

Section 11405b, Pub. L. 100-77, title IV, § 478, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4032; amended Pub. L. 110-289, div. B, title VIII, § 2835(c)(2), July 30, 2008, 122 Stat. 2874, related to term of contract and amount of assistance.

Another prior section 11405b, Pub. L. 100-77, title IV, § 473, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4372, which listed provisions to be contained in contracts entered into by Secretary with public housing agencies under shelter plus care program, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11405c, Pub. L. 100-77, title IV, § 474, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4373, which related to term of occupancy agreements and issuance of vacancy payments under shelter plus care program, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11406, Pub. L. 100-77, title IV, § 481, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4032; amended Pub. L. 110-289, div. B, title VIII, § 2835(c)(1)(B), July 30, 2008, 122 Stat. 2874, authorized Secretary to use amounts made available under former section 11403h of this title to provide sponsor-based rental assistance.

Another prior section 11406, Pub. L. 100-77, title IV, § 481, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4373, which authorized use of appropriations in connection with provision of rental housing assistance under section 1701q of Title 12, Banks and Banking, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11406a, Pub. L. 100-77, title IV, § 482, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4032, related to provision of assistance pursuant to a contract between the recipient and a private nonprofit sponsor that owns or leases dwelling units.

Another prior section 11406a, Pub. L. 100-77, title IV, § 482, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4373, which related to amount of rental housing assistance to be provided under shelter plus care program in connection with section 1701q of Title 12, Banks and Banking, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11406b, Pub. L. 100-77, title IV, § 483, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4033, related to term of contract and amount of assistance.

Another prior section 11406b, Pub. L. 100-77, title IV, § 483, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4373, which required that certain housing standards be maintained and reasonable rent be charged prior to provision of rental housing assistance under shelter plus care program, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11406c, Pub. L. 100-77, title IV, § 484, as added Pub. L. 101-625, title VIII, § 837(a), Nov. 28, 1990, 104 Stat. 4373, which related to payment of administrative fees to nonprofit entities for costs of administering rental housing assistance under shelter plus care program, was repealed by Pub. L. 102-550, § 1406(d)(2).

Section 11407, Pub. L. 100-77, title IV, § 486, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4033; amended Pub. L. 110-289, div. B, title VIII, § 2835(c)(1)(B), July 30, 2008, 122 Stat. 2874, authorized Secretary to use amounts made available under former section 11403h of this title in connection with the moderate rehabilitation of single room occupancy housing.

Section 11407a, Pub. L. 100-77, title IV, § 487, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4033, related to fire and safety improvements.

Section 11407b, Pub. L. 100-77, title IV, § 488, as added Pub. L. 102-550, title XIV, § 1406(f), Oct. 28, 1992, 106 Stat. 4033; amended Pub. L. 110-289, div. B, title VIII, § 2835(c)(1)(B), July 30, 2008, 122 Stat. 2874, related to requirements for annual contribution contracts.

## PART D—RURAL HOUSING STABILITY ASSISTANCE PROGRAM

### Editorial Notes

#### CODIFICATION

Pub. L. 111-22, div. B, title IV, § 1401(1), title V, § 1502(c), May 20, 2009, 123 Stat. 1696, 1701, redesignated part G as D and substituted “Rural Housing Stability Assistance Program” for “Rural Homeless Housing Assistance” in heading.

#### PRIOR PROVISIONS

A prior part D, consisting of sections 11391 to 11399, which related to safe havens for homeless individuals demonstration program, was repealed by Pub. L. 111-22, div. B, title V, § 1501, May 20, 2009, 123 Stat. 1701, effective on the earlier of 18 months after May 20, 2009, or 3 months after publication of certain final regulations by Secretary of Housing and Urban Development, see section 1503 of Pub. L. 111-22, set out as an Effective Date of 2009 Amendment note under section 11302 of this title. See notes set out under former section 11389 of this title.

Prior parts E and F, consisting of sections 11401 to 11407b, which related to miscellaneous provisions and shelter plus care program, respectively, were repealed by Pub. L. 111-22, div. B, title V, § 1501, May 20, 2009, 123 Stat. 1701, effective on the earlier of 18 months after May 20, 2009, or 3 months after publication of certain final regulations by Secretary of Housing and Urban Development, see section 1503 of Pub. L. 111-22, set out as an Effective Date of 2009 Amendment note under section 11302 of this title. See notes set out under former section 11389 of this title.

### § 11408. Rural housing stability grant program

#### (a) Establishment

The Secretary of Housing and Urban Development shall establish and carry out a rural housing stability grant program. In carrying out the program, the Secretary may award grants to eligible organizations in lieu of grants under part C in order to pay for the Federal share of the cost of—

- (1) rehousing or improving the housing situations of individuals and families who are homeless or in the worst housing situations in the geographic area;
- (2) stabilizing the housing of individuals and families who are in imminent danger of losing housing; and
- (3) improving the ability of the lowest-income residents of the community to afford stable housing.

#### (b) Use of funds

##### (1) In general

An eligible organization may use a grant awarded under subsection (a) to provide, in rural areas—

- (A) rent, mortgage, or utility assistance after 2 months of nonpayment in order to prevent eviction, foreclosure, or loss of utility service;
- (B) security deposits, rent for the first month of residence at a new location, and relocation assistance;
- (C) short-term emergency lodging in motels or shelters, either directly or through vouchers;
- (D) construction of new housing units to provide transitional or permanent housing

to homeless individuals and families and individuals and families at risk of homelessness;

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

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

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

(H) payment of operating costs for housing units assisted under this subchapter;

(I) rehabilitation and repairs such as insulation, window repair, door repair, roof repair, and repairs that are necessary to make premises habitable;

(J) development of comprehensive and coordinated support services that use and supplement, as needed, community networks of services, including—

- (i) outreach services to reach eligible recipients;
- (ii) case management;
- (iii) housing counseling;
- (iv) budgeting;
- (v) job training and placement;
- (vi) primary health care;
- (vii) mental health services;
- (viii) substance abuse treatment;
- (ix) child care;
- (x) transportation;
- (xi) emergency food and clothing;
- (xii) family violence services;
- (xiii) education services;
- (xiv) moving services;
- (xv) entitlement assistance; and
- (xvi) referrals to veterans services and legal services; and

(K) costs associated with making use of Federal inventory property programs to house homeless families, including the program established under subchapter V of this chapter and the Single Family Property Disposition Program established pursuant to section 1710(g) of title 12.

**(2) Capacity building activities**

Not more than 20 percent of the funds transferred under subsection (l)(1) for a fiscal year may be used by eligible organizations for capacity building activities, including payment of operating costs and staff retention.

**(c) Award of grants**

**(1) Communities with populations of less than 10,000**

**(A) Set aside**

In awarding grants under subsection (a) for a fiscal year, the Secretary shall make

available not less than 50 percent of the funds transferred under subsection (l)(1) for the fiscal year for grants to eligible organizations serving communities that have populations of less than 10,000.

**(B) Priority within set aside**

In awarding grants in accordance with subparagraph (A), the Secretary shall give priority to eligible organizations serving communities with populations of less than 5,000.

**(2) Communities without significant Federal assistance**

In awarding grants under subsection (a), including grants awarded in accordance with paragraph (1), the Secretary shall give priority to eligible organizations serving communities not currently receiving significant Federal assistance under this chapter.

**(3) State limit**

In awarding grants under subsection (a) for a fiscal year, the Secretary shall not award to eligible organizations within a State an aggregate sum of more than 10 percent of the funds transferred under subsection (l)(1), for the fiscal year.

**(d) Application**

In order to be eligible to receive a grant under subsection (a), an organization shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require. The application shall include, at a minimum—

(1) a description of the target population and geographic area to be served;

(2) a description of the types of assistance to be provided;

(3) an assurance that the assistance to be provided is closely related to the identified needs of the target population;

(4) a description of the existing assistance available to the target population, including Federal, State, and local programs, and a description of the manner in which the organization will coordinate with and expand existing assistance or provide assistance not available in the immediate area;

(5) an agreement by the organization that the organization will collect data on the projects conducted by the organization, including assistance provided, number and characteristics of persons served, and causes of homelessness for persons served;

(6) a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization through employment, volunteer services, and otherwise, in providing, operating, and rehabilitating housing assisted under this section and in providing services assisted under this section and services for occupants of housing assisted under this section;

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

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

**(e) Eligible organizations**

Organizations eligible to receive a grant under subsection (a) shall include private nonprofit entities and county and local governments.

**(f) Matching funding****(1) In general**

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

**(2) Limitations on in-kind match**

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

**(3) Countable activities**

The contributions required under paragraph (1) may consist of—

- (A) funding for any eligible activity described under subsection (b); and
- (B) subject to paragraph (2), in-kind provision of services of any eligible activity described under subsection (b).

**(g) Selection criteria**

The Secretary shall establish criteria for selecting recipients of grants under subsection (a), including—

- (1) the participation of potential beneficiaries of the project in assessing the need for, and importance of, the project in the community;
- (2) the degree to which the project addresses the most harmful housing situations present in the community;
- (3) the degree of collaboration with others in the community to meet the goals described in subsection (a);
- (4) the performance of the organization in improving housing situations, taking account of the severity of barriers of individuals and families served by the organization;
- (5) for organizations that have previously received funding under this section, the extent of improvement in homelessness and the worst housing situations in the community since such funding began;
- (6) the need for such funds, as determined by the formula established under section 11386a(b)(2) of this title; and
- (7) any other relevant criteria as determined by the Secretary.

**(h) Evaluation****(1) In general**

Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall conduct an evaluation of the program to—

- (A) determine the effectiveness of the program in meeting the goals described in subsection (a) in the area served; and

- (B) determine the types of assistance needed to meet the goals described in subsection (a) in rural areas.

**(2) Report**

Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the Secretary shall submit to Congress the evaluation of the program conducted under paragraph (1), including recommendations for any Federal administrative or legislative changes that may be necessary to improve the ability of rural communities to meet the goals described in subsection (a).

**(i) Technical assistance**

The Secretary shall provide technical assistance to eligible organizations in developing programs in accordance with this section, and in gaining access to other Federal resources that may be used to assist homeless persons in rural areas. Such assistance may be provided through regional workshops, and may be provided directly or through grants to, or contracts with, nongovernmental entities.

**(j) Termination of assistance**

If an individual or family who receives assistance under this section violates requirements of the assistance program provided by the organization receiving a grant under this section, the organization may terminate assistance in accordance with a formal process established by the organization that recognizes the rights of individuals receiving such assistance to due process of law, which may include a hearing.

**(k) Definitions**

For purposes of this section:

**(1) Program**

The term “program” means the rural housing stability grant program established under this section.

**(2) Rural area; rural community**

The terms “rural area” and “rural community” mean—

- (A) any area or community, respectively, no part of which is within an area designated as a standard metropolitan statistical area by the Office of Management and Budget;

- (B) any area or community, respectively, that is—

- (i) within an area designated as a metropolitan statistical area or considered as part of a metropolitan statistical area; and

- (ii) located in a county where at least 75 percent of the population is rural; or

- (C) any area or community, respectively, located in a State that has population density of less than 30 persons per square mile (as reported in the most recent decennial census), and of which at least 1.25 percent of the total acreage of such State is under Federal jurisdiction, provided that no metropolitan city (as such term is defined in section 5302 of this title) in such State is the

sole beneficiary of the grant amounts awarded under this section.

**(3) Secretary**

The term “Secretary” means the Secretary of Housing and Urban Development.

**(l) Program funding**

**(1) In general**

The Secretary shall determine the total amount of funding attributable under section 11386a(b)(2) of this title to meet the needs of any geographic area in the Nation that applies for funding under this section. The Secretary shall transfer any amounts determined under this subsection from the Community Homeless Assistance Program and consolidate such transferred amounts for grants under this section, except that the Secretary shall transfer an amount not less than 5 percent of the amount available under part C for grants under this section. Any amounts so transferred and not used for grants under this section due to an insufficient number of applications shall be transferred to be used for grants under part C.

**(2) Availability**

Any amount paid to a grant recipient for a fiscal year that remains unobligated at the end of the year shall remain available to the recipient for the purposes for which the payment was made for the next fiscal year. The Secretary shall take such action as may be necessary to recover any amount not obligated by the recipient at the end of the second fiscal year, and shall redistribute the amount to another eligible organization.

**(m) Determination of funding source**

For any fiscal year, in addition to funds awarded under part B, funds under this subchapter to be used in a city or county shall only be awarded under either part C or part D.

(Pub. L. 100-77, title IV, §491, as added Pub. L. 102-550, title XIV, §1408, Oct. 28, 1992, 106 Stat. 4035; amended Pub. L. 104-330, title V, §506(a)(10), Oct. 26, 1996, 110 Stat. 4045; Pub. L. 111-22, div. B, title IV, §1401(2), May 20, 2009, 123 Stat. 1696.)

**Editorial Notes**

**REFERENCES IN TEXT**

This chapter, referred to in subsec. (c)(2), was in the original “this Act”, meaning Pub. L. 100-77, July 22, 1987, 101 Stat. 482, known as the McKinney-Vento Homeless Assistance Act, which is classified principally to this chapter. For complete classification of this Act to the Code, see Short Title note set out under section 11301 of this title and Tables.

Title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, referred to in subsec. (h), is title IV of div. B of Pub. L. 111-22, which amended this section.

**AMENDMENTS**

2009—Pub. L. 111-22, §1401(2)(A), substituted “Rural housing stability grant program” for “Rural homelessness grant program” in section catchline.

Subsec. (a). Pub. L. 111-22, §1401(2)(B)(i), (ii), substituted “rural housing stability grant program” for “rural homelessness grant program” and inserted “in lieu of grants under part C” after “eligible organizations” in introductory provisions.

Subsec. (a)(1) to (3). Pub. L. 111-22, §1401(2)(B)(iii), added pars. (1) to (3) and struck out former pars. (1) to (3) which read as follows:

“(1) assisting programs providing direct emergency assistance to homeless individuals and families;

“(2) providing homelessness prevention assistance to individuals and families at risk of becoming homeless; and

“(3) assisting individuals and families in obtaining access to permanent housing and supportive services.”

Subsec. (b)(1)(D) to (K). Pub. L. 111-22, §1401(2)(C), added subpars. (D) to (H), redesignated former subpars. (E) to (G) as (I) to (K), respectively, and struck out former subpar. (D) which read as follows: “transitional housing.”

Subsecs. (b)(2), (c)(1)(A), (3). Pub. L. 111-22, §1401(2)(D), (E), substituted “transferred” for “appropriated”.

Subsec. (d)(6). Pub. L. 111-22, §1401(2)(F)(ii)(I), substituted “a description of how individuals and families who are homeless or who have the lowest incomes in the community will be involved by the organization” for “an agreement by the organization that, to the maximum extent practicable, the organization will involve homeless individuals and families”.

Subsec. (d)(7), (8). Pub. L. 111-22, §1401(2)(F)(i), (ii)(II), (iii), added pars. (7) and (8).

Subsecs. (f), (g). Pub. L. 111-22, §1401(2)(G), added subsecs. (f) and (g) and struck out former subsecs. (f) and (g) which related to the Federal share of the costs of providing assistance and participation of homeless individuals, respectively.

Subsec. (h)(1). Pub. L. 111-22, §1401(2)(H)(i)–(iii), substituted “Not later than 18 months after funding is first made available pursuant to the amendments made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the” for “The” in introductory provisions, “meeting the goals described in subsection (a)” for “providing housing and other assistance to homeless persons” in subpar. (A), and “meet the goals described in subsection (a) in rural areas” for “address homelessness in rural areas” in subpar. (B).

Subsec. (h)(2). Pub. L. 111-22, §1401(2)(H)(iv), substituted “Not later than 24 months after funding is first made available pursuant to the amendment made by title IV of the Homeless Emergency Assistance and Rapid Transition to Housing Act of 2009, the” for “The”, struck out “, not later than 18 months after the date on which the Secretary first makes grants under the program,” after “Congress”, and substituted “meet the goals described in subsection (a)” for “prevent and respond to homelessness”.

Subsec. (k)(1). Pub. L. 111-22, §1401(2)(I)(i), substituted “rural housing stability grant program” for “rural homelessness grant program”.

Subsec. (k)(2)(B)(ii). Pub. L. 111-22, §1401(2)(I)(ii)(II), substituted “county where at least 75 percent of the population is rural; or” for “rural census tract.”

Subsec. (k)(2)(C). Pub. L. 111-22, §1401(2)(I)(ii)(I), (III), added subpar. (C).

Subsec. (l). Pub. L. 111-22, §1401(2)(J)(i), substituted “Program funding” for “Authorization of appropriations” in heading.

Subsec. (l)(1). Pub. L. 111-22, §1401(2)(J)(ii), added par. (1) and struck out former par. (1). Prior to amendment, text read as follows: “There are authorized to be appropriated to carry out this section \$30,000,000 for fiscal year 1993 and \$31,260,000 for fiscal year 1994.”

Subsec. (m). Pub. L. 111-22, §1401(2)(K), added subsec. (m).

1996—Subsec. (e). Pub. L. 104-330 struck out “, Indian tribes (as such term is defined in section 5302(a) of this title),” after “nonprofit entities”.

**Statutory Notes and Related Subsidiaries**

**EFFECTIVE DATE OF 2009 AMENDMENT**

Amendment by Pub. L. 111-22 effective on the earlier of 18 months after May 20, 2009, or 3 months after publi-

cation of certain final regulations by Secretary of Housing and Urban Development, see section 1503 of Pub. L. 111-22, set out as a note under section 11302 of this title.

**EFFECTIVE DATE OF 1996 AMENDMENT**

Amendment by Pub. L. 104-330 effective Oct. 1, 1997, except as otherwise expressly provided, see section 107 of Pub. L. 104-330, set out as an Effective Date note under section 4101 of Title 25, Indians.

Amendment by Pub. L. 104-330 applicable with respect to amounts made available for assistance under this subchapter for fiscal year 1998 and fiscal years thereafter, see section 506(c) of Pub. L. 104-330, set out as a note under section 11371 of this title.

**DEFINITION**

For provisions relating to definition of “local government” as used in this section, see section 100261 of Pub. L. 112-141, set out as a HEARTH Act Technical Corrections note under section 11360 of this title.

**§ 11408a. Use of FMHA inventory for transitional housing for homeless persons and for turnkey housing**

**(a) In general**

The Secretary of Agriculture (in this section referred to as the “Secretary”) shall, on a priority basis, lease or sell program and nonprogram inventory properties held by the Secretary under title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.]—

- (1) to provide transitional housing; and
- (2) to provide turnkey housing for tenants of such transitional housing and for eligible families.

**(b) Priority**

The priority uses of inventory property under this section shall not have a higher priority than—

- (1) the disposition of such property by sale to eligible families; or
- (2) the disposition of such property by transfer for use as rental housing by eligible families.

**(c) Transitional housing**

**(1) Leases authorized**

The Secretary shall lease inventory properties to public agencies and nonprofit organizations to provide transitional housing for homeless families and individuals and to provide such agencies the option to provide turnkey housing opportunities for homeless persons and other inadequately housed families.

**(2) Rental to eligible families**

A public agency or nonprofit organization may rent housing leased to it under paragraph (1) to a family for up to 10 years and may, during that period, assist the tenant in obtaining a loan and credit assistance under title V of the Housing Act of 1949 [42 U.S.C. 1471 et seq.] to purchase the housing from the Secretary.

**(d) Lease procedures**

**(1) Identification of property**

Upon receipt by the Secretary of written notification from a public agency or nonprofit organization that it proposes to lease a property for the purpose of providing transitional housing or for the purpose of providing transi-

tional housing and turnkey housing opportunities, the Secretary shall—

(A) withdraw the property from the market for not more than 30 days for the purpose of negotiations under subparagraph (B);

(B) negotiate a lease agreement with the organization or agency; and

(C) if a lease is agreed to, commence the repairs necessary to make the property meet standards for decent, safe, and sanitary housing.

**(2) Lease terms**

A lease of inventory property under this section shall—

(A) be for a period of not more than 10 years;

(B) provide for the payment of \$1 for the 10-year lease; and

(C) provide the nonprofit organization or public agency—

- (i) the right to use the property for transitional housing; and

- (ii) the option to arrange for the sale of the property to an eligible purchaser.

**(e) Purchase procedures**

**(1) Identification of property**

Upon receipt by the Secretary of written notification from a public agency or nonprofit organization that it proposes to purchase a property for the purpose of providing transitional housing or for the purpose of providing transitional housing and turnkey housing opportunities, the Secretary shall—

(A) withdraw the property from the market for not more than 30 days for the purpose of negotiations under subparagraph (B);

(B) negotiate a purchase agreement with the organization or agency; and

(C) if a purchase agreement is agreed to, commence the repairs necessary to make the property meet standards for decent, safe, and sanitary housing.

**(2) Purchase terms**

A purchase of inventory property under this section shall provide for a purchase price equal to not more than the fair market value of the property minus 10 percent.

**(f) Employment of homeless individuals**

A public agency or nonprofit organization may lease or purchase property under this section only if the agency or organization, to the maximum extent practicable, involves homeless individuals and families, through employment, volunteer services, or otherwise, in maintaining, operating, and renovating any properties leased or acquired under this section and in providing any services for occupants of properties assisted under this section.

**(g) Participation of homeless individuals**

**(1) In general**

The Secretary shall, by regulation, require each public agency and nonprofit organization leasing or purchasing property under this section to provide for the participation of not less than 1 homeless individual or former homeless individual on the board of directors or other equivalent policy making entity of such agen-