23 costs under subparagraph (A)—

24 “(i) 10 percent of any grant amounts
25 provided for a recipient for a fiscal year

1 (including amounts used by a State to
2 carry out its own activities under section
3 408(c)(2)(A)); and

4 “(ii) 5 percent of any grant amounts
5 provided to a State for a fiscal year that
6 the State uses to distribute funds to a
7 State recipient under section 408(c)(2)(B).

8 “(10) Capacity building.

9 “(A) In general.—Building the capacity of
10 private nonprofit organizations to participate in
11 the continuum of care system of the recipient.

12 “(B) Limitations.—Not more than the fol-
13 lowing amounts may be used for capacity build-
14 ing under subparagraph (A)—

15 “(i) 2 percent of any grant amounts
16 provided for a recipient for a fiscal year
17 (including amounts used by a State to
18 carry out its own activities under section
19 408(c)(2)(A)); and

20 “(ii) 2 percent of any grant amounts
21 provided to a State for a fiscal year that
22 the State uses to distribute funds to a
23 State recipient under section 408(c)(2)(B).

24 “(11) Other activities.—Other activities as the
25 Secretary determines will further the purposes of

1 title I of the Homelessness Assistance and Manage-
2 ment Reform Act of 1997.

3 “(c) Targeting to Subpopulations of Persons With
4 Disabilities.—Notwithstanding any other provision of law,
5 projects for persons with disabilities assisted under this
6 title may be targeted to specific subpopulations of such
7 persons, including (but not limited to) persons who—

8 “(1) are seriously mentally ill;

9 “(2) have chronic problems with drugs, alcohol,
10 or both; or

11 “(3) have acquired immunodeficiency syndrome
12 or any conditions arising from the etiologic agency
13 for acquired immunodeficiency syndrome.

14 **“SEC. 405. MATCHING REQUIREMENT AND MAINTENANCE**
15 **OF EFFORT.**

16 “(a) Matching Requirement.—

17 “(1) In general.—Each recipient shall make
18 contributions totaling not less than 50 percent of the
19 amounts made available for the recipient for any fis-
20 cal year under this title to carry out eligible activi-
21 ties. At the end of each program year, each recipient
22 shall certify to the Secretary that it has complied
23 with this section, and shall include with the certifi-
24 cation a description of the sources and amounts of
25 the matching contributions. Contributions under this

1 section may not come from assistance provided
2 under this title.

3 “(2) Reduction in matching requirements.—

4 “(A) In general.—The Secretary shall re-
5 duce the matching requirement under para-
6 graph (1) during a fiscal year by—

7 “(i) 50 percent for a jurisdiction that
8 certifies that it is in fiscal distress; and

9 “(ii) 100 percent for a jurisdiction
10 that certifies that it is in severe fiscal dis-
11 tress.

12 For purposes of clauses (i) and (ii), the jurisdiction shall
13 make the certification on behalf of a recipient that is not
14 a governmental jurisdiction.

15 “(B) Definitions.—For purposes of this
16 subsection—

17 “(i) the term “fiscal distress” means
18 an allocation unit of general local govern-
19 ment, insular area, or State recipient that
20 is a governmental jurisdiction that satisfies
21 one of the distress criteria set forth in sub-
22 paragraph (C); and

23 “(ii) the term “severe fiscal distress”
24 means an allocation unit of general local
25 government, insular area, or State recipi-

ent that is a governmental jurisdiction that satisfies both of the distress criteria set forth in subparagraph (C).

“(C) Distress criteria.—For an allocation unit of general local government, an insular area, or a State recipient that is a governmental jurisdiction certifying that it is distressed, the following criteria shall apply—

“(i) POVERTY RATE.—The average poverty rate in the jurisdiction for the calendar year immediately preceding the year in which its fiscal year begins was equal to or greater than 125 percent of the average national poverty rate during such calendar year (as determined according to information of the Bureau of the Census).

“(ii) PER CAPITA INCOME.—The average per capita income in the jurisdiction for the calendar year immediately preceding the year in which its fiscal year begins was less than 75 percent of the average national per capita income during such calendar year (as determined according to information of the Bureau of the Census).

1 “(D) STATES.—In the case of States car-
2 rying out their own activities under section
3 408(c)(2)(A), the Secretary shall reduce the
4 matching requirement under paragraph (1) as
5 provided by the preceding subparagraphs, ex-
6 cept that the certification shall be made with
7 respect to the area, as determined by the Sec-
8 retary, in which the activities are to be carried
9 out.

10 “(E) WAIVER IN DISASTER AREAS.—If a
11 recipient is located in an area in which a dec-
12 laration of a disaster pursuant to the Robert T.
13 Stafford Disaster Relief and Emergency Assist-
14 ance Act is in effect for any part of a fiscal
15 year, the Secretary may reduce the matching
16 requirement for that fiscal year under para-
17 graph (1) during that fiscal year by up to 100
18 percent.

19 “(3) CALCULATION OF AMOUNTS.—In calculat-
20 ing the amount of matching contributions required
21 under paragraph (1), a recipient may include—

22 “(A) any funds derived from a source,
23 other than assistance under this title or
24 amounts subject to subsection (b);

1 “(B) the value of any lease on a building;
2 and

3 “(C) any salary paid to staff or any volun-
4 teer labor contributed to carry out the program.

5 “(b) LIMITATION ON USE OF FUNDS.—No assistance
6 received under this title may be used to replace other
7 funds previously used, or designated for use, by the State,
8 State recipient (except when a State recipient is a private
9 nonprofit organization), allocation unit of general local
10 government or insular area to assist homeless individuals
11 and families.

12 **“SEC. 406. RESPONSIBILITIES OF RECIPIENTS, PROJECT**
13 **SPONSORS, AND OWNERS.**

14 “(a) USE OF ASSISTANCE THROUGH PRIVATE NON-
15 PROFIT ORGANIZATIONS.—

16 “(1) IN GENERAL.—Each recipient shall ensure
17 that at least 50 percent of the grant amounts that
18 are made available to it under this title for any fiscal
19 year are made available to project sponsors that are
20 private nonprofit organizations.

21 “(2) WAIVER.—The Secretary may waive or re-
22 duce the requirement of paragraph (1), if the recipi-
23 ent demonstrates to the Secretary that the require-
24 ment interferes with the ability of the recipient to
25 provide assistance under this title because of the

1 paucity of qualified private non-profit organizations
2 in the jurisdiction of the recipient.

3 “(b) HOUSING QUALITY.—Each recipient shall en-
4 sure that housing assisted with grant amounts provided
5 under this title is decent, safe, and sanitary and complies
6 with all applicable State and local housing codes, building
7 codes, and licensing requirements in the jurisdiction in
8 which the housing is located.

9 “(c) PREVENTION OF UNDUE BENEFIT.—The Sec-
10 retary may prescribe such terms and conditions as the
11 Secretary considers necessary to prevent project sponsors
12 from unduly benefiting from the sale or other disposition
13 of projects, other than a sale or other disposition resulting
14 in the use of the project for the direct benefit of very low-
15 income families.

16 “(d) CONFIDENTIALITY.—Each recipient shall de-
17 velop and implement procedures to ensure the confiden-
18 tiality of records pertaining to any individual provided
19 services assisted under this title for family violence preven-
20 tion or treatment or for such medical or other conditions
21 as the Secretary may prescribe, and to ensure that the
22 address or location of any project providing such services
23 will, except with written authorization of the person or
24 person responsible for the operation of such project, not
25 be made public.

1 “(e) EMPLOYMENT OF HOMELESS INDIVIDUALS.—

2 “(1) To the maximum extent practicable, the
3 Secretary shall ensure that recipients, through em-
4 ployment, volunteer services, or otherwise, provide
5 opportunities for homeless individuals and families
6 to participate in—

7 “(A) constructing, renovating, maintaining,
8 and operating facilities assisted under this title;

9 “(B) providing services so assisted; and

10 “(C) providing services for occupants of fa-
11 cilities so assisted.

12 “(2) In carrying out paragraph (1), recipients
13 shall not displace employed workers.

14 “(f) PARTICIPATION OF HOMELESS INDIVIDUALS.—

15 The Secretary shall provide that each recipient shall re-
16 quire each project sponsor receiving assistance under this
17 title from the recipient to provide for the participation of
18 not less than one homeless individual or formerly homeless
19 individual on the board of directors or other equivalent
20 policy making entity of the project sponsor, to the extent
21 that such entity considers and makes policies and decision
22 regarding any project, facility, services, or other activities
23 assisted under this title. A recipient may grant waivers
24 to project sponsors unable to meet the requirement under
25 the preceding sentence, if the project sponsor agrees to

1 otherwise consult with homeless or formerly homeless indi-
2 viduals in considering and making such policies and deci-
3 sions.

4 “(g) NONDISCRIMINATION TOWARD CERTIFICATE
5 AND VOUCHER HOLDERS.—In the case of multifamily
6 rental housing assisted under this title (except for such
7 housing only receiving homeless prevention assistance au-
8 thorized under section 404(b)(1) of this title) that is re-
9 ceiving, or (except for insurance referred to in paragraph
10 (4)) has received within two years before the effective date
11 of this title, the benefit of Federal assistance from an
12 agency of the United States, the owner shall not refuse
13 to lease a reasonable number of units to families under
14 the tenant-based assistance program under section 8 of
15 the United States Housing Act of 1937 because of the
16 status of the prospective tenants as families under the pro-
17 gram. The Secretary shall establish reasonable time peri-
18 ods for applying the requirement of this subsection, taking
19 into account the total amount of the assistance and the
20 relative share of the assistance compared to the total cost
21 of financing, developing, rehabilitating, or otherwise as-
22 sisting a project. Federal assistance for purposes of this
23 subsection shall mean—

24 (1) project-based assistance under the United
25 States Housing Act of 1937;

1 (2) assistance under title I of the Housing and
2 Community Development Act of 1974;

3 (3) assistance under title II of the Cranston-
4 Gonzalez National Affordable Housing Act;

5 (4) mortgage insurance under the National
6 Housing Act;

7 (5) low-income housing tax credits under sec-
8 tion 42 of the Internal Revenue Code of 1986; and

9 (6) assistance under any other programs des-
10 ignated by the Secretary.

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

23 **“SEC. 407. ALLOCATION AND DISTRIBUTION OF FUNDS.**

24 “(a) INSULAR AREAS.—

1 “(1) ALLOCATION.—For each fiscal year, the
2 Secretary shall allocate assistance under this title to
3 insular areas, in an amount equal to 0.20 percent of
4 the amounts appropriated under the first sentence of
5 section 402(b).

6 “(2) DISTRIBUTION.—The Secretary shall pro-
7 vide for the distribution of amounts reserved under
8 paragraph (1) for insular areas pursuant to specific
9 criteria or a distribution formula prescribed by the
10 Secretary.

11 “(b) STATES AND ALLOCATION UNITS OF GENERAL
12 LOCAL GOVERNMENT.—

13 “(1) IN GENERAL.—For each fiscal year, of the
14 amounts appropriated under the first sentence of
15 section 402(b) that remain after amounts are re-
16 served—

17 “(A) for insular areas under subsection
18 (a), and

19 “(B) for technical assistance and other ac-
20 tivities under subsection (d),

21 the Secretary shall allocate assistance according to
22 the formula described in paragraph (2).

23 “(2) FORMULA.—

24 “(A) ALLOCATION.—The Secretary shall
25 allocate amounts for allocation units of general

1 local government (including jurisdictions that
2 received a formula grant for fiscal year 1996 or
3 1997 under subtitle B of this title, as it existed
4 immediately before the effective date of the
5 Homelessness Assistance and Management Re-
6 form Act of 1997) and States, in a manner that
7 ensures that the percentage of the total amount
8 available under this title for any fiscal year for
9 any allocation unit of general local government
10 or State is equal to the percentage of the total
11 amount available for section 106 of the Hous-
12 ing and Community Development Act of 1974
13 for the same fiscal year that is allocated for the
14 allocation unit of general local government or
15 State.

16 “(B) MINIMUM ALLOCATION.—

17 “(i) ALLOCATION UNITS OF GENERAL
18 LOCAL GOVERNMENT.—If under subpara-
19 graph (A) for any fiscal year, the alloca-
20 tion for any allocation unit of general local
21 government is less than 0.05 percent of the
22 amounts appropriated under the first sen-
23 tence of section 402(b), such allocation
24 unit shall not receive a grant and its allo-
25 cation shall be added to the allocation for

1 the State in which such allocation unit is
2 located for use under section 408(c)(1), ex-
3 cept that any such allocation unit that re-
4 ceived a grant in a previous fiscal year (in-
5 cluding a jurisdiction that received a for-
6 mula grant for fiscal year 1996 or 1997
7 under subtitle B of this title, as it existed
8 immediately before the effective date of the
9 Homelessness Assistance and Management
10 Reform Act of 1997) shall be allocated an
11 amount equal to 0.05 percent of the
12 amounts appropriated under the first sen-
13 tence of section 402(b).

14 “(ii) STATES.—If under subparagraph
15 (A) for any fiscal year, the allocation for
16 any State is less than 0.2 percent of the
17 amounts appropriated under the first sen-
18 tence of section 402(b), such State shall be
19 allocated an amount equal to 0.2 percent
20 of such amounts.

21 “(C) PRO RATA INCREASES AND DE-
22 CREASES.—

23 “(i) INCREASE.—All amounts allo-
24 cated pursuant to the preceding subpara-
25 graphs for allocation units of general local

1 government shall be increased on a pro
2 rata basis until the aggregate of such
3 amounts equals 75 percent of the remain-
4 der of amounts appropriated under this
5 title for each year, after amounts are allo-
6 cated for insular areas under subsection
7 (a) and for technical assistance and other
8 assistance under subsection (d).

9 “(ii) DECREASE.—All amounts allo-
10 cated pursuant to the preceding subpara-
11 graphs for States shall be decreased on a
12 pro rata basis until the aggregate of such
13 amounts equals 25 percent of the remain-
14 der of amounts appropriated under this
15 title for each year, after amounts are allo-
16 cated for insular areas under subsection
17 (a) and for technical and other assistance
18 under subsection (d).

19 “(3) MINIMUM GRANT AMOUNT.—Notwith-
20 standing paragraph (2), an allocation unit of general
21 local government shall receive no less funding under
22 this subsection in fiscal year 1998 than 75 percent
23 of the average of the amounts awarded annually to
24 that jurisdiction for homeless assistance programs
25 administered by the Secretary under this title during

1 fiscal years 1987 through 1996, no less than 50 per-
2 cent in fiscal year 1999, and no less than 25 percent
3 in fiscal year 2000, but only if amounts appro-
4 priated pursuant to the first sentence of section
5 402(b) in each of fiscal years 1998, 1999, and 2000
6 exceed \$800,000,000. If such amounts do not exceed
7 \$800,000,000 in fiscal year 1998, 1999, or 2000,
8 the allocation unit of general local government may
9 receive its proportionate share of the amounts ap-
10 propriated which may be less than 75 percent of
11 such annual average amounts for fiscal year 1998,
12 less than 50 percent for fiscal year 1999, and less
13 than 25 percent for fiscal year 2000 as determined
14 by the Secretary.

15 “(4) REDUCTION.—Notwithstanding para-
16 graphs (2) and (3), in any fiscal year, the Secretary
17 may provide a grant under this title for a State or
18 for an allocation unit of general local government in
19 an amount less than the amount allocated under
20 those paragraphs, if the Secretary determines, that
21 the jurisdiction has failed to comply with require-
22 ments of this title, or that such action is otherwise
23 appropriate.

24 “(c) REALLOCATIONS.—

1 “(1) AMOUNTS NOT RECEIVED.—Any amounts
2 that a State or an allocation unit of general local
3 government is eligible to receive under subsection (b)
4 that are not received for use in the jurisdiction, pur-
5 suant to subsection (b)(4), shall be added to
6 amounts available for allocation under subsection (b)
7 of this section for the succeeding fiscal year.

8 “(2) USE OF AMOUNTS UNDER THIS TITLE.—

9 “(A) AUTHORITY FOR ALTERNATIVE USE
10 OF AMOUNTS.—If the Secretary determines that
11 a State or an allocation unit of general local
12 government has made substantial progress in
13 reducing the number and meeting the needs of
14 homeless individuals, and is eligible to receive
15 an amount under subsection (b) that is in ex-
16 cess of the amount required to meet the needs
17 of homeless individuals through activities under
18 this title, the Secretary shall reduce the amount
19 under subsection (b) accordingly, and add such
20 excess amount to the amount allocated for such
21 jurisdiction under section 106 of the Housing
22 and Community Development Act of 1974 or
23 under section 217 of the HOME Investment
24 Partnerships Act, for use in meeting low-income
25 housing needs. In making the determinations

1 required by the preceding sentence, the Sec-
2 retary shall consult with the State or allocation
3 unit of general local government and assess the
4 need for assistance under this Act, taking into
5 account such factors as the current number of
6 homeless individuals, the extent of their need,
7 and the cost of meeting such need. The Sec-
8 retary shall make the initial determination for
9 amounts to be allocated in fiscal year 2001 and
10 at least every three years thereafter.

11 “(B) AUTHORITY TO MAKE TRANSFERS
12 AMONG APPROPRIATION ACCOUNTS.—The Sec-
13 retary shall transfer such amounts as are ap-
14 proved in accordance with this paragraph
15 among appropriation accounts, as appropriate.

16 “(d) TECHNICAL AND OTHER ASSISTANCE AND MAN-
17 AGEMENT INFORMATION SYSTEMS.—

18 “(1) TECHNICAL AND OTHER ASSISTANCE.—
19 From amounts appropriated under the first sentence
20 of section 402(b) for any fiscal year, the Secretary
21 may directly or indirectly by grant, contract, or co-
22 operative agreement use up to \$25,000,000 for—

23 “(A) TECHNICAL ASSISTANCE.—Technical
24 assistance, which may include training and the
25 cost of necessary travel for participants in such

1 training, by or to officials and employees of the
2 Department of Housing and Urban Develop-
3 ment, applicants, grantees, recipients, local and
4 State homeless assistance boards, State recipi-
5 ents, and private nonprofits to improve their
6 ability to carry out the provisions of this title
7 and to support the creation of continuum of
8 care systems.

9 “(B) CAPACITY BUILDING.—Assistance to
10 private nonprofit organizations to build their
11 capacity in support of continuum of care sys-
12 tems.

13 “(C) RESOURCE IDENTIFICATION.—Identi-
14 fication, coordination, and development of re-
15 sources and data for homelessness, including
16 determining the feasibility of specific housing-
17 related initiatives.

18 “(D) PROGRAM OVERSIGHT.—Performance
19 reviews and audits under section 410(c), includ-
20 ing the cost of necessary travel.

21 “(2) MANAGEMENT INFORMATION SYSTEMS.—
22 From amounts appropriated under the first sentence
23 of section 402(b) for any fiscal year, the Secretary
24 shall reserve 0.4 percent to develop, implement, and
25 refine management information systems in order to

1 establish a national database on local needs and pri-
2 orities and to provide grantees and others with soft-
3 ware to plan and track performance under this title.

4 **“SEC. 408. ADMINISTRATION OF PROGRAM.**

5 “(a) IN GENERAL.—The Secretary shall prescribe
6 such procedures and requirements as the Secretary deems
7 appropriate for administering grant amounts under this
8 title.

9 “(b) ALLOCATION UNITS OF GENERAL LOCAL GOV-
10 ERNMENT AND INSULAR AREAS.—

11 “(1) IN GENERAL.—Except as provided in para-
12 graphs (2) and (3), an allocation unit of general
13 local government or insular area shall administer
14 grant amounts received under section 407(a) or (b)
15 for any fiscal year.

16 “(2) AGENCIES AND ORGANIZATIONS DES-
17 IGNATED BY JURISDICTION.—

18 “(A) DESIGNATION OF OTHER ENTITIES
19 TO ADMINISTER GRANT AMOUNTS.—An alloca-
20 tion unit of general local government or insular
21 area may elect for any fiscal year to designate
22 a public agency or a private nonprofit organiza-
23 tion (or a collaboration of such organizations)
24 to administer grant amounts received under
25 section 407(a) or (b) instead of the jurisdiction.

1 “(B) PROVISION OF GRANT AMOUNTS.—

2 The Secretary may, at the request of a jurisdic-
3 tion under subparagraph (A), provide grant
4 amounts directly to the agency or organization
5 designated under that subparagraph.

6 “(3) ADMINISTRATION OF GRANT BY SEC-
7 RETARY OR SECRETARY’S DESIGNEE.—If an alloca-
8 tion unit of general local government or insular area,
9 or (if appropriate) a public agency or private non-
10 profit organization designated by the jurisdiction
11 under paragraph (2), does not receive a grant pursu-
12 ant to section 407(b)(4) for any fiscal year, the Sec-
13 retary shall—

14 “(A) designate the State or a local private
15 nonprofit organization to administer the grant
16 amounts instead of the jurisdiction; or

17 “(B) distribute the funds to private non-
18 profit organizations to carry out activities with-
19 in the jurisdiction on the basis of a competition.

20 “(c) STATES.—

21 “(1) IN GENERAL.—Each State shall elect ei-
22 ther—

23 “(A) to administer grant amounts received
24 under section 407(b), as provided by para-
25 graphs (2) and (3); or

1 “(B) have the Secretary administer these
2 amounts instead of the State, as provided by
3 paragraph (4).

4 If a State elects to administer grant amounts under
5 subparagraph (A), the election shall be permanent
6 and final.

7 “(2) STATE PROGRAM.—Of amounts referred to
8 in paragraph (1)(A), the State—

9 “(A) may use not more than 15 percent to
10 carry out its own homeless assistance program
11 under this title; and

12 “(B) shall distribute the remaining
13 amounts to State recipients.

14 Grants to States may only be used to carry out ac-
15 tivities in areas of the State outside allocation units
16 of general local government.

17 “(3) DISTRIBUTION OF AMOUNTS TO STATE RE-
18 CIPIENTS.—

19 “(A) IN GENERAL.—

20 “(i) States distributing amounts
21 under paragraph (2)(B) to State recipients
22 that are units of general local government
23 shall, for each fiscal year, afford each such
24 recipient the options of—

1 “(I) administering the grant
2 amounts on its own behalf;

3 “(II) designating (as provided by
4 subsection (b)(2)) a public agency or
5 a private nonprofit organization (or a
6 combination of such organizations) to
7 administer the grant amounts instead
8 of the jurisdiction; or

9 “(III) entering into an agreement
10 with the State, in consultation with
11 private nonprofit organizations provid-
12 ing assistance to homeless individuals
13 and families in the jurisdiction, under
14 which the State will administer the
15 grant amounts instead of the jurisdic-
16 tion.

17 “(ii) A State recipient designating an
18 agency or organization as provided by
19 clause (i)(II), or entering into an agree-
20 ment with the State under clause (i)(III),
21 shall remain the State recipient for pur-
22 poses of this title.

23 “(iii) The State may, at the request of
24 the State recipient, provide grant amounts

1 directly to the agency or organization des-
2 ignated under clause (i)(II).

3 “(B) APPLICATION.—

4 “(i) The State shall distribute
5 amounts to State recipients (or to agencies
6 or organizations designated under subpara-
7 graph (A)(i)(II), as appropriate) on the
8 basis of an application containing such in-
9 formation as the State may prescribe, ex-
10 cept that each application shall reflect the
11 State’s application requirements in section
12 403(d) and evidence an intent to facilitate
13 the establishment of a continuum of care
14 system prepared by the State homeless as-
15 sistance board.

16 “(ii) The State may waive the require-
17 ments in clause (i) with respect to one or
18 more proposed activities, where the State
19 determines that—

20 “(I) the activities are necessary
21 to meet the needs of homeless individ-
22 uals and families within the jurisdic-
23 tion; and

24 “(II) a continuum of care system
25 is not necessary, due to the nature

1 and extent of homelessness in the ju-
2 risdiction.

3 “(C) PREFERENCE.—In selecting State re-
4 cipients and making awards under subpara-
5 graph (B), the State shall give preference to ap-
6 plications that demonstrate higher relative lev-
7 els of homeless need and fiscal distress.

8 “(4) HUD ADMINISTRATION OF STATE PRO-
9 GRAM.—

10 “(A) IN GENERAL.—If a State elects to
11 have the Secretary administer its grant
12 amounts under section 407, as provided by
13 paragraph (1)(B), the Secretary may retain up
14 to 5 percent of such amounts to cover adminis-
15 trative expenses, and distribute the remaining
16 amounts in areas of the State outside allocation
17 units of general local government to—

18 “(i) units of general local government
19 (other than allocation units of general local
20 government);

21 “(ii) public agencies or private non-
22 profit organizations designated by such
23 units of general local government; or

24 “(iii) private nonprofit organizations.

1 “(B) DISTRIBUTION OF FUNDS.—The Sec-
2 retary shall distribute amounts under this para-
3 graph on a competitive basis, using selection
4 criteria which shall include—

5 “(i) the extent to which there is a
6 need for assistance for homeless individ-
7 uals and families in the jurisdiction;

8 “(ii) the extent to which the proposed
9 activities further the establishment and
10 maintenance of a continuum of care sys-
11 tem;

12 “(iii) the extent to which private non-
13 profit organizations providing assistance to
14 homeless individuals and facilities in the
15 jurisdiction have been, and will be, in-
16 cluded in planning for the receipt of assist-
17 ance under this title, and the execution of
18 the proposed activities;

19 “(iv) the capacity of the entity apply-
20 ing for a grant under this subsection to de-
21 velop and operate a project;

22 “(v) the need for the type of project
23 proposed by the entity applying for a grant
24 under this subsection in the area to be
25 served;

1 “(vi) the extent to which the amount
2 of assistance to be provided under this title
3 will be supplemented with resources from
4 other public and private sources;

5 “(vii) the extent to which the entity
6 applying for a grant under this subsection
7 has demonstrated coordination with Fed-
8 eral, State, local, private, and other enti-
9 ties serving homeless individuals in the
10 planning and operation of the project; and

11 “(viii) such other criteria as the Sec-
12 retary deems appropriate to further the
13 purposes of this paragraph and this title.

14 **“SEC. 409. CITIZEN PARTICIPATION.**

15 “(a) IN GENERAL.—Each recipient shall ensure that
16 citizens, appropriate private nonprofit organizations, and
17 other interested groups and entities participate fully in the
18 development and carrying out of the program authorized
19 under this title. The Secretary shall prescribe such re-
20 quirements to carry out this section as the Secretary
21 deems appropriate, which shall include requirements appli-
22 cable to the citizen participation provisions of subsection
23 (b), the local homeless assistance board referred to in sub-
24 section (c), and the requirements for homeless assistance
25 boards for States and State recipients under subsection

1 (d), and the timing of, and sequence for, carrying out the
2 requirements of those subsections.

3 “(b) SPECIFIC REQUIREMENTS FOR THE INVOLVE-
4 MENT OF CITIZENS AND OTHERS.—

5 “(1) ENTITIES THAT ARE GOVERNMENTAL JU-
6 RISDICTIONS.—Each recipient that is a govern-
7 mental jurisdiction shall comply with the citizen par-
8 ticipation requirements established by the Secretary
9 with respect to the consolidated plan.

10 “(2) ENTITIES THAT ARE NOT GOVERNMENTAL
11 JURISDICTIONS.—For applicants or grantees (as ap-
12 propriate) that are not governmental jurisdictions,
13 the Secretary shall prescribe citizen participation re-
14 quirements that are comparable (to the extent ap-
15 propriate) to those required by paragraph (1).

16 “(c) LOCAL HOMELESS ASSISTANCE BOARD FOR AL-
17 LOCATION UNITS OF GENERAL LOCAL GOVERNMENT AND
18 INSULAR AREAS.—

19 “(1) ESTABLISHMENT AND FUNCTION.—The
20 chief executive officer of each allocation unit of gen-
21 eral local government or insular area shall establish,
22 select, and support a local homeless assistance
23 board, which shall assist the jurisdiction—

24 “(A) by developing the continuum of care
25 system and other submission requirements, and

1 by submitting the system and such other sub-
2 mission requirements for its approval under sec-
3 tion 403(b);

4 “(B) in overseeing the activities carried
5 out with assistance under this title; and

6 “(C) in preparing the performance report
7 under section 410(b).

8 “(2) COMPOSITION OF BOARD.—The composi-
9 tion of each local homeless assistance board shall be
10 as follows—

11 “(A) MAJORITY OF BOARD.—Not less than
12 51 percent of the members of the local homeless
13 assistance board shall represent the following—

14 “(i) homeless individuals and families;

15 “(ii) homeless advocates that meet
16 such minimum standards of advocacy as
17 the Secretary shall prescribe; and

18 “(iii) individuals and entities provid-
19 ing assistance to homeless individuals and
20 families.

21 “(B) REMAINDER OF BOARD.—The re-
22 mainder of the local homeless assistance board
23 shall represent the following—

24 “(i) business and labor;

25 “(ii) neighborhood advocates; and

1 “(iii) government officials.

2 “(3) NOMINATION AND SELECTION OF BOARD
3 MEMBERS.—

4 “(A) NOMINATION OF BOARD MEMBERS.—

5 The membership of each local homeless assist-
6 ance board meeting the criteria in paragraph
7 (2)(A) shall have been nominated by individuals
8 and entities, other than a governmental juris-
9 diction, that represent these groups.

10 “(B) SELECTION OF BOARD MEMBERS.—

11 In selecting a local homeless assistance board,
12 the chief executive officer of the jurisdiction
13 shall, to the maximum extent practicable, select
14 members who will improve access to a broad
15 range of services for homeless individuals and
16 families and who are sensitive to the varying
17 needs of homeless individuals and families.
18 Each local homeless assistance board shall in-
19 clude members who, to the maximum extent
20 practicable and consistent with local needs, rep-
21 resent the different homeless subpopulations in
22 that community.

23 “(4) WAIVER BY SECRETARY.—The Secretary
24 may waive the requirements of paragraphs (2) and
25 (3), if the jurisdiction has an existing local homeless

1 assistance board that substantially meets the re-
2 quirements of such paragraphs.

3 “(5) REVIEW BY SECRETARY.—A member or
4 members of a local homeless assistance board, or
5 other members of the community, may request the
6 Secretary to review the process for constituting or
7 operating the local homeless assistance board to de-
8 termine whether the process is fair. If the Secretary
9 finds that the process is unfair and promptly sub-
10 mits a written justification to the board, the Sec-
11 retary may disapprove the application under section
12 403 for the jurisdiction.

13 “(6) CONFLICTS OF INTEREST.—The Secretary
14 shall prescribe standards governing potential con-
15 flicts of interest under which members of local home-
16 less assistance boards under this subsection may
17 participate in activities carried out under this title.

18 “(d) HOMELESS ASSISTANCE BOARDS FOR STATES
19 AND STATE RECIPIENTS.—

20 “(1) STATE HOMELESS ASSISTANCE BOARD.—

21 “(A) ESTABLISHMENT AND FUNCTION.—

22 The chief executive officer of the State shall es-
23 tablish, select, and support a State homeless as-
24 sistance board, which shall assist the State—

1 “(i) by developing the continuum of
2 care system and other submission require-
3 ments, and by submitting the system and
4 such other submission requirements for its
5 approval under section 403(b);

6 “(ii) in determining the percentage of
7 the grant that the State should use—

8 “(I) to carry out its own home-
9 less assistance program under section
10 408(c)(2)(A); or

11 “(II) to distribute amounts to
12 State recipients under section
13 408(c)(2)(B);

14 “(iii) in carrying out the State’s re-
15 sponsibilities where—

16 “(I) the Secretary designates the
17 State to administer grant amounts
18 under section 408(b)(3)(A); or

19 “(II) the State enters into an
20 agreement with a State recipient to
21 administer the State recipient’s
22 amounts under section
23 408(c)(3)(A)(i)(III);

1 “(iv) in overseeing the activities car-
2 ried out with assistance under this title;
3 and

4 “(v) in preparing the performance re-
5 port under section 410(b).

6 “(B) OTHER REQUIREMENTS.—State
7 homeless assistance boards shall be subject to
8 subsections (c)(2) through (6).

9 “(2) STATE RECIPIENTS.—State recipients shall
10 establish, select, and support a local homeless assist-
11 ance board comparable (to the extent appropriate) to
12 that described in subsection (c), or may use such
13 other community consultation process as the Sec-
14 retary shall prescribe.

15 “(e) LOCAL HOMELESS ASSISTANCE BOARD WHERE
16 SECRETARY IS DISTRIBUTING GRANT AMOUNTS.—

17 “(1) IN GENERAL.—If the Secretary designates
18 a State or a private nonprofit organization to admin-
19 ister grant amounts under section 408(b)(3)(A), dis-
20 tributes grant amounts to a private nonprofit orga-
21 nization (as provided by section 408(b)(3)(B)), or
22 distributes grant amounts instead of a State under
23 section 408(c)(4), the Secretary shall—

24 “(A) designate a State or unit of general
25 local government to establish, select, and sup-

1 port a local homeless assistance board meeting
2 the requirements of subsection (c); or

3 “(B) enter into a partnership with another
4 entity to establish, select, and support the local
5 homeless assistance board.

6 “(2) LAWS INAPPLICABLE.—Section 103 of the
7 Department of Housing and Urban Development
8 Reform Act of 1989 shall not apply with respect to
9 the actions of the Secretary referred to in paragraph
10 (1). The Secretary shall establish appropriate stand-
11 ards under this paragraph to ensure the integrity of
12 the process for awarding assistance.

13 “(f) AUTHORITY OF SECRETARY.—The Secretary
14 shall establish such procedures as the Secretary deems ap-
15 propriate for providing a fair hearing and timely resolu-
16 tion of citizen complaints related to applications or per-
17 formance reports under this title.

18 **“SEC. 410. PERFORMANCE REPORTS, REVIEWS, AUDITS,**
19 **AND GRANT ADJUSTMENTS.**

20 “(a) NATIONAL PERFORMANCE MEASURES AND
21 BENCHMARKS.—The Secretary shall establish national
22 performance measures and benchmarks to assist the Sec-
23 retary, grantees, citizens, and others in assessing the use
24 of funds made available under this title.

1 “(b) GRANTEE PERFORMANCE AND EVALUATION
2 REPORT.—Each grantee shall submit to the Secretary a
3 performance and evaluation report prepared by the local
4 homeless assistance board under section 409(c) or (e), or
5 the State homeless assistance board under section 409(d),
6 as appropriate, concerning the use of funds made available
7 under this title. The grantee may modify the report. If
8 the grantee has made changes to the report, the submis-
9 sion shall also include the comments of the local homeless
10 assistance board or State homeless assistance board on the
11 changes. The report shall be submitted at such time as
12 the Secretary shall prescribe and contain an assessment
13 of the performance of the grantee as measured against
14 any specific performance measures and benchmarks (de-
15 veloped under section 403), the national performance
16 measures and benchmarks (as established under sub-
17 section (a)), and such other information as the Secretary
18 shall prescribe. The grantee shall make the report avail-
19 able to citizens, public agencies, and other interested par-
20 ties in the jurisdiction of the grantee in sufficient time
21 to permit them to comment on the report before its sub-
22 mission.

23 “(c) PERFORMANCE REVIEWS, AUDITS, AND GRANT
24 ADJUSTMENTS.—

1 “(1) PERFORMANCE REVIEWS AND AUDITS.—

2 The Secretary shall, not less than annually, make
3 such reviews and audits as may be necessary or ap-
4 propriate to determine—

5 “(A) in the case of a grantee (other than
6 a grantee referred to in subparagraph (B)),
7 whether the grantee—

8 “(i) has carried out its activities in a
9 timely manner;

10 “(ii) has made progress toward imple-
11 menting the continuum of care system in
12 conformity with its application under this
13 title; and

14 “(iii) has carried out its activities and
15 certifications in accordance with the re-
16 quirements of this title and other applica-
17 ble laws; and

18 “(B) in the case of States distributing
19 grant amounts to State recipients, whether the
20 State—

21 “(i) has distributed amounts to State
22 recipients in a timely manner and in con-
23 formance with the method of distribution
24 described in its application;

1 “(ii) has carried out its activities and
2 certifications in compliance with the re-
3 quirements of this title and other applica-
4 ble laws; and

5 “(iii) has made such performance re-
6 views and audits of the State recipients as
7 may be necessary or appropriate to deter-
8 mine whether they have satisfied the appli-
9 cable performance criteria contained in
10 subparagraph (A).

11 “(2) GRANT ADJUSTMENTS.—Pursuant to sec-
12 tion 407(b)(4), the Secretary may make appropriate
13 adjustments in the amount of grants in accordance
14 with the Secretary’s findings under this subsection.
15 With respect to assistance made available for State
16 recipients, the Secretary may adjust, reduce, or
17 withdraw such assistance, or take other action as
18 appropriate in accordance with the Secretary’s per-
19 formance reviews and audits under this subsection,
20 except that amounts already properly expended on
21 eligible activities under this title shall not be recap-
22 tured or deducted from future assistance to such re-
23 cipients.

1 **“SEC. 411. NONDISCRIMINATION IN PROGRAMS AND AC-**
2 **TIVITIES.**

3 No person in the United States shall, on the ground
4 of race, color, national origin, religion, or sex, be excluded
5 from participation in, be denied the benefits of, or be sub-
6 jected to discrimination under any program or activity
7 funded in whole or in part with funds made available
8 under this title. Any prohibition against discrimination on
9 the basis of age under the Age Discrimination Act of 1975
10 or with respect to an otherwise qualified individual with
11 a disability, as provided in section 504 of the Rehabilita-
12 tion Act of 1973, shall also apply to any such program
13 or activity.

14 **“SEC. 412. ENVIRONMENTAL PROTECTION.**

15 “(a) PURPOSE.—The purpose of this section is to au-
16 thorize a procedure for the assumption of environmental
17 review responsibilities of the Secretary by States, units of
18 general local government, and insular areas in connection
19 with assistance provided under this title. This procedure
20 shall be designed to ensure—

21 “(1) that the policies of the National Environ-
22 mental Policy Act of 1969 and other provisions of
23 law which further the purposes of such Act (as spec-
24 ified by the Secretary) are most effectively imple-
25 mented in connection with the provision of such as-
26 sistance; and

1 “(2) undiminished protection of the environ-
2 ment to the public.

3 “(b) BASIC AUTHORITY.—The Secretary may, in lieu
4 of the environmental protection procedures otherwise ap-
5 plicable and in accordance with the provisions of this sec-
6 tion, provide for the release of funds for particular
7 projects or activities upon the request of a recipient of the
8 assistance—

9 “(1) if the recipient—

10 “(A) is a State, unit of general local gov-
11 ernment, or insular area; and

12 “(B) assumes all of the responsibilities for
13 environmental review, decisionmaking, and ac-
14 tion pursuant to the Act and the other provi-
15 sions of law referred to in subsection (a) that
16 would otherwise apply to the Secretary in con-
17 nection with the provision of assistance to such
18 projects or activities; or

19 “(2) in the case of other recipients, if the State,
20 unit of general local government, or insular area, as
21 designated by the Secretary, assumes all of the re-
22 sponsibilities in accordance with paragraph (1)(B).

23 “(c) PROCEDURE.—The Secretary shall approve the
24 release of funds for projects or activities subject to the

1 procedures authorized by this section only if the recipient
2 submits to the Secretary a request for such release—

3 “(1) not less than 15 days before such release,
4 except that this paragraph shall not apply in the
5 case of a project or activity proposed in an area cov-
6 ered by a declaration by the President of a major
7 disaster or emergency under the Robert T. Stafford
8 Disaster Relief and Emergency Assistance Act; and

9 “(2) before any commitment of funds or other
10 assistance for such projects (other than for environ-
11 mental studies and such other purposes as the Sec-
12 retary shall specify, consistent with the Act and the
13 other provisions of law referred to in subsection (a)).

14 The request for release shall be accompanied by a certifi-
15 cation by the State, unit of general local government, or
16 insular area which meets the requirements of subsection
17 (e). The Secretary’s approval of any such certification
18 shall be deemed to satisfy the Secretary’s responsibilities
19 under the Act and the other provisions of law referred to
20 in subsection (a), insofar as those responsibilities relate
21 to the provision of assistance for projects to be carried
22 out pursuant thereto which are covered by the certifi-
23 cation.

24 “(d) CERTIFICATION.—A certification under the pro-
25 cedures authorized by this section shall—

1 “(1) be in a form acceptable to the Secretary;

2 “(2) be executed by the chief executive officer
3 or other officer of the State, unit of general local
4 government, or insular area who qualifies as deter-
5 mined by the Secretary;

6 “(3) specify that the State, unit of general local
7 government, or insular area has fully carried out its
8 responsibilities, as described in subsection (b); and

9 “(4) specify that the certifying officer—

10 “(A) consents to assume the status of a re-
11 sponsible Federal official under the Act and the
12 other provisions of law referred to in subsection
13 (a), insofar as the provisions of the Act or the
14 other provisions of law apply pursuant to sub-
15 section (a); and

16 “(B) is authorized and consents on behalf
17 of the State, unit of general local government,
18 or insular area and himself or herself to accept
19 the jurisdiction of the Federal courts for the
20 purpose of enforcement of the responsibilities as
21 such an official.

22 “(e) APPROVAL BY STATES.—If a unit of general
23 local government carries out the responsibilities described
24 in subsection (d), the Secretary may permit the State (or,
25 where the assistance is provided through the State, the

1 Secretary may require the State) to perform those actions
2 of the Secretary described in subsection (c). The perform-
3 ance of such actions by the State, where permitted or re-
4 quired by the Secretary, shall be deemed to satisfy the
5 Secretary's responsibilities referred to in the last sentence
6 of subsection (c).

7 “(f) IMPLEMENTATION.—

8 “(1) The Secretary shall implement this section
9 after consultation with the Council on Environ-
10 mental Quality. The implementation shall include
11 provision—

12 “(A) for monitoring of the performance of
13 environmental reviews under this section;

14 “(B) in the discretion of the Secretary, for
15 the provision or facilitation of training for such
16 performance;

17 “(C) subject to the discretion of the Sec-
18 retary, for suspension or termination by the
19 Secretary of the assumption under paragraph
20 (1); and

21 “(D) in the discretion of the Secretary, for
22 the imposition of appropriate sanctions for fail-
23 ure to comply with responsibilities assumed
24 under this section, including the denial, with-
25 drawal, reduction, or abatement of assistance.

1 “(2) The Secretary’s duty under subparagraph
2 (A) shall not be construed to limit or reduce any re-
3 sponsibility assumed by a State, unit of general local
4 government, or insular area with respect to any par-
5 ticular project under this section.

6 **“SEC. 413. CONSULTATION.**

7 “In carrying out the provisions of this title, including
8 their implementation, the Secretary shall consult with
9 other Federal departments and agencies administering
10 programs affecting homeless individuals and families.

11 **“SEC. 414. RETENTION OF RECORDS, REPORTS, AND AU-**
12 **DITS.**

13 “(a) RETENTION OF RECORDS.—Each recipient shall
14 keep such records as may be reasonably necessary—

15 “(1) to disclose the amounts and the disposition
16 of the grant amounts, including the types of activi-
17 ties funded and the nature of populations served
18 with these funds; and

19 “(2) to ensure compliance with the require-
20 ments of this title.

21 “(b) ACCESS TO DOCUMENTS BY THE SECRETARY.—
22 The Secretary shall have access for the purpose of audit
23 and examination to any books, documents, papers, and
24 records of any recipient that are pertinent to grant
25 amounts received in connection with this title.

1 “(c) ACCESS TO DOCUMENTS BY THE COMPTROLLER
2 GENERAL.—The Comptroller General of the United
3 States, or any duly authorized representative of the Comp-
4 troller General, shall have access for the purpose of audit
5 and examination to any books, documents, papers, and
6 records of any recipient that are pertinent to grant
7 amounts received in connection with this title.”.

8 **SEC. 4. REPEAL AND SAVINGS PROVISIONS.**

9 (a) TITLE IV BEFORE AMENDMENT BY THIS ACT.—

10 (1) IN GENERAL.—The amendments made by
11 this Act to title IV of the Stewart B. McKinney
12 Homeless Assistance Act shall be effective upon en-
13 actment.

14 (2) AUTHORITY TO PROVIDE ASSISTANCE.—On
15 and after the effective date of this Act, the Secretary
16 may not make assistance available under title IV (as
17 it existed before such effective date), except pursu-
18 ant to a legally binding commitment entered into be-
19 fore that date.

20 (3) LAW GOVERNING.—Any amounts made
21 available under title IV before the effective date of
22 this Act shall continue to be governed by the provi-
23 sions of that title, as they existed immediately before
24 that date, except that each grantee may, in its dis-
25 cretion, provide for the use, in accordance with the

1 provisions of title IV (as amended by this Act), of
2 any such amounts that it has not obligated.

3 (4) STATUS OF FUNDS.—Any amounts appro-
4 priated under title IV before the effective date of
5 this Act that are available for obligation immediately
6 before such effective date, or that become available
7 for obligation on or after that date, shall be trans-
8 ferred and added to amounts appropriated for title
9 IV (as amended by this Act), and shall be available
10 for use in accordance with the provisions of such
11 title IV. Any amounts so transferred shall remain
12 available for obligation only for the time periods for
13 which such respective amounts were available before
14 such transfer.

15 (b) INNOVATIVE HOMELESS INITIATIVES DEM-
16 ONSTRATION.—

17 (1) IN GENERAL.—Section 2 of the HUD Dem-
18 onstration Act of 1993 is hereby repealed.

19 (2) AUTHORITY TO PROVIDE ASSISTANCE.—On
20 and after the effective date of this Act, the Secretary
21 may not make assistance available under section 2
22 (as it existed immediately before such effective date),
23 except pursuant to a legally binding commitment en-
24 tered into before that date.

1 (3) LAW GOVERNING.—Any amounts made
2 available under section 2 before the effective date of
3 this Act shall continue to be governed by the provi-
4 sions of that section, as they existed immediately be-
5 fore that date, except that each grantee may, in its
6 discretion, provide for the use, in accordance with
7 the provisions of title IV (as amended by this Act),
8 of any such amounts that it has not obligated.

9 (4) STATUS OF FUNDS.—Any amounts appro-
10 priated under section 2 before the effective date of
11 this Act that are available for obligation immediately
12 before such date, or that become available for obliga-
13 tion on or after that date, shall be transferred and
14 added to amounts appropriated for title IV (as
15 amended by this Act), and shall be available for use
16 in accordance with the provisions of such title IV.
17 Any amounts so transferred shall remain available
18 for obligation only for the time periods for which
19 such respective amounts were available before such
20 transfer.

21 **SEC. 5. IMPLEMENTATION.**

22 (a) INITIAL ALLOCATION OF ASSISTANCE.—Not later
23 than the expiration of the 60-day period following the date
24 of enactment of a law appropriating funds to carry out
25 title IV (as amended by this Act), the Secretary shall no-

1 tify each allocation unit of general local government, insu-
2 lar area, and State of its allocation under the Homeless
3 Assistance Performance Fund.

4 (b) ISSUANCE OF NECESSARY REGULATIONS.—Not-
5 withstanding 42 U.S.C. 3535(o) or 24 CFR part 10, the
6 Secretary shall issue such regulations as may be necessary
7 to implement any provision of title I of this Act, and any
8 amendment made by title I of this Act, in accordance with
9 section 552 or 553 of title 5, United States Code, as deter-
10 mined by the Secretary.

11 (c) USE OF EXISTING RULES.—In implementing any
12 provision of title I of this Act, the Secretary may, in the
13 Secretary's discretion, provide for the use of existing rules
14 to the extent appropriate, without the need for further
15 rulemaking.

16 **SEC. 6. REPORT AND ALLOCATION METHOD.**

17 (a) REPORT.—Within two years of enactment of this
18 Act, the Secretary shall submit a report to Congress. The
19 report shall include—

20 (1) an assessment of the progress of establish-
21 ing continuum of care systems for homeless individ-
22 uals under title IV of the Stewart B. McKinney
23 Homeless Assistance Act (as amended by this Act);

1 (2) any recommendations for amendments to
2 the program structure under such title IV to better
3 serve homeless individuals;

4 (3) an analysis of the best available methodolo-
5 gies for measuring the geographic distribution of
6 homelessness; and

7 (4) one or more options for a method for allo-
8 cating assistance under section 407(b) of such title
9 IV.

10 (b) ALLOCATION METHOD.—Not less than 90 days
11 after submission of the report to Congress, the Secretary
12 shall publish a proposed rule in the Federal Register set-
13 ting forth a method for allocating assistance that shall
14 take into account the findings in the report, and such
15 other factors as the Secretary determines to be relevant.
16 The final rule shall take effect not less than nine months
17 after the date that the proposed rule is published.

18 (c) SUPERSEDE ALLOCATION METHOD UNDER
19 TITLE IV.—The authority for the method for allocating
20 assistance established by final rule under subsection (b),
21 and any subsequent amendments to such rule, shall upon
22 promulgation, be the authority for the allocation method,
23 in lieu of the method set forth under section 407(b) of
24 such title IV.

1 **SEC. 7. CONFORMING CHANGES TO TABLE OF CONTENTS.**

2 Section 101(b) of the Stewart B. McKinney Homeless
 3 Assistance Act is amended by striking the matter relating
 4 to the heading for title IV and all that follows through
 5 the item relating to section 492 and inserting the follow-
 6 ing:

“TITLE IV—HOMELESS ASSISTANCE PERFORMANCE FUND

“Sec. 401. Definitions.

“Sec. 402. Authorizations.

“Sec. 403. Application.

“Sec. 404. Eligible Projects and Activities.

“Sec. 405. Matching Requirement and Maintenance of Effort.

“Sec. 406. Responsibilities of Recipients, Project Sponsors, and Owners.

“Sec. 407. Allocation and Distribution of Funds.

“Sec. 408. Administration of Program.

“Sec. 409. Citizen Participation.

“Sec. 410. Performance Reports, Reviews, Audits, and Grant Adjustments.

“Sec. 411. Nondiscrimination in Programs and Activities.

“Sec. 412. Environmental Protection.

“Sec. 413. Consultation.

“Sec. 414. Retention of Records, Reports, and Audits.”.

7 **TITLE II—MANAGEMENT IM-**
 8 **PROVEMENTS: HOME AND**
 9 **HOPE FOR HOMEOWNERSHIP**
 10 **OF SINGLE FAMILY HOMES**
 11 **PROGRAMS**

12 **SEC. 11. DETERMINATION OF LOW-INCOME ELIGIBILITY**
 13 **FOR HOME HOMEOWNERSHIP ASSISTANCE.**

14 (a) **INCOME TARGETING.**—Section 214(2) of the
 15 Cranston-Gonzalez National Affordable Housing Act is
 16 amended by striking “at the time of occupancy or at the
 17 time funds are invested, whichever is later”.

1 (b) QUALIFICATION AS AFFORDABLE HOUSING.—

2 Section 215(b)(2) of such Act is amended to read as fol-
3 lows:

4 “(2) is the principal residence of an owner
5 whose family qualifies as a low-income family—

6 “(A) in the case of a contract to purchase
7 existing housing, at the time of purchase;

8 “(B) in the case of a lease-purchase agree-
9 ment for existing housing or for housing to be
10 constructed, at the time the agreement is
11 signed; or

12 “(C) in the case of a contract to purchase
13 housing to be constructed, at the time the con-
14 tract is signed;”.

15 **SEC. 12. STABILIZATION OF HOME FUNDING THRESHOLDS**
16 **AND REVISION OF TIMING REQUIREMENTS**
17 **FOR NOTIFICATIONS AND SUBMISSIONS.**

18 (a) PARTICIPATION BY STATES AND LOCAL GOVERN-
19 MENTS.—Section 216 of the Cranston-Gonzalez National
20 Affordable Housing Act is amended—

21 (1) in paragraph (1), by striking “(or, during
22 the first year after enactment of this Act, not later
23 than 20 days after (A) funds to carry out this sub-
24 title are provided in an appropriations Act, or (B)

1 regulations to implement this subtitle are promul-
2 gated, whichever is later)”;

3 (2) by revising paragraph (3) to read as follows:

4 “(3) ELIGIBILITY.—A jurisdiction shall be eligi-
5 ble to become a participating jurisdiction if its for-
6 mula allocation under section 217 is \$500,000 or
7 more.”;

8 (3) in paragraph (4), by striking “not later
9 than 30 days after receiving notification under para-
10 graph (1)” and inserting “within a period specified
11 by the Secretary”;

12 (4) by revising paragraph (5) to read as follows:

13 “(5) SUBMISSION OF STRATEGY.—An eligible
14 jurisdiction shall submit to the Secretary, within a
15 period specified by the Secretary, a comprehensive
16 housing affordability strategy in accordance with
17 section 105.”;

18 (5) by revising the first sentence of paragraph
19 (9) to read as follows:

20 “The Secretary may revoke a jurisdiction’s designa-
21 tion as a participating jurisdiction if the Secretary
22 finds, after reasonable notice and opportunity for
23 hearing, that the jurisdiction is unwilling or unable
24 to carry out the provisions of this title.”; and

25 (6) by striking paragraph (10).

1 (b) FORMULA ALLOCATION.—Section 217(b) of the
 2 Cranston-Gonzalez National Affordable Housing Act is
 3 amended—

4 (1) in paragraph (3)—

5 (A) in the first sentence, by striking “only
 6 those jurisdictions that are allocated an amount
 7 of \$500,000 or greater shall receive an alloca-
 8 tion” and inserting in lieu thereof the following:
 9 “jurisdictions that are allocated an amount of
 10 \$500,000 or more, and participating jurisdic-
 11 tions that are allocated an amount less than
 12 \$500,000 except consortia that fail to renew the
 13 membership of all of their member jurisdictions,
 14 shall receive an allocation”; and

15 (B) in the second sentence, by striking “,
 16 except as provided in paragraph (4)”; and

17 (2) by striking paragraph (4).

18 **SEC. 13. DETERMINATION OF HOME MATCH ON PROGRAM**

19 **YEAR BASIS.**

20 Section 220(a), section 220(d)(1), sections
 21 220(d)(3)(A) and (B), and section 220(d)(5) of the Cran-
 22 ston-Gonzalez National Affordable Housing Act are
 23 amended by striking “fiscal year” each place it appears
 24 and inserting “program year”.

1 **SEC. 14. TENANT AND PARTICIPANT PROTECTIONS UNDER**
2 **THE HOME PROGRAM.**

3 The second sentence of section 225(b) of the Cran-
4 ston-Gonzalez National Affordable Housing Act is amend-
5 ed to read as follows: “Any termination or refusal to renew
6 shall be consistent with applicable State and local law.”.

7 **SEC. 15. ELIGIBILITY OF PRIVATE PROPERTY UNDER THE**
8 **HOPE FOR HOMEOWNERSHIP OF SINGLE**
9 **FAMILY HOMES PROGRAM.**

10 Section 446(4) of the Cranston-Gonzalez National
11 Affordable Housing Act is amended to read as follows:

12 “(4) The term ‘eligible property’ means a single
13 family property containing no more than four
14 units.”.

○