

104TH CONGRESS
2D SESSION

H. R. 3964

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

IN THE HOUSE OF REPRESENTATIVES

AUGUST 2, 1996

Mr. LAZIO of New York introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

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

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

3 **SECTION 1. SHORT TITLE.**

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

1 **SEC. 2. FINDINGS AND PURPOSES.**

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

3 (1) the United States faces a crisis of individ-
4 uals and families who lack basic affordable housing
5 and appropriate shelter;

6 (2) assistance from the Federal Government is
7 an important factor in the success of efforts by
8 State and local governments and the private sector
9 to address the problem of homelessness in a com-
10 prehensive manner;

11 (3) there are a multitude of Federal Govern-
12 ment programs to assist the homeless, including pro-
13 grams for elderly persons, persons with disabilities,
14 Native Americans, and veterans;

15 (4) many of the Federal programs for the
16 homeless have overlapping objectives, resulting in
17 multiple sources of Federal funding for the same or
18 similar purposes;

19 (5) while the results of Federal programs to as-
20 sist the homeless generally have been positive, it is
21 clear that there is a need for consolidation and sim-
22 plification of such programs to better support local
23 efforts;

24 (6) effective homelessness treatment should pro-
25 vide a range of housing options (including transi-
26 tional and permanent housing) and, while not all

1 homeless individuals and families attain self-suffi-
2 ciency and independence by utilizing transitional
3 housing and then permanent housing, in many cases
4 such individuals and families are best able to reenter
5 society directly through permanent supportive hous-
6 ing;

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

11 (8) homelessness should be treated as part of a
12 symptom of many neighborhood and community
13 problems, whose remedies require a holistic approach
14 integrating all available resources;

15 (9) there are many private sector entities, par-
16 ticularly nonprofit organizations, that have success-
17 fully operated homeless programs;

18 (10) government restrictions and regulations
19 may discourage and impede innovative approaches to
20 homelessness, such as coordination of the various
21 types of assistance that are required by homeless
22 persons; and

23 (11) the Federal Government has a responsibil-
24 ity to establish partnerships with State and local

1 governments and the private sector to address com-
2 prehensively the problems of homelessness.

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

4 (1) to consolidate the existing housing pro-
5 grams for homeless persons under title IV of the
6 Stewart B. McKinney Homeless Assistance Act into
7 a single block grant program for housing assistance
8 for the homeless;

9 (2) to allow flexibility and creativity in rethink-
10 ing solutions to homelessness, including alternative
11 housing strategies and a competitive and much im-
12 proved service sector; and

13 (3) to provide Federal assistance to reduce
14 homelessness on a basis that requires recipients of
15 such assistance to supplement the federally provided
16 amounts and thereby guarantee the provision of a
17 certain level of housing and complimentary services
18 necessary to meet the needs of the homeless popu-
19 lation.

20 **SEC. 3. GENERAL PROVISIONS.**

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

23 (1) by striking section 102;

24 (2) in section 103—

1 (A) in subsection (a), by striking “the
2 term ‘homeless’ or ‘homeless individual or
3 homeless person’ includes” and inserting “the
4 terms ‘homeless’, ‘homeless individual’ and
5 ‘homeless person’ include”; and

6 (B) in subsection (c), by striking “the term
7 ‘homeless’ or ‘homeless individual’ does not in-
8 clude” and inserting “the terms ‘homeless’,
9 ‘homeless individual’ and ‘homeless person’ do
10 not include”; and

11 (3) by redesignating sections 103, 104, and 105
12 as sections 102, 103, and 104, respectively.

13 **SEC. 4. RENTAL ASSISTANCE AND FLEXIBLE HOMELESS AS-**
14 **SISTANCE PROGRAM.**

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

18 **“TITLE IV—BLOCK GRANTS FOR**
19 **RENTAL ASSISTANCE AND**
20 **FLEXIBLE HOMELESS ASSIST-**
21 **ANCE GRANTS**

22 **“Subtitle A—General Provisions**

23 **“SEC. 401. PURPOSE.**

24 “The purpose of the program under this title is to
25 provide assistance for rental housing for homeless persons

1 and promote the development of various housing assist-
2 ance activities for homeless persons to enable homeless
3 persons to live as independently as possible, including as-
4 sistance in the form of supportive housing, emergency
5 shelters, supportive services, and activities to prevent
6 homelessness.

7 **“SEC. 402. GRANT AUTHORITY.**

8 “(a) IN GENERAL.—The Secretary may make grants
9 as provided under this title to eligible grantees for States,
10 metropolitan cities, urban counties, and the insular areas
11 for carrying out eligible activities under subtitles B and
12 C.

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

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

20 “(2) RENTAL ASSISTANCE.—Any amounts allo-
21 cated under section 406(b) for a State shall be used
22 for a grant to the State for such fiscal year.

23 “(3) FLEXIBLE HOMELESS ASSISTANCE.—Any
24 amounts allocated under section 406(c) for a State
25 or for a metropolitan city or urban county shall be

1 used for a grant to the eligible grantee for the State,
2 or for the metropolitan city or urban county, respec-
3 tively, for the fiscal year.

4 “(c) USE FOR ELIGIBLE ACTIVITIES.—Grant
5 amounts provided under this title and any supplemental
6 funds provided under section 407 may be used only as fol-
7 lows:

8 “(1) INSULAR AREA GRANTS.—In the case of a
9 grant under subsection (b)(1) for an insular area,
10 for eligible activities under subtitle C benefiting the
11 insular area.

12 “(2) STATE RENTAL ASSISTANCE GRANTS.—In
13 the case of a grant under subsection (b)(2) to a
14 State, for eligible activities under subtitle B within
15 the State.

16 “(3) FLEXIBLE HOMELESS ASSISTANCE
17 GRANTS.—In the case of a grant under subsection
18 (b)(3) for a State, or for a metropolitan city or
19 urban county, for eligible activities under subtitle C
20 benefiting the State, or the city or county, and car-
21 ried out only within nonentitlement areas of the
22 State or within the city or county, as applicable.

23 **“SEC. 403. ELIGIBLE GRANTEEES.**

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

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

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

6 “(B) to the extent that an entity that is a
7 private nonprofit organization is authorized by
8 the government of the insular area to act as the
9 grantee for the area for purposes of this title,
10 such private nonprofit entity.

11 “(2) GRANTS TO STATES FOR RENTAL ASSIST-
12 ANCE.—In the case of a grant from amounts allo-
13 cated under section 406(b) for a State, such term
14 means the State or an agency, office, or other entity
15 of the State.

16 “(3) GRANTS FOR FLEXIBLE HOMELESS AS-
17 SISTANCE.—In the case of a grant from amounts al-
18 located under section 406(c) for a State, or for a
19 metropolitan city or urban county, such term
20 means—

21 “(A) the State, or the metropolitan city or
22 urban county, respectively, or an agency, office,
23 or other entity of the State, or the city or coun-
24 ty; or

1 “(B) to the extent that a private nonprofit
2 organization is authorized by the government of
3 the State, or the city or county, to act as the
4 grantee for the State, or the city or county, for
5 purposes of this title, such private nonprofit or-
6 ganization.

7 **“SEC. 404. USE OF GRANT AMOUNTS BY PROJECT SPON-**
8 **SORS.**

9 “(a) **TRANSFER OF GRANT AMOUNTS BY GRANT-**
10 **EES.**—Eligible activities assisted with grant amounts pro-
11 vided under this title may be carried out directly by the
12 grantee or by other entities serving as project sponsors,
13 which are provided such grant amounts by the grantee or
14 a subgrantee of the grantee.

15 “(b) **COMPETITIVE SELECTION CRITERIA.**—To the
16 extent that a grantee does not use grant amounts for eligi-
17 ble activities carried out directly by the grantee, the grant-
18 ee shall select eligible activities for assistance and project
19 sponsors to carry out such eligible activities pursuant to
20 a competition based on criteria established by the Sec-
21 retary, which shall include—

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

24 “(2) the ability of the project sponsor to carry
25 out the eligible activity;

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

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

7 “(5) the cost-effectiveness of the proposed eligi-
8 ble activity;

9 “(6) the extent to the which the project sponsor
10 carrying out the eligible activity will coordinate with
11 other Federal, State, local, private and other entities
12 serving homeless persons in the planning and oper-
13 ation of the activity, to the extent practicable, and
14 pursuant to section 408(j)(3) will carry out the ac-
15 tivity in coordination and conjunction with federally
16 funded activities for the homeless; and

17 “(7) such other factors as the Secretary deter-
18 mines to be appropriate to carry out this title in an
19 effective and efficient manner.

20 **“SEC. 405. COMPREHENSIVE HOUSING AFFORDABILITY**
21 **STRATEGY COMPLIANCE.**

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

24 “(1) the applicable jurisdiction for which the
25 grant amounts are allocated under section 406 has

1 submitted to the Secretary a comprehensive housing
2 affordability strategy under section 105 of the Cran-
3 ston-Gonzalez National Affordable Housing Act that
4 has been approved by the Secretary and is in effect
5 for the fiscal year for which such grant amounts are
6 to be provided; and

7 “(2) the public official of such applicable jurisdic-
8 tion who is responsible for submitting the com-
9 prehensive housing affordability strategy certifies to
10 the Secretary that the eligible activities to be as-
11 sisted with such grant amounts are or will be con-
12 sistent with the comprehensive housing affordability
13 strategy for the jurisdiction and the plans in such
14 strategy for addressing housing needs for homeless
15 families.

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

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

22 “(b) ALLOCATION FOR RENTAL ASSISTANCE ACTIVI-
23 TIES.—

24 “(1) ANNUAL PORTION OF APPROPRIATED
25 AMOUNT AVAILABLE.—Of the amount made avail-

1 able for grants under this title for a fiscal year that
2 remains after amounts are reserved under subsection
3 (a), the Secretary shall allocate 70 percent for
4 States for use under subtitle B.

5 “(2) DETERMINATION OF ALLOCATED
6 AMOUNT.—Except as provided in subsection (e), the
7 Secretary shall allocate amounts available for use
8 under subtitle B for a fiscal year so that, for each
9 State, the percentage of the total amount so avail-
10 able that is allocated for a State is equal to the per-
11 centage of the total amount available for section 106
12 of the Housing and Community Development Act of
13 1974 for the prior fiscal year that was allocated for
14 such State and for metropolitan cities and urban
15 counties located in such State.

16 “(c) ALLOCATION FOR FLEXIBLE HOMELESS AS-
17 SISTANCE GRANTS.—

18 “(1) ANNUAL PORTION OF APPROPRIATED
19 AMOUNT AVAILABLE.—Of the amount made avail-
20 able for grants under this title for a fiscal year that
21 remains after amounts are reserved under subsection
22 (a), the Secretary shall allocate 30 percent for use
23 under subtitle C. Of such amount allocated for use
24 under subtitle C for a fiscal year, 70 percent shall

1 be allocated for metropolitan cities and urban coun-
2 ties and 30 percent shall be allocated for States.

3 “(2) DETERMINATION OF ALLOCATED
4 AMOUNT.—Except as provided in subsection (e), the
5 Secretary shall allocate amounts available for use
6 under subtitle C for a fiscal year so that—

7 “(A) for each metropolitan city and urban
8 county, the percentage of the total amount allo-
9 cated under this subsection for cities and coun-
10 ties that is allocated for such city or county is
11 equal to the percentage of the total amount
12 available for the preceding fiscal year under
13 section 106(b) of the Housing and Community
14 Development Act of 1974 for grants to metro-
15 politan cities and urban counties that was allo-
16 cated for such city or county; and

17 “(B) for each State, the percentage of the
18 total amount allocated under this subsection for
19 States that is allocated for such State is equal
20 to the percentage of the total amount available
21 for the preceding fiscal year under section
22 106(d) of the Housing and Community Devel-
23 opment Act of 1974 for grants to States that
24 was allocated for such State.

1 “(d) REALLOCATION OF AMOUNTS.—Except as pro-
2 vided in subsection (e), the Secretary shall reallocate
3 amounts allocated under subsection (a), (b), or (c) as fol-
4 lows:

5 “(1) UNUSED AMOUNTS.—Not less than once
6 during each fiscal year, the Secretary shall reallocate
7 any amounts allocated under this section that—

8 “(A) are allocated for a State, metropoli-
9 tan city or urban county, or insular area, but
10 not provided to an eligible grantee for the juris-
11 diction because of failure to apply for a grant
12 under this title or failure to comply with the re-
13 quirements of this title;

14 “(B) were provided to a grantee and (i) re-
15 captured under this title, or (ii) not utilized by
16 the grantee in accordance with the purposes
17 and objectives of the approved application of
18 the grantee within a reasonable time period,
19 which the Secretary shall establish; or

20 “(C) are returned to the Secretary by the
21 time of such reallocation.

22 Any amounts allocated under subsection (b) that be-
23 come available for reallocation under this subsection
24 shall be reallocated only among other States for as-
25 sistance for use under subtitle B. Any amounts allo-

1 cated under subsection (c) that become available for
2 reallocation under this subsection shall be reallo-
3 cated only for assistance for use under subtitle C.

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

23 “(e) MINIMUM ALLOCATION REQUIREMENT.—If, by
24 December 1 of any fiscal year, the amount appropriated

1 for grants under this title for such fiscal year is less than
2 \$750,000,000—

3 “(1) the Secretary shall not allocate amounts
4 for such fiscal year under subsections (b) and (c);

5 “(2) subsection (d) shall not apply to amounts
6 for such fiscal year; and

7 “(3) notwithstanding any other provision of this
8 title, the Secretary shall make grants under this title
9 from such amounts to States, units of general local
10 government, and private nonprofit organizations,
11 pursuant to a national competition based on the cri-
12 teria specified in section 425.

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

14 “(a) SUPPLEMENTATION BY GRANTEE.—

15 “(1) IN GENERAL.—Each State, metropolitan
16 city or urban county, and insular area for which a
17 grant under this title is made shall—

18 “(A) supplement the amount of the grant
19 provided under this title with an amount of
20 funds from sources other than this title, as pro-
21 vided under paragraph (2); and

22 “(B) certify to the Secretary its compli-
23 ance with this section, which shall include only
24 a description of the sources and amounts of
25 such supplemental funds and, if applicable, the

1 compliance of the grantee with the require-
2 ments under section 421(b).

3 “(2) AMOUNT.—

4 “(A) IN GENERAL.—Except as provided in
5 subparagraph (B), the amount provided under
6 this paragraph shall be an amount that is not
7 less than 50 percent of the amount of the grant
8 under this title.

9 “(B) RENTAL ASSISTANCE.—In the case of
10 a grant to a State under paragraph (2) or (3)
11 of section 402(b)(2), the amount provided
12 under this paragraph shall be—

13 “(i) if the grant exceeds \$100,000,
14 the amount that is not less than the dif-
15 ference between the amount received under
16 the grant and \$100,000; and

17 “(ii) if the grant does not exceed
18 \$100,000, \$0.

19 “(b) AUTHORITY FOR GRANTEES TO REQUIRE
20 SUPPLEMENTATION.—Each grantee under this title may
21 require any subgrantee or project sponsor to whom it pro-
22 vides such grant amounts to supplement the amount of
23 such grant amounts provided with an amount of funds
24 from sources other than this title, except that the grantee
25 may not require supplementation in an amount exceeding

1 25 percent of the amount of grant amounts provided to
2 the subgrantee or project sponsor. Supplemental amounts
3 provided by a subgrantee or project sponsor pursuant to
4 this subsection shall not be considered supplemental
5 amounts for purposes of any grantee complying with the
6 requirement under subsection (a).

7 “(c) USE.—Any supplemental funds made available
8 in compliance with this section shall be available only to
9 carry out eligible activities (1) under the subtitle B, if the
10 grant amounts are available only for such activities, or (2)
11 under subtitle C, if the grant amounts are available only
12 for such activities.

13 “(d) SUPPLEMENTAL FUNDS.—In determining the
14 amount of supplemental funds provided in accordance with
15 this section, the following amounts may be included:

16 “(1) The value of any donated material or
17 building.

18 “(2) The value of any lease on a building.

19 “(3) The proceeds from bond financing validly
20 issued by a State or unit of general local govern-
21 ment, agency, or instrumentality thereof, and repay-
22 able with revenues derived from the activity assisted
23 under this title, except that not more than 25 per-
24 cent of the supplemental amounts required under
25 this section may result from this paragraph.

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

4 “(5) The cost or value of any donated good or
5 services (including supportive services provided, but
6 not including the value of any time or services con-
7 tributed by volunteers).

8 **“SEC. 408. PROGRAM REQUIREMENTS.**

9 “(a) APPLICATIONS.—

10 “(1) FORM AND PROCEDURE.—The Secretary
11 may make a grant under this title only pursuant to
12 an application for a grant submitted by an eligible
13 grantee in the form and in accordance with the pro-
14 cedures established by the Secretary. The Secretary
15 may not give preference or priority to any applica-
16 tion on the basis that the application was submitted
17 by any particular type of eligible grantee.

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

21 “(A) GRANTS FOR RENTAL ASSISTANCE.—

22 In the case of an application for a grant avail-
23 able for use for activities under subtitle B—

1 “(i) a description of the rental assist-
2 ance activities under subtitle B to be as-
3 sisted; and

4 “(ii) a description of the entities that
5 will carry out such activities and the pro-
6 grams for carrying out such activities.

7 “(B) GRANTS FOR FLEXIBLE HOMELESS
8 ASSISTANCE.—In the case of an application for
9 a grant available for use for activities under
10 subtitle C—

11 “(i) a description of the eligible activi-
12 ties to be assisted, to the extent available
13 at the time;

14 “(ii) in the case of a grant for a facil-
15 ity assisted under paragraph (1) or (2) of
16 section 421(a), assurances satisfactory to
17 the Secretary that the facility will be com-
18 ply with the requirement under section
19 423(e)(1);

20 “(iii) in the case of a grant for a sup-
21 portive housing facility assisted under this
22 title that does not receive assistance under
23 either such paragraph, annual assurances
24 during the period specified in the applica-
25 tion that the facility will be operated for

1 the purpose specified in the application for
2 such period; and

3 “(iv) in the case of a grant for a sup-
4 portive housing facility, reasonable assur-
5 ances that the project sponsor will own or
6 have control of a site for not later than the
7 expiration of the 12-month period begin-
8 ning upon notification of an award of
9 grant assistance, unless the application
10 proposes providing supportive housing as-
11 sisted under section 421(a)(3) or housing
12 that will eventually be owned or controlled
13 by the families and individuals served; ex-
14 cept that a project sponsor may obtain
15 ownership or control of a suitable site dif-
16 ferent from the site specified in the appli-
17 cation.

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

20 “(i) a description of the size and char-
21 acteristics of the population that will be
22 served by the eligible activities assisted
23 with grant amounts;

24 “(ii) a description of the public and
25 private resources that are expected to be

1 made available in connection with grant
2 amounts provided;

3 “(iii) a description of the process to
4 be used in compliance with section 404(b)
5 to select eligible activities to be assisted
6 and project sponsors; and

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

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

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

20 “(2) to conduct an ongoing assessment of the
21 supportive services required by homeless persons as-
22 sisted by the eligible activities and the availability of
23 such services to such persons;

24 “(3) in the case of grant amounts to be used
25 under subtitle C for a supportive housing facility or

1 an emergency shelter, to ensure the provision of
2 such residential supervision as the Secretary deter-
3 mines is necessary to facilitate the adequate provi-
4 sion of supportive services to the residents and users
5 of the facility or shelter;

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

9 “(5) to develop and implement procedures to
10 ensure (A) the confidentiality of records pertaining
11 to any individual provided family violence prevention
12 or treatment services through any activities assisted
13 with grant amounts, and (B) that the address or lo-
14 cation of any family violence shelter facility assisted
15 with grant amounts will not be made public, except
16 with written authorization of the person or persons
17 responsible for the operation of such facility;

18 “(6) to the maximum extent practicable, to in-
19 volve homeless persons and families, through em-
20 ployment, volunteer services, or otherwise, in carry-
21 ing out eligible activities assisted with grant
22 amounts; and

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

1 “(c) OCCUPANCY CHARGE.—Each homeless person or
2 family residing in a dwelling unit assisted under subtitle
3 B or C or in a transitional housing facility assisted under
4 subtitle C may be required to pay an occupancy charge
5 in an amount determined by the grantee providing the as-
6 sistance, which may not exceed an amount equal to 30
7 percent of the adjusted income (as such term is defined
8 in section 3(b) of the United States Housing Act of 1937
9 or any other subsequent provision of Federal law defining
10 such term for purposes of eligibility for, or rental charges
11 in, public housing) of the person or family. Occupancy
12 charges paid may be reserved, in whole or in part, to assist
13 residents in moving to permanent supportive housing.

14 “(d) FLOOD PROTECTION STANDARDS.—Flood pro-
15 tection standards applicable to housing acquired, rehabili-
16 tated, constructed, or assisted with grant amounts pro-
17 vided under this title shall be no more restrictive than the
18 standards applicable under Executive Order No. 11988
19 (42 U.S.C. 4321 note; relating to floodplain management)
20 to the other programs in effect under this title imme-
21 diately before the enactment of the Homeless Housing
22 Programs Consolidation and Flexibility Act.

23 “(e) PARTICIPATION OF HOMELESS INDIVIDUALS.—
24 The Secretary shall, by regulation, require each grantee
25 to ensure that each project sponsor assisted by the grantee

1 provides for the participation of not less than 1 homeless
2 person or former homeless person on the board of direc-
3 tors or other equivalent policymaking entity of the project
4 sponsor, to the extent that such sponsor considers and
5 makes policies and decisions regarding any activity or fa-
6 cility, supportive services, or assistance provided with
7 grant amounts under this title. The Secretary shall pro-
8 vide that a grantee may grant waivers to project sponsors
9 unable to meet the requirement under the preceding sen-
10 tence if the sponsor agrees to otherwise consult with home-
11 less or formerly homeless person in considering and mak-
12 ing such policies and decisions.

13 “(f) LIMITATION ON USE OF FUNDS.—No grant
14 amounts received under this title (or any funds provided
15 under section 407 or otherwise to supplement such grants)
16 may be used to replace other State or local funds pre-
17 viously used, or designated for use, to assist homeless per-
18 sons.

19 “(g) LIMITATION ON ADMINISTRATIVE EXPENSES.—
20 Notwithstanding any other provision of this title, of any
21 grant amounts under this title used to carry out eligible
22 activities, the grantee or the project sponsor may use an
23 amount not exceeding 5 percent for administrative pur-
24 poses.

25 “(h) HOUSING QUALITY.—

1 “(1) REQUIREMENT.—Assistance may not be
2 provided with grant amounts made available for use
3 under this title for any dwelling unit, supportive
4 housing facility, or emergency shelter that fails to
5 comply with the housing quality standards applicable
6 under paragraph (2) in the jurisdiction in which the
7 housing is located, unless the deficiency is promptly
8 corrected and the project sponsor verifies the correc-
9 tion.

10 “(2) APPLICABLE STANDARDS.—The housing
11 quality standards applicable under this subsection to
12 a dwelling unit, supportive housing facility, or emer-
13 gency shelter shall be—

14 “(A) in the case of a unit, facility, or shel-
15 ter located in a jurisdiction which has in effect
16 laws, regulations, standards, or codes regarding
17 habitability of such units, facilities, or shelters
18 that provide protection to residents of the dwell-
19 ings that is equal to or greater than the protec-
20 tion provided under the housing quality stand-
21 ards established under paragraph (3), such ap-
22 plicable laws, regulations, standards, or codes;
23 or

24 “(B) in the case of a unit, facility, or shel-
25 ter located in a jurisdiction which does not have

1 in effect laws, regulations, standards, or codes
2 described in subparagraph (A), the housing
3 quality standards established under paragraph
4 (3).

5 “(3) FEDERAL HOUSING QUALITY STAND-
6 ARDS.—The Secretary shall establish housing quality
7 standards under this paragraph that ensure that
8 dwelling units, supportive housing facilities, and
9 emergency shelters assisted under this title are safe,
10 clean, and healthy. Such standards shall include re-
11 quirements relating to habitability, including mainte-
12 nance, health and sanitation factors, condition, and
13 construction of dwellings. The Secretary shall dif-
14 ferentiate between major and minor violations of
15 such standards and may establish separate stand-
16 ards for dwelling units, supportive housing facilities,
17 and emergency shelters.

18 “(i) TERMINATION OF ASSISTANCE.—If a person or
19 family (not including residents of an emergency shelter)
20 who receives assistance under this title under a program
21 assisted with grant amounts under this title violates pro-
22 gram requirements, the project sponsor may terminate as-
23 sistance in accordance with a formal process established
24 by such sponsor that recognizes the rights of individuals

1 receiving such assistance to due process of law, which may
2 include a hearing.

3 “(j) COORDINATION WITH HOMELESS PROGRAMS.—

4 “(1) PURPOSE.—The purpose of the consulta-
5 tion and coordination required under this subsection
6 is to provide various services, activities, and assist-
7 ance for homeless persons and families in an effi-
8 cient, effective, and targeted manner designed to
9 meet the comprehensive needs of the homeless.

10 “(2) COORDINATION BY FEDERAL AGENCIES.—

11 The Secretary of Housing and Urban Development,
12 the Secretary of Health and Human Services, the
13 Secretary of Labor, the Secretary of Education, the
14 Secretary of Veterans Affairs, and the Secretary of
15 Agriculture shall consult and coordinate, and may
16 establish any requirements necessary, to ensure that
17 assistance for federally funded activities for the
18 homeless provided by such Secretary is made avail-
19 able, to the greatest extent practicable, in conjunc-
20 tion and coordination with assistance for other
21 federally funded activities for the homeless and with
22 assistance under this title.

23 “(3) REQUIREMENTS FOR HOUSING ASSIST-
24 ANCE.—The Secretary shall establish such require-
25 ments as the Secretary considers necessary to ensure

1 that grant amounts provided under this title are
2 used by grantees and project sponsors, to the great-
3 est extent practicable, in coordination and in con-
4 junction with federally funded activities for the
5 homeless.

6 “(4) DEFINITION.—For purposes of this sub-
7 section, the term ‘federally funded activities for the
8 homeless’ means activities to assist homeless persons
9 or homeless families that are funded (in whole or in
10 part) with amounts provided by the Federal Govern-
11 ment (other than amounts provided under this title)
12 and includes—

13 “(A) the programs for health care under
14 sections 340 and part C of title V of the Public
15 Health Service Act;

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

19 “(C) food assistance for homeless persons
20 and families through the food programs under
21 the Food Stamp Act of 1977 and the Emer-
22 gency Food Assistance Act of 1983;

23 “(D) the job training, housing, and medi-
24 cal programs for homeless veterans of the De-
25 partment of Veterans Affairs;

1 “(E) the job corps centers for homeless
2 families program under section 433A of the Job
3 Training Partnership Act

4 “(F) the program for preventive services
5 for children of homeless families or families at
6 risk of homelessness under title III of the Child
7 Abuse Prevention and Treatment Act;

8 “(G) the programs under the Runaway
9 and Homeless Youth Act; and

10 “(H) assistance for homeless persons and
11 families under the aid to families with depend-
12 ent children and supplemental security income
13 programs under part A of title IV and title
14 XVI, respectively, of the Social Security Act).

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

17 “(A) IN GENERAL.—If, for any fiscal year,
18 the Secretary of Housing and Urban Develop-
19 ment determines that adequate coordination has
20 not taken place to ensure that assistance for
21 federally funded activities for the homeless is
22 made available in conjunction and coordination
23 with assistance under this title (as required
24 under paragraph (2)), and the Interagency
25 Council on the Homeless concurs in the deter-

1 mination, the Secretary shall carry out a pro-
2 gram under subparagraph (B) to make compan-
3 ion services block grants available for such fis-
4 cal year.

5 “(B) COMPANION SERVICE BLOCK
6 GRANTS.—The block grant program under this
7 subparagraph shall provide block grants, using
8 amounts available pursuant to subparagraph
9 (C), to eligible grantees under this title to pro-
10 vide services of the type available under the
11 programs referred to in paragraph (4) in con-
12 nection with housing assistance under this title.
13 The Secretary shall consult with the Inter-
14 agency Council on the Homeless in establishing
15 and carrying out the block grant program
16 under this paragraph.

17 “(C) FUNDING.—

18 “(i) IN GENERAL.—Notwithstanding
19 any other provision of law, in any fiscal
20 year in which block grants are to be pro-
21 vided in accordance with subparagraph
22 (A), there shall be available for such block
23 grants, from the amount made available
24 for such fiscal year for each activity re-
25 ferred to in paragraph (4), 10 percent of

1 the portion of such amount that is attrib-
2 utable to assistance for the homeless, as
3 determined by the Secretary and the Inter-
4 agency Council for the Homeless.

5 “(ii) LIMITATION.—Notwithstanding
6 clause (i), the aggregate amount available
7 for companion services block grants under
8 this paragraph for a fiscal year shall not
9 exceed the total amount made available
10 pursuant to section 435 for housing assist-
11 ance under this title. If, for any fiscal year,
12 the amount determined under clause (i) ex-
13 ceeds such amount, the Secretary shall re-
14 duce the percentage under clause (i) for
15 such year so that the aggregate amount
16 made available for companion services
17 block grants under this paragraph from
18 the amounts for each activity referred to in
19 paragraph (4) is equal to the total amount
20 made available pursuant to section 435 for
21 housing assistance under this title.

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

23 “(a) REQUIREMENT.—To the extent practicable, each
24 project sponsor administering rental assistance provided
25 with amounts under this title or a supportive housing fa-

1 cility or emergency shelter assisted with such amounts
2 shall provide supportive services for residents of the dwell-
3 ing units or facility or shelter assisted. The array of sup-
4 portive services provided may be designed by the grantee
5 or the project sponsor administering the assistance, facil-
6 ity, or shelter. A project sponsor administering a support-
7 ive housing facility shall provide supportive services for
8 other homeless persons using the facility.

9 “(b) REQUIREMENTS.—Supportive services provided
10 with grant amounts under this title shall address the spe-
11 cial needs of homeless persons (such as homeless persons
12 with disabilities, homeless persons with acquired
13 immunodeficiency syndrome and related diseases, home-
14 less persons who have chronic problems with alcohol or
15 drugs (or both), and homeless families with children) in-
16 tended to be served.

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

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

21 “(2) establishing and operating an employment
22 assistance program;

23 “(3) providing outpatient health services, food,
24 and case management;

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

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

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

14 “(7) providing other appropriate services.

15 “(d) PROVISION OF SERVICES.—Supportive services
16 provided with grant amounts under this title may be pro-
17 vided directly by the grantee, by the project sponsor ad-
18 ministering the rental assistance or the facility or shelter,
19 or by contract with other public or private service provid-
20 ers. Such services provided in connection with a supportive
21 housing facility may be provided to homeless persons who
22 do not reside in the supportive housing, but only to the
23 extent consistent with the comprehensive housing afford-
24 ability strategy under section 105 of the Cranston-Gon-

1 zalez National Affordable Housing Act for the applicable
2 jurisdiction.

3 “(e) COORDINATION WITH SECRETARY OF HEALTH
4 AND HUMAN SERVICES.—

5 “(1) APPROVAL.—The Secretary shall require
6 each grantee to certify to the Secretary that, if any
7 grant amounts under this title of the grantee are to
8 be available for any eligible activity that includes the
9 provision of outpatient health services, the grantee
10 shall ensure that the Secretary of Health and
11 Human Services is consulted with respect to the pro-
12 posed services before such use. If, within 45 days of
13 such consultation, the Secretary of Health and
14 Human Services determines that the proposal for de-
15 livery of the outpatient health services does not meet
16 guidelines established under paragraph (2) for deter-
17 mining the appropriateness of such proposed serv-
18 ices, the grantee may not provide grant amounts for
19 the portion of the activity involving outpatient health
20 services unless and until the Secretary of Health and
21 Human Services determines that such services meet
22 such guidelines.

23 “(2) GUIDELINES.—The Secretary of Housing
24 and Urban Development and the Secretary of
25 Health and Human Services shall jointly establish

1 guidelines for determining the appropriateness of
2 proposed outpatient health services under this sec-
3 tion. Such guidelines shall include any provisions
4 necessary to enable grantees to promptly make de-
5 terminations necessary to fund eligible activities.

6 **“Subtitle B—Rental Assistance**
7 **Activities**

8 **“SEC. 411. USE OF AMOUNTS AND GENERAL REQUIRE-**
9 **MENTS.**

10 **“(a) USE OF AMOUNTS FOR RENTAL ASSISTANCE.—**

11 **“(1) AUTHORIZED USE.—**A State that receives
12 a grant under section 402(b)(3) from amounts allo-
13 cated for use under this subtitle may use grant
14 amounts (and any supplemental amounts provided
15 under section 407) only to carry out rental assist-
16 ance activities under sections 412, 413, and 414
17 within the State and for supportive services required
18 under section 409 in connection with such rental as-
19 sistance.

20 **“(2) FLEXIBILITY OF RENTAL ASSISTANCE.—**

21 Subject to the requirement in subsection (b), a State
22 may use such grant amounts for activities under sec-
23 tions 412, 413, and 414 in such amounts as the
24 State considers appropriate.

1 “(3) REQUIRED USE FOR HOUSING ACTIVI-
2 TIES.—Of the aggregate of any grant amounts pro-
3 vided to a State for a fiscal year for use under this
4 subtitle and the supplemental amounts provided for
5 such fiscal year by the State in accordance with sec-
6 tion 407, the State shall ensure that an amount that
7 is not less than such grant amount (less any amount
8 used pursuant to subsection (c)) is used only for
9 rental assistance payments.

10 “(b) USE THROUGH NONPROFIT ORGANIZATIONS.—
11 A State that receives grant amounts for a fiscal year for
12 use under this subtitle may, pursuant to section 404, pro-
13 vide such amounts to units of general local government
14 and private nonprofit organizations for use in accordance
15 with this subtitle, except that the State shall ensure that
16 more than 50 percent of the amounts received by the State
17 for the fiscal year are used for providing rental assistance
18 through private nonprofit organizations.

19 “(c) ADMINISTRATIVE FEE.—To the extent provided
20 in section 408(g), grant amounts provided for rental as-
21 sistance under this subtitle may be used by the project
22 sponsor providing such assistance for costs of administer-
23 ing such assistance.

24 “(d) TARGETING POPULATIONS WITH SPECIAL
25 NEEDS.—To the maximum extent practicable, a State

1 grantee shall provide for use of grant amounts made avail-
2 able for rental assistance under this subtitle in a manner
3 that provides dwelling units for homeless persons who are
4 persons with disabilities (including persons with physical
5 and mental disabilities), homeless persons who have ac-
6 quired immunodeficiency syndrome or related diseases,
7 and homeless persons who have chronic problems with al-
8 cohol or drugs (or both).

9 **“SEC. 412. TENANT-BASED RENTAL ASSISTANCE ACTIVI-**
10 **TIES.**

11 “(a) IN GENERAL.—A State grantee may use grant
12 amounts allocated for use under this subtitle to provide
13 tenant-based rental assistance for homeless persons.

14 “(b) CHOICE OF DWELLING UNIT.—Rental assist-
15 ance under this section may be provided only on behalf
16 of homeless persons who have selected the dwelling unit
17 that such person will occupy; except that where necessary
18 to ensure the feasibility of providing supportive services,
19 the project sponsor administering the rental assistance
20 program may require the homeless person assisted to live
21 in a particular structure for not more than the first 2
22 years of assistance to such person or within a particular
23 geographic area for the full period of assistance to such
24 person.

1 **“SEC. 413. PROJECT-BASED RENTAL ASSISTANCE.**

2 “(a) IN GENERAL.—A State grantee may use grant
3 amounts allocated for use under this subtitle to provide
4 project-based rental assistance for homeless persons.

5 “(b) ATTACHMENT OF ASSISTANCE TO STRUC-
6 TURE.—Rental assistance under this section may be pro-
7 vided only pursuant to a contract between the project
8 sponsor providing the assistance and an owner of an exist-
9 ing residential structure, which provides for rental assist-
10 ance payments to be made to the owner and for dwelling
11 units in the structure that are assisted to be occupied only
12 by homeless persons during the term of the contract.

13 **“SEC. 414. SPONSOR-BASED RENTAL ASSISTANCE.**

14 “(a) IN GENERAL.—A State grantee may use grant
15 amounts allocated for use under this subtitle to provide
16 sponsor-based rental assistance for homeless persons.

17 “(b) PROVISION OF HOUSING BY SPONSOR.—Rental
18 assistance under this section may be provided only pursu-
19 ant to a contract between the project sponsor providing
20 the assistance and a private nonprofit organization that
21 owns or leases dwelling units (which may be single-site or
22 scattered-site units). The contract shall provide for rental
23 assistance payments to be made to the nonprofit sponsor
24 and for such dwelling units to be occupied only by home-
25 less persons during the term of the contract.

1 **“Subtitle C—Flexible Assistance for**
2 **Supportive Housing and Other**
3 **Activities**

4 **“SEC. 421. ELIGIBLE ACTIVITIES.**

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

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

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

24 “(3) LEASING OF SUPPORTIVE HOUSING.—For
25 leasing of an existing structure or structures, or por-

1 tions thereof, to provide supportive housing or sup-
2 portive services during the period covered by the ap-
3 plication.

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

13 “(5) HOMELESSNESS PREVENTION.—For activi-
14 ties designed to help persons and families avoid be-
15 coming homeless, which shall include assistance for
16 making mortgage payments, rental payments, and
17 utility payments and any activities other than those
18 found by the Secretary to be inconsistent with the
19 purposes of this Act; except that assistance under
20 this paragraph may be provided only to very low-in-
21 come persons and families who have received eviction
22 (or mortgage delinquency or foreclosure) notices or
23 notices of termination of utility services and who—

24 “(A) are unable to make the required pay-
25 ments due to a sudden reduction in income;

1 “(B) need such assistance to avoid the
2 eviction or termination of services; and

3 “(C) have a reasonable prospect of being
4 able to resume payments within a reasonable
5 period of time.

6 “(6) RENTAL ASSISTANCE.—For providing ten-
7 ant-based, project-based, or sponsor-based rental as-
8 sistance for homeless families in the same manner as
9 authorized under subtitle B for State grantees and
10 subject to the same limitations applicable under such
11 subtitle to State grantees.

12 “(7) EMERGENCY SHELTER.—For—

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

16 “(B) covering costs of supportive services
17 in connection with an emergency shelter, if such
18 services do not supplant any services provided
19 by the local government during any part of the
20 12-month period ending on the date of the com-
21 mencement of the operation of the emergency
22 shelter; and

23 “(C) covering costs relating to mainte-
24 nance, operation, insurance, utilities, and fur-
25 nishings for emergency shelters.

1 “(8) SUPPORTIVE SERVICES.—For covering
2 costs of supportive services provided to homeless
3 persons in connection with a supportive housing fa-
4 cility or otherwise.

5 “(9) TECHNICAL ASSISTANCE.—For technical
6 assistance in carrying out the purposes of this title,
7 except that the Secretary may provide such technical
8 assistance directly to any grantee.

9 “(b) USE FOR HOUSING ACTIVITIES.—Of the aggre-
10 gate of any grant amounts provided to a grantee for a
11 fiscal year for use under this subtitle and the supplemental
12 amounts provided for such fiscal year by the grantee in
13 accordance with section 407, the grantee shall ensure that
14 an amount that is not less than such grant amounts (less
15 any amount used pursuant to section 408(g)) is used for
16 eligible activities described in paragraphs (1) through (6)
17 of subsection (a).

18 “(c) USE FOR EMERGENCY SHELTERS.—Of the ag-
19 gregate of any grant amounts provided to a grantee for
20 a fiscal year for use under this subtitle, the grantee shall
21 ensure that not more than 5 percent may be used to carry
22 out eligible activities under subsection (a)(7). The Sec-
23 retary may waive applicability of the limitation under the
24 preceding sentence for a grantee for a limited period of
25 time in cases of emergency, disaster, or other temporary

1 extraordinary circumstances (as the Secretary may pro-
2 vide).

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

5 “In each fiscal year, each grantee of amounts for use
6 under this subtitle shall ensure that more than 50 percent
7 of the amounts received by the grantee for such fiscal year
8 is used for carrying out eligible activities under section
9 421 through project sponsors that are private nonprofit
10 organizations.

11 **“SEC. 423. SUPPORTIVE HOUSING.**

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

14 “(1) the housing complies with the requirement
15 under section 409(a) regarding providing supportive
16 services for homeless persons;

17 “(2) the housing complies with any applicable
18 State and local housing codes and licensing require-
19 ments in the jurisdiction in which the housing is lo-
20 cated; and

21 “(3) the housing—

22 “(A) is transitional housing; or

23 “(B) is permanent supportive housing.

24 “(b) TRANSITIONAL HOUSING.—For purposes of this
25 section, the term ‘transitional housing’ means housing, the

1 purpose of which is to facilitate the movement of homeless
2 persons and families to permanent housing within 24
3 months or such longer period as the Secretary determines
4 necessary. Assistance may be denied for housing based on
5 a violation of this subsection only if a substantial number
6 of homeless persons or families have remained in the hous-
7 ing longer than such period.

8 “(c) PERMANENT SUPPORTIVE HOUSING.—For pur-
9 poses of this section, the term ‘permanent supportive
10 housing’ means community-based housing for homeless
11 persons that—

12 “(1) provides long-term housing and supportive
13 services for such persons; and

14 “(2) complies with any applicable State or local
15 requirements regarding the number of occupants in
16 such a facility.

17 The term includes permanent supportive housing that
18 serves only homeless persons with disabilities.

19 “(d) SINGLE ROOM OCCUPANCY DWELLINGS.—A fa-
20 cility may provide supportive housing or supportive serv-
21 ices in dwelling units that do not contain bathrooms or
22 kitchen facilities and are appropriate for use as supportive
23 housing or in facilities containing some or all such dwell-
24 ing units.

25 “(e) USE RESTRICTIONS.—

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

3 “(A) IN GENERAL.—Except as provided in
4 subparagraph (B), each supportive housing fa-
5 cility assisted under paragraph (1) or (2) of
6 section 421(a) shall be operated as supportive
7 housing for the purpose specified in the applica-
8 tion for assistance with amounts under this title
9 for not less than 20 years after such facility is
10 initially placed in service pursuant to such as-
11 sistance.

12 “(B) EXCEPTION.—If, within such 20-year
13 period, the need for maintaining the facility as
14 supportive housing ceases to exist (as deter-
15 mined by the Secretary pursuant to a rec-
16 ommendation by the chief executive officer of
17 the appropriate unit of general local govern-
18 ment or project sponsor, taking into consider-
19 ation the comprehensive housing affordability
20 strategy of the jurisdiction), or the project
21 sponsor is unable to operate the facility as sup-
22 portive housing, the facility may be used as af-
23 fordable housing (in accordance with section
24 215 of the Cranston-Gonzalez National Afford-
25 able Housing Act).

1 “(2) OTHER ASSISTANCE.—Each supportive
2 housing facility assisted under paragraph (3), (4),
3 (7), (8), or (9) of section 421(a) shall be operated
4 for the purposes specified in the application for as-
5 sistance with amounts under this title for the dura-
6 tion of the period covered by the grant.

7 “(3) CONVERSION.—Notwithstanding para-
8 graphs (1) and (2), if the Secretary determines that
9 a supportive housing facility is no longer needed for
10 use as supportive housing and approves the use of
11 the facility for the direct benefit of low-income per-
12 sons pursuant to a request for such use by the
13 project sponsor, the Secretary may authorize the
14 sponsor to convert the facility to such use.

15 “(f) REPAYMENT OF ASSISTANCE AND PREVENTION
16 OF UNDUE BENEFITS.—

17 “(1) REPAYMENT.—If a facility assisted under
18 paragraph (1) or (2) of section 421(a) violates the
19 requirement under subsection (e)(1)(A) of this sec-
20 tion during the 10-year period beginning upon place-
21 ment of the facility in service pursuant to such as-
22 sistance, the Secretary shall require the grantee to
23 repay to the Secretary 100 percent of any grant
24 amounts received for such facility under such para-
25 graph. If such a facility violates such requirement

1 after such 10-year period, the Secretary shall require
2 the grantee to repay the percentage of any grants
3 amounts received for such facility that is equal to
4 100 percent minus 10 percentage points for each
5 year in excess of 10 that the facility is operated as
6 supportive housing.

7 “(2) PREVENTION OF UNDUE BENEFITS.—EX-
8 cept as provided in paragraph (3), upon any sale or
9 other disposition of a facility assisted under para-
10 graph (1) or (2) of section 421(a) occurring before
11 the expiration of the 20-year period beginning on the
12 date that the facility is placed in service, the project
13 sponsor shall comply with such terms and conditions
14 as the Secretary may prescribe to prevent the spon-
15 sor from unduly benefiting from such sale or disposi-
16 tion.

17 “(3) EXCEPTION.—Paragraphs (1) and (2)
18 shall not apply to any sale or disposition of a facility
19 that results in the use of the facility for the direct
20 benefit of very low-income persons or if all of the
21 proceeds are used to provide supportive housing
22 meeting the requirements of this subtitle.

23 “(4) FAILURE TO OBTAIN SITE.—If a grantee
24 of assistance made available for use under this sub-
25 title obligates assistance for a supportive housing fa-

1 cility other than a facility under section 421(a)(3) or
2 housing that will eventually be owned or controlled
3 by the families and individuals served, and the
4 project sponsor fails to obtain ownership or control
5 of a suitable site for a proposed supportive housing
6 during the 12-month period beginning upon the noti-
7 fication of an award of grant assistance, the grantee
8 shall recapture the assistance and make such assist-
9 ance available under this subtitle.

10 **“SEC. 424. EMERGENCY SHELTER.**

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

17 “(b) REQUIREMENTS.—Grant amounts under this
18 subtitle may be used for eligible activities under section
19 421(a)(7) relating to emergency shelter only if—

20 “(1) the Secretary determines that—

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

1 “(B) the use of such amounts for such ac-
2 activities will not violate the prohibition under
3 section 408(f); and

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

5 “(A) in the case of assistance involving
6 major rehabilitation or conversion of a building,
7 maintain the building as a shelter for homeless
8 persons and families for not less than a 10-year
9 period unless, within such 10-year period, the
10 need for maintaining the building as a full-time
11 shelter ceases to exist and the building is used
12 for the remainder of such period to carry out
13 other eligible activities under this subtitle;

14 “(B) in the case of assistance involving re-
15 habilitation (other than major rehabilitation or
16 conversion of a building), maintain the building
17 as a shelter for homeless persons and families
18 for not less than a 3-year period;

19 “(C) in the case of assistance involving
20 only activities described in subparagraphs (B)
21 and (C) of section 421(a)(7), provide services or
22 shelter to homeless persons and families at the
23 original site or structure or other sites or struc-
24 tures serving the same general population for

1 the period during which such assistance is pro-
2 vided;

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

5 “(E) assist homeless persons in obtain-
6 ing—

7 “(i) appropriate supportive services,
8 including permanent housing, medical and
9 mental health treatment (including infor-
10 mation and counseling regarding the bene-
11 fits and availability of child immunization),
12 counseling, supervision, and other services
13 essential for achieving independent living;
14 and

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

18 **“Subtitle D—Reporting,**
19 **Definitions, and Funding**

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

21 “(a) REQUIREMENT.—For each fiscal year, each
22 grantee under this title shall review and report, in a form
23 acceptable to the Secretary, on the progress it has made
24 during such fiscal year in carrying out the activities de-
25 scribed in the application resulting in such grant and the

1 relationship of such activities to the comprehensive hous-
2 ing affordability strategy under section 105 of the Cran-
3 ston-Gonzalez National Affordable Housing Act for the
4 applicable jurisdiction.

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

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

9 “(2) describe the number of homeless persons
10 and families provided shelter, housing, or assistance
11 using such grant amounts;

12 “(3) assess the relationship of such use to the
13 goals identified pursuant to section 105(b)(2) of the
14 Cranston-Gonzalez National Affordable Housing Act
15 in the comprehensive housing affordability strategy
16 for the applicable jurisdiction;

17 “(4) indicate the grantee’s programmatic ac-
18 complishments; and

19 “(5) describe how the grantee would change its
20 programs as a result of its experiences.

21 “(c) SUBMISSION.—The Secretary shall establish
22 dates for submission of reports under this section, and re-
23 view such reports and make such recommendations as the
24 Secretary considers appropriate to carry out the purposes
25 of this title.

1 “(d) PUBLIC AVAILABILITY.—

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

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

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

22 “The Secretary shall include in the annual report
23 under section 8 of the Department of Housing and Urban
24 Development Act information summarizing the activities
25 carried out under this title and setting forth the findings,

1 conclusions, and recommendations of the Secretary as a
2 result of the activities. Such information shall be made
3 publicly available through a computer, telephone, or infor-
4 mation service, network, or system described in section
5 431(d).

6 **“SEC. 433. DEFINITIONS.**

7 “For purposes of this title, the following definitions
8 shall apply:

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

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

14 “(3) **FACILITY.**—The term ‘facility’ means a
15 structure or structures (or a portion of such struc-
16 ture or structures) that is assisted through eligible
17 activities under subtitle C with grant amounts under
18 this title (or for which the Secretary provides tech-
19 nical assistance under section 421(a)(9)).

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

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

1 “(6) METROPOLITAN CITY, URBAN COUNTY,
2 AND UNIT OF GENERAL LOCAL GOVERNMENT.—The
3 terms ‘metropolitan city’, ‘urban county’, and ‘unit
4 of general local government’ have the meanings
5 given the terms in section 102 of the Housing and
6 Community Development Act of 1974.

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

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

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

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

19 “(C) the conducting of the assessment
20 under section 408(b)(2)(A).

21 “(9) OUTPATIENT HEALTH SERVICES.—The
22 term ‘outpatient health services’ means outpatient
23 health care, outpatient mental health services, out-
24 patient substance abuse services, and case manage-
25 ment.

1 “(10) 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, pursuant to
6 regulations issued by the Secretary, a physical,
7 mental, or emotional impairment which (i) is
8 expected to be of long-continued and indefinite
9 duration, (ii) substantially impedes an individ-
10 ual’s ability to live independently, and (iii) of
11 such a nature that such ability could be im-
12 proved by more suitable housing conditions; or

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

16 Such term shall not exclude persons who have the
17 disease of acquired immunodeficiency syndrome or
18 any conditions arising from the etiologic agency for
19 acquired immunodeficiency syndrome.

20 “(11) PRIVATE NONPROFIT ORGANIZATION.—

21 The term ‘private nonprofit organization’ means any
22 private organization that—

23 “(A) is organized under State or local
24 laws;

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

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

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

8 “(i) decent housing that is affordable
9 to low-income and moderate-income fami-
10 lies; or

11 “(ii) shelter, housing, or services for
12 homeless persons or families.

13 “(12) PROJECT SPONSOR.—The term ‘project
14 sponsor’ means an entity that uses grant amounts
15 under this title to carry out a rental assistance pro-
16 gram under subtitle B or eligible activities under
17 subtitle C. The term includes a grantee carrying out
18 such a program or activities.

19 “(13) SECRETARY.—The term ‘Secretary’
20 means the Secretary of Housing and Urban Develop-
21 ment.

22 “(14) STATE.—The term ‘State’ means each of
23 the several States and the Commonwealth of Puerto
24 Rico.

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

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

6 “(17) VERY LOW-INCOME PERSON.—The term
7 ‘very low-income person’ has the same meaning
8 given the term under section 3(b) of the United
9 States Housing Act of 1937 (or any other subse-
10 quent provision of Federal law defining such term
11 for purposes of eligibility for, or rental charges in,
12 public housing).

13 **“SEC. 434. REGULATIONS.**

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

1 ment of the Homeless Housing Programs Consolidation
2 and Flexibility Act.

3 “(b) **RULE OF CONSTRUCTION.**—Any failure by the
4 Secretary to issue any regulations under this section shall
5 not affect the effectiveness of any provision of this title
6 pursuant to section 4(b) of the Homeless Housing Pro-
7 grams Consolidation and Flexibility Act.

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

9 “There are authorized to be appropriated for grants
10 under this title \$1,000,000,000 for each of fiscal years
11 1997, 1998, 1999, and 2000.”.

12 (b) **APPLICABILITY.**—The provisions of the amend-
13 ment made by subsection (a) shall apply with respect to
14 fiscal year 1997 and thereafter.

15 **SEC. 5. INTERAGENCY COUNCIL ON THE HOMELESS.**

16 (a) **FUNCTIONS.**—Section 203 of the Stewart B.
17 McKinney Homeless Assistance Act (42 U.S.C. 11313) is
18 amended to read as follows:

19 **“SEC. 203. FUNCTIONS.**

20 “The Council shall—

21 “(1) monitor the coordination of assistance for
22 federally funded activities for the homeless to ensure
23 that such assistance is provided in coordination and
24 conjunction with assistance under title IV for hous-

1 ing for the homeless, in accordance with section
2 408(j)(2);

3 “(2) if the Secretary of Housing and Urban
4 Development makes a determination under section
5 408(j)(5)(A) that sufficient coordination under such
6 section has not taken place, make an independent
7 determination under such section regarding whether
8 sufficient coordination has taken place;

9 “(3) advise and assist the Secretary of Housing
10 and Urban Development in establishing require-
11 ments for a companion services block grant program
12 under section 408(j)(5);

13 “(4) for any fiscal year in which a companion
14 services block grant program is to be carried out
15 pursuant to section 408(j)(5), advise and assist the
16 Secretary of Housing and Urban Development in
17 carrying out the program; and

18 “(5) carry out any other duties prescribed by
19 law.”.

20 (b) AUTHORIZATION OF APPROPRIATIONS.—Section
21 208 of the Stewart B. McKinney Homeless Assistance Act
22 (42 U.S.C. 11318) is amended to read as follows:

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

2 “There are authorized to be appropriated to carry out
3 this title such sums as may be necessary for each of fiscal
4 years 1997, 1998, 1999, and 2000.”.

5 (c) **TERMINATION.**—Section 209 of the Stewart B.
6 McKinney Homeless Assistance Act (42 U.S.C. 11319) is
7 amended by striking “October 1, 1994” and inserting
8 “October 1, 2000”.

9 (d) **REPEAL.**—Section 210 of the Stewart B. McKin-
10 ney Homeless Assistance Act (42 U.S.C. 11320) is hereby
11 repealed.

12 **SEC. 6. REPEALS AND CONFORMING AMENDMENTS.**

13 (a) **REPEALS.**—The following provisions of law are
14 hereby repealed:

15 (1) **INNOVATIVE HOMELESS INITIATIVES DEM-**
16 **ONSTRATION.**—Section 2 of the HUD Demonstra-
17 tion Act of 1993 (42 U.S.C. 11301 note).

18 (2) **FHA SINGLE FAMILY PROPERTY DISPOSI-**
19 **TION FOR HOMELESS USE.**—Section 1407 of the
20 Housing and Community Development Act of 1992
21 (Public Law 102–550; 106 Stat. 4034).

22 (3) **HOUSING FOR RURAL HOMELESS AND MI-**
23 **GRANT FARMWORKERS.**—Subsection (k) of section
24 516 of the Housing Act of 1949 (42 U.S.C.
25 1486(k)).

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

7 (c) CONFORMING AMENDMENTS TO YOUTHBUILD
 8 PROGRAM.—Title IV of the Cranston-Gonzalez National
 9 Affordable Housing Act is amended—

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

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

14 (d) CLERICAL AMENDMENT.—The table of contents
 15 in section 101(b) of the Stewart B. McKinney Homeless
 16 Assistance Act is amended by striking the items relating
 17 to titles I, II, III, and IV (including the items relating
 18 to the subtitles, parts, and sections of such titles) and in-
 19 serting the following new items:

“TITLE I—GENERAL PROVISIONS

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

“TITLE II—INTERAGENCY COUNCIL ON THE HOMELESS

- “Sec. 201. Establishment.
- “Sec. 202. Membership.
- “Sec. 203. Functions.
- “Sec. 204. Director and staff.
- “Sec. 205. Powers.
- “Sec. 206. Transfer of functions.

- “Sec. 207. Definitions.
- “Sec. 208. Authorization of appropriations.
- “Sec. 209. Termination.

“TITLE III—FEDERAL EMERGENCY MANAGEMENT FOOD AND
SHELTER PROGRAM

“Subtitle A—Administrative Provisions

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

“Subtitle B—Emergency Food and Shelter Grants

- “Sec. 311. Grants by the Director.
- “Sec. 312. Retention of interest earned.
- “Sec. 313. Purposes of grants.
- “Sec. 314. Limitation on certain costs.
- “Sec. 315. Disbursement of funds.
- “Sec. 316. Program guidelines.

“Subtitle C—General Provisions

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

“TITLE IV—BLOCK GRANTS FOR RENTAL ASSISTANCE AND
FLEXIBLE HOMELESS ASSISTANCE GRANTS

“Subtitle A—General Provisions

- “Sec. 401. Purpose.
- “Sec. 402. Grant authority.
- “Sec. 403. Eligible grantees.
- “Sec. 404. Use of grant amounts by project sponsors.
- “Sec. 405. Comprehensive housing affordability strategy compliance.
- “Sec. 406. Allocation and availability of amounts.
- “Sec. 407. Matching funds requirement.
- “Sec. 408. Program requirements.
- “Sec. 409. Supportive services.

“Subtitle B—Rental Assistance Activities

- “Sec. 411. Use of amounts and general requirements.
- “Sec. 412. Tenant-based rental assistance activities.
- “Sec. 413. Project-based rental assistance.
- “Sec. 414. Sponsor-based rental assistance.

“Subtitle C—Flexible Assistance for Supportive Housing and Other Activities

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

“Subtitle D—Reporting, Definitions, and Funding

“Sec. 431. Performance reports by grantees.

“Sec. 432. Annual report by Secretary.

“Sec. 433. Definitions.

“Sec. 434. Regulations.

“Sec. 435. Authorization of appropriations.”.

1 SEC. 7. SAVINGS PROVISION.

2 Nothing in this Act may be construed to affect the
3 validity of any right, duty, or obligation of the United
4 States or other person arising under or pursuant to any
5 commitment or agreement entered into before the date of
6 the enactment of this Act under any provision of law re-
7 pealed or amended by this Act.

**8 SEC. 8. TREATMENT OF PREVIOUSLY OBLIGATED
9 AMOUNTS.**

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

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