

111TH CONGRESS
1ST SESSION

H. R. 403

AN ACT

To provide housing assistance for very low-income veterans.

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

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Homes for Heroes Act
3 of 2009”.

4 **SEC. 2. SPECIAL ASSISTANT FOR VETERANS AFFAIRS IN OF-**
5 **FICE OF SECRETARY OF HOUSING AND**
6 **URBAN DEVELOPMENT.**

7 Section 4 of the Department of Housing and Urban
8 Development Act (42 U.S.C. 3533) is amended by adding
9 at the end the following new subsection:

10 “(g) SPECIAL ASSISTANT FOR VETERANS AF-
11 FAIRS.—

12 “(1) ESTABLISHMENT.—There shall be in the
13 Department a Special Assistant for Veterans Af-
14 fairs, who shall be in the Office of the Secretary.

15 “(2) APPOINTMENT.—The Special Assistant for
16 Veterans Affairs shall be appointed based solely on
17 merit and shall be covered under the provisions of
18 title 5, United States Code, governing appointments
19 in the competitive service.

20 “(3) RESPONSIBILITIES.—The Special Assist-
21 ant for Veterans Affairs shall be responsible for—

22 “(A) ensuring veterans have access to
23 housing and homeless assistance under each
24 program of the Department providing either
25 such assistance;

1 “(B) coordinating all programs and activi-
2 ties of the Department relating to veterans;

3 “(C) serving as a liaison for the Depart-
4 ment with the Department of Veterans Affairs,
5 including establishing and maintaining relation-
6 ships with the Secretary of Veterans Affairs;

7 “(D) serving as a liaison for the Depart-
8 ment, and establishing and maintaining rela-
9 tionships with officials of State, local, regional,
10 and nongovernmental organizations concerned
11 with veterans;

12 “(E) providing information and advice re-
13 garding—

14 “(i) sponsoring housing projects for
15 veterans assisted under programs adminis-
16 tered by the Department; or

17 “(ii) assisting veterans in obtaining
18 housing or homeless assistance under pro-
19 grams administered by the Department;

20 “(F) preparing the annual report under
21 section 8 of Homes for Heroes Act of 2009;
22 and

23 “(G) carrying out such other duties as may
24 be assigned to the Special Assistant by the Sec-
25 retary or by law.”.

1 **SEC. 3. SUPPORTIVE HOUSING FOR VERY LOW-INCOME**
2 **VETERAN FAMILIES.**

3 (a) PURPOSE.—The purposes of this section are—

4 (1) to expand the supply of permanent housing
5 for very low-income veteran families; and

6 (2) to provide supportive services through such
7 housing to support the needs of such veteran fami-
8 lies.

9 (b) AUTHORITY.—

10 (1) IN GENERAL.—The Secretary of Housing
11 and Urban Development shall, to the extent amounts
12 are made available for assistance under this section
13 and the Secretary receives approvable applications
14 for such assistance, provide assistance to private
15 nonprofit organizations and consumer cooperatives
16 to expand the supply of supportive housing for very
17 low-income veteran families.

18 (2) NATURE OF ASSISTANCE.—The assistance
19 provided under paragraph (1)—

20 (A) shall be available for use to plan for
21 and finance the acquisition, construction, recon-
22 struction, or moderate or substantial rehabilita-
23 tion of a structure or a portion of a structure
24 to be used as supportive housing for very low-
25 income veteran families in accordance with this
26 section; and

1 (B) may also cover the cost of real prop-
2 erty acquisition, site improvement, conversion,
3 demolition, relocation, and other expenses that
4 the Secretary determines are necessary to ex-
5 pand the supply of supportive housing for very
6 low-income veteran families.

7 (3) CONSULTATION.—In meeting the require-
8 ment of paragraph (1), the Secretary shall consult
9 with—

10 (A) the Secretary of Veterans Affairs; and

11 (B) the Special Assistant for Veterans Af-
12 fairs, as such Special Assistant was established
13 under section 4(g) of the Department of Hous-
14 ing and Urban Development Act.

15 (c) FORMS OF ASSISTANCE.—Assistance under this
16 section shall be made available in the following forms:

17 (1) PLANNING GRANTS.—Assistance may be
18 provided as a grant for costs of planning a project
19 to be used as supportive housing for very low-income
20 veteran families.

21 (2) CAPITAL ADVANCES.—Assistance may be
22 provided as a capital advance under this paragraph
23 for a project, such advance shall—

24 (A) bear no interest;

1 (B) not be required to be repaid so long as
2 the housing remains available for occupancy by
3 very low-income veteran families in accordance
4 with this section; and

5 (C) be in an amount calculated in accord-
6 ance with the development cost limitation estab-
7 lished pursuant to subsection (i).

8 (3) PROJECT RENTAL ASSISTANCE.—Assistance
9 may be provided as project rental assistance, under
10 an annual contract that—

11 (A) obligates the Secretary to make
12 monthly payments to cover any part of the
13 costs attributed to units occupied (or, as ap-
14 proved by the Secretary, held for occupancy) by
15 very low-income veteran families that is not met
16 from project income;

17 (B) provides for the project not more than
18 the sum of the initial annual project rentals for
19 all units so occupied and any initial utility al-
20 lowances for such units, as approved by the
21 Secretary;

22 (C) provides that any contract amounts
23 not used by a project in any year shall remain
24 available to the project until the expiration of
25 the contract;

1 (D) provides that upon the expiration of
2 each contract term, the Secretary shall adjust
3 the annual contract amount to provide for rea-
4 sonable project costs, and any increases, includ-
5 ing adequate reserves, supportive services, and
6 service coordinators, except that any contract
7 amounts not used by a project during a con-
8 tract term shall not be available for such ad-
9 justments upon renewal; and

10 (E) provides that in the event of emer-
11 gency situations that are outside the control of
12 the owner, the Secretary shall increase the an-
13 nual contract amount, subject to reasonable re-
14 view and limitations as the Secretary shall pro-
15 vide.

16 (d) TENANT RENT CONTRIBUTION.—A very low-in-
17 come veteran family shall pay as rent for a dwelling unit
18 assisted under this section the highest of the following
19 amounts, rounded to the nearest dollar:

20 (1) 30 percent of the veteran family's adjusted
21 monthly income.

22 (2) 10 percent of the veteran family's monthly
23 income.

24 (3) If the veteran family is receiving payments
25 for welfare assistance from a public agency and a

1 part of such payments, adjusted in accordance with
2 the veteran family's actual housing costs, is specifi-
3 cally designated by such agency to meet the veteran
4 family's housing costs, the portion of such payments
5 which is so designated.

6 (e) TERM OF COMMITMENT.—

7 (1) USE LIMITATIONS.—All units in housing as-
8 sisted under this section shall be made available for
9 occupancy by very low-income veteran families for
10 not less than 15 years.

11 (2) CONTRACT TERMS FOR PROJECT RENTAL
12 ASSISTANCE.—

13 (A) INITIAL TERM.—The initial term of a
14 contract entered into under subsection (c)(3)
15 shall be 60 months.

16 (B) EXTENSION.—The Secretary shall,
17 subject only to the availability of amounts pro-
18 vided in appropriation Acts, renew the contract
19 entered into under subsection (c)(3) for 10 con-
20 secutive one-year terms, the first such term be-
21 ginning upon the expiration of such 60-month
22 period.

23 (C) AUTHORITY OF SECRETARY TO MAKE
24 EARLY COMMITMENTS.—In order to facilitate
25 the orderly extension of expiring contracts, the

1 Secretary may make commitments to extend ex-
2 piring contracts during the year prior to the
3 date of expiration.

4 (f) APPLICATIONS.—

5 (1) IN GENERAL.—Amounts made available
6 under this section shall be allocated by the Secretary
7 among approvable applications submitted by private
8 nonprofit organizations and consumer cooperatives.

9 (2) CONTENT OF APPLICATION.—

10 (A) IN GENERAL.—Applications for assist-
11 ance under this section shall be submitted by an
12 applicant in such form and in accordance with
13 such procedures as the Secretary shall estab-
14 lish.

15 (B) REQUIRED CONTENT.—Applications
16 for assistance under this section shall contain—

17 (i) a description of the proposed hous-
18 ing;

19 (ii) a description of the assistance the
20 applicant seeks under this section;

21 (iii) a description of—

22 (I) the supportive services to be
23 provided to the persons occupying
24 such housing;

1 (II) the manner in which such
2 services will be provided to such per-
3 sons, including, in the case of frail el-
4 derly persons (as such term is defined
5 in section 202 of the Housing Act of
6 1959 (12 U.S.C. 1701q)), evidence of
7 such residential supervision as the
8 Secretary determines is necessary to
9 facilitate the adequate provision of
10 such services; and

11 (III) the public or private sources
12 of assistance that can reasonably be
13 expected to fund or provide such serv-
14 ices;

15 (iv) a certification from the public of-
16 ficial responsible for submitting a housing
17 strategy for the jurisdiction to be served in
18 accordance with section 105 of the Cran-
19 ston-Gonzalez National Affordable Housing
20 Act (42 U.S.C. 12705) that the proposed
21 project is consistent with the approved
22 housing strategy; and

23 (v) such other information or certifi-
24 cations that the Secretary determines to be

1 necessary or appropriate to achieve the
2 purposes of this section.

3 (3) REJECTION.—The Secretary shall not reject
4 any application for assistance under this section on
5 technical grounds without giving notice of that rejection and the basis therefore to the applicant.

6 (g) INITIAL SELECTION CRITERIA AND PROCESSING.—

7 (1) SELECTION CRITERIA.—The Secretary shall
8 establish selection criteria for assistance under this
9 section, which shall include—

10 (A) criteria based upon—

11 (i) the ability of the applicant to develop and operate the proposed housing;

12 (ii) the need for supportive housing for very low-income veteran families in the area to be served;

13 (iii) the extent to which the proposed size and unit mix of the housing will enable the applicant to manage and operate the housing efficiently and ensure that the provision of supportive services will be accomplished in an economical fashion;

14 (iv) the extent to which the proposed design of the housing will meet the service-

1 connected disability needs of very low-in-
2 come veteran families;

3 (v) the extent to which the applicant
4 has demonstrated that the supportive serv-
5 ices identified pursuant to subsection
6 (f)(2)(B)(iii) will be provided on a con-
7 sistent, long-term basis;

8 (vi) the extent to which the proposed
9 design of the housing will accommodate the
10 provision of supportive services that are ex-
11 pected to be needed, either initially or over
12 the useful life of the housing, by the very
13 low-income veterans the housing is in-
14 tended to serve;

15 (vii) the extent to which the applicant
16 has ensured that a service coordinator will
17 be employed or otherwise retained for the
18 housing, who has the managerial capacity
19 and responsibility for carrying out the ac-
20 tions described in clauses (i) and (ii) of
21 subsection (h)(2)(A); and

22 (viii) such other factors as the Sec-
23 retary determines to be appropriate to en-
24 sure that funds made available under this
25 section are used effectively;

1 (B) a preference in such selection for ap-
2 plications proposing housing to be reserved for
3 occupancy by very low-income veteran families
4 who are homeless (as such term is defined in
5 section 103 of the McKinney-Vento Homeless
6 Assistance Act (42 U.S.C. 11302)); and

7 (C) criteria appropriate to consider the
8 need for supportive housing for very low-income
9 veteran families in nonmetropolitan areas and
10 by Indian tribes.

11 (2) DELEGATED PROCESSING.—

12 (A) DELEGATION TO STATE OR LOCAL
13 HOUSING AUTHORITY.—In issuing a capital ad-
14 vance under this subsection for any project for
15 which financing for the purposes described in
16 subsection (b)(2) is provided by a combination
17 of a capital advance under subsection (c)(2)
18 and sources other than this section, within 30
19 days of award of the capital advance, the Sec-
20 retary shall delegate review and processing of
21 such projects to a State or local housing agency
22 that—

23 (i) is in geographic proximity to the
24 property;

1 (ii) has demonstrated experience in
2 and capacity for underwriting multifamily
3 housing loans that provide housing and
4 supportive services;

5 (iii) may or may not be providing low-
6 income housing tax credits in combination
7 with the capital advance under this section;
8 and

9 (iv) agrees to issue a firm commit-
10 ment within 12 months of delegation.

11 (B) PROCESSING BY SECRETARY.—The
12 Secretary shall retain the authority to process
13 capital advances in cases in which no State or
14 local housing agency has applied to provide del-
15 egated processing pursuant to this paragraph or
16 no such agency has entered into an agreement
17 with the Secretary to serve as a delegated proc-
18 essing agency.

19 (C) PROCESSING FEES.—An agency to
20 which review and processing is delegated pursu-
21 ant to subparagraph (A) may assess a reason-
22 able fee which shall be included in the capital
23 advance amounts and may recommend project
24 rental assistance amounts in excess of those ini-
25 tially awarded by the Secretary. The Secretary

1 shall develop a schedule for reasonable fees
2 under this subparagraph to be paid to delegated
3 processing agencies, which shall take into con-
4 sideration any other fees to be paid to the agen-
5 cy for other funding provided to the project by
6 the agency, including bonds, tax credits, and
7 other gap funding.

8 (D) AUTHORITY RETAINED BY SEC-
9 RETARY.—Under such delegated system, the
10 Secretary shall retain the authority to approve
11 rents and development costs and to execute a
12 capital advance within 60 days of receipt of the
13 commitment from the State or local agency.
14 The Secretary shall provide to such agency and
15 the project sponsor, in writing, the reasons for
16 any reduction in capital advance amounts or
17 project rental assistance and such reductions
18 shall be subject to appeal.

19 (h) PROVISION OF SUPPORTIVE SERVICES TO VET-
20 ERAN FAMILIES.—

21 (1) IN GENERAL.—The Secretary of Housing
22 and Urban Development shall coordinate with the
23 Secretary of Veterans Affairs to ensure that any
24 housing assistance provided to veterans or veteran
25 families includes a range of services tailored to the

1 needs of the very low-income veteran families occu-
2 pying such housing, which may include services
3 for—

4 (A) outreach;

5 (B) health (including counseling, mental
6 health, substance abuse, post-traumatic stress
7 disorder, and traumatic brain injury) diagnosis
8 and treatment;

9 (C) habilitation and rehabilitation;

10 (D) case management;

11 (E) daily living;

12 (F) personal financial planning;

13 (G) transportation;

14 (H) vocation;

15 (I) employment and training;

16 (J) education;

17 (K) assistance in obtaining veterans bene-
18 fits and public benefits;

19 (L) assistance in obtaining income support;

20 (M) assistance in obtaining health insur-
21 ance;

22 (N) fiduciary and representative payee;

23 (O) legal aid;

24 (P) child care;

25 (Q) housing counseling;

1 (R) service coordination; and

2 (S) other services necessary for maintain-
3 ing independent living.

4 (2) LOCAL COORDINATION OF SERVICES.—

5 (A) IN GENERAL.—The Secretary of Hous-
6 ing and Urban Development shall coordinate
7 with the Secretary of the Department of Vet-
8 erans Affairs to ensure that owners of housing
9 assisted under this section have the managerial
10 capacity to—

11 (i) assess on an ongoing basis the
12 service needs of residents;

13 (ii) coordinate the provision of sup-
14 portive services and tailor such services to
15 the individual needs of residents; and

16 (iii) seek on a continuous basis new
17 sources of assistance to ensure the long-
18 term provision of supportive services.

19 (B) CLASSIFICATION OF COSTS.—Any cost
20 associated with this subsection relating to the
21 coordination of services shall be an eligible cost
22 under subsections (c)(3).

23 (i) DEVELOPMENT COST LIMITATIONS.—

24 (1) IN GENERAL.—The Secretary shall periodi-
25 cally establish reasonable development cost limita-

1 tions by market area for various types and sizes of
2 supportive housing for very low-income veteran fami-
3 lies by publishing a notice of the cost limitations in
4 the Federal Register.

5 (2) CONSIDERATIONS.—The cost limitations es-
6 tablished under paragraph (1) shall reflect—

7 (A) the cost of construction, reconstruc-
8 tion, or moderate or substantial rehabilitation
9 of supportive housing for very low-income vet-
10 eran families that meets applicable State and
11 local housing and building codes;

12 (B) the cost of movables necessary to the
13 basic operation of the housing, as determined
14 by the Secretary;

15 (C) the cost of special design features nec-
16 essary to make the housing accessible to very
17 low-income veteran families;

18 (D) the cost of community space necessary
19 to accommodate the provision of supportive
20 services to veteran families;

21 (E) if the housing is newly constructed, the
22 cost of meeting the energy efficiency standards
23 promulgated by the Secretary in accordance
24 with section 109 of the Cranston-Gonzalez Na-

1 tional Affordable Housing Act (42 U.S.C.
2 12709); and

3 (F) the cost of land, including necessary
4 site improvement.

5 (3) USE OF DATA.—In establishing development
6 cost limitations for a given market area under this
7 subsection, the Secretary shall use data that reflect
8 currently prevailing costs of construction, recon-
9 struction, or moderate or substantial rehabilitation,
10 and land acquisition in the area.

11 (4) COMMUNITY SPACE.—For purposes of para-
12 graph (2), a community space shall include space for
13 cafeterias or dining halls, community rooms or build-
14 ings, workshops, child care, adult day health facili-
15 ties or other outpatient health facilities, or other es-
16 sential service facilities.

17 (5) COMMERCIAL FACILITIES.—Neither this
18 section nor any other provision of law may be con-
19 strued as prohibiting or preventing the location and
20 operation, in a project assisted under this section, of
21 commercial facilities for the benefit of residents of
22 the project and the community in which the project
23 is located, except that assistance made available
24 under this section may not be used to subsidize any
25 such commercial facility.

1 (6) ACQUISITION.—In the case of existing hous-
2 ing and related facilities to be acquired, the cost lim-
3 itations shall include—

4 (A) the cost of acquiring such housing;

5 (B) the cost of rehabilitation, alteration,
6 conversion, or improvement, including the mod-
7 erate or substantial rehabilitation thereof; and

8 (C) the cost of the land on which the hous-
9 ing and related facilities are located.

10 (7) ANNUAL ADJUSTMENTS.—The Secretary
11 shall adjust the cost limitation not less than annu-
12 ally to reflect changes in the general level of con-
13 struction, reconstruction, and moderate and substan-
14 tial rehabilitation costs.

15 (8) INCENTIVES FOR SAVINGS.—

16 (A) SPECIAL HOUSING ACCOUNT.—

17 (i) IN GENERAL.—The Secretary shall
18 use the development cost limitations estab-
19 lished under paragraph (1) or (6) to cal-
20 culate the amount of financing to be made
21 available to individual owners.

22 (ii) ACTUAL DEVELOPMENTAL COSTS
23 LESS THAN FINANCING.—Owners which
24 incur actual development costs that are
25 less than the amount of financing shall be

entitled to retain 50 percent of the savings
in a special housing account.

(iii) BONUS FOR ENERGY EFFICIENCY.—The percentage established under clause (ii) shall be increased to 75 percent for owners which add energy efficiency features which—

(I) exceed the energy efficiency standards promulgated by the Secretary in accordance with section 109 of the Cranston-Gonzalez National Affordable Housing Act (42 U.S.C. 12709);

(II) substantially reduce the life-cycle cost of the housing; and

(III) reduce gross rent requirements.

(B) USES.—The special housing account established under subparagraph (A) may be used—

(i) to provide services to residents of the housing or funds set aside for replacement reserves; or

(ii) for such other purposes as determined by the Secretary.

1 (9) DESIGN FLEXIBILITY.—The Secretary shall,
2 to the extent practicable, give owners the flexibility
3 to design housing appropriate to their location and
4 proposed resident population within broadly defined
5 parameters.

6 (10) USE OF FUNDS FROM OTHER SOURCES.—
7 An owner shall be permitted voluntarily to provide
8 funds from sources other than this section for amen-
9 ities and other features of appropriate design and
10 construction suitable for supportive housing under
11 this section if the cost of such amenities is—

12 (A) not financed with the advance; and

13 (B) is not taken into account in deter-
14 mining the amount of Federal assistance or of
15 the rent contribution of tenants.

16 (j) TENANT SELECTION.—

17 (1) IN GENERAL.—An owner shall adopt writ-
18 ten tenant selection procedures that are—

19 (A) satisfactory to the Secretary and which
20 are—

21 (i) consistent with the purpose of im-
22 proving housing opportunities for very low-
23 income veteran families; and

1 (ii) reasonably related to program eli-
2 gibility and an applicant's ability to per-
3 form the obligations of the lease; and

4 (B) compliant with subtitle C of title VI of
5 the Housing and Community Development Act
6 of 1992 (42 U.S.C. 13601 et seq.) and any reg-
7 ulations issued under such subtitle.

8 (2) NOTIFICATION OF REJECTION.—Owners
9 shall promptly notify in writing any rejected appli-
10 cant of the grounds for any rejection.

11 (3) INFORMATION REGARDING HOUSING.—

12 (A) IN GENERAL.—The Secretary shall
13 provide, to the Secretary of Veterans Affairs
14 and the Secretary of Labor, information regard-
15 ing the availability of the housing assisted
16 under this section.

17 (B) SHARING OF INFORMATION WITH AD-
18 DITIONAL AGENCIES.—Within 30 days of re-
19 ceipt of the information, the Secretary of Vet-
20 erans Affairs and Secretary of Labor shall pro-
21 vide such information to agencies in the area of
22 the housing that receive assistance from the
23 Department of Veterans Affairs and the De-
24 partment of Labor for providing medical care,

1 housing, supportive services or employment and
2 training services to homeless veterans.

3 (k) MISCELLANEOUS PROVISIONS.—

4 (1) TECHNICAL ASSISTANCE.—The Secretary
5 shall make available appropriate technical assistance
6 to ensure that prospective applicants are able to par-
7 ticipate more fully in the program carried out under
8 this section.

9 (2) CIVIL RIGHTS COMPLIANCE.—Each owner
10 shall certify, to the satisfaction of the Secretary,
11 that assistance made available under this section will
12 be conducted and administered in conformity with
13 title VI of the Civil Rights Act of 1964 (42 U.S.C.
14 2000a et seq.), the Fair Housing Act (42 U.S.C.
15 3601 et seq.), and other Federal, State, and local
16 laws prohibiting discrimination and promoting equal
17 opportunity.

18 (3) OWNER DEPOSIT.—

19 (A) IN GENERAL.—The Secretary shall re-
20 quire an owner of housing, assisted under this
21 section, to deposit an amount not to exceed
22 \$15,000 in a special escrow account to ensure
23 the owner's commitment to the housing. Such
24 amount shall be used only to cover operating
25 deficits during the first three years of oper-

1 ations and shall not be used to cover construc-
2 tion shortfalls or inadequate initial project rent-
3 al assistance amounts.

4 (B) REDUCTION OF REQUIREMENT.—

5 (i) IN GENERAL.—The Secretary may
6 reduce or waive the owner deposit specified
7 under subparagraph (A) for individual ap-
8 plicants if the Secretary finds that such
9 waiver or reduction is necessary to achieve
10 the purposes of this section and the appli-
11 cant demonstrates to the satisfaction of
12 the Secretary that it has the capacity to
13 manage and maintain the housing in ac-
14 cordance with this section.

15 (ii) NONPROFITS.—The Secretary
16 may reduce or waive the requirement of
17 the owner deposit under subparagraph (A)
18 in the case of a nonprofit applicant that is
19 not affiliated with a national sponsor, as
20 determined by the Secretary.

21 (4) NOTICE OF APPEAL.—

22 (A) IN GENERAL.—The Secretary shall no-
23 tify an owner not less than 30 days prior to
24 canceling any reservation of assistance provided
25 under this section.

1 (B) APPEAL.—

2 (i) FILING DEADLINE.—During the
3 30-day period following the receipt of any
4 notice required under subparagraph (A),
5 an owner may appeal the proposed can-
6 cellation.

7 (ii) TIMING OF DECISION.—Any ap-
8 peal undertaken under clause (i), including
9 review by the Secretary, shall be completed
10 not later than 45 days after the appeal is
11 filed.

12 (5) LABOR.—

13 (A) IN GENERAL.—The Secretary shall
14 take such action as may be necessary to ensure
15 that all laborers and mechanics employed by
16 contractors and subcontractors in the construc-
17 tion of housing with 12 or more units assisted
18 under this section shall be paid wages at rates
19 not less than the rates prevailing in the locality
20 involved for the corresponding classes of labor-
21 ers and mechanics employed on construction of
22 a similar character, as determined by the Sec-
23 retary of Labor in accordance with subchapter
24 IV of chapter 31 of title 40, United States
25 Code.

1 (B) EXEMPTION.—Subparagraph (A) shall
2 not apply to any individual who—

3 (i) performs services for which the in-
4 dividual volunteered;

5 (ii) does not receive compensation for
6 such services or is paid expenses, reason-
7 able benefits, or a nominal fee for such
8 services; and

9 (iii) is not otherwise employed at any
10 time in the construction work.

11 (6) ACCESS TO RESIDUAL RECEIPTS.—

12 (A) IN GENERAL.—The Secretary shall au-
13 thorize the owner of a housing project assisted
14 under this section to use any residual receipts
15 held for the project in excess of \$500 per unit
16 (or in excess of such other amount prescribed
17 by the Secretary based on the needs of the
18 project) for activities to retrofit and renovate
19 the project as described under section 802(d)(3)
20 of the Cranston-Gonzalez National Affordable
21 Housing Act (42 U.S.C. 8011(d)(3)) or to pro-
22 vide supportive services to residents of the
23 project.

24 (B) REPORT.—Any owner that uses resid-
25 ual receipts under this paragraph shall submit

1 to the Secretary a report, not less than annu-
 2 ally, describing the uses of the residual receipts.

3 (C) DETERMINATION OF AMOUNT.—In de-
 4 termining the amount of project rental assist-
 5 ance to be provided to a project under sub-
 6 section (c)(3) of this section, the Secretary may
 7 take into consideration the residual receipts
 8 held for the project only if, and to the extent
 9 that, excess residual receipts are not used under
 10 this paragraph.

11 (7) OCCUPANCY STANDARDS AND OBLIGA-
 12 TIONS.—Each owner shall operate housing assisted
 13 under this section in compliance with subtitle C of
 14 title VI of the Housing and Community Develop-
 15 ment Act of 1992 (42 U.S.C. 13601 et seq.) and
 16 any regulations issued under such subtitle.

17 (8) USE OF PROJECT RESERVES.—

18 (A) IN GENERAL.—Amounts for project re-
 19 serves for a project assisted under this section
 20 may be used for costs, subject to reasonable
 21 limitations as the Secretary determines appro-
 22 priate, for reducing the number of dwelling
 23 units in the project.

24 (B) APPROVAL OF SECRETARY RE-
 25 QUIRED.—Any use described in subparagraph

1 (A) of amounts for project reserves for a
2 project assisted under this section shall be sub-
3 ject to the approval of the Secretary to ensure
4 that such use is designed to retrofit units that
5 are currently obsolete or unmarketable.

6 (9) REPAYMENT OF ASSISTANCE AND PREVEN-
7 TION OF UNDUE BENEFITS.—

8 (A) REPAYMENT.—If a recipient, or a
9 project sponsor receiving funds from the recipi-
10 ent, receives assistance under subsection (b) for
11 use pursuant to paragraph (2) of such sub-
12 section for the construction, acquisition, or re-
13 habilitation of supportive housing for very low-
14 income veteran families and the project ceases
15 to provide permanent housing, the Secretary
16 shall require the recipient, or such project spon-
17 sor, to repay the following percentage of such
18 assistance:

19 (i) In the case of a project that ceases
20 to be used for such supportive housing be-
21 fore the expiration of the 10-year period
22 beginning upon commencement of the op-
23 eration of the project, 100 percent.

24 (ii) In the case of a project that
25 ceases to be used for such supportive hous-

1 ing on or after the expiration of the 10-
2 year period beginning upon commencement
3 of the operation of the project, but before
4 the expiration of the 15-year period begin-
5 ning upon such commencement, 20 percent
6 of the assistance for each of the years dur-
7 ing such 15-year period for which the
8 project fails to provide permanent housing.

9 (B) PREVENTION OF UNDUE BENEFITS.—

10 Except as provided in paragraph (C), if any
11 property is used for a project that receives as-
12 sistance under subsection (b) for use pursuant
13 to paragraph (2) of such subsection for the con-
14 struction, acquisition or rehabilitation of sup-
15 portive housing for very low-income veteran
16 families, and the sale or other disposition of the
17 property occurs before the expiration of the 15-
18 year period beginning upon commencement of
19 the operation of the project, the recipient (or
20 the project sponsor receiving funds from the re-
21 cipient) shall comply with such terms and con-
22 ditions as the Secretary may prescribe to pre-
23 vent the recipient (or such project sponsor)
24 from unduly benefitting from such sale or dis-
25 position.

1 (C) EXCEPTION.—A recipient, or a project
2 sponsor receiving funds from the recipient, shall
3 not be required to make repayments, and com-
4 ply with the terms and conditions, required
5 under subparagraph (A) or (B) if—

6 (i) the sale or disposition of the prop-
7 erty used for the project results in the use
8 of the property for the direct benefit of
9 very-low income persons;

10 (ii) all of the proceeds of the sale or
11 disposition are used to provide permanent
12 housing for very-low income veteran fami-
13 lies meeting the requirements of this sec-
14 tion;

15 (iii) project-based rental assistance or
16 operating cost assistance from any Federal
17 program or an equivalent State or local
18 program is no longer made available and
19 the project is meeting applicable perform-
20 ance standards, provided that the portion
21 of the project that had benefitted from
22 such assistance continues to meet the ten-
23 ant income and rent restrictions for low-in-
24 come units under section 42(g) of the In-
25 ternal Revenue Code of 1986; or

1 (iv) there are no low-income veteran
 2 families in the geographic area of the prop-
 3 erty who meet the program criteria, in
 4 which case the project may serve non-vet-
 5 eran individuals and families having in-
 6 comes described in subsection (1)(2) of this
 7 section.

8 (10) CONTINUED ELIGIBILITY OF VERY LOW-IN-
 9 COME VETERAN FAMILIES.—A veteran family resid-
 10 ing in supportive housing assisted under this section
 11 may not be considered to lose its status as such a
 12 family for purposes of eligibility for continued occu-
 13 pancy in such housing due to the death of any vet-
 14 eran member of the family, including the sole vet-
 15 eran member of the family.

16 (1) DEFINITIONS.—In this section, the following defi-
 17 nitions shall apply:

18 (1) CONSUMER COOPERATIVE.—The term “con-
 19 sumer cooperative” has the same meaning given
 20 such term for purposes of the supportive housing for
 21 the elderly program under section 202 of the Hous-
 22 ing Act of 1959 (12 U.S.C. 1701q).

23 (2) VERY LOW-INCOME VETERAN FAMILY.—The
 24 term “very low-income veteran family” means a vet-
 25 eran family whose income does not exceed 50 per-

1 cent of the median income for the area, as deter-
2 mined by the Secretary with adjustments for smaller
3 and larger families, except that the Secretary may
4 establish an income ceiling higher or lower than 50
5 percent of the median for the area on the basis of
6 the Secretary's findings that such variations are nec-
7 essary because of prevailing levels of construction
8 costs or fair market rents (as determined under sec-
9 tion 8 of the United States Housing Act of 1937 (42
10 U.S.C. 1437f)), or unusually high or low family in-
11 comes.

12 (3) OWNER.—The term “owner” means a pri-
13 vate nonprofit organization or consumer cooperative
14 that receives assistance under this section to develop
15 and operate supportive housing for very low-income
16 veteran families.

17 (4) PRIVATE NONPROFIT ORGANIZATION.—The
18 term “private nonprofit organization” means—

19 (A) any incorporated private institution or
20 foundation—

21 (i) no part of the net earnings of
22 which inures to the benefit of any member,
23 founder, contributor, or individual;

1 (ii) which has a governing board that
2 is responsible for the operation of the
3 housing assisted under this section; and

4 (iii) which is approved by the Sec-
5 retary as to financial responsibility;

6 (B) a for-profit limited partnership the
7 sole or managing general partner of which is an
8 organization meeting the requirements under
9 clauses (i), (ii), and (iii) of subparagraph (A) or
10 a corporation meeting the requirements of sub-
11 paragraph (C);

12 (C) a corporation wholly owned and con-
13 trolled by an organization meeting the require-
14 ments under clauses (i), (ii), and (iii) of sub-
15 paragraph (A); and

16 (D) a tribally designated housing entity, as
17 such term is defined in section 4 of the Native
18 American Housing Assistance and Self-Deter-
19 mination Act of 1996 (25 U.S.C. 4103).

20 (5) SECRETARY.—The term “Secretary” means
21 the Secretary of Housing and Urban Development,
22 except where specifically provided otherwise.

23 (6) STATE.—The term “State” includes the
24 several States, the District of Columbia, the Com-

1 monwealth of Puerto Rico, and the possessions of
2 the United States.

3 (7) SUPPORTIVE HOUSING FOR VERY LOW-IN-
4 COME VETERAN FAMILIES.—The term “supportive
5 housing for very low-income veteran families” means
6 housing that is designed to accommodate the provi-
7 sion of supportive services that are expected to be
8 needed, either initially or over the useful life of the
9 housing, by the veteran families that the housing is
10 intended to serve.

11 (8) VETERAN.—The term “veteran” has the
12 meaning given the term in section 101 of title 38,
13 United States Code.

14 (9) VETERAN FAMILY.—The term “veteran
15 family” includes a veteran who is a single person, a
16 family (including families with children) whose head
17 of household (or whose spouse) is a veteran, and one
18 or more veterans living together with 1 or more per-
19 sons.

20 (m) ALLOCATION OF FUNDS.—Of any amounts made
21 available for assistance under this section:

22 (1) PLANNING GRANTS.—Not more than 2.5
23 percent shall be available for planning grants in ac-
24 cordance with subsection (c)(1).

(4) TECHNICAL ASSISTANCE.—Not more than 1 percent shall be available for technical assistance in accordance with subsection (k)(1).

16 SEC. 4. HOUSING CHOICE VOUCHERS FOR HOMELESS VET-
17 ERANS.

21 “(19) RENTAL VOUCHERS FOR HOMELESS VET-
22 ERANS.—

23 “(A) ADDITIONAL VOUCHERS.—In addition
24 to any amount made available for rental assist-
25 ance under this subsection, the Secretary shall

1 make available the amount specified in subpara-
2 graph (B), for use only for providing rental as-
3 sistance for homeless veterans in conjunction
4 with the Secretary of Veterans Affairs.

5 “(B) AMOUNT.—The amount specified in
6 this subparagraph is, for each fiscal year, the
7 amount necessary to provide not fewer than
8 20,000 vouchers for rental assistance under this
9 subsection.

10 “(C) CONTINUED ELIGIBILITY OF HOME-
11 LESS VETERAN FAMILIES.—If any veteran
12 member of a household for which rental assist-
13 ance is being provided under this paragraph, in-
14 cluding the sole veteran member of the house-
15 hold, dies, such household may not be consid-
16 ered, due to such death, to lose its status as the
17 household of a homeless veteran for purposes
18 of—

19 “(i) eligibility for continued assistance
20 under this paragraph; or

21 “(ii) continued occupancy in the
22 dwelling unit in which such family is resid-
23 ing using such assistance at the time of
24 such death.

1 “(D) FUNDING.—The budget authority
 2 made available under any other provisions of
 3 law for rental assistance under this subsection
 4 for fiscal year 2009 and each fiscal year there-
 5 after is authorized to be increased in each such
 6 fiscal year by such sums as may be necessary
 7 to provide the number of vouchers specified in
 8 subparagraph (B) for such fiscal year.”.

9 **SEC. 5. INCLUSION OF VETERANS IN HOUSING PLANNING.**

10 (a) PUBLIC HOUSING AGENCY PLANS.—Section
 11 5A(d)(1) of the United States Housing Act of 1937 (42
 12 U.S.C. 1437c–1(d)(1)) is amended by striking “and dis-
 13 abled families” and inserting “, disabled families, and vet-
 14 erans (as such term is defined in section 101 of title 38,
 15 United States Code)”.

16 (b) COMPREHENSIVE HOUSING AFFORDABILITY
 17 STRATEGIES.—

18 (1) IN GENERAL.—Section 105 of the Cran-
 19 ston-Gonzalez National Affordable Housing Act (42
 20 U.S.C. 12705) is amended—

21 (A) in subsection (b)(1), by inserting “vet-
 22 erans (as such term is defined in section 101 of
 23 title 38, United States Code),” after “acquired
 24 immunodeficiency syndrome,”;

1 (B) in subsection (b)(20), by striking “and
 2 service” and inserting “veterans service, and
 3 other service”; and

4 (C) in subsection (e)(1), by inserting “vet-
 5 erans (as such term is defined in section 101 of
 6 title 38, United States Code),” after “homeless
 7 persons,”.

8 (2) CONSOLIDATED PLANS.—The Secretary of
 9 Housing and Urban Development shall revise the
 10 regulations relating to submission of consolidated
 11 plans (part 91 of title 24, Code of Federal Regula-
 12 tions) in accordance with the amendments made by
 13 paragraph (1) of this subsection to require inclusion
 14 of appropriate information relating to veterans and
 15 veterans service agencies in all such plans.

16 **SEC. 6. EXCLUSION OF VETERANS BENEFITS FROM AS-**
 17 **SISTED HOUSING RENT CONSIDERATIONS.**

18 (a) IN GENERAL.—Notwithstanding any other provi-
 19 sion of law, for purposes of determining the amount of
 20 rent paid by a family for occupancy of a dwelling unit as-
 21 sisted under a federally assisted housing program under
 22 subsection (b) or in housing assisted under any other fed-
 23 erally assisted housing program, the income and the ad-
 24 justed income of the family shall not be considered to in-

1 clude any amounts received by any member of the family
2 from the Secretary of Veterans Affairs as—

3 (1) compensation, as such term is defined in
4 section 101(13) of title 38, United States Code; and

5 (2) dependency and indemnity compensation, as
6 such term is defined in section 101(14) of such title.

7 (b) FEDERALLY ASSISTED HOUSING PROGRAM.—

8 The federally assisted housing programs under this sub-
9 section are—

10 (1) the public housing program under the
11 United States Housing Act of 1937 (42 U.S.C. 1437
12 et seq.);

13 (2) the tenant-based rental assistance program
14 under section 8 of the United States Housing Act of
15 1937 (42 U.S.C. 1437f), including the program
16 under subsection (o)(19) of such section for housing
17 rental vouchers for low-income veteran families;

18 (3) the project-based rental assistance program
19 under section 8 of the United States Housing Act of
20 1937 (42 U.S.C. 1437f);

21 (4) the program for housing opportunities for
22 persons with AIDS under subtitle D of title VIII of
23 the Cranston-Gonzalez National Affordable Housing
24 Act (42 U.S.C. 12901 et seq.);

1 (5) the supportive housing for the elderly pro-
2 gram under section 202 of the Housing Act of 1959
3 (12 U.S.C. 1701q);

4 (6) the supportive housing for persons with dis-
5 abilities program under section 811 of the Cranston-
6 Gonzalez National Affordable Housing Act (42
7 U.S.C. 8013);

8 (7) the supportive housing for the homeless pro-
9 gram under subtitle C of title IV of the McKinney-
10 Vento Homeless Assistance Act (42 U.S.C. 11381 et
11 seq.);

12 (8) the program for moderate rehabilitation of
13 single room occupancy dwellings for occupancy by
14 the homeless under section 441 of the McKinney-
15 Vento Homeless Assistance Act (42 U.S.C. 11401);

16 (9) the shelter plus care for the homeless pro-
17 gram under subtitle F of title IV of the McKinney-
18 Vento Homeless Assistance Act (42 U.S.C. 11403 et
19 seq.);

20 (10) the supportive housing for very low-income
21 veteran families program under section 3 of this Act;

22 (11) the rental assistance payments program
23 under section 521(a)(2)(A) of the Housing Act of
24 1949 (42 U.S.C. 1490a(a)(2)(A);

1 (12) the rental assistance program under sec-
2 tion 236 of the National Housing Act (12 U.S.C.
3 1715z-1);

4 (13) the rural housing programs under section
5 515 and 538 of the Housing Act of 1949 (42 U.S.C.
6 1485, 1490p-2);

7 (14) the HOME investment partnerships pro-
8 gram under title II of the Cranston-Gonzalez Na-
9 tional Affordable Housing Act (42 U.S.C. 12721 et
10 seq.);

11 (15) the block grant programs for affordable
12 housing for Native Americans and Native Hawaiians
13 under titles I through IV and VIII of the Native
14 American Housing Assistance and Self-Determina-
15 tion Act of 1996 (25 U.S.C. 4111 et seq., 4221 et
16 seq.);

17 (16) any other program for housing assistance
18 administered by the Secretary of Housing and
19 Urban Development or the Secretary of Agriculture
20 under which eligibility for occupancy in the housing
21 assisted or for housing assistance is based upon in-
22 come;

23 (17) low-income housing credits allocated pur-
24 suant to section 42 of the Internal Revenue Code of
25 1986; and

1 (18) tax-exempt bonds issued for qualified resi-
2 dential rental projects pursuant to section 142(d) of
3 the Internal Revenue Code of 1986.

4 **SEC. 7. TECHNICAL ASSISTANCE GRANTS FOR HOUSING AS-**
5 **SISTANCE FOR VETERANS.**

6 (a) IN GENERAL.—The Secretary of Housing and
7 Urban Development shall, to the extent amounts are made
8 available in appropriation Acts for grants under this sec-
9 tion, make grants to eligible entities under subsection (b)
10 to provide to nonprofit organizations technical assistance
11 appropriate to assist such organizations in—

12 (1) sponsoring housing projects for veterans as-
13 sisted under programs administered by the Depart-
14 ment of Housing and Urban Development;

15 (2) fulfilling the planning and application proc-
16 esses and requirements necessary under such pro-
17 grams administered by the Department; and

18 (3) assisting veterans in obtaining housing or
19 homeless assistance under programs administered by
20 the Department.

21 (b) ELIGIBLE ENTITIES.—An eligible entity under
22 this subsection is a nonprofit entity or organization having
23 such expertise as the Secretary shall require in providing
24 technical assistance to providers of services for veterans.

1 (c) SELECTION OF GRANT RECIPIENTS.—The Sec-
2 retary of Housing and Urban Development shall establish
3 criteria for selecting applicants for grants under this sec-
4 tion to receive such grants and shall select applicants
5 based upon such criteria.

6 (d) FUNDING.—Of any amounts made available in
7 fiscal year 2009 or any fiscal year thereafter to the De-
8 partment of Housing and Urban Development for salaries
9 and expenses, \$1,000,000 shall be available, and shall re-
10 main available until expended, for grants under this sec-
11 tion.

12 **SEC. 8. ANNUAL REPORT ON HOUSING ASSISTANCE TO VET-**
13 **ERANS.**

14 (a) IN GENERAL.—Not later than December 31 each
15 year, the Secretary of Housing and Urban Development
16 shall submit a report on the activities of the Department
17 of Housing and Urban Development relating to veterans
18 during such year to the following:

19 (1) The Committee on Banking, Housing, and
20 Urban Affairs of the Senate.

21 (2) The Committee on Veterans' Affairs of the
22 Senate.

23 (3) The Committee on Appropriations of the
24 Senate.

1 (4) The Committee on Financial Services of the
2 House of Representatives.

3 (5) The Committee on Veterans' Affairs of the
4 House of Representatives.

5 (6) The Committee on Appropriations of the
6 House of Representatives.

7 (7) The Secretary of Veterans Affairs.

8 (b) CONTENTS.—Each report required under sub-
9 section (a) shall include the following information with re-
10 spect to the year for which the report is submitted:

11 (1) The number of very low-income veteran
12 families provided assistance under the program of
13 supportive housing for very low-income veteran fami-
14 lies under section 3, the socioeconomic characteris-
15 tics of such families, the types of assistance provided
16 such families, and the number, types, and locations
17 of owners of housing assisted under such section.

18 (2) The number of homeless veterans provided
19 assistance under the program of housing choice
20 vouchers for homeless veterans under section
21 8(o)(19) of the United States Housing Act of 1937
22 (42 U.S.C. 1437f(o)(19)) (as amended by section 4),
23 the socioeconomic characteristics of such homeless
24 veterans, and the number, types, and locations of en-

1 tities contracted under such section to administer
2 the vouchers.

3 (3) A summary description of the special con-
4 siderations made for veterans under public housing
5 agency plans submitted pursuant to section 5A of
6 the United States Housing Act of 1937 (42 U.S.C.
7 1437c–1) and under comprehensive housing afford-
8 ability strategies submitted pursuant to section 105
9 of the Cranston-Gonzalez National Affordable Hous-
10 ing Act (42 U.S.C. 12705).

11 (4) A description of the technical assistance
12 provided to organizations pursuant to grants under
13 section 7.

14 (5) A description of the activities of the Special
15 Assistant for Veterans Affairs.

16 (6) A description of the efforts of the Depart-
17 ment of Housing and Urban Development to coordi-
18 nate the delivery of housing and services to veterans
19 with other Federal departments and agencies, in-
20 cluding the Department of Defense, Department of
21 Justice, Department of Labor, Department of
22 Health and Human Services, Department of Vet-
23 erans Affairs, Interagency Council on Homelessness,
24 and the Social Security Administration.

1 (7) The cost to the Department of Housing and
2 Urban Development of administering the programs
3 and activities relating to veterans.

4 (8) Any other information that the Secretary
5 considers relevant in assessing the programs and ac-
6 tivities of the Department of Housing and Urban
7 Development relating to veterans.

8 (c) ASSESSMENT OF HOUSING NEEDS OF VERY LOW-
9 INCOME VETERAN FAMILIES.—

10 (1) IN GENERAL.—For the first report sub-
11 mitted pursuant to subsection (a) and every fifth re-
12 port thereafter, the Secretary of Housing and Urban
13 Development shall—

14 (A) conduct an assessment of the housing
15 needs of very low-income veteran families (as
16 such term is defined in section 3); and

17 (B) shall include in each such report find-
18 ings regarding such assessment.

19 (2) CONTENT.—Each assessment under this
20 subsection shall include—

21 (A) conducting a survey of, and direct
22 interviews with, a representative sample of very
23 low-income veteran families (as such term is de-
24 fined in section 3) to determine past and cur-
25 rent—

1 (i) socioeconomic characteristics of
2 such veteran families;

3 (ii) barriers to such veteran families
4 obtaining safe, quality, and affordable
5 housing;

6 (iii) levels of homelessness among
7 such veteran families; and

8 (iv) levels and circumstances of, and
9 barriers to, receipt by such veteran families
10 of rental housing and homeownership as-
11 sistance; and

12 (B) such other information that the Sec-
13 retary determines, in consultation with the Sec-
14 retary of Veterans Affairs and national non-
15 governmental organizations concerned with vet-
16 erans, homelessness, and very low-income hous-
17 ing, may be useful to the assessment.

18 (3) CONDUCT.—If the Secretary contracts with
19 an entity other than the Department of Housing and
20 Urban Development to conduct the assessment
21 under this subsection, such entity shall be a non-
22 governmental organization determined by the Sec-
23 retary to have appropriate expertise in quantitative
24 and qualitative social science research.

1 (4) FUNDING.—Of any amounts made available
2 pursuant to section 501 of the Housing and Urban
3 Development Act of 1970 (42 U.S.C. 1701z–1) for
4 programs of research, studies, testing, or demonstra-
5 tion relating to the mission or programs of the De-
6 partment of Housing and Urban Development for
7 any fiscal year in which an assessment under this
8 subsection is required pursuant to paragraph (1) of
9 this subsection, \$1,000,000 shall be available until
10 expended for costs of the assessment under this sub-
11 section.

Passed the House of Representatives June 16, 2009.

Attest:

Clerk.

11TH CONGRESS
1ST Session

H. R. 403

AN ACT

To provide housing assistance for very low-income
veterans.